LMC BULLETIN

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INCREASING VALUE OF NI MEAT SALES

KANTAR consumer data for Northern Ireland for the year ending the 9 June 2013 has indicated a 1.9 per cent growth in the value of total meat sales year on year despite a 3.2 per cent drop in the total volume of meat sold. All meat sectors have shown a volume decline year on year.

The growth recorded in the value of total meat sales has been driven primarily by a four per cent growth in the value of beef sales. This increase in value has occurred due to an increase in retail beef prices as opposed to any growth in the volume of beef sold, which actually declined by 1 per cent year on year as indicated in Chart 2.

The value of sales of lamb in NI during the 52 weeks ending the 9 June 2013 declined by 11.5 per cent year on year with a 1.6 per cent reduction in the volume of lamb sold recorded year on year. Meanwhile the value of all other meat sales increased by 1.8 per cent despite a 4.3 per cent reduction in the volume of other meats sold.

With the market share of the other meats category remaining steady 58.1 per cent the growth in the value of beef sales has occurred at the expense of lamb. Beef market share has increased by one per cent year on year to account for 36.8 per cent of total meat sales. Lamb's share of the total meat market in NI during the 52 weeks ending the 9 June 2013 was 5.1 per cent compared to 5.9 per cent during the corresponding period the previous year.

The number of NI households buying lamb has also shown a decline year on year with a household penetration in the year ending 9 June 2013 of 44.6 per cent compared to 50.1 per cent in the previous year. This drop in the number of households purchasing lamb has come about despite a drop in the average price per kilo from £8.09 to £7.28 accounting for a 10 per cent decline in the average retail price year on year.

This decline in the average price of lamb goes against the current trend for increasing meat retail prices with the average price of total meat sales up five per cent year on year. The retail price of all other meats (total meat sales minus beef and lamb) increased by 6 per cent when comparing the two periods.

With retail lamb sales in NI struggling despite the notable drop in the average retail price the spend per buyer per year on lamb has decreased from £49.40 in the 52 weeks ending the 10 June 2012 to £48.80 in the 52 weeks ending 9 June 2013. In contrast the Kantar figures for GB for the same period have shown that lamb sales have been performing strongly in comparison to other meats with expenditure up nine per cent year on year and volume sales up 16 per cent. This increase has been driven by strong promotions on leg roasting joints by the major retailers.

Meanwhile, despite an increase in the average NI retail price of beef from £6.90 to £7.28 year on year (+5.5 per cent), the proportion of households buying beef has grown year on year. In the year ending the 9 June 2013 household penetration for beef was 93.6 per cent in NI compared to 91.4 per cent the previous year. The increasing cost of beef or the issues raised by the recent horse meat crisis do not appear to have discouraged NI consumers from purchasing beef with the average spend per buyer increasing year on year from £165.90 to £168.10 (+1.3 per cent).

