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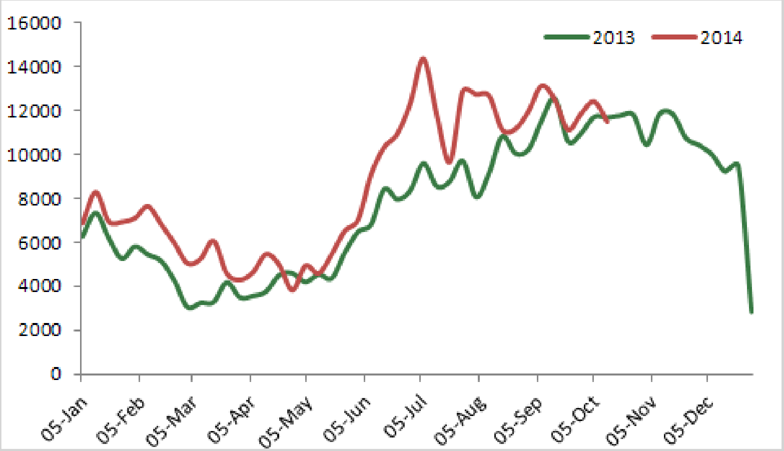
INCREASED LAMB PRODUCTION IN NI

SUPPLIES of lambs coming forward for slaughter in NI plants have shown signs of tightening in recent weeks although the kill for the year to date is running ahead of 2013 levels. The much improved weather conditions during spring 2014 will have reduced lamb mortality on NI farms and as a result has increased the availability of lambs for slaughter during 2014 to date. This trend is also evident across both GB and Ireland with increased slaughterings in both regions.

During the six week period ending 11 October 2014 72,517 lambs were slaughtered in NI plants compared to 69,061 lambs killed in the corresponding period in 2013. This accounts for a five per cent increase in throughput year on year.

The improved production conditions have also increased average carcase weights of lambs slaughtered in NI. In the six weeks ending 11 October 2014 the average carcase weight was 21.6kg compared to 21.2kg in the corresponding period in 2013. This increase combined with the additional throughput meant NI processors handled an additional 104 tonnes of lamb in the 2014 period compared to year earlier levels. This accounts for a seven per cent increase year on year.

Figure 1: NI lamb slaughterings January 2013 to October 2014



Exports of sheep from NI for direct slaughter in ROI plants were markedly behind year earlier levels during early summer 2014 but export numbers have increased coming into the autumn. Exports of sheep from NI to ROI during the six week period ending 11 October 2014 totalled 60,499 head compared to 59,308 head in the same period in 2013, accounting for a two per cent increase year on year.

Domestic supplies of lambs in ROI have been fairly strong during 2014 with 337,577 lambs slaughtered in the six week period ending 11 October 2014. This is a 7.5 per cent increase on the 314,042 lambs killed in the corresponding period in 2013. As with NI this increase can be attributed to the improved production conditions and reduced lamb mortality in spring 2014 when compared to the previous year.

These increased supplies of lambs from ROI producers combined with stronger demand for lambs by NI processors has reduced the number of NI origin lambs killed in ROI plants. The lower value of the euro against sterling will also have discouraged some movement of lambs from NI to ROI with a higher proportion of lambs killed locally as a result.

The increased supplies of lambs in NI and GB, competition on EU markets from ROI lamb and the lower value of sheep skins on the global market will all have played a role in the reduced deadweight prices across the UK in recent months. There has however been an improvement in the NI deadweight lamb trade in the last few weeks as numbers coming forward for slaughter has tightened and as the euro has recovered some of its losses.

ROI and UK lamb supplies are likely to remain relatively strong for the remainder of 2014 and into 2015 while global supplies of lamb are expected to decline with key global producers forecasting reduced volumes of lamb available for export. This comes at a time when there is growing global demand for lamb, particularly from countries like China. While The UK cannot currently export lamb to China it will benefit indirectly from the increased demand due to larger volumes of lamb being taken off the global market.

The availability of lamb for export from New Zealand is forecast to be back 2.6 per cent in 2014-15 despite similar lamb production levels to the previous year. The expected decline is due to an increase in the number of hoggets retained for further production. Meanwhile lamb production in Australia is forecast to be back seven per cent in the 2014-15 season with lamb exports forecast to be back 12 per cent on year earlier levels.

Within the EU lamb production in Spain is expected to continue to decline in response to reduced profitability while in Italy a major outbreak of blue-tongue has impacted production. Declines in production are also expected in France with recent forecasts estimating a two per cent drop in total EU lamb production in 2014 before showing a recovery in 2015.

With reduced supplies of lamb in key markets in the EU combined with reduced export availability in New Zealand and Australia, the UK and NI sheep industries are well placed to increase trade with countries both within and beyond the EU.

