LMC BULLETIN

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DIFFERENTIAL BETWEEN NI AND GB NARROWS

SINCE mid-September strong increases in base quotes for prime cattle from the major NI processors has translated into an improvement in deadweight cattle prices and has increased returns to producers.

The recent increase in deadweight prime cattle prices has moved R3 steer prices back up to levels last seen early in 2014. While R3 steer prices in NI were up marginally last week from the previous week the deadweight cattle trade appears to be stabilising. Reports from industry have indicated steady supplies of prime cattle coming forward for slaughter with the volume of beef produced matching demand. Last week's prime cattle throughput in NI totalled 7,200 head, the highest weekly throughput since late May.

The R3 steer price in NI last week was 348.6p/kg, up 27.3p/kg from the first week of September when the average R3 steer price was 321.3p/kg. This accounts for an 8.5 per cent increase in the NI R3 steer price over the six week period.

Meanwhile in GB last week the average R3 steer price was 355.1p/kg, down 1.5p/kg from the previous week with R3 steer prices recording a decline from the previous week in all the GB regions. Figure 1 outlines R3 steers prices in NI, GB and ROI for the period January to October 2014. The strong increase recorded in deadweight cattle prices in NI combined with a relatively steady trade in GB has markedly narrowed the price differential in recent weeks.

In the first week of September 2014 the differential between R3 steer prices in NI and GB was 30.3p/kg and by last week this had narrowed to 6.5p/kg. In monetary terms this has narrowed the differential in the value of a 330kg R3 grade steer carcase between NI and GB from £100 in the first week of September to £21 last week.

While the average R3 steer price in GB remains above the equivalent price in NI there is some variation in the differential across the GB regions. The R3 steer price in NI last week was 6.9p/kg higher than the equivalent price in Southern England and 3.4p/kg higher than the equivalent price in the Midlands. Meanwhile the R3 steer price in Northern England was 1.8p/kg higher than the NI price with the R3 steer price in Scotland 27.4p/kg ahead.

While the differential in R3 steer prices between NI and the GB average has narrowed in recent weeks the differential between NI and ROI has widened as outlined in Figure 1. The differential in R3 steer prices between NI and ROI has been gradually widening since June however the strong increase in NI prices in recent weeks has further increased the differential. The differential in R3 steer prices last week was the equivalent of 65.8p/kg of £217 for a 330kg carcase.

EU League Table

The EU cattle prices league table ranks EU countries in terms of the price paid per kg for R3 heifers and provides a useful comparison of farmgate prices across the EU. With an equivalent R3 heifer price of 450c/kg in the week ending 19 October 2014 GB has retained top spot on the league table. This was an increase of 6.3p/kg from the week ending 21 September 2014.

Over the same period the R3 heifer price in NI increased by the equivalent of 23.3c/kg to 437c/kg which placed it in second place. Over the same period R3 heifer prices in ROI increased by 6.2c/kg to 362.8c/kg placing it in ninth position in the table.

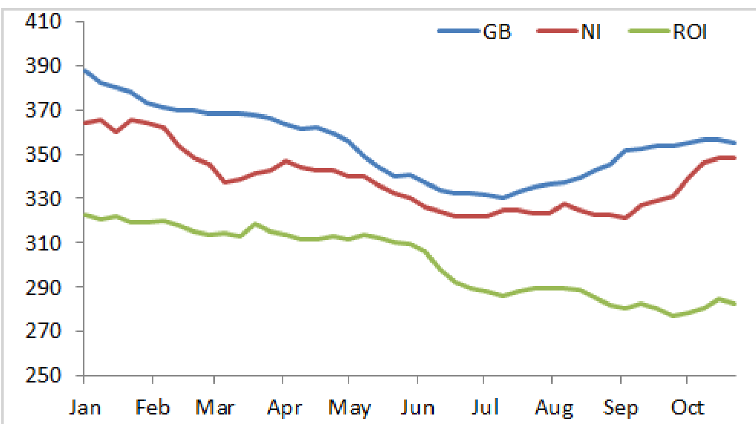
In the week ending 19 October the average EU R3 heifer price was 385c/kg, 65c/kg lower than the equivalent GB price, 52c/kg lower than the equivalent NI price and 22.2c/kg above the equivalent ROI price. With a large proportion of NI beef consumed in the UK it is vital that the local industry continues to meet the standards required by that market.