Chart 1: Year on Year growth in the value of NI meat sales

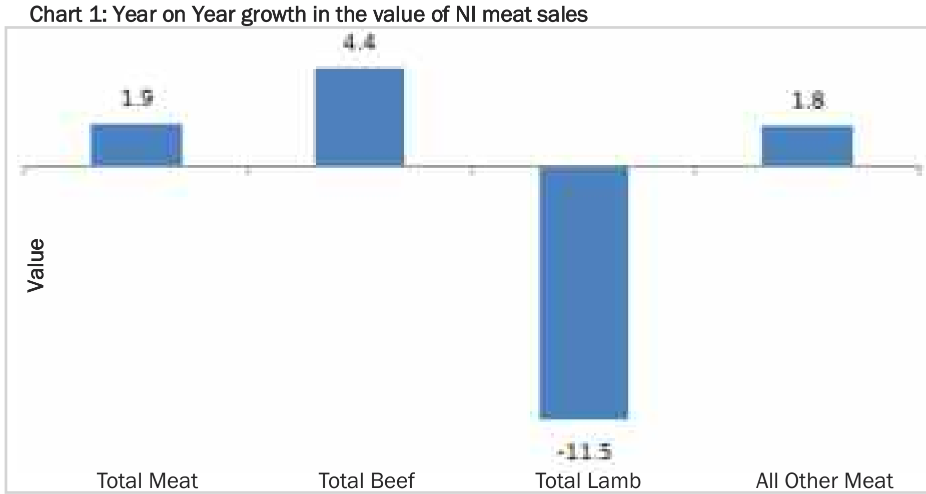
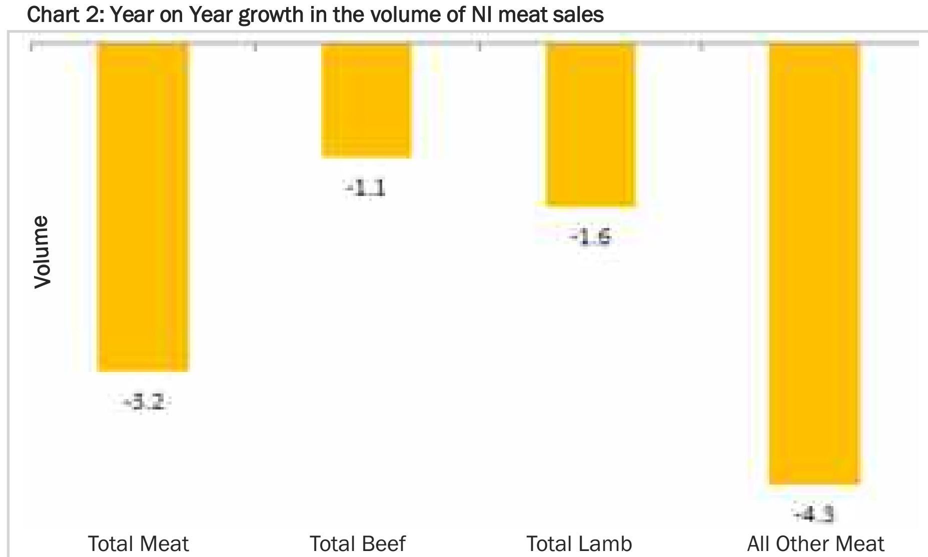


Chart 2: Year on Year growth in the volume of NI meat sales



NI BEEF INDUSTRY KEY PERFORMANCE INDICATORS (JUNE SNAPSHOT)

	Jun-12	Jun-13	% Change
Finished Cattle Prices (p/kg)			
Average Prime Cattle Price	324.5	377.7	+16.4%
Average Cow Price	269.4	284.6	+5.6%
Average R3 Steer Price (NI)	333.6	389.3	+16.7%
Average R3 Steer Price (ROI)	327.3	378.0	+15.5%
Average R3 Steer Price (GB)	344.9	402.3	+16.6%
Slaughterings			
Total Clean Slaughterings (Head)	22,523	25,060	+11.3%
Total Cow Slaughterings (Head)	6,488	5,992	-7.6%
Average Clean Carcase Weight (kg)	341.5	323.2	-5.4%
Average Cow Carcase Weight (kg)	302.6	300.6	-0.7%
Trade (Head)			
Live Imports for Direct Slaughter	2,424	2,132	-12.0%
Live Exports for Direct Slaughter	876	1,573	+79.6%
Availability (Head)			
No. Cattle on the Ground*	464,813	457,446	-1.6%
Beef Sired	424,253	412,684	-2.7%
Dairy Sired (Male Only)	40,560	44,762	+10.4%
Calf Births Registrations (Head)			
Calf Births	48,584	42,847	-11.8%
Beef Sired	42,711	38,009	-11.0%
Dairy Sired (Male Only)	5,873	4,838	-17.6%
Euro / Stg Exchange Rate (€ / £)	80.6	85.2	+5.8%

* Aged between 12-30 mths (Beef + Dairy Male Only)

The average prime cattle price in NI during June 2013 was 377.7p/kg, 16.4 per cent higher than June 2012 when the average price was 324.5p/kg. Meanwhile the cow price has increased by 5.6 per cent between the two periods to 284.6p/kg in June 2013.