NI COW SLAUGHTERINGS LOWER YEAR ON YEAR

DURING the three month period July-September 2014 cow throughput in the NI plants was seven per cent lower than the corresponding period in 2013.

The harsh winter of 2012/2013 and late spring in 2013 had a detrimental effect on cow condition and increased empty rates and thus led to a higher cow throughput in the plants last summer. By contrast the fairly mild winter of 2013/2014 and an early spring has greatly improved cow condition on NI farms with reports also indicating improved cow fertility in 2014 when compared to year earlier levels

It is likely that these factors have played a key role in the lower cow throughput in the NI plants during the 2014 period. The improved weather and grass growing conditions during 2014 will also have encouraged producers to keep cull cows for longer before slaughter which has led to an increase in average cow carcase weights during July-September when compared to year earlier levels.

During the 2014 period the average cow carcase weight was 305.9kg compared to 298.4kg in the corresponding period in 2013. This accounts for a 7.5kg increase year on year which has helped to offset to some degree the decline in throughput. The total carcase weight of cow beef processed by the NI plants during July-September 2014 was five per cent lower than the corresponding period in 2013 with a decline of 318 tonnes in the volume processed.

As well as changes in throughput there were also key changes to the proportion of the cow kill sourced from the dairy and suckler herds. In the 2014 period 43 per cent of the price reported cow kill were of suckler origin compared to 52 per cent in the corresponding period in 2013.

Suckler origin cows

The average carcase weight of price reported suckler origin cows during the 2014 period was 338kg compared to 323kg in the same period in 2013. This increase by 15kg year on year accounts for a five per cent increase in average carcase weights year on year.

There was also a general improvement in the conformation scores achieved by suckler origin cows year on year as outlined in Table 1. The most notable increase was in the proportion of R grading cows, up from 31 per cent of the suckler cow kill in the 2013 period to 38 per cent in the 2014 period. Meanwhile the proportion of O grade suckler origin cows decreased from 56 per cent in the 2013 period to 50 per cent in the 2014 period.

The fat class scores achieved by suckler origin cows also recorded an improvement year on year as indicated in Figure 1. The proportion of suckler origin cows achieving a one or two for fat cover declined from 17 per cent in the 2013 period to 13 per cent in the 2014 period. The proportion achieving a three for fat cover also declined, down 9 percentage points to 39 per cent of the price reported kill in the 2014 period.

Meanwhile the proportion of suckler origin cows achieving a fat class four increased by nine percentage points to account for 40 per cent of the kill with the proportion achieving a five for fat cover increasing by four percentage points to account for eight per cent of the kill.

Dairy Origin Cows

The average carcase weight of price reported dairy sired cows also increased year on year from 268kg in the 2013 period to 278kg in the 2014 period. This accounts for a four per cent increase year on year.

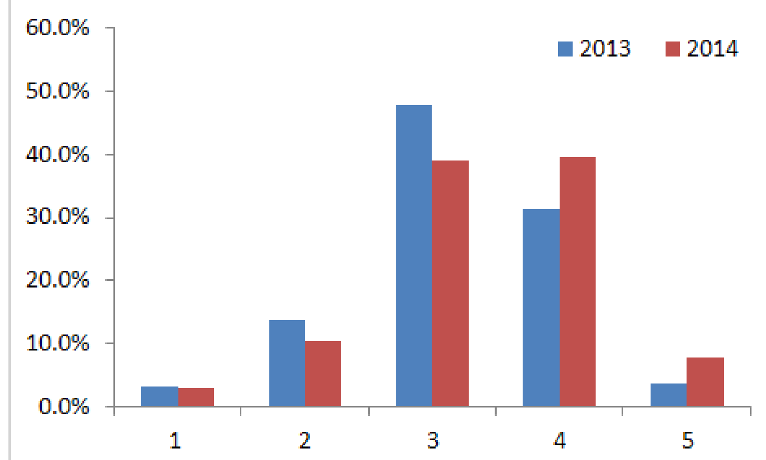
There has also been an improvement in the grades achieved by dairy origin cows. In the 2014 period 17 per cent of the dairy origin cow kill achieved an O grade compared to 13 per cent in the 2014 period. Meanwhile the proportion of dairy origin cows awarded a P grade decreased from 87 per cent in the 2013 period to 83 per cent in the 2014 period.

The fat class scores achieved by dairy origin cows also showed a general improvement year on year. The proportion awarded a one or two for fat cover declined by six percentage points year on year to account for 63 per cent of the dairy origin cow kill in the 2014 period. Meanwhile the proportion of dairy origin cows achieving a fat class three increased by three percentage points to account for 29 per cent of the kill in the 2014 period while the proportion achieving fat class four increased by two percentage points to account for seven per cent of the kill.

