

CATTLE KILL REMAINED SUBDUED IN MAY.....

.....SHEEP KILL CONTINUES TO RECOVER

In the first five months of 2012, throughput of cattle at the NI meat plants remained significantly lower than 2011 levels. However, it does appear that the prime cattle kill stabilised somewhat in May, with the sheep kill significantly higher than previous year levels.

In the first quarter of the year the NI beef kill had dropped sharply relative to the same period in 2011. This was expected. In the first quarter of 2011 the NI beef kill was boosted by a sharp increase in the young bull kill and after that the kill fell off sharply. In the first quarter of 2012, the NI industry remained in that cycle of tight supply and numbers were extremely low year-on-year.

This May the prime cattle kill remained slightly lower than May 2011 levels with a decline of about three per cent. This was driven by a sharp decline in the heifer (-1,300 head) and young bull (-1,100 head) kill.

However, there are signs that the beef kill is starting to stabilise. The steer kill is now 10 per cent higher than May 2011 levels. This represents an increase of about 1,400 head on the same period last year. The overall decline in kill was just one per cent when cows and mature bulls were taken into account. This certainly represents stability relative to the figures for the first five months of the year when the overall cattle kill was down by nine per cent.

It is worth noting that the three per cent decline in the prime cattle kill in the last five months led to no discernable change in beef production from prime cattle. Increased average slaughter

weights for prime cattle, due to more steers and heavier stock in the slaughter mix meant that beef production held up relative to last year.

There has been much consternation about the developments in the sheep market in recent months with sharp declines in the spring lamb price early in the season. Reasons for the decline in price have included increased lamb supplies across the island of Ireland, coupled with reduced interest from southern buyers in NI lamb.

These factors come through strongly in the slaughter figures since the start of the year. The lamb / hogget kill was up by 30 per cent in the first five months of 2012. This represents an increase of 23,000 head in lamb throughput at the NI factories.

In May alone, the lamb kill was up by almost 8,000 head year-on-year. This is an increase of almost 40 per cent year-on-year and this indicates that there has been an acceleration in the rate of increase during May.

Another feature of the hogget trade over the course of spring 2012 has been complaints about hoggets being put into heavier weights which are out of spec. Table 2 shows that this has had the impact of driving up the volume of sheepmeat produced in May. Whereas the number of lambs / hoggets slaughtered increased by 39 per cent, the volume of meat produced from lambs and hoggets was up by 44 per cent. This indicates that heavier weights led to more lamb and hogget meat coming onto the market.

TABLE 2. NI CATTLE AND SHEEP SLAUGHTERINGS FOR THE FOODCHAIN

	May			Year to Date		
	(5 weeks ended 02/06/12)			(22 weeks ended 02/06/12)		
	May 2011	May 2012	% Change	2011	2012	% Change
CATTLE						
Steers	14,241	15,624	+10%	68,713	65,129	-5%
Heifers	12,186	10,852	-11%	60,122	51,954	-14%
Young Bulls / Calves	7,446	6,320	-15%	30,954	25,988	-16%
Total Prime Cattle	33,873	32,796	-3%	159,789	143,071	-10%
Cows	7,176	7,958	+11%	32,875	32,890	+0%
Mature Bulls	852	684	-20%	4,140	2,448	-41%
Total Cattle	41,901	41,438	-1%	196,804	178,409	-9%
SHEEP						
Lambs & Hoggets	19,866	27,643	+39%	76,222	99,253	+30%
Ewes & Rams	3,486	3,416	-2%	13,923	14,802	+6%
Total Sheep	23,352	31,059	+33%	90,145	114,055	+27%

The above figures are provisional. Source DARD.

TABLE 2. NI BEEF AND SHEEPMEAT PRODUCTION

	May			Year to Date		
	(5 weeks ended 02/06/12)			(22 weeks ended 02/06/12)		
	May 2011	May 2012	% Change	2011	2012	% Change
BEEF						
Steers	4,951	5,592	+13%	24,007	23,354	-3%
Heifers	3,800	3,414	-10%	18,780	16,335	-13%
Young Bulls / Calves	2,438	2,130	-13%	10,095	8,870	-12%
Total Prime Beef	11,189	11,135	-0%	52,883	48,559	-8%
Cows	2,235	2,372	+6%	10,107	9,879	-2%
Mature Bulls	334	282	-15%	1,589	1,010	-36%
Total Beef	13,758	13,790	+0%	64,580	59,449	-8%
SHEEPMEAT						
Lambs & Hoggets	421	608	+44%	1,657	2,215	+34%
Ewes & Rams	109	103	-5%	423	435	+3%
Total Sheepmeat	530	711	+34%	2,080	2,650	+27%

The above figures are provisional. Source DARD.

