LMC BULLETIN

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SIGNS OF GROWTH IN LOCAL SUCKLER HERD

AS discussed previously in this Bulletin the number of heifers being slaughtered in Northern Ireland has experienced a noticeable decline over the last year to eighteen months and this trend has had a large role to play in the fall of the prime kill figures for the year to date. For the year to June, prime cattle slaughterings were 163,198 head, this is 18,769 head behind the same period last year when 181,967 prime cattle were slaughtered. This represents a 10.3 per cent decline in the total prime kill. For the first six months of 2012 the heifer kill was 59,292 head, 9,288 head behind the same period last year. This represents a decline in the heifer kill of 13.5 per cent with heifers now accounting for 36.3 per cent of the total prime kill for the year to date. In the same period in 2011 heifers accounted for 37.7 per cent of the prime kill.

Increasing calf registrations

This decline in the heifer kill has coincided with a continuing recovery of NI suckler cow numbers, as highlighted in the results of DARD's December 2011 Agricultural Survey. The total number of suckler cows on farm in December 2011 was 268,700, a 3.0 per cent increase on the previous December. When we look at calf registrations for the first six months of 2012 they have shown a 3.7 per cent increase on the same period in 2011. Over this period there has been a 2.6 per cent increase in the number of beef-sired calves registered in NI, increasing by 5,555 head on 2011 as outlined in Table 1. The increasing number of suckler cows will have played a role in this increase but it is important that we also consider the role of the dairy herd in supplying beef-sired calves. The increase in beef sired calves cannot be attributed completely to an increase in the suckler herd. The number of dairy cows increased by 1 per cent between December 2010 and December 2011 with dairy sired calf registrations up 5.8 per cent over the first half of 2012 when compared to the same period in 2011.

More heifers retained for breeding

The number of calves produced from the suckler herd can be expected to show a marked increase in the next few years with more beef-sired heifers being retained for breeding. The number of suckler heifers in calf has increased by 9.0 per cent from 51,400 in December 2010 to 56,000 in December 2011. This trend appears to have continued into 2012 with heifer slaughterings further reduced indicating an increase in the number of heifers retained for breeding

Statistics available in the agricultural survey are not subdivided into beef and dairy for heifers that are not in calf but that are intended for breeding. It is worth considering whether the number of both dairy and suckler cows can be expected to increase in future years given that there were 19,300 females over 2 years on farm in December 2011 that were intended for breeding but were not yet in calf, an increase of 3 per cent on 2010. The number of heifers aged 1-2 years intended for breeding but not yet in calf in December 2011 increased to 92,000 head, a 12 percent increase on 2010 figures. The long term effect of these additional heifers on the future size of the overall cattle herd is dependent upon the level of cow culling implemented at farm level and the overall level of confidence in the sector.

24 month calving

The average age of first calving in the NI suckler herd was 31 months in 2011. The number of beef heifers less than two years old that were recorded in calf in the December 2011 Agricultural Survey increased by 15 percent relative to December 2010 figures. This trend is particularly encouraging on the back of the four well-attended farm walks hosted by Agri-Search in the last few weeks. The focus of these walks was to encourage increased levels of efficiency in NI's suckler herds by reducing the first calving age to 24 mths. The walks also focused on the management of heifers to ensure they reached 65 per cent of their mature body weight by 15 months and 90 per cent by 24 months. Research findings from AFBI on heifers calving down at 24 months of age also indicated increased farm incomes.

It is however important that producers considering expanding their suckler herd are selective in the heifers that they retain for breeding if a profitable suckler system is to be achieved. AFBI research looked at the importance of cow type in increasing the viability of the suckler herd. The study concluded that the main focus of a suckler cow system should be to produce one well conformed calf per cow per year at the lowest possible cost.

