

INCREASED INTEREST IN FQAS MEMBERSHIP AT BALMORAL

LMC would like to take this opportunity to thank everyone who visited the LMC stand and the LMC Cookery Demonstrations in the Food NI marquee at this year's extremely successful Balmoral Show.

The show provided LMC with a valuable opportunity to engage with both our producer and processor stakeholders to discuss the current beef and lamb trade, the importance of the Northern Ireland Farm Quality Assurance Scheme and LMC's ongoing promotional work. It also allowed LMC to engage with consumers and promote the benefits of purchasing NI beef and lamb. Our cookery demonstrations and complimentary beef and lamb rolls were a great success over the course of the three days and stimulated very positive feedback to LMC staff.

LMC also received very positive feedback with regards to our ongoing Industry Development work, with particular reference to our work in promoting NI beef and lamb in our local schools and supermarkets. Positive feedback was also received with regards to LMC's various market information publications and the LMC website.

The theme of the LMC stand this year was 'Look for the Logo' and followed on from our successful media campaign promoting the benefits of NI Farm Quality Assured beef and lamb. Farm Quality Assurance is a requirement of doing business with many of the major retailers and the food service sector. The increasing importance of Farm Quality Assured status has resulted in the processors increasing penalties for non assured cattle to as much as £150 per head.

The growing importance of FQAS membership in the marketplace stimulated a lot of queries from NI beef and sheep producers about the scheme, the inspection process and the benefits of becoming Farm Quality Assured. This increased interest resulted in numerous requests for application packs being received over the three days of the show. This takes the number of application packs distributed to 852 since the 15 January 2013.

There are currently 9,252 approved members of the NIBL FQAS scheme with 97 per cent of the prime cattle kill in the seven major plants having Farm Quality Assured status at point of slaughter last week.

Image 1: Some of the many visitors to the LMC stand last week enjoying the complimentary Farm Quality Assured beef and lamb rolls on offer.



FAO FOOD PRICE INDEX UPDATE

THE FAO Food Price Index is a measure of the monthly change in international prices of a basket of food commodities. The index includes the five major commodity groups- meat, dairy, cereals, oils and fats and sugar.

In April 2013 the FAO Food Price Index averaged 215.5 points compared to an index of 213.2 points in March 2013. In April 2012 the food price index was 213.1 points. Much of the increase between March and April 2013 was driven by a strong increase in the dairy index which increased by 25.5 points to 258.8 points. This is an increase of 39 per cent on the index in April 2012.

The FAO Meat Price Index has remained fairly steady at 178.7 points in April 2013, up one point from 177.7 points in March 2013. Meat prices have remained high by historical standards and have steadily been rising year on year since 2009.

The FAO cereal index in April 2013 was 234.6 points, back 10.1 points on the previous month but still 10.9 points higher than the 223.7 points recorded in April 2012. Most of the decline in April was triggered by weaker maize prices due to higher than expected closing stocks and favourable 2013 crop prospects. Given the current forage crisis and high feed costs in NI at present this may be an indication of better prospects ahead. However this will be of little comfort to those struggling with cash flow and feed supplies in the short term.

Global production of coarse grains such as maize and barley is expected to hit a record high this year with production expected to reach 1,266 million tonnes. Maize is expected to make up 960 million tonnes of this, a ten per cent increase on the 2012 harvest. A key driver behind this rise is the huge increase in maize plantings in the US which are forecast to be at their highest level since 1936. Maize production was badly hit in the US last year due to severe droughts. Cereal production in parts of Eastern Europe, such as the Ukraine, is also expected to recover this year after last year's drought.

Global wheat production is expected to reach 695 million tonnes this year, a five per cent rise on last year's harvest. This forecasted increase has had little influence on the price of wheat in the shorter term due to concerns over the poor growing conditions and spring crop planting delays in the United States.