World Food Price Index Eases Back

THE FAO Food Price Index, measuring the monthly change in international prices of a basket of food commodities, fell by four percent in May. It averaged 204 points and was 9 points down from April. This was the lowest level since September 2011 and about 14 percent below its peak in February 2011.

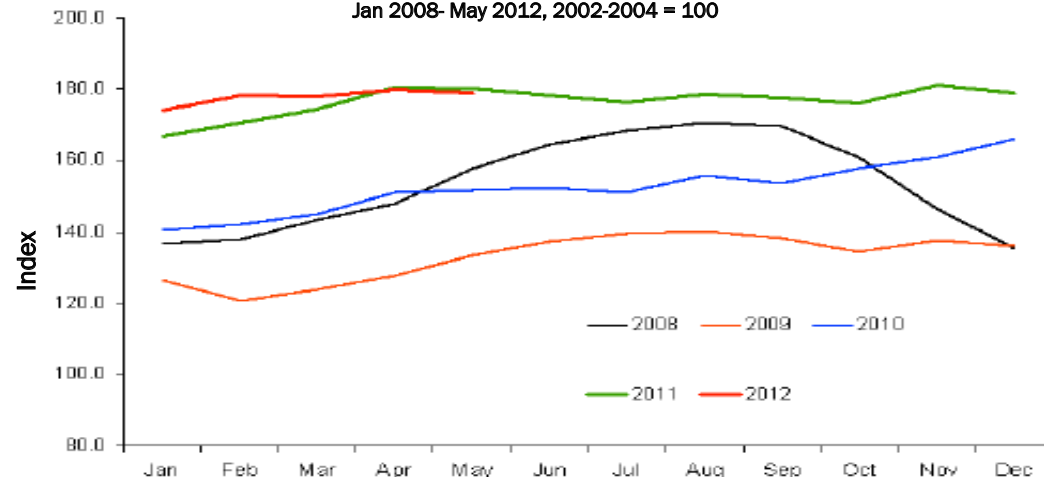
FAO raised the forecast for world cereal production by 48.5 million tonnes since May. FAO's latest forecast for world cereal production in 2012 stands at a record level of 2 419 million tonnes, 3.2 percent up from the 2011 record. The bulk of the increase is expected to originate mainly from maize in the United States. However, with planting still to be completed and much of the crop at very early stages of development, the final outcome will depend greatly on weather conditions in the coming months. The global cereal utilization is forecast to expand by at least two percent in 2012/13, to 2,376 million tonnes, with feed utilization growing by 3.8 percent, while food consumption is expected to increase by just over one percent, keeping pace with world population growth.

At the current forecast level, world cereal production would exceed anticipated utilization in 2012/13 and lead to significant replenishment of global stocks.

The FAO Meat Price Index averaged 179 points in May, about 1 point below its April value. The prices of the various meats followed different directions, falling in the case of pigmeat, rising for poultry meat and stable for bovine and ovine meats.

Figure 1 illustrates how on average, meat prices in the first five months of this year were two percent higher than in the corresponding period last year, with bovine meat advancing the most. Prices remain significantly higher than 2010 levels.

Figure 1. FAO Monthly Global Meat Price Index
Jan 2008- May 2012, 2002-2004 = 100



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CATTLE TRADE

CATTLE QUOTES		
(P/KG DW)	This Week 04/06/12	Next Week 11/06/12
U-3	320 - 326p	324 - 326p
R-3	314 - 320p	318 - 320p
O+3	308 - 314p	312 - 314p
Cows	280 - 290p	280 - 290p