Sourcing replacements

Traditionally NI's suckler cows would have been predominantly beef x dairy cows but in recent years this has declined due to concerns regarding cow fertility and calf conformation with an increasing level of Holstein genetics in NI's dairy herd. As a result there has been an increase in the level of continental genetics in the suckler cow herd as producers have moved away from dairy cross replacement heifers and towards cows with more continental breeding. Increasingly producers are sourcing heifers from within their own herds and several factors need to be considered when making your selection for replacements. The desired characteristics of a suckler cow should include the ability to calve down at 24 months, calving ease, good fertility, a good temperament and a good milk supply to ensure a high weaning weight. It should be noted that many of these traits are hereditary so if retaining heifers from within your own herd then their dams provide a good benchmark. Ideally heifers retained for breeding should also be sired by bulls with good maternal characteristics.

While using home born replacements is positive from a bio-security perspective there are however potential disadvantages. By selecting bulls with maternal characteristics to get heifers for replacements the quality of the male progeny could potentially be lower than if the cows had been served by a bull with more terminal characteristics. It may therefore make more economic sense to source replacement heifers from outside the herd and calf all cows to a bull with terminal characteristics. AFBI studies have shown that problems with fertility and calf performance are not as apparent in beef x dairy crosses as previously thought (e.g. Limousin x Friesian) (Keady et al 2004). These findings, in conjunction with the growing dairy herd, provide a potential opportunity for a proportion of dairy cows to be calved to a beef sire to supply replacement heifers for the suckler herd.

Table 1: Beef and Dairy Calf Births 2009-2012

Year (Jan-June)	Beef sired	Dairy sired	Total	% change
2009	200,086	86,816	286,902	--
2010	200,051	86,014	286,065	-0.30%
2011	208,191	94,075	302,266	+5.70%
2012	213,746	99,556	313,302	+3.70%

NI BEEF INDUSTRY KEY PERFORMANCE INDICATORS

Table 2: NI Beef Industry Key Performance Indicators (July Snapshot)			
	Jul-11	Jul-12	% Change
Finished Cattle Prices (p/kg)			
Average Prime Cattle Price	292.3	319.9	+9.4%
Average Cow Price	238.4	265.6	+11.4%
Average R3 Steer Price (NI)	302.7	329.6	+8.9%
Average R3 Steer Price (ROI)	307.3	314.5	+2.3%
Average R3 Steer Price (GB)	312.7	346.8	+10.9%
Slaughterings			
Total Clean Slaughterings (Head)	17,731	22,902	+29.2%
Total Cow Slaughterings (Head)	6,065	7,454	+22.9%
Average Clean Carcase Weight (kg)	332	343	+3.1%
Average Cow Carcase Weight (kg)	309	302	-2.4%
Trade (Head)			
Live Imports for Direct Slaughter	1,026	2,834	+176.2%
Live Exports for Direct Slaughter	1,253	1,020	-18.6%
Availability (Head)			
No. Cattle on the Ground*	465,393	461,813	-0.8%
Beef Sired	423,713	422,093	-0.4%
Dairy Sired (Male Only)	41,680	39,720	-4.7%
Calf Births Registrations (Head)			
Calf Births	35,207	36,826	+4.6%
Beef Sired	30,975	32,120	+3.7%
Dairy Sired (Male Only)	4,232	4,706	+11.2%
Euro / Stg Exchange Rate (€ / £)	88.5	78.8	-10.9%
* Aged between 12-30 mths (Beef + Dairy Male Only)			
All NI Figures Unless Otherwise Stated			

WITH base quotes for prime cattle coming under pressure in recent weeks it is perhaps a good opportunity to look at some of the key performance indicators comparing July 2012 and July 2011. In July 2012 the average prime cattle price was 319.9p/kg, up 9.4 per cent on July 2011 when the average price was 292.3p/kg. This increase in the value of Northern Ireland beef can also be observed with an increase in the average cow price of 11.4 per cent year on year to 265.6p/kg (+27.2p/kg).

