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STRONG RECOVERY IN BEEF-SIRED CALF BIRTHS LAST YEAR

ACCORDING to the latest calf birth data provided by DARD, there was a sharp increase in beef-sired calf births in 2011. Given the increased number of beef cows (+4%) recorded in the June census, greater numbers of calf birth registrations were to be expected. Nevertheless, the increase is impressive and represents a reversal in the trend of reducing calf births which was a serious concern for the sector throughout the second half of the last decade.

Last year 327,400 beef-dired calf births were registered on Northern Ireland farms. This was up 5% from 312,600 head in 2010 and 310,400 head in 2009. 2009 was in fact the nadir for beef calf production in NI as illustrated in Figure 1 below. Beef-sired calf birth registrations had been falling steadily since the reform of the CAP in 2005 which marked the end of production linked subsidies. Producers responded accordingly, cutting back on primary beef production. The lack of profitability in suckler beef was illustrated in the Red Meat Task Force in 2007 and concerns were raised about the future of the sector.

The recent increases in beef-sired calf births may reflect a return of confidence to the sector. Farmgate prices have increased sharply in recent years and while input costs are also higher, this increase in production could be regarded as producers' response to this price signal. Concerns about suckler beef profitability remain however, so it remains to be seen whether this increased level of production will be sustained over the longer term.

While beef-sired calf births have been on the rise, the number of male calves registered in the dairy herd have also increased. The 10 per cent increase in registrations of male dairy calves is encouraging given that the number of dairy cows on the ground only increased slightly last year. With many of these cattle finished intensively as young bulls, feed costs often have an impact on the value of this type of stock and in the past producers may not have been pre-disposed to retaining these cattle. Despite the fact that feed costs were rising rapidly in the first half of 2011, and remain high, this increase in calf registration numbers may reflect increased confidence in the dairy-beef sector.

Figure 2 illustrates how the peak month for calf birth registrations in 2011 was May, as it had been in previous years. However, in 2011, the proportion of annual calf births registered in May was higher than previous years. These increases in calf-births create the likelihood of increased availability of cattle for slaughter as we move further into the decade. However, such an increase will have little bearing in the availability of finished cattle this year given that cattle born last year will not be finished for two years on average. Cattle supplies in 2012 are expected to remain tight.

Figure 1. NI Calf Birth Registrations 2000 - 2011 ('000 head)
Beef Sired and Male Dairy Sired Births

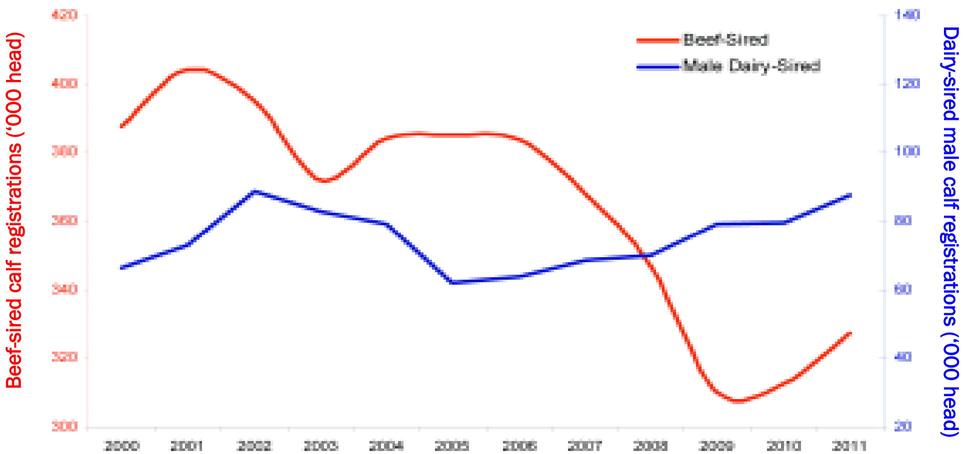
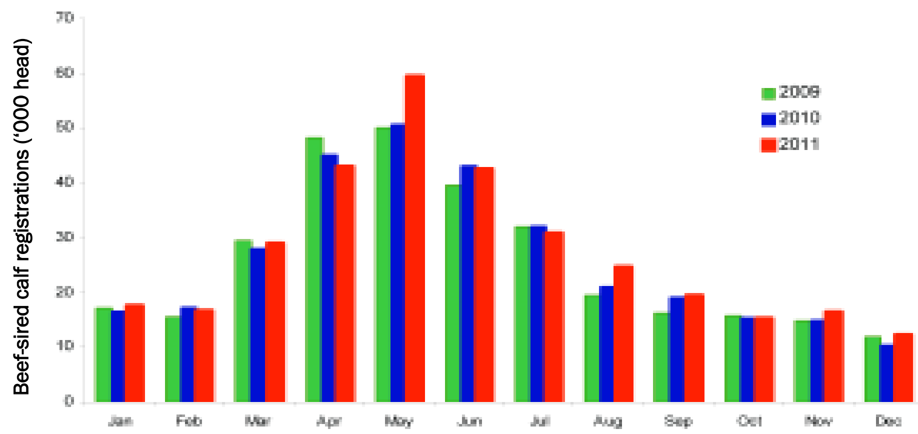
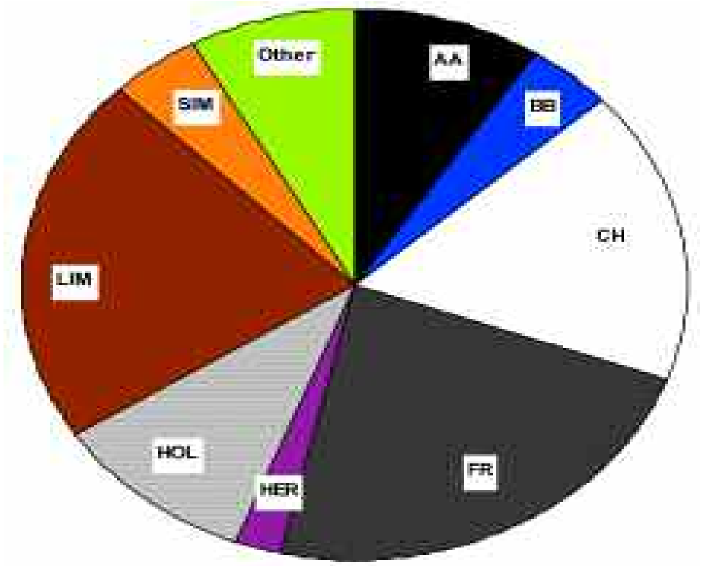