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

LAST WEEK'S NI CATTLE PRICES - P/KG				
W/E	Steers	Heifers	Young Bulls	Cows
02/06/12				
U-3=	333.1	339.3	322.4	303.0
U=3=	330.8	341.3	328.3	302.0
U=4=	325.1	333.6	-	-
R=3=	330.7	333.4	323.4	300.6
R=4=	323.0	332.2	314.4	297.6
O=3=	318.2	310.4	305.8	282.3
O+3=	324.0	323.6	312.0	289.5
O+4=	320.1	320.6	306.0	295.5
P+2=	298.2	-	294.0	265.5
P+3=	297.9	292.9	300.5	267.5
Average	323.8	326.9	311.8	266.6

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	Scotland	Northern England	Midlands & Wales	Southern England	Northern Ireland	Rep of Ireland
02/06/12						
U3	357.8	347.7	346.7	341.7	332.2	330.3
R3	352	338.7	334.6	329.3	330.6	322.9
Steers	R4	353.8	342.7	335.1	327.1	325.2
	O3	339.8	333	316	308.6	318.3
	Average	352.5	337.7	329.7	315.3	323.8
	U3	360.2	347.3	347.7	342.7	339.1
	R3	350.5	336.6	336.7	328.2	334.9
Heifers	R4	352.6	337.7	336.1	328.1	331.3
	O3	334.4	323.5	319.4	316.4	320
	Average	351.7	332.5	333.1	319.3	326.9
	U3	347.7	334.5	337.3	339.6	325.1
Young	R3	341.4	324.9	325.9	325.3	320.6
Bulls	O3	322.2	311.1	308	314.2	305.7
	Average	337.9	318.7	321.7	317.5	311.8
Prime Cattle						
Price Reported	7093	6633	5435	4462	4861	-
	O3	290.1	287.6	278.8	263.1	283.8
	O4	293.6	282.6	279.2	268.4	288.6
Cows	P2	226.3	224.7	223	214.1	251.7
	P3	244.8	265.9	257.3	236.6	266.4

Notes:

(i) Prices are p/kg Sterling-ROI prices converted at 1 euro=80.04p Stg.

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

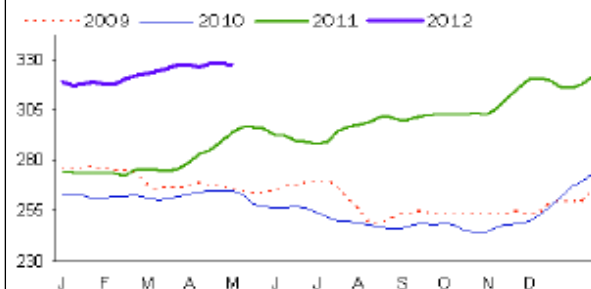
Deadweight Cattle Trade

THIS week the factories were quoting 322-326p/kg for U-3 grade prime cattle. These quotes were similar to previous weeks, but there were reports of upward pressure on price due to a tightening in supplies. For Monday several factories have increased quotes by 2p/kg and quotes of 324-326p/kg are expected. However, it is possible that stronger prices are available in some plants, particularly for heifers.

Reported prices from last week show that the trade firmed with average steer prices up by 1p/kg. Average heifer prices were about 2.5p/kg higher and cow prices were up by nearly 6p/kg on average. The average young bull price was down slightly. Last week, just under 7,900 head were slaughtered in NI in total. This was seven per cent lower than the previous week when almost 8,500 head were slaughtered. The factories continued to import about 550 head from ROI for direct slaughter with about one lorry load imported from GB. Meanwhile only 78 head were exported to GB for direct slaughter last week from NI, down from earlier in May when over 150 head were exported in some weeks. Numbers exported to ROI were also well down last week with only 120 going south. In May as a whole an average of 200 per week were exported to ROI for direct slaughter.

Last week, ROI prices edged up again in euro terms, but with a weaker currency ROI exports into GB will be cheaper. Prices were generally stable across GB with slight increases in the average steer and heifer prices in Scotland.

