

## FOUR PER CENT DECLINE IN CATTLE KILL CONFIRMED FOR 2011

2011 was a remarkable year for deadweight cattle prices. In Northern Ireland, prime cattle prices were generally 14 per cent higher than 2010 levels throughout 2011 and to a large extent the strong prices were driven by the tight supply situation throughout Ireland.

Table 1 adjacent shows how the cattle kill in Northern Ireland was significantly lower in 2011 compared to 2010 levels. Over the course of the year the total prime cattle kill was six per cent lower than 2010 levels. However, with a 14 per cent increase in the cull cow kill, the impact on throughput at the factories in 2011 was softened to a certain extent with the overall kill down by four per cent.

2011 was bookended by a very large cattle kill in both January and December. Last January, the kill was significantly higher than previous year levels, while in December the general trend of tight availability throughout 2011 was broken with a four per cent increase in the prime cattle kill (a reflection of the big freeze in December 2010). With heavier carcass weights also, overall prime beef production was six per cent higher than December 2010 levels. With the cow kill up by 24 per cent year-on-year, the overall kill was up by seven per cent in December.

The stronger kill in December meant that the overall decline in slaughterings in 2011 was not just as steep as it may have been otherwise. By the end of 2011, the steer kill was down by two per cent compared to 2010 levels. However, the young bull / calf kill was down by 17 per cent on 2010 levels, meaning that the overall male prime cattle kill was down by seven per cent. This reflected the reduced number of cattle on the ground over the course of

last year. The mature bull kill was down (-34%) sharply also. It is important to note that this does not represent a liquidation of the breeding bull kill and rather is a reflection of the reduced number of male beef cattle being kept entire and fed beyond 24 months (the age at which a young bull is deemed to become a mature bull).

The five per cent decline in the heifer kill also reflected this lower number of cattle on the ground. The reduced heifer kill also corresponded with increased retentions of heifers in 2011 for breeding. This would have reduced the number available for slaughter.

With more heifers retained for breeding and strong cull cow prices, there was a significant 14 per cent increase in the number of cows slaughtered in 2011 compared to 2010. This was driven mainly by an increase in the beef cow kill.

### Lamb kill down by 13 per cent

In 2011, the lamb kill was significantly lower than 2010 levels. By the end of September, the kill for the year to date was running at 25 per cent lower than 2010 levels. However, with a substantial uplift in the kill in the final quarter, the overall kill for 2011 was just 13 per cent lower than 2010 levels.

In December the NI lamb kill was 50 per cent (10,000 head) higher than 2010 levels. This is a substantial increase and reflects a trend which was ongoing throughout the entirety of the final quarter of 2011. It does not appear that this increase has been at the expense of exports to ROI and it remains to be seen whether throughput in early 2012 will be tighter as a result of this increased kill in late 2011.

TABLE 1. NI CATTLE AND SHEEP SLAUGHTERINGS - FOODCHAIN

	December			Year to Date		
	(5 weeks ended 31/12/11)			(52 weeks ended 31/12/11)		
	2010	2011	Change	Jan - Dec 10	Jan - Dec 11	Change
<b>CATTLE</b>						
Steers	13,677	14,837	+8%	167,245	163,307	-2%
Heifers	11,251	12,244	+9%	132,069	125,077	-5%
Young Bulls / Calves	6,514	5,637	-13%	78,613	65,065	-17%
<b>Total Prime Cattle</b>	<b>31,442</b>	<b>32,718</b>	<b>+4%</b>	<b>377,927</b>	<b>353,449</b>	<b>-6%</b>
Cows	7,147	8,846	+24%	78,747	89,998	+14%
Mature Bulls	974	603	-38%	12,567	8,269	-34%
<b>Total Cattle</b>	<b>39,563</b>	<b>42,167</b>	<b>+7%</b>	<b>469,241</b>	<b>451,716</b>	<b>-4%</b>
<b>SHEEP</b>						
Lambs & Hoggets	20,487	30,270	+48%	303,539	262,906	-13%
Ewes & Rams	3,875	3,334	-14%	57,723	38,495	-33%
<b>Total Sheep</b>	<b>24,362</b>	<b>33,604</b>	<b>+38%</b>	<b>361,262</b>	<b>301,401</b>	<b>-17%</b>

The above figures are provisional - Source: DARD

TABLE 2. NI BEEF AND SHEEPMEAT PRODUCTION - FOODCHAIN (Tonnes)