The average R3 price in NI in June 2013 was 16.7 per cent higher than the corresponding month last year at 389.3p/kg with the GB R3 steer price increasing by 16.6 per cent to 402.3p/kg over the same period. This has widened the differential between NI and GB from 11.3p/kg in June 2012 to 13p/kg in June 2013. The differential between NI and ROI has also widened from 6.3p/kg in June 2012 to 11.3p/kg in June 2013.

Prime cattle throughput in June 2013 totalled 25,060 head, an 11.3 per cent increase on the 22,523 head slaughtered during June 2012. This increase in prime cattle throughput has been offset by a 5.4 per cent decline in average carcase weights from 341.5kg in June 2012 to 323.2kg in June 2013. Meanwhile cow slaughterings were back by 7.6 per cent to 5,992 head in June 2013 but the average carcase weight was back just 2kg (-0.7 per cent).

Imports of cattle for direct slaughter in NI plants during June 2013 totalled 2,132, a 12 per cent reduction on imports during June 2012. Meanwhile the number of cattle exported out of NI has increased from 876 head in June 2012 to 1,573 head in June 2013. This decrease in imports and increase in exports has coincided with a tightening in cattle availability in NI.

The number of beef sired male animals on the ground age 12-30 months in June 2013 was 412,684, a reduction of 2.7 per cent on the 424,253 head recorded in June 2012. However the number of dairy sired male cattle in the same age bracket during June 2013 totalled 44,762 head, a 10.4 per cent increase on the 40,560 head on the ground in June 2012. If these figures are combined there has been a 1.6 per cent decline in the number of male cattle on the ground in the 12-30 month age bracket between the two periods.

The high cow culling rate this spring and reports of poor fertility due to last year's poor summer have had a knock on effect in terms of the number of calf registrations recorded during 2013 to date. In June 2012 42,711 beef sired calves were registered in NI and in June 2013 this declined to 38,009 beef sired calves. This accounts for an 11 per cent drop in beef sired calf registrations. The number of dairy sired male calves has also declined between the two periods, down by 17.6 per cent to 4,838 head in June 2013.

FQAS Helpline
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WEEKLY BEEF & LAMB MARKETS

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE		
(P/KG DW)	This Week 22/07/13	Next Week 29/07/13
Prime		
U-3	364-370p	364-370p
R-3	358-364p	358-364p
O+3	352-358p	352-358p
* Plus 8p/kg in spec bonus where applicable		
Cows		
O+3 & better	275-310p	275-300p
Steakers	250-270p	250-270p
Blues	180-185p	180-185p

REPORTED NI CATTLE PRICES - P/KG

W/E 20/07/13	Steers	Heifers	Young Bulls
U-3=	381.9	381.1	369.1
U=3=	383.0	380.3	371.4
U=4=	375.7	375.7	-
R=3=	379.4	379.8	358.4
R=4=	383.2	370.9	356.0
O+3=	385.0	369.1	355.0
O=3=	367.1	362.3	343.0
Average	373.4	373.0	350.7

REPORTED COW PRICES NI W/E 20/07/13

Grades	Price (p/kg)	Avg Wgt
O+3=	309.2	313.4
O-3+	292.3	315.0
P+2+	273.9	284.3
P+3+	285.6	304.4
P-1-	186.2	213.0

SHEEP TRADE

LAMB QUOTES		
(P/Kg DW)	This Week 22/07/13	Next Week 29/07/13
NI Factories	390-400p	No Quote
ROI Factories	400p	No Quote