Figure 2. NI Calf Birth Registrations Seasonality 2009 - 2011 ('000 head)
Beef Sired Calves Only



LIMOUSIN REMAINS THE DOMINANT BEEF BREED

Figure 3. Breakdown of NI Calf Birth Registrations 2011 - Dairy & Beef, Top 8 Breeds



LIMOUSIN remained the dominant beef breed on NI farms in 2011, however, in overall terms Friesian was the single most common breed among calves registered last year. This remains similar to 2010 trends.

Last year there was a five per cent increase in Limousin numbers compared to 2010, with calf registration numbers up by about 5,000 head to 111,000 head.

Charolais births were up by four per cent last year to 89,000 head and Charolais accounted for 17 per cent of total births in 2011. Simmental calf births increased sharply last year with numbers rising by 14 per cent (3,000 head) to 23,000 head in 2011. In overall terms however, Simmental accounted for just four per cent of all births last year.

Angus and Hereford remain popular breeds in Northern Ireland, given that they are associated with successful beef marketing schemes. Last year Angus calf births increased by three per cent to 47,500 head. A proportionately greater increase in Hereford numbers was recorded last year, albeit from a lower base. In 2011, almost 11,400 Hereford calves were registered, up by about 1,000 head (or 10 per cent) on the 2010 figure.

Dairy Breeds

In 2011, dairy breeds accounted for about 36 per cent of total calf births in NI. This was up from about 35 per cent last year and just 26 per cent in 2005. This represents a significant change in the industry in the last six years.

In 2010 just over 109,000 Friesian calf births were registered on Aphis. This amounted to 23 per cent of total births. In 2011, over 117,000 Friesian calves were registered, again 23 per cent of total births. With over 51,000 Holstein calves registered in 2011, Holstein numbers are up by about 14 per cent on 2010 levels and these calves represent about 10 per cent of all births.

WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

CATTLE QUOTES		
(P/KG DW)	This Week 23/01/12	Next Week 30/01/12
U-3	320p	320-322p
R-3	314p	314-316p
O+3	308p	308-310p
Cows	260 - 275p	260 - 275p

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

LAST WEEK'S NI CATTLE PRICES - P/KG				
W/E 21/01/12	Steers	Heifers	Young Bulls	Cows
U-3=	328.9	332.7	319.1	286.3
U=3=	329.1	337.5	318.7	312.0
U=4=	322.3	326.9	320.0	298.0
R=3=	324.5	328.0	314.6	280.9
R=4=	320.1	325.5		292.1
O=3=	309.3	312.5	302.3	268.7
O+3=	315.4	317.9	306.7	278.2
O+4=	318.6	316.5	294.0	276.5
P+2=	287.3	276.0	283.1	248.3
P+3=	295.8	287.9	285.0	257.2
Average	316.9	321.4	309.1	249.9

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 21/01/12		Scotland	Northern England	Midlands & Wales	Southern England	Northern Ireland	Rep of Ireland
Steers	U3	348.8	344.3	338.5	333.4	327.7	340.1
	R3	343.1	334.1	328.5	322.0	324.6	331.1
	R4	345.4	344.8	329.6	320.0	322.9	331.6
	O3	328.3	313.2	308.9	300.2	311.0	317.6
	Average	342.5	334.4	323.3	308.3	316.9	-
Heifers	U3	348.3	346.3	340.4	332.4	335.3	350.6
	R3	341.4	334.1	328.9	320.6	329.0	339.8
	R4	343.1	336.2	329.7	320.3	325.0	339.2
	O3	321.5	309.2	310.8	298.9	313.8	325.2
	Average	341.2	331.3	327.0	308.8	321.4	-
Young Bulls	U3	334.5	329.1	334.5	330.7	320.6	336.9
	R3	328.0	319.3	317.6	316.4	315.6	332.0
	O3	303.2	300.6	294.5	295.0	300.9	322.6
	Average	313.3	309.4	302.6	300.5	309.1	-
Prime Cattle Price Reported		7168	6078	5376	3560	5200	-
Cows	O3	263.3	262.2	262.3	243.1	267.7	279.9
	O4	271.3	261.6	257.0	249.5	271.6	281.7
	P2	206.5	213.0	218.5	202.5	235.8	255.8
	P3	217.7	238.6	238.3	228.5	253.1	275.3

Notes:
(i) Prices are p/kg Sterling-ROI prices converted at 1 euro=83.23p Stg.
(ii) Shading indicates a lower price than the previous week.

Deadweight Cattle Trade

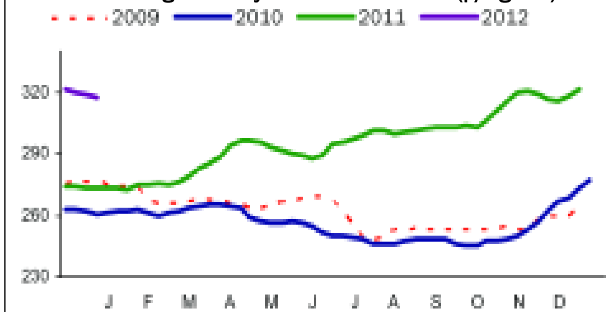
NEXT week it is expected that the trade will remain similar to this week's levels with factories generally quoting 320p/kg for U-3 grade steers and heifers. One plant is quoting 322p/kg for heifers. While steer quotes appear to be generally reflective of the trade, on the basis of last week's prices, it is very possible that deals above quoted prices may be available for heifers. This remains to be seen.

Reported prices show that despite no real change in quotes last week there was some pressure on steer prices. Average deadweight steer prices were back by 3.2p/kg with U3 and R3 steer prices back by 2p/kg and 3.5p/kg respectively. The average U3 price was back to 328p/kg last week, which is probably more reflective of a base U-3= quote of 320p/kg. This may mean that while better deals were available earlier in January, they have dried up to some extent as the month has progressed. U3 heifer prices were back by about a penny last week. However, with an average U3 price of 335p/kg it would appear that heifers generally attracted more than the base price. With this in mind, producers should continue to be shopping around for the best prices.

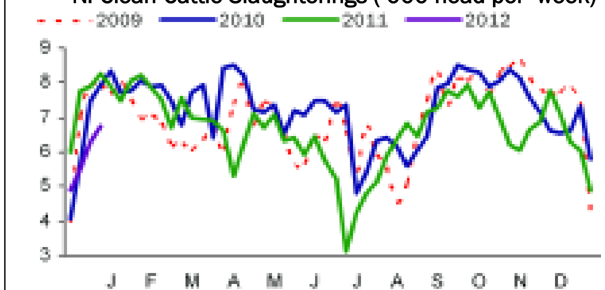
In January, supplies have remained tight and well behind 2011 levels. About 6,700 prime cattle were slaughtered last week, 15 per cent fewer than in the same week last year. Cow slaughterings were 19 per cent lower last week year-on-year.

Prices continued to decline in GB last week. In Southern England, average heifer prices were back by 7p/kg, with steer prices back by 3p/kg. Elsewhere in England the trade was generally back by 1-2p/kg on average for steers and heifers.