LMC QUARTERLY

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FQAS NOTICE ONLINE PAYMENTS

LMC has recently launched an online payment system for the Farm Quality Assurance Scheme. This allows producers to pay annual membership renewal and initial registration fees through the LMC website.

www.lmcni.com



FQAS Liaison Officer Mart Clinics Timetable

Kilrea	Wednesday	29/05/2013
Omagh	Wednesday	05/06/2013
Saintfield	Wednesday	12/06/2013

EMERGING EXPORT MARKETS FOR EU BEEF

EU trade officials confirmed late last week that Brazil has lifted its ban on imports of EU beef and breeding cattle. The lifting of the ban, which has been in place since 2001 after concerns around BSE, will allow exports to recommence.

The opening of this potential market has come about after the EU expressed concerns that the trade restriction in operation until now was overly restrictive, scientifically unjustified and went beyond international standards.

While the lifting of the ban has opened a potential market for EU beef, and perhaps more importantly breeding cattle, Brazilian legislation continues to require bilateral approval procedures and the accreditation of establishments before exports can occur. EU officials have described this process as overly burdensome, non transparent and lengthy. Food exports from the EU to Brazil totalled €1.5 billion in 2012.

The EU is also currently in trade talks with the US and if the proposed comprehensive free trade agreement is successful it has the potential to boost European Agri-food exports by €17 billion each year according to the European Parliament.

The lifting of a ban on EU beef imports is expected to be a key element of these trade talks. The ban on imports of EU beef has been in place since 1997 amid concerns around BSE. The implications of this development for trade in the opposite direction remain to be seen.

The US Dept of Agriculture's Animal and Plant Health Inspection Service has indicated that scientific knowledge and international guidelines show that boneless beef does not present a risk of BSE transmission. With this in mind they have advocated the adoption of the same criteria and categories that the World Organization for Animal Health (OIE) uses to identify a country's BSE risk status.

The potential opening of this market presents an important opportunity for the EU as the US is forecasted to be the biggest importer of beef in 2013 according to a report released by the US Department of Agriculture (USDA). The US is forecast to import 1.16 million tonnes of beef in 2013, a 15pc increase on 2012. The report also indicates that beef production in the US for 2013 is forecasted to reach 11.4 million tonnes, down four per cent on the 2012 total.

The declining cow herd in the US in recent years has led to lower supplies of finished cattle coming forward for processing. This combined with a potential increase in the number of heifers retained for breeding during 2013 as producers try to rebuild herds is expected to result in a decline in domestic beef supplies in the US.

As a result the USDA has forecasted tighter cattle availability for slaughter in the US in 2014 which could create valuable opportunities for countries with access to this important market.



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

Answerphone Service
Factory Quotes & Mart Results
Updated 5pm Daily
Tel: 028 9263 3011

Text Service
Free Price Quotes sent to your mobile phone weekly
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Tel: 028 9263 3000

WEEKLY BEEF & LAMB MARKETS



CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 20/05/13	Next Week 27/05/13
Prime		
U-3	372-376p	374-380p
R-3	366-370p	368-374p
O+3	360-364p	362-368p
* Plus 8p/kg in spec bonus where applicable		
Cows		
O+3 & better	280-310p	290-310p
Steakers	260-280p	260-280p
Blues	180-185p	180-185p

REPORTED NI CATTLE PRICES - P/KG

W/E 18/05/13	Steers	Heifers	Young Bulls
U-3=	382.9	387.7	372.0
U=3=	385.8	390.9	369.5
U=4=	373.2	390.0	-
R=3=	384.0	386.1	370.9
R=4=	378.5	381.7	372.0
O+3=	382.6	375.3	359.4
O=3=	374.7	365.8	356.1
Average	375.7	378.3	356.8

REPORTED COW PRICES NI W/E 18/05/13

Grades	Price (p/kg)	Avg Wgt
O+3=	319.6	327.4
O-3+	293.5	308.8
P+2+	270.7	283.8
P+3+	283.7	306.8
P-1-	187.0	218.9

COMMODITIES

COMMODITY PRICE

W/E 18/05/13	Price (£) per tonne / 1000litre	% weekly change
Barley	197.00	-0.75
Wheat	215.50	-2.27
Straw	22.00	-
Diesel	710-730	-

SHEEP TRADE

REPORTED HOGGET PRICES - P/KG

(P/KG DW)	W/E 04/05/13	W/E 11/05/13	W/E 18/05/13
NI Liveweight	394.6p	377.4p	394.6p
NI Deadweight	441.6p	447.5p	440.5p
ROI Deadweight	438.4p	448.0p	446.5p
GB Deadweight	460.9p	472.0p	474.3p