Table 1 outlines the average R3 steer price in NI, ROI and GB and increases in value can be observed in all regions. While the average R3 steer price in NI has experienced a rise of 26.9p/kg to 329.6p/kg (+8.9 per cent) the average price in mainland GB increased by 34.1p/kg year on year to 346.8p/kg (+10.9 per cent). This represented a differential of 17.2p/kg between NI and GB but due to the variability in cattle prices across the regions in mainland GB the difference is much wider in some regions and narrower in others.

Comparing July 2011 and 2012 there was an increase in prime cattle slaughterings of more than a quarter and an increase in carcase weights by 11kg to 343kg (+3.1 per cent). Cow slaughterings increased by 22.9 per cent year on year while the average carcase weight declined by 7kg to 302kg. A higher than usual cow kill was observed in July 2012. This increase may be due to a higher rate of culling due to the poor weather this year. The decline in cow carcase weight year on year could be a result of the increase in the proportion of dairy origin cows in the slaughter mix in July 2012

Comparing July 2011 and July 2012 imports for direct slaughter have increased by 176.2 per cent to 2,834 head while live exports for direct slaughter showed a declined of 18.6 per cent to 1,020 head. These shifts in the import/export markets of live cattle are heavily influenced by the value of the euro against sterling and comparable prices in ROI. In July 2011 the average exchange rate was €1=£0.885 and in July 2012 the average rate was €1=£0.788. This decrease in value of the euro against sterling makes NI cattle more expensive to purchase for live slaughter and thus the decline in exports for direct slaughter. Meanwhile the weakening euro has meant that importing cattle from ROI for direct slaughter was cheaper in July 2012 and thus the increase in live imports.

As outlined in Table 2 the total number of male cattle on the ground aged 12-30 months has shown a slight decrease of 0.8 per cent year on year. While the number of beef sired animals has remained relatively unchanged the number of dairy sired bulls has declined by 4.7 per cent. Calf registrations have however shown an increase of 4.6 per cent relative to July 2011.

WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

CATTLE QUOTES		
(P/KG DW)	This Week 06/08/12	Next Week 13/08/12
U-3	312 - 316p	314 - 316p
R-3	306 - 310p	308 - 310p
O+3	300 - 304p	302 - 304p
Cows	264 - 285p	264 - 275p

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

LAST WEEK'S NI CATTLE PRICES - P/KG				
W/E 04/08/12	Steers	Heifers	Young Bulls	Cows
U-3=	326.1	325.4	316.2	300.2
U=3=	319.3	326.2	314.0	296.0
U=4=	313.5	334.9	310.0	-
R=3=	321.3	319.8	310.4	289.9
R=4=	317.6	318.1	304.0	290.6
O=3=	308.0	306.4	300.9	270.6
O+3=	316.8	314.0	304.2	281.5
O+4=	311.3	310.7	-	287.4
P+2=	284.9	282.0	289.9	238.8
P+3=	286.2	287.2	284.9	262.6
Average	313.4	314.3	304.4	249.8

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 04/08/12		Scotland	Northern England	Midlands & Wales	Southern England	Northern Ireland	Rep of Ireland
Steers	U3	361.2	354.0	354.0	342.5	324.5	315.8
	R3	355.2	351.5	339.9	330.1	323.4	305.5
	R4	357.3	352.6	342.5	328.7	318.2	305.3
	O3	341.4	336.0	319.5	306.4	307.5	290.8
	Average	354.0	345.6	336.6	307.3	313.4	-
Heifers	U3	359.4	358.5	355.5	338.9	326.8	326.2
	R3	352.3	348.0	338.6	328.9	321.9	316.3
	R4	354.9	345.4	340.5	332.5	318.4	315.2
	O3	332.1	336.5	319.8	311.0	309.3	300.2
	Average	351.7	343.4	338.7	318.9	314.3	-
Young Bulls	U3	350.3	341.3	339.6	332.9	315.7	316.6
	R3	345.9	330.0	327.5	323.3	311.9	308.4
	O3	325.7	314.1	303.7	316.2	299.5	296.2
	Average	338.2	324.7	326.2	313.9	304.4	-
Prime Cattle Price Reported		6082	5807	4222	3840	4264	-
Cows	O3	278.2	273.6	282.5	258.1	272.6	260.4
	O4	286.7	276.8	283.4	260.4	277.5	262.7
	P2	223.2	228.9	233.4	219.8	237.1	236.9
	P3	240.4	256.0	263.7	238.0	261.4	258.1