Table 1: Break down of conformation scores awarded to suckler origin cows July-September 2013/14

Kill Year	E	U	R	O	P
2013	0%	3%	31%	56%	10%
2014	0%	4%	38%	50%	8%

Figure 1: Break down of fat class scores awarded to suckler origin cows July-September 2013/14



WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 15/10/14	Next Week 20/10/14
Prime		
U-3	346-352p	346-352p
R-3	340-346p	340-346p
O+3	334-340p	334-340p
	Including bonus where applicable	
Cows		
O+3 & better	240-260p	240-260p
Steakers	140-170p	140-170p
Blues	120-130p	120-130p

REPORTED NI CATTLE PRICES - P/KG

W/E 11/10/14	Steers	Heifers	Young Bulls
U3	348.2	354.5	332.3
R3	345.3	347.8	337.0
O+3	337.2	339.0	325.8

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 11/10/14	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	142.3	149.4	162.9	167.6
P2	166.6	195.7	209.1	222.7
P3	-	209.6	224.0	237.1
O3	235.0	236.3	248.1	253.7
O4	197.4	245.0	250.9	262.0
R3	-	-	344.0	270.0

COMMODITY PRICE

W/E 04/10/14	Price (£) per tonne / 1000litre	% weekly change
Barley	126.50	-0.4
Wheat	128.00	+1.6
Straw	12.14	-

Deadweight Cattle Trade

QUOTES from the plants this week for U-3 grade steers and heifers ranged from 346-352p/kg with the majority of plants quoting 350p/kg for both steers and heifers. The plants are reporting steady supplies of prime cattle coming forward for slaughter. Quotes for O+3 grade cows ranged from 240-260p/kg across the plants this week with the majority of plants quoting 250-260p/kg. Similar quotes are expected for early next week.

Prime cattle throughput in the NI plants last week totalled 6,680 head, up almost 400 head from the previous week. This takes prime cattle throughput for the last six weeks to 36,660 head, a six per cent reduction on the 39,035 head killed in the same period in 2013. However an increase in the average prime cattle carcase weight from 324kg in the 2013 period to 331kg in the 2014 period has helped to offset some of this decline in throughput.

Imports of cattle from ROI for direct slaughter in NI plants last week was similar to the previous week with 896 prime cattle and 121 cows imported. Meanwhile 313 prime cattle were exported to GB for direct slaughter last week compared to 213 head the previous week. This was the highest weekly export of prime cattle from NI to GB since mid October 2013. A total of 65 cows were also exported from NI to GB for direct slaughter last week with a further 199 cows exported to ROI for direct slaughter.

Strong increases were recorded in deadweight cattle prices in NI last week in response to the further uplift in base quotes. The average steer price increased by 7.7p/kg to 335.6p/kg while the R3 steer price increased by 7.2p/kg to 346.3p/kg. This has narrowed the price differential in R3 steer prices between NI and the GB average to 10.4p/kg. Meanwhile the average heifer price in NI last week increased by 10p/kg to 342.6p/kg while the R3 heifer price increased by 8.8p/kg to 348.9p/kg. This puts the R3 heifer price in NI above the equivalent price in Northern England, the Midlands and Southern England.

In GB last week the deadweight cattle trade remained relatively steady with average steer prices up by a penny to 351.6p/kg and the R3 steer price up by 1.3p/kg to 356.7p/kg. Average steer prices in Scotland and the Midlands were up in the region of 2p/kg to 378.3p/kg and 347.5p/kg respectively while prices in Southern England were back by 2p/kg to 342.6p/kg. The trade for heifers was fairly steady in GB last week with the average R3 heifer price within half a penny of the previous week at 355.9p/kg. Meanwhile in GB average cow prices showed declines of 3-6p/kg across the majority of GB regions. The exception to this was in Scotland where the cow price increased by 1.7p/kg to 246.5p/kg.

Strong supplies of cattle have continued to come forward for slaughter in ROI with the total kill last week exceeding 35,000 head, the highest weekly throughput since October 2011. An improvement in the trade in euro terms and a slight strengthening in the value of euro against sterling resulted in R3 steer and heifer prices increasing by the equivalent of 3p/kg in ROI last week to 280.7p/kg and 285.6p/kg respectively.