REPORTED SPRING LAMB PRICES - P/KG

(P/KG DW)	W/E 04/05/13	W/E 11/05/13	W/E 18/05/13
NI Liveweight	480.4p	466.1p	503.4p
NI Deadweight	482.4p	484.2p	503.7p
GB Deadweight	532.9p	535.8p	537.0p

Base quotes a starting point for negotiation

BASE quotes from the plants this week for prime cattle were 372-376p/kg but with cattle availability remaining tight, top quotes of 378-380p/kg are expected for Monday. There are ongoing reports of deals being done well above the quoted price and quotes should therefore be used as a starting point for negotiation. Particularly good deals are being done for traditional breeds at the moment with reports of a 55p/kg bonus available for Hereford cattle (O= and better) in one plant last week.

The top base quote from the plants last week for R-3 steers was 370p/kg with the additional 8p/kg bonus for in spec cattle taking in to 378p/kg. However the average price paid for an R-3 steer in NI last week was 383p/kg. Given that not all R-3 steers fulfilled all the criteria for the 8p/kg bonus and that some plants had base quotes as low as 364p/kg it is obvious that markedly higher prices are available than quotes would suggest. The NI prime cattle kill last week totalled 7,153 head with 1,866 cows also slaughtered. The continued high cow kill reflects the difficult production conditions on NI farms with the continued forage shortages, high cost of concentrates and problems with cash flow. Exports of cattle to GB for direct slaughter last week totalled 304 head, taking the total for the year to date to 5,700. Exports to ROI for direct slaughter last week totalled 236 head and consisted of 115 steers and 121 cows. Meanwhile imports of prime cattle from ROI for direct slaughter in NI plants was similar to the previous week at 493 head, accounting for seven per cent of the NI prime kill.

Average steer prices in NI last week increased by 3p/kg to 375.7p/kg with average young bull prices up by the same margin to 356.8p/kg. Average heifer prices in the region were back by half a penny to 378.3p/kg. Meanwhile R3 steer and heifer prices were up in the region of 2-3p/kg to 383.3p/kg and 385.4p/kg respectively. In GB average steer and heifer prices were within 1p/kg of the previous week at 400.9p/kg and 397.3p/kg respectively. Steer prices increased in all the regions by 1-2p/kg with the exception of Southern England where the steer price was back slightly to 384.5p/kg. Average heifer prices increased by 3-4p/kg in Scotland and the Midlands and were within half a penny of the previous week in Northern England. In Southern England however the average heifer price was back 7.4p/kg to 377.2p/kg, taking it below the average NI price.

Prices in ROI last week showed strong increases as the trade strengthened with an increase in the prices paid for all reported grades of prime cattle. The average R3 steer price in ROI last week was the equivalent of 368p/kg, up 5.2p/kg on the previous week. The R3 heifer price increased by 4.5p/kg to 389.9p/kg. The prices being paid for O grading cows in ROI last week were fairly similar to NI prices but P grading cows attracted higher prices in ROI than available in NI. The P2 cow price in ROI last week was 261.6p/kg, 7.1p/kg higher than the corresponding NI price. Meanwhile the average P3 cow price in ROI last week was the equivalent of 293.8p/kg, 12.7p/kg higher than the NI average price last week of 281.1p/kg.

Deadweight Sheep Trade

QUOTES from the plants for spring lambs increased early this week to 510-530p/kg in response to tight supplies and an improvement in the live trade in the marts. Several buyers have indicated that they are likely to be quoting lower prices early next week following weaker prices in the marts in the second half of this week. However, as yet none of the factories have provided quotes for Monday. Throughput in the NI plants last week was back slightly to 4,359 head with 4,217 sheep exported to ROI for direct slaughter. The NI deadweight lamb price last week was 503.7p/kg, up 19.5p/kg on the previous week. Meanwhile in GB the lamb price increased by 1.2p/kg to 537.0p/kg. The string increase in the NI price has narrowed the differential to 33p/kg.