NI Average Weekly Clean Cattle Price (p/kg CW)



NI Clean Cattle Slaughterings ('000 head per week)



More detailed information on prices and explanations of these tables and charts are available from the LMC

Technical Department:

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LATEST NI BEEF MARTS

Finished Cattle (£/100kg LW)		Store Cattle (£/100kg LW)		Dropped Calves (£/head)				
	from	to		from	to			
Steers			Store bullocks up to 400kg		Continental bull calves			
1st quality	192	215	1st quality	180	197			
2nd quality	170	191	2nd quality	162	179			
Friesians	135	160			1st quality	270	370	
			Store bullocks 400kg-500kg		2nd quality	180	268	
Heifers			1st quality	185	223	Continental heifer calves		
1st quality	188	214	2nd quality	152	184	1st quality	240	340
2nd quality	164	187				2nd quality	150	235
Beef Cows			Store bullocks over 500kg			Friesian bull calves		
1st quality	164	206	1st quality	182	205			
2nd quality	130	163	2nd quality	155	180			
Dairy Cows			Store heifers up to 450kg			1st quality	120	200
			1st quality	175	203	2nd quality	80	118
1st quality	124	146	2nd quality	151	174			
2nd quality	96	123	Store heifers over 450kg					
			1st quality	180	205			
			2nd quality	150	179			

Taken from a sample of beef marts in the week ended 01/06/12

Deadweight Sheep Trade

OPTIMISM appears to be returning to the sheep trade after about two months in the doldrums. Factories had been quoting 350p/kg for sheep last week, but in the middle of this week quotes were raised to 360p/kg and subsequently 370p/kg towards the end of the week. Factories are not quoting for Monday but further increases in quotes are not being ruled out. This comes despite the fact that the NI sheep kill reached almost 8,000 head last week, its highest level since December and significantly more than in the same period last year.

SHEEP QUOTES

(P/KG DW)	This Week 04/06/12	Next Week 11/06/12
Spring Lambs	355 - 360p	NO QUOTE

Lambs up to 21kgs.

REPORTED COMBINED LAMB/HOGGET PRICES - P/KG

(P/KG)	W/E 19/05/12	W/E 26/05/12	W/E 02/06/12
NI Liveweight	354.9p*	312.5p*	320.2p*
NI Deadweight	376.0p	345.9p	340.5p*
GB Deadweight	438.2p	441.0p*	400.5p*

*Lambs only

LATEST SHEEP MARTS

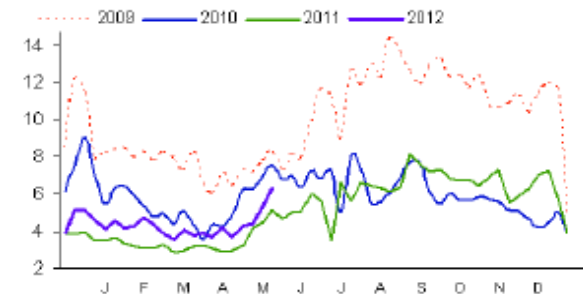
From: 02/06/2012 To: 08/06/2012		Spring Lambs (P/KG LW)			
		No.	From	To	Average
Tuesday	Saintfield	444	345	369	355
	Rathfriland	359	335	368	358
	Armoys	184	320	356	341
Wednesday	Ballymena	701	330	395	340
	Enniskillen	378	321	355	335
	Markethill	650	350	381	362
	Newtownstewart	204	311	352	331
Thursday	Downpatrick	250	305	360	345

This week's marts

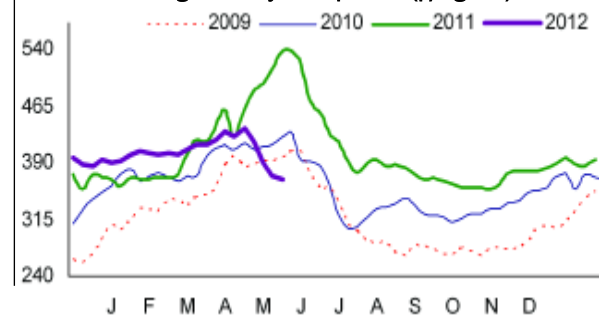
THIS week the live trade has continued to improve with reports of renewed interest from southern buyers in the NI sheep marts. Average prices over the course of the week generally ranged between 340 - 360p/kg. Only a fortnight ago quotes average prices of 300-310p/kg were being reported. In Markethill on Wednesday evening an average price of 362p/kg was reported, up from 325p/kg last week. Ballymena reported an average price of 340p/kg, up from 316p/kg last week. Ballymena also reported a sale of 57 ewes to a top of £100.

SHEEP TRADE

NI Lamb / Hogget Slaughtering ('000 head per week)



NI Average Weekly Sheep Price (p/kg CW)



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