REPORTED LAMB PRICES - P/KG

(P/KG DW)	W/E 06/07/13	W/E 13/07/13	W/E 20/07/13
NI Liveweight	404.0p	398.4p	406.4p
NI Deadweight	439.9p	430.5p	427.1p
ROI Deadweight	432.8p	424.9p	429.2p
GB Deadweight	491.3p	491.3p	474.5p

Deadweight Cattle Trade

QUOTES from the plants this week for U-3 grade prime cattle have ranged from 364-370p/kg with the 8p/kg bonus available for cattle that kill out in spec. Similar quotes are expected next week, but numbers are tightening according to some buyers and it is possible that factories will need to raise quotes to secure supply. Regardless of whether quotes are raised or not, higher prices are likley to be available and producers should be looking for deals. There are reports from some plants of slightly lower cow quotes next week, with factories quoting from 275-300p/kg for good quality cows.

NI prime cattle slaughterings last week were similar to the previous week at 5,462 head with the cow kill back 336 head to 1,353 head. Meanwhile imports of prime cattle from ROI last week for direct slaughter totalled 480 head with 112 cows also imported. A total of 103 prime cattle were exported to GB for direct slaughter last week with 46 cows also exported.

Average steer and heifer prices in NI last week were almost unchanged from the previous week at 373.4p/kg and 373.0p/kg respectively while the average young bull price was back 2.7p/kg to 350.7p/kg. The R3 steer in NI last week was 381.3p/kg, back 1.6p/kg on the previous week, while the R3 heifer price was back by almost a penny to 380.6p/kg.

Meanwhile in GB average steer prices were back in all the regions with the GB average steer price back by 2.5p/kg to 399.8p/kg. This was the first time the average GB steer price was below the 400p/kg mark since the first week of June this year. The Midlands and Southern England recorded the most notable reductions in average prices paid, back by 3.8p/kg to 389.0p/kg and 3.5p/kg to 382.4p/kg respectively. The average price paid for heifers in GB last week was back by half a penny on the previous week to 399.8p/kg. The trade was more variable across the regions with average prices in Scotland up 4p/kg to 415.6p/kg while average prices were back in all the other regions. The most notable decrease was in Southern England where average prices were back by 5.6p/kg to 381.8p/kg.

The prices being paid for finished cattle in ROI have continued to come under pressure with R3 steer prices back the equivalent of 5.7p/kg to 361.4p/kg last week. Meanwhile the R3 heifer price was back the equivalent of 8.4p/kg to 377.2p/kg. This significant drop in the R3 heifer price has taken it back below the R3 heifer price in NI last week.

This week's marts

Finished first quality steers sold to an average of 220p/kg this week with second quality selling to an average of 185p/kg. Finished first quality heifers sold to an average of 217p/kg with second quality selling to an average of 180p/kg. First quality bullocks up to 400kg sold to an average of 188p/kg this week with second quality in the same weight range selling to 160p/kg. Heavier bullocks over 500kg sold to an average of 205p/kg for first quality with second quality selling to average of 183p/kg.

Deadweight Sheep Trade

QUOTES from the plants fell over the course of this week from 400p/kg on Monday to 390p/kg by the end of the week. Reports of softening markets in France and GB are causing some uncertainty, although strong live exports from ROI in recent weeks has helped to underpin prices to some extent. Factories are not quoting for next week, with some not killing until Tuesday. Slaughterings in NI plants last week were similar to the previous week at 8,777 head with exports to ROI for direct slaughter also continuing at a similar level to previous weeks at 7,208 head. The deadweight price in NI last week was back 3.4p/kg to 427.1p/kg while in GB prices came back by 16.8p/kg to 474.5p/kg.