	December			Year to Date		
	(5 weeks ended 31/12/11)			(52 weeks ended 31/12/11)		
	2010	2011	Change	Jan - Dec 10	Jan - Dec 11	Change
<b>BEEF</b>						
Steers	4,831	5,288	+9%	58,287	57,463	-1%
Heifers	3,528	3,869	+10%	40,721	38,971	-4%
Young Bulls / Calves	2,138	1,936	-9%	25,524	21,260	-17%
<b>Total Prime Beef</b>	<b>10,497</b>	<b>11,093</b>	<b>+6%</b>	<b>124,532</b>	<b>117,694</b>	<b>-5%</b>
Cows	2,174	2,642	+22%	24,037	27,323	+14%
Mature Bulls	364	253	-31%	4,835	3,291	-32%
<b>Total Beef</b>	<b>13,035</b>	<b>13,988</b>	<b>+7%</b>	<b>153,405</b>	<b>148,309</b>	<b>-3%</b>
<b>SHEEPMEAT</b>						
Lambs & Hoggets	448	672	+50%	6,544	5,710	-13%
Ewes & Rams	112	93	-17%	1,670	1,129	-32%
<b>Total Sheepmeat</b>	<b>560</b>	<b>765</b>	<b>+37%</b>	<b>8,214</b>	<b>6,839</b>	<b>-17%</b>

The above figures are provisional - Source: DARD.

# Information about LMC publications

LAST autumn, LMC commissioned independent research into its market information services which yielded very useful findings. These findings have prompted LMC to make some important changes to its market information reports around the turn of the year. New arrangements are now in place for the publication of the LMC Bulletin and a pilot edition of a new publication, LMC Quarterly was posted / emailed to stakeholders in December.

## LMC Bulletin

The findings of the research commissioned by LMC in the autumn were very definite in the respect that Farming Life was identified as the most effective distribution channel for the Bulletin. As a result, LMC and Farming Life have arrived at an arrangement whereby the Bulletin will be published in this agricultural paper every Saturday from this week onwards. LMC will continue to publish the Bulletin on the LMC website and it can be sent by email on request. A short market information update with details of quotes and

reported prices will also be provided to the mid-week farming press.

The findings about the content of the Bulletin were positive and very encouraging. However, there is always room for improvement and over the course of the next quarter we will introduce some new features into the Bulletin in response to suggestions made in the research.

## LMC Quarterly

The research clearly showed that a large majority of respondents would welcome a quarterly publication posted to their homes to complement the weekly Bulletin. As a result, LMC published a pilot edition of LMC Quarterly in December and sent it to FQAS members, plus anyone else who expressed an interest. Among other content, the pilot edition of LMC Quarterly included comprehensive analysis of the new classification system and pricing grids. If you haven't received LMC Quarterly and you would like us to post you a copy, please contact LMC on 028 9263 3000.

# Feed costs ease relative to 2010

EARLY last year, while cattle prices were rising sharply, producers remained edgy and apprehensive due to the pressure being put on margins by rising feed costs. This was a feature of the business that had been an ongoing issue over recent years and these developments had forced some producers to reappraise their production systems. Very high barley prices (see Figure 1) had a significant impact on producers feeding young bulls for example, and this may have been one factor that led to reduced numbers of male beef cattle being kept entire for intensive feeding in 2011. Figures 1 and 2 adjacent show how feed costs have been easing back in the second half of 2011, relative to previous year levels and this may help to deliver an improvement in margins. While it is worth noting that fuel and fertiliser costs remain an issue and that feed costs remain historically high, recent forecasts suggest that feed costs may ease back in 2012 and this would be encouraging for producers.

Figure 1. Barley Delivered Price 2011 v 2010

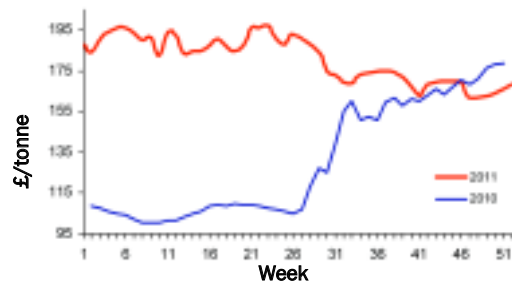
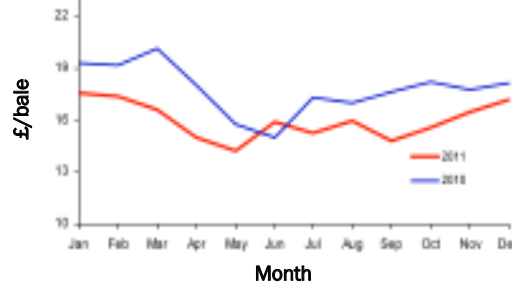


Figure 2. Silage Price 2011 v 2010



## FQAS Helpline

If you have had a recent inspection and need help and advice to rectify any non-conformances, contact the

FQAS helpline:  
028 9263 3024

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Tel: 028 9263 3000

## CATTLE TRADE

### CATTLE QUOTES

(P/KG DW)	This Week 04/01/11	Next Week 09/01/11
U-3	320 - 326p	320 - 322p
R-3	314 - 320p	314 - 316p
O+3	308 - 314p	308 - 310p
Cows	260 - 280p	260 - 275p

\* Plus 8p/kg in-spec bonus where applicable.