Notes:
(i)Prices are p/kg Sterling-ROI prices converted at 1 euro=78.58p Stg.
(ii) Shading indicates a lower price than the previous week.

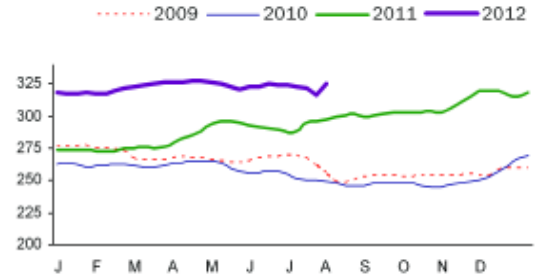
Deadweight Cattle Trade

BASE quotes from the plants this week for U-3 grade prime cattle were 312-316p/kg with one plant continuing to give a base quote of 312p/kg for both steers and heifers. In general 316p/kg is available for heifers while 314p/kg is available for steers. Similar quotes are expected from the plants for early next week with steady supplies of cattle being reported by most plants. The average price paid for all classes of livestock was back in NI last week. Average steer and heifer prices were back 1.8p/kg and 4.3p/kg respectively. The average young bull price dropped back 3.2p/kg to 304.4p/kg while the cow price was back 8p/kg to 249.8p/kg.

A similar trend can be observed in some of the other regions of the UK. In Scotland the average steer price was back 2.3p/kg to 354.0p/kg while the young bull price was back 2.4p/kg to 338.2p/kg. In Southern England the average steer price was back 2.9p/kg to 307.3p/kg while the average heifer price was back 6.4p/kg to 318.9p/kg. In contrast average steer and heifer prices in Northern England and the Midlands showed an improvement on the previous week. In Northern England steer and heifer prices were up 1.1p/kg and 3.2p/kg respectively while in the Midlands they showed increases of 2.1p/kg and 2.5p/kg respectively. The differential in beef prices between NI and mainland GB remains a point of contention for local farm organisations. The average R3 steer price in NI last week was 323.4 p/kg, 6.7p/kg lower than Southern England, 28.1p/kg lower than Northern England and 31.8p/kg lower than Scotland. A similar trend can be observed in the R3 prices paid for heifers and young bulls. In sterling terms prices in NI last week were ahead of prices in ROI for all classes of livestock. Average R3 steer prices last week were 305.5p/kg, down 2.8p/kg on the previous week while average R3 heifer prices were back 1.6p/kg to 316.3p/kg.

NI Clean Cattle Slaughterings ('000 head per week)

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



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		from	to
Steers			Store bullocks up to 400kg			Continental bull calves		
1st quality	186	205	1st quality	190	238			
2nd quality	170	185	2nd quality	170	189	1st quality	280	350
Friesians	139	165				2nd quality	200	278
			Store bullocks 400kg-500kg					
Heifers			1st quality	184	221	Continental heifer calves		
1st quality	193	210	2nd quality	160	183			
2nd quality	170	192				1st quality	250	355
			Store bullocks over 500kg			2nd quality	170	248
Beef Cows			1st quality	180	200			
			2nd quality	160	179	Friesian bull calves		
1st quality	157	184						
2nd quality	120	155	Store heifers up to 450kg			1st quality	120	195
			1st quality	180	204	2nd quality	80	118
Dairy Cows			2nd quality	160	179			
						Holstein Bull Calves		
1st quality	116	141	Store heifers over 450kg				10	165
2nd quality	90	115	1st quality	180	198			
			2nd quality	160	179			