This week's marts

A good trade in Donemana last Saturday saw 200 spring lambs selling to an average of 516p/kg compared to 106 spring lambs the previous week selling to an average of 469p/kg. In Kilrea on Monday 310 spring lambs sold from 490-515p/kg (av 503p/kg) compared to 400 spring lambs last week selling from 470-502p/kg (av 480p/kg). However the live trade came under some pressure mid week. A quieter trade in Rathfriland on Tuesday saw 630 lambs sell to an average of 485p/kg compared to 251 lambs last week selling to an average of 524p/kg. Trade was also quieter in Ballymena with 353 lambs selling to an average of 460p/kg compared to 237 lambs last week selling to an average of 480p/kg.

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

W/E 18/05/13	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	384.3	375.4	413.9	407.3	409.4	405.5
	R3	383.3	368.0	409.8	402.2	397.2	392.4
	R4	379.8	369.3	414.1	419.7	397.4	393.6
	O3	374.1	353.6	400.6	391.1	383.4	377.5
	AVG	375.7	-	411.3	405.5	395.9	384.5
Heifers	U3	390.0	404.3	414.4	406.3	413.2	405.3
	R3	385.4	389.9	405.0	397.0	399.1	392.2
	R4	382.5	388.3	409.2	402.4	398.4	393.1
	O3	370.4	372.0	391.9	389.7	383.0	377.4
	AVG	378.3	-	407.1	401.1	396.0	377.2
Young Bulls	U3	369.8	367.0	408.3	388.3	399.1	402.5
	R3	367.5	360.4	397.5	372.1	384.9	384.7
	O3	352.2	344.1	375.0	355.2	364.6	372.6
	AVG	356.8	-	395.3	371.1	382.1	379.1
	Prime Cattle Price Reported	5835	-	7138	6153	5775	4368
Cows	O3	302.5	302.6	319.8	298.0	301.6	283.0
	O4	307.1	306.4	320.3	300.8	305.4	290.9
	P2	254.5	261.6	258.9	236.2	235.9	220.3
	P3	281.1	293.8	289.2	265.7	273.9	252.2
	AVG	277.1	-	310.3	269.2	285.5	239.7

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=84.58p Stg
(ii) Shading indicates a lower price than the previous week.
(iii) AVG is the average of all grades in the category, not just those listed

LATEST LIVEWEIGHT CATTLE MART PRICES NI

W/E 18/05/13	1st QUALITY			2nd QUALITY		
	From	To	Average	From	To	Average
Finished Cattle (p/kg)						
Steers	216	242	225	185	215	200
Friesians	167	189	177	129	166	160
Heifers	209	239	218	180	208	194
Beef Cows	160	220	180	120	159	140
Dairy Cows	114	159	125	80	113	95
Store Cattle (p/kg)						
Bullocks up to 400kg	195	219	200	175	194	184
Bullocks 400kg - 500kg	202	242	220	164	199	181
Bullocks over 500kg	207	228	214	170	206	188
Heifers up to 450kg	196	222	206	172	195	183
Heifers over 450kg	190	209	200	161	189	175
Dropped Calves (£/head)						
Continental Bulls	235	400	290	140	230	190
Continental Heifers	220	350	280	100	218	160
Friesian Bulls	100	245	130	50	98	70
Holstein Bulls	50	95	65	2	48	20

LAMB QUOTES

(P/Kg DW)		This Week 20/05/13	Next Week 27/05/13
NI Factories	Spring Lambs	520 - 530p	No quote
ROI Factories	Spring Lambs	530p	

LATEST SHEEP MARTS

From: 18/05/13 To: 23/05/13		Spring Lambs (P/KG LW)			
		No.	From	To	Avg
Saturday	Donemana	200	500	527	516
	Omagh	127	522	567	-
	Hilltown	250	495	531	500
Monday	Newtownstewart	55	447	492	-
	Massereene	446	480	527	-
Tuesday	Kilrea	310	490	515	503
	Saintfield	602	472	510	-
Wednesday	Rathfriland	630	450	519	485
	Enniskillen	470	495	522	-
	Ballymena	353	430	561	460
	Markethill	470	455	480	-

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