### LAST WEEK'S CATTLE PRICES (NI)

W/E 31/12/11	Steers	Heifers	Young Bulls	Cows
U-3=	328.7	334.9	321.0	
U=3=	327.9	337.6	321.9	
U=4=	324.5	328.6	316.0	322.0
R=3=	328.8	330.7	317.8	287.0
R=4=	322.7	325.4	312.0	288.5
O=3=	317.2	312.5	302.4	270.0
O+3=	321.6	324.7	308.1	282.7
O+4=	319.4	322.9		279.0
P+2=	289.4	290.9	298.2	253.9
P+3=	297.4	-	290.0	251.7
Average	322.7	324.9	312.6	255.5

Note: The table above shows prices for selected grades from the 15-point scale. The table below merges grades down to the 5-point scale for comparison with GB regions and ROI.

### LAST WEEK'S CATTLE PRICES (UK / ROI)

W/E 31/12/11	Scotland	Northern England	Midlands & Wales	Southern England	Northern Ireland	Rep of Ireland
Steers						
U3	351.7	346.7	346.1	344.0	329.5	339.7
R3	346.2	338.5	335.2	329.0	328.5	330.8
R4	349.0	345.1	335.2	330.3	324.6	330.9
O3	335.0	318.7	313.0	311.6	317.1	318.6
Average	346.8	335.9	331.2	320.6	322.7	-
Heifers						
U3	353.0	347.9	347.3	337.7	336.0	349.0
R3	345.3	337.9	333.7	324.6	331.0	340.0
R4	346.1	340.0	338.1	327.1	325.8	338.9
O3	320.6	319.2	315.0	301.1	317.5	323.8
Average	345.0	338.2	332.8	317.9	324.9	-
Young Bulls						
U3	336.4	329.9	329.8	336.6	322.0	335.4
R3	332.2	323.7	318.6	311.1	317.6	331.6
O3	309.2	304.2	303.4	310.1	305.5	321.0
Average	319.3	320.8	304.0	316.6	312.6	-
Prime Cattle Price Reported	5,024	4,041	3,573	1,754	5,188	-
Cows						
O3	266.7	266.4	279.2	269.8	275.5	280.5
O4	275.9	267.4	286.3	261.6	275.5	280.1
P2	206.6	224.3	232.4	218.7	238.1	258.2
P3	-	245.0	261.4	248.4	256.7	273.0

Notes:

(i) Prices are p/kg Sterling-ROI prices converted at 1 euro=83.48p Stg.

(ii) Shading indicates a lower price than the previous week.

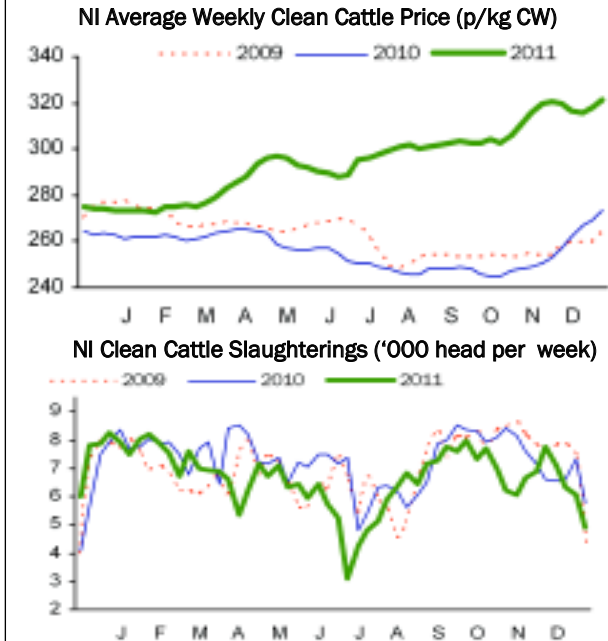
## Deadweight Cattle Trade

**F**OLLOWING price increases over the Christmas / New Year period, factories had been quoting 320-326p/kg for U-3 grade prime cattle during the week. Amid reports of tight supply, several factories had been quoting 322-324p/kg, while one was quoting 324-326p/kg. Several other plants had been sticking to their pre-Christmas quotes of 320-322p/kg.

While there had been some expectation of the trade strengthening into next week, factories are currently quoting lower prices for Monday. On Friday factories were quoting 320-322p/kg for Monday with one other plant not prepared to provide a quote. Factories are citing slack demand and with supplies tight some plants are only killing three days next week. It remains to be seen whether plants will be able to secure supply at these lower prices.