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: 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	193	206	1st quality	183	229			
2nd quality	170	192	2nd quality	160	182	1st quality	280	390
Friesians	127	166				2nd quality	210	278
			Store bullocks 400kg-500kg					
Heifers			1st quality	190	222	Continental heifer calves		
1st quality	185	223	2nd quality	170	189			
2nd quality	165	184				1st quality	220	385
			Store bullocks over 500kg			2nd quality	150	218
Beef Cows			1st quality	183	228			
			2nd quality	160	182	Friesian bull calves		
1st quality	152	195						
2nd quality	120	150	Store heifers up to 450kg			1st quality	145	222
			1st quality	195	231	2nd quality	80	142
Dairy Cows			2nd quality	170	194			
						Holstein Bull Calves		
1st quality	118	145	Store heifers over 450kg				10	150
2nd quality	95	117	1st quality	190	216			
			2nd quality	165	189			

Taken from a sample of beef marts in the week ended 20/01/12

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

SHEEP TRADE

Deadweight Sheep Trade

THE hogget trade is expected to remain firm next week with quotes of 430p/kg for R3 hoggets and higher prices available for U3 stock. In the same week last year factories were quoting 390-400p/kg for hoggets. Supplies remained strong last week relative to 2011 levels with the sheep kill in NI 14 per cent higher than the same week last year. With just over 5,500 sheep slaughtered in the NI factories last week however, the kill was similar to previous week levels. Reported deadweight sheep prices were up by 8.5p/kg last week to 417p/kg. This remains about 20p/kg lower than equivalent prices in GB.

SHEEP QUOTES

(P/KG DW)	This Week 23/01/12	Next Week 30/01/12
Hoggets	420 - 425p*	430p*

All plants paying up to 22kgs for FQAS hoggets.

REPORTED HOGGET PRICES - P/KG

(P/KG)	W/E 07/01/12	W/E 14/01/12	W/E 21/01/12
NI Liveweight	376.8p	380.9p	391.0p
NI Deadweight	409.9p	408.7p	417.2p
GB Deadweight	453.4p	444.0p	438.5p

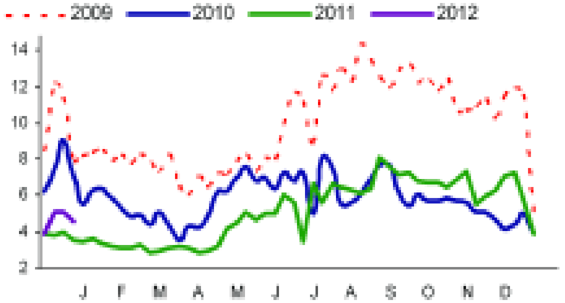
LATEST SHEEP MARTS

From: 20/01/2012 To: 26/01/2012		Hoggets (P/KG LW)			
		No.	From	To	Average
Saturday	Donemana	558	N/A	N/A	397
	Omagh	669	369	426	N/A
Monday	Kilrea	400	375	394	384
	Masserene	1235	380	425	N/A
Tuesday	Armoy	336	372	420	388
	Rathfriland	578	373	432	394
	Saintfield	484	380	432	390
	Gortin	865	380	470	435
	Lisahally	432	365	460	425
Wednesday	Ballymena	1171	370	447	388
	Enniskillen	487	380	418	390
	Markethill	1000	380	426	393
	Newtownstewart	150	370	388	380
Thursday	Downpatrick	250	370	420	390

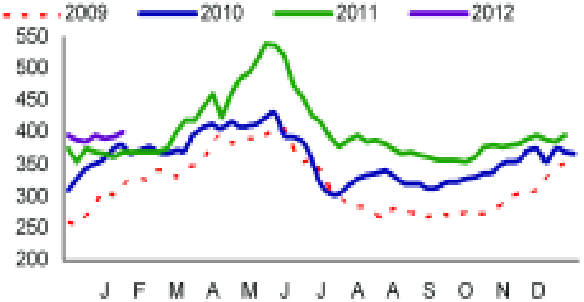
This week's marts

LIVEWEIGHT hogget prices remained firm last week with marts generally reporting average prices of 380-395p/kg. In Markethill on Wednesday prices averaged 393p/kg, this was 3p/kg higher than last week, while in Ballymena prices were 4p/kg higher than previous week levels at an average of 388p/kg. Ewe prices remain strong with stock selling to a top of £114 in both Newtownstewart and Markethill on Wednesday.

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



NI Average Weekly Sheep Price (p/kg CW)



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