EU Deadweight Cattle Prices - Heifers R3 Equivalent (€ Cents)

Position last Mth	Position this Mth	Country	Price last Mth (w/e 21.09.14)	Price this Mth (w/e 19.10.14)	Change on Mth (cents)
1	1	Great Britain	**443.7**	**450.0**	**+6.3**
2	2	Northern Ireland	**413.7**	**437.0**	**+23.3**
5	3	Sweden	404.1	417.8	+13.7
3	4	Italy	412.1	413.7	+1.6
4	5	France	409.0	398.0	-11.0
6	6	Luxembourg	398.5	393.3	-5.2
8	7	Spain	371.5	386.5	+15.0
7	8	Germany	373.7	370.1	-3.6
10	9	Ireland	**356.6**	**362.8**	**+6.2**
9	10	Austria	360.2	354.7	-5.5
11	11	Denmark	350.2	343.1	-7.1
13	12	Slovenia	333.5	338.4	+4.9
12	13	Belgium	337.5	333.5	-4.0
14	14	Poland	298.1	296.6	-1.6
15	15	Czech Republic	273.2	265.6	-7.6
16	16	Lithuania	214.2	235.1	+20.9
		EU Average	384.6	385.0	+0.3
		Euro (€1=)	79.3	79.4	+0.2

Official prices reported to the EC Dressing Specification

Figure 1: R3 steer prices in NI,GB and ROI January to October 2014



FAO FOOD PRICE INDEX DECLINES FURTHER IN SEPTEMBER

THE FAO Food Price Index is a measure of the monthly change in the cost of a basket of food commodities and is based on international prices for Meat, Dairy Products, Cereals, Vegetable Oils and Sugar. In September 2014 the FAO Food Price Index was 191.5 points, 5.2 points lower than August 2014 and 12.2 points lower than the corresponding month in 2013.

The decline during September is the sixth consecutive month in which the index has recorded a decline and has taken the index to its lowest level since August 2010. The FAO Index prices for sugar and dairy recorded the most notable declines in September 2014 with cereal and vegetable oil prices also declining. Global prices for meat however remained relatively firm.

The FAO Meat Price Index in September 2014 was 207.8 points, slightly higher than the previous month and markedly higher than the 186.1 points recorded in September 2013. This represents a 12 per cent increase in global meat prices year on year however there is some variation between the meat categories. While global beef prices have remained strong in response to reduced global supplies the global prices for sheep meat have recorded a decline. Pigmeat prices in September have recorded a decline for the third consecutive month in response to a recovery in supplies in several key producing and exporting countries.

Meanwhile the FAO Cereal Index in September 2014 was down 4.6 points from the previous month to 177.9 points. This decline has been driven by increases in global production of wheat and maize in particular with increased availability of supplies for export.

The FAO Dairy Price Index during September 2014 was 187.8 point, down 13 points from August 2014 and 62.4 points less than September 2013. The continued decline in prices reflects strong global export availability. In addition to increased global production the movement away from the production of cheese by the European Union for sale to the Russian Federation, has resulted in increased output of butter and skimmed milk powder within the Union. Elsewhere, the recent falls in skimmed milk prices has stimulated an increase in whole milk powder production, as manufactures seek to adjust products to ensure the best returns.

FQAS MART CLINICS NOVEMBER

LOCATION	DAY	DATE
Omagh	Monday	10/11/2014
Saintfield	Wednesday	12/11/2014
Markethill	Tuesday	18/11/2014
Enniskillen	Thursday	20/11/2014
Kilrea	Wednesday	26/11/2014
Ballymena	Friday	28/11/2014

LMC's Farm Liaison Officer, Terry White, runs Farm Quality Assurance Scheme (FQAS) mart clinics at a range of Livestock Marts across Northern Ireland. Terry is present to assist members of FQAS with non-conformances, general scheme queries and any issues prior to or following an inspection.

Any farmers who wish to join the scheme can also do so through their local FQAS mart clinic. Terry will be available at the livestock marts listed above. For further information call (028) 9263 3024.