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

W/E 11/10/2014		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	348.3	289.3	380.9	358.9	355.7	353.4	363.4
	R3	346.3	280.7	378.3	351.2	347.5	342.6	356.7
	R4	346.3	279.3	378.6	364.9	346.6	343.6	362.2
	O3	331.3	262.8	363.4	333.2	323.2	320.0	336.8
	AVG	335.6	-	375.2	351.9	338.9	330.7	351.6
Heifers	U3	354.6	296.1	385.6	361.1	360.5	359.8	368.2
	R3	348.9	285.6	376.8	347.6	347.4	344.8	355.9
	R4	344.8	284.7	377.5	351.6	344.3	341.8	356.3
	O3	337.7	269.5	354.6	330.9	321.8	323.7	335.2
	AVG	342.6	-	374.1	348.2	341.7	331.6	351.6
Young Bulls	U3	332.9	286.5	376.6	336.8	349.1	352.4	348.4
	R3	336.2	278.1	368.0	325.7	323.1	331.8	330.8
	O3	320.1	254.9	325.7	302.3	303.3	317.4	309.2
	AVG	319.3	-	349.1	322.4	327.3	315.1	325.9
Prime Cattle Price Reported		5303	-	6186	5671	5264	3822	20943
Cows	O3	252.7	238.5	253.0	243.5	251.8	231.2	244.3
	O4	260.9	240.6	257.9	245.7	253.0	233.1	246.8
	P2	213.2	211.4	189.0	192.3	220.6	179.6	188.8
	P3	233.8	231.7	212.8	220.3	234.7	199.5	212.6
	AVG	226.6	-	246.5	218.6	232.1	195.0	221.9

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=78.65p 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

	1st QUALITY			2nd QUALITY		
W/E 11/10/14	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	186	208	197	160	185	173
Friesians	140	161	150	116	139	128
Heifers	180	196	190	150	179	165
Beef Cows	140	185	160	110	138	125
Dairy Cows	115	144	123	80	114	100
Store Cattle (p/kg)						
Bullocks up to 400kg	209	237	222	165	208	185
Bullocks 400kg - 500kg	215	236	223	170	214	190
Bullocks over 500kg	195	221	202	160	194	177
Heifers up to 450kg	200	226	213	160	199	180
Heifers over 450kg	190	203	196	150	189	175
Dropped Calves (£/head)						
Continental Bulls	300	375	330	200	298	250
Continental Heifers	230	332	280	130	228	185
Friesian Bulls	80	175	120	20	78	50
Holstein Bulls	70	120	90	2	68	30

SHEEP TRADE

LAMB QUOTES

(P/Kg DW)	This Week 15/10/14	Next Week 20/10/14
Lambs	335-345p>22kg	345p>22kg

REPORTED LAMB PRICES - P/KG

(P/KG DW)	W/E 27/09/14	W/E 04/10/14	W/E 11/10/14
NI Liveweight	314.0	320.5	314.3
NI Deadweight	339.5	338.2	334.9
ROI Deadweight	331.7	334.4	322.5
GB Deadweight	353.9	354.3	354.0

Deadweight Sheep Trade

QUOTES from the plants this week ranged from 335-345p/kg for R3 grade lambs with plants continuing to pay up to 22kg. Lambs coming forward for slaughter continue to be of good quality with 52 per cent of lambs killed in NI plants last week achieving an R3 grade with a further 26 per cent achieving a U3 grade. A tightening in the supply of lambs has been reported with a total kill last week of 11,489 head, a reduction of 925 head from the previous week. Exports to ROI for direct slaughter last week also declined with a total of 10,016 sheep exported, a reduction of 2,526 head from the previous week. The deadweight lamb price in NI last week was 334.9p/kg, down 3.3p/kg from the previous week. In GB the deadweight lamb price was almost unchanged at 354p/kg.

This Week's Marts

A steady trade has been reported across the marts this week with fairly similar numbers passing through the sale rings. In Kilrea on Monday 550 lambs sold from 305-350p/kg compared to 655 lambs last week selling from 298-346p/kg. In Massereene on Monday a slightly firmer trade than last week saw 1,016 lambs sell from 305-340p/kg. In Rathfriland this week an improved trade saw 1,130 lambs sell to an average of 323p/kg compared to a slightly larger entry of 1,352 lambs last week selling to an average of 310p/kg. A sharper trade in Armoy this week saw 475 fat lambs sell from 307-355p/kg compared to 424 lambs last week selling from 296-332p/kg.

LATEST SHEEP MARTS

From: 11/10/14		Lambs (P/KG LW)			
To: 17/10/14		No	From	To	Avg
Saturday	Swatragh	1300	293	403	-
	Omagh	1639	325	382	-
Monday	Massereene	1016	305	340	-
	Kilrea	550	305	350	-
Tuesday	Saintfield	756	304	372	-
	Rathfriland	1130	315	409	323
Wednesday	Ballymena	1736	300	348	316
	Enniskillen	546	306	342	-
	Markethill	1050	310	340	322
	Armoy	475	307	355	325

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