Taken from a sample of beef marts in the week ended 03/08/12

SHEEP TRADE

Deadweight Sheep Trade

THE plants were quoting 365-370p/kg for R3 grading lambs this week, down from 380p/kg available late last week. Quotes of 370p/kg are expected for Monday. Lamb slaughterings in NI last week remained fairly similar to previous weeks and totalled 9,712 head. This is 47 per cent ahead of the same week last year with lamb slaughterings for the year to date running 37 per cent ahead of last year. The NI deadweight price for last week increased by 9.0p/kg on the previous week and is currently 366.6p/kg. The GB deadweight price was back 5.9p/kg last week to 422.3p/kg, reducing the differential between mainland GB and NI to 55.7p/kg. Exports of lambs to GB for direct slaughter totalled 1,400 head in the last three weeks. There has been a marked increase in recent weeks in the number of lambs exported to ROI for direct slaughter with 9,274 lambs heading south last week.

SHEEP QUOTES

(P/KG DW)	This Week 06/08/12	Next Week 13/08/12
Lambs	365-380p	370p

Lambs up to 21kgs.

REPORTED LAMB PRICES - P/KG

(P/KG)	W/E 21/07/12	W/E 28/07/12	W/E 04/08/12
NI Liveweight	335.3p	329.2p	336.3p
NI Deadweight	358.6p	357.6p	366.6p
GB Deadweight	423.7p	428.2p	422.3p

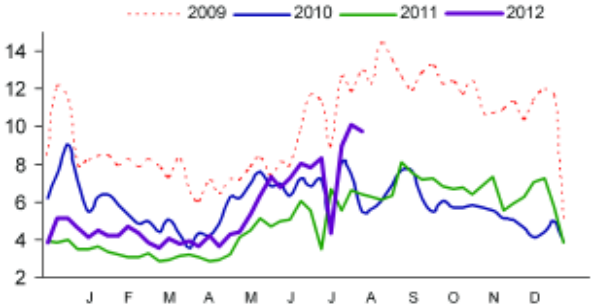
LATEST SHEEP MARTS

From: 04/08/2012 To: 09/08/2012		Spring Lambs (P/KG LW)			
		No.	From	To	Average
Saturday	Omagh	1094	331	362	-
Monday	Kilrea	680	318	343	326
	Massereene	1285	320	362	-
Tuesday	Saintfield	642	320	355	330
	Armoy	386	320	361	328
Wednesday	Ballymena	1398	310	350	325
	Markethill	920	328	342	335
	Downpatrick	250	310	330	326

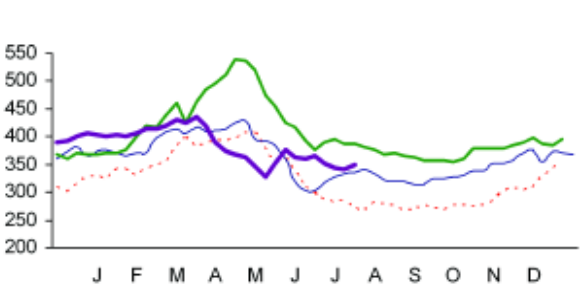
This week's marts

TRADE across the marts was in general slightly slower this week. In Massereene on Monday 1,285 lambs sold from 320-362p/kg compared to 1,085 lambs last week selling from 340-382p/kg. A similar trend was observed in Armoy on Tuesday when 386 lambs sold to an average price of 328p/kg compared to 424 lambs selling to an average of 347p/kg the previous week. In Ballymena on Wednesday 1398 lambs sold to an average price of 325p/kg, down slightly from the average of 330p/kg the previous sale. Prices in excess of £80 were available for first quality cull ewes across many of the marts.

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



NI Average Weekly Sheep Price (p/kg CW)



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