FARM QUALITY ASSURED NORTHERN IRELAND

WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 29/10/14	Next Week 03/11/14
Prime		
U-3	350-352p	350-352p
R-3	344-346p	344-346p
O+3	338-340p	338-340p
	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 25/10/14	Steers	Heifers	Young Bulls
U3	352.1	356.2	348.5
R3	347.3	348.7	340.0
O+3	339.5	341.1	328.9

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 25/10/14	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	133.7	149.4	156.8	176.4
P2	162.6	188.1	204.5	221.3
P3	193.5	207.7	219.6	234.0
O3	-	222.0	244.1	252.0
O4	-	234.4	245.0	253.6
R3	-	-	-	268.8

COMMODITY PRICE

W/E 25/10/14	Price (£) per tonne / 1000litre	% weekly change
Barley	133..50	+2.3
Wheat	137.50	+3.0
Straw	12.14	--

Deadweight Cattle Trade

QUOTES from the plants this week for U-3 grade steers and heifers steadied at 350-352p/kg with similar quotes expected for early next week. Quotes for good quality O+3 cows ranged from 240-260p/kg across the plants with the plants reporting steady supplies of all types of cattle to meet demand.

Prime cattle throughput in NI last week totalled 7,200 head last week, an increase of 538 head from the previous week. This is the highest weekly throughput of prime cattle since the week commencing 24 May 2014. Imports of prime cattle from ROI for direct slaughter in NI plants last week were similar to the previous week with 628 head imported. This accounted for 9 per cent of the prime cattle kill in NI last week. Exports from NI for direct slaughter in GB plants last week were similar to previous weeks with a total of 238 prime cattle making the crossing to GB with 35 cows also exported. A further 314 cows were exported to ROI for direct slaughter last week compared to 196 head the previous week. Meanwhile cow throughput in the NI plants last week totalled 1,759 head, down 145 head from the previous week.

Deadweight prices for prime cattle were generally steady in NI last week with an average steer price of 336.5p/kg and an average heifer price of 343.9p/kg. The most notable change week on week was an increase in the U3 young bull price by 4p/kg to 347.7p/kg. Last week 83 per cent of price reported young bulls were under the desired 16 month age limit compared to 52 per cent in the corresponding week in 2013. The proportion of young bulls in the kill has also reduced year on year with six per cent of the NI prime kill last week made up of young bulls compared to 16 per cent in the corresponding week last year.

In GB last week the average steer price was back 1.5p/kg to 350.1p/kg with the R3 steer price back by a similar margin to 355.1p/kg. The R3 steer price was back in all the GB regions with the most notable decrease recorded in Northern England where it was back 2.8p/kg to 350.4p/kg. This put it 1.8p/kg higher than the equivalent price in NI. Meanwhile The R3 heifer price in Northern England was back by 2.6p/kg to 350.8p/kg putting it 1.5p/kg ahead of the equivalent price in NI.

Cow prices have come under pressure right across the British Isles. In NI last week the average cow price was back by 6.6p/kg to 224.2p/kg while the average cow price in GB was back by 4.6p/kg to 213.1p/kg. The average cow price in NI last week was similar to the equivalent price in the English Midlands and was markedly higher than prices in Northern and Southern England (12.2p/kg and 38.1p/kg respectively). Average Scottish cow prices remain the highest in GB at 237.2p/kg which reflects the lower dairy influence in the slaughter mix.

The total cattle kill in ROI last was just less than 37,000 head and was the highest weekly throughput since late 2011. The trade has been relatively steady in euro terms but a weakening of the euro against sterling has meant the R3 steer price was back the equivalent of 1.5p/kg to 282.8p/kg. The R3 heifer price increased by almost 2c/kg last week but was unchanged in sterling terms at 289.8p/kg.