This week's marts

THERE was a tightening in the trade reported across the marts this week with some marts reporting a range in the quality of lambs on offer. In Rathfriland on Tuesday 1,163 lambs sold from 333-376p/kg (avg 354p/kg) compared to 873 lambs last week selling from 385-412p/kg (avg 400p/kg). In Enniskillen on Wednesday 602 lambs sold to an average of 335p/kg compared to 485 lambs last week selling to an average of 390p/kg. In Ballymena this week 1,403 lambs sold from 330-409p/kg (avg 341p/kg) compared to 1,137 lambs last week selling from 375-421p/kg (avg 392p/kg). The trade for cull ewes has generally been £50-70 with a top reported price of £100 in Rathfriland on Tuesday.

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

W/E 20/07/13		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	382.4	370.8	423.5	403.2	403.7	402.4	409.1
	R3	381.3	361.4	415.8	402.2	393.0	392.7	401.7
	R4	379.3	360.2	423.0	416.0	396.3	393.0	409.5
	O3	370.8	344.5	404.7	383.3	378.6	372.5	386.3
	AVG	373.4	-	417.7	402.7	389.0	382.4	399.8
Heifers	U3	382.6	390.6	423.1	404.0	409.0	398.0	410.6
	R3	380.6	377.2	413.6	394.2	391.8	389.3	398.6
	R4	375.0	375.8	419.9	402.0	397.2	391.4	404.5
	O3	368.3	358.9	392.1	377.7	378.5	365.9	380.2
	AVG	373.0	-	415.6	398.9	393.5	381.8	399.8
Young Bulls	U3	368.0	369.7	419.2	389.8	395.3	398.8	397.4
	R3	360.8	357.2	408.5	376.0	378.8	382.3	382.4
	O3	344.3	325.7	369.2	353.5	357.8	364.3	359.0
	AVG	350.7	-	403.7	371.7	380.1	376.9	379.8
Prime Cattle Price Reported		3854	-	6916	5947	5506	4123	22492
Cows	O3	302.1	275.6	308.1	296.5	294.0	283.2	295.5
	O4	303.6	279.2	309.7	304.2	300.9	288.3	300.7
	P2	253.5	239.2	240.7	245.9	231.3	223.8	235.9
	P3	280.4	264.1	269.6	276.3	253.5	251.0	264.6
	AVG	282.2	-	299.8	275.9	284.3	246.4	273.9

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=86.36p 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 20/07/13	1st QUALITY From	1st QUALITY To	1st QUALITY Average	2nd QUALITY From	2nd QUALITY To	2nd QUALITY Average
Finished Cattle (p/kg)						
Steers	212	238	220	165	210	185
Friesians	161	187	167	132	158	150
Heifers	210	233	217	160	209	180
Beef Cows	160	219	170	115	159	135
Dairy Cows	115	147	123	60	114	90
Store Cattle (p/kg)						
Bullocks up to 400kg	170	206	188	147	168	160
Bullocks 400kg - 500kg	158	191	176	147	158	151
Bullocks over 500kg	196	216	205	176	185	183
Heifers up to 450kg	180	201	190	149	175	165
Heifers over 450kg	198	215	205	163	196	180
Dropped Calves (£/head)						
Continental Bulls	270	365	315	150	265	195
Continental Heifers	200	315	240	100	198	150
Friesian Bulls	75	180	105	35	72	55
Holstein Bulls	50	125	88	5	48	27

LATEST SHEEP MARTS

From: 20/07/13 To: 25/07/13		Lambs (P/KG LW) No.	From	To	Avg
Saturday	Omagh	834	365	401	-
	Hilltown	1100	371	391	-
Monday	Massereene	1326	350	391	-
Tuesday	Saintfield	911	350	390	-
	Rathfriland	1163	333	376	354
Wednesday	Enniskillen	602	328	359	335
	Ballymena	1403	330	409	341
	Markethill	620	330	371	345
	Armoy	718	333	377	346

Contact us:
Website: www.lmcni.com
Telephone: 028 9263 3000
Fax: 028 9263 3001
FQAS Helpline: 028 9263 3024
Answerphone: 028 9263 3011
Comments: bulletin@lmcni.com