The latest reported prices showed that the trade was strong over the Christmas period. Last week's U3 steer prices were 2p/kg higher than the previous week at 330p/kg, with U3 heifer prices up 4p/kg at 336p/kg. Cow prices were also up sharply last week, with O3 cows attracting 275.5p/kg on average.

Reports from Scotland suggest that demand is an issue there also, but tight supplies mean that prices there should remain steady next week. However, last week in Scotland, U3 prices were back by 1-2p/kg. In Southern England however, prices increased sharply last week, with prices also rising in ROI by 6-8c/kg for steers and heifers.



More detailed information on prices and explanations of these tables and charts are available from the LMC  
 Technical Department:  
 Call 028 9263 3000.

### LATEST NI BEEF MARTS

Finished Cattle (£/100kg LW)		Store Cattle (£/100kg LW)		Dropped Calves (£/head)				
	from	to	from	to				
<b>Steers</b>			<b>Store bullocks up to 400kg</b>		<b>Continental bull calves</b>			
1st quality	181	207	1st quality	180	209			
2nd quality	160	180	2nd quality	150	178			
Friesians	-	-			1st quality	315	390	
			<b>Store bullocks 400kg-500kg</b>		2nd quality	240	310	
<b>Heifers</b>			1st quality	180	200	<b>Continental heifer calves</b>		
1st quality	180	201	2nd quality	155	179	1st quality	250	290
2nd quality	157	179				2nd quality	150	245
<b>Beef Cows</b>			<b>Store bullocks over 500kg</b>			<b>Friesian bull calves</b>		
1st quality	138	180	1st quality	170	190	1st quality	100	158
2nd quality	114	137	2nd quality	150	169	2nd quality	40	95
<b>Dairy Cows</b>			<b>Store heifers up to 450kg</b>			<b>Holstein Bull Calves</b>		
1st quality	113	138	1st quality	180	220		25	158
2nd quality	93	112	2nd quality	155	179			

Taken from a sample of beef marts in the week ended 24/12/11

## Deadweight Sheep Trade

THE deadweight hogget trade was reasonably steady this week with quotes of 415-420p/kg. We expect quotes to be similar next week. Last week's reported prices showed an improving trade in both GB and NI. NI lamb prices were up by 7p/kg in the last week of December with GB prices rising by a similar margin. Lamb supplies were firm in the last few weeks of December relative to the same period in 2010, meanwhile live exports to ROI have also been higher than 2010 levels in late December.

### SHEEP QUOTES

(P/KG DW)	Last Week 04/01/11	This Week 09/01/11
Hoggets	415 - 420p*	415 - 420p*

\* All plants paying up to 22kgs for FQAS lambs.

### REPORTED LAMB PRICES

(P/KG)	W/E 17/12/2011	W/E 24/12/2011	W/E 31/12/2011
NI Liveweight	369.0p	371.1p	381.9p
NI Deadweight	413.7p	407.4p	414.7p
GB Deadweight	386.9p	452.1p	458.2p

### LATEST SHEEP MARTS

		Hoggets (P/KG LW)			
From: 03/01/2012 To: 04/01/2012		No.	From	To	Average
Tuesday	Saintfield	727	365	427	378
	Armoyle	386	370	408	378
Wednesday	Ballymena	1322	360	422	372
	Enniskillen	598	380	405	388
	Newtownstewart	134	350	368	360
	Markethill	500	360	404	380

### This week's marts

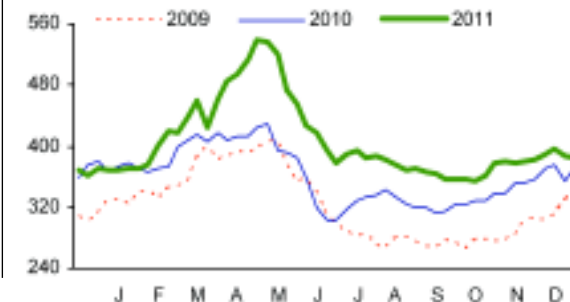
AT the marts this week, average prices were in the general range of 370-380p/kg. In Saintfield, the average price of 378p/kg was back 7p/kg compared to the sale on 20th December, while in Armoyle prices were back to a similar degree. However, the trade in Ballymena was slightly improved (4p/kg) on pre-Christmas levels, while the trade in Markethill was more-or-less unchanged. Ewes generally sold to a top of £90 this week with top prices of £110 in Enniskillen and £108 in Newtownstewart.

## SHEEP TRADE

### NI Lamb / Hogget Slaughterings ('000 head per week)



### NI Average Weekly Sheep Price (p/kg CW)



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