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

W/E 25/10/2014		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	352.4	291.8	381.2	358.4	355.4	355.1	363.8
	R3	348.6	282.8	376.0	350.4	345.2	341.7	355.1
	R4	345.2	281.1	378.7	364.1	345.3	341.7	361.6
	O3	334.2	266.0	364.0	331.0	320.2	319.9	335.4
	AVG	336.5	-	374.4	351.4	336.0	327.8	350.1
Heifers	U3	356.2	300.1	388.1	363.8	361.0	359.8	370.1
	R3	349.3	289.8	379.7	350.8	349.7	342.2	358.1
	R4	346.6	289.2	379.0	355.0	348.9	340.0	358.6
	O3	335.9	274.8	362.0	326.6	329.3	319.0	336.0
	AVG	343.9	-	376.2	349.7	343.2	330.3	353.1
Young Bulls	U3	347.7	290.7	376.6	338.1	351.0	344.5	349.1
	R3	341.1	280.6	364.1	323.4	327.4	334.4	331.7
	O3	315.8	257.4	325.3	303.7	303.6	313.7	309.1
	AVG	322.0	-	339.4	315.4	321.0	310.9	319.6
Prime Cattle Price Reported		5852	-	6207	5630	5251	3790	20878
Cows	O3	251.2	243.3	247.3	234.2	240.8	220.5	235.4
	O4	252.8	244.4	248.6	237.3	244.4	224.5	237.9
	P2	209.2	214.7	188.1	187.3	192.2	165.8	180.6
	P3	230.2	235.1	210.3	209.5	212.2	192.8	205.2
	AVG	224.2	-	237.2	212.0	224.3	186.1	213.1

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=79.03p 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 25/10/14	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	190	207	195	160	189	175
Friesians	130	151	138	109	129	122
Heifers	185	210	198	155	184	170
Beef Cows	140	193	157	110	139	125
Dairy Cows	110	147	121	75	109	95
Store Cattle (p/kg)						
Bullocks up to 400kg	203	223	210	165	202	180
Bullocks 400kg - 500kg	210	223	213	160	208	185
Bullocks over 500kg	190	212	200	155	189	175
Heifers up to 450kg	200	216	208	160	198	180
Heifers over 450kg	190	210	200	155	189	175
Dropped Calves (£/head)						
Continental Bulls	320	405	345	200	318	260
Continental Heifers	280	380	320	150	278	220
Friesian Bulls	50	98	75	10	48	30
Holstein Bulls	25	75	50	2	22	15

but was unchanged in sterling terms at 289.8p/kg.

SHEEP TRADE

LAMB QUOTES

(P/Kg DW)	This Week 27/10/14	Next Week 03/11/14
Lambs	355-360p/kg	360p/kg

REPORTED LAMB PRICES - P/KG

(P/KG DW)	W/E 11/10/14	W/E 18/10/14	W/E 25/10/14
NI Liveweight	314.3	323.3	336.4
NI Deadweight	334.9	341.0	358.5
ROI Deadweight	322.5	338.4	348.6
GB Deadweight	354.0	353.0	354.9

Deadweight Sheep Trade

QUOTES from the major NI plants for R3 grade lambs have remained steady this week with 355-360p/kg available up to 22kg. There has been a tightening in the availability of lambs for slaughter with 9,642 lambs killed in local plants last week compared to 10,388 the previous week. Exports of sheep to ROI for direct slaughter last week totalled 9,970 head compared to 9,343 the previous week, accounting for a seven per cent increase week on week. Deadweight lamb prices recorded a strong increase last week with the average lamb price up 17.5p/kg to 358.5p/kg last week. In GB last week the deadweight lamb trade remained relatively steady with the average lamb price up 1.9p/kg to 354.9p/kg.

This Week's Marts

A firm trade for good quality lambs was reported across the marts this week with good numbers passing through the sale rings. Several marts have reported a similar trade to previous weeks but an increase in the proportion of heavier lambs which has influenced reported prices. In Massereene on Monday a similar trade to the previous Monday saw 1,126 lambs sold from 325-367p/kg. In Rathfriland this week 1,469 lambs sold to an average of 337p/kg compared to 1,338 lambs last week selling to an average of 342p/kg. In Ballymena this week 2,357 lambs sold to an average of 317p/kg compared to 2,035 lambs last week selling to an average of 329p/kg. The top reported price for cull ewes this week was £100 in Ballymena with top prices generally £80-90 across the marts.

LATEST SHEEP MARTS

From: 25/10/14		Lambs (P/KG LW)			
To: 31/10/14		No	From	To	Avg
Saturday	Donemana	1170	298	339	-
	Swatragh	925	308	400	-
	Omagh	1892	321	367	-
Monday	Massereene	1126	325	367	-
	Kilrea	600	316	380	-
Tuesday	Saintfield	985	308	376	-
	Rathfriland	1469	317	397	337
Wednesday	Ballymena	2357	305	346	317
	Enniskillen	682	330	357	-
	Markethill	1450	315	360	330

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