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MIXED RETAIL PERFORMANCE FOR LAMB

TOTAL expenditure on lamb in GB during the 12 weeks ending 14 September 2014 totalled £130 million compared to £126 million in the corresponding period in 2013. This accounts for a three per cent increase year on year according to the latest data available from Kantar Worldpanel.

This increase in expenditure on lamb has been driven by an increase in the average retail price from £8.44/kg in the 12 weeks ending 15 September 2013 to £8.74/kg in the 2014 period. This increase by 30p/kg accounts for a four per cent rise in the average retail price year on year.

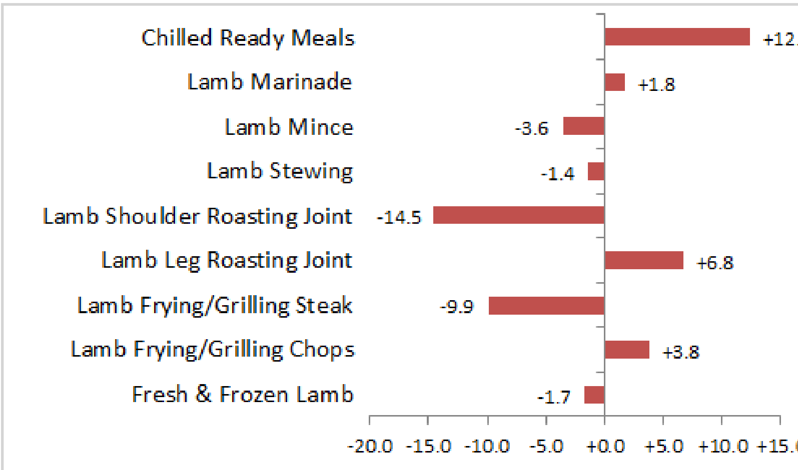
However despite the increase in the average retail price the total volume of lamb purchased by UK consumers was unchanged year on year at 15,000 tonnes during the 12 weeks ending 14 September 2014.

Household penetration in the UK was also unchanged year on year at 33.2 per cent which indicates that consumers are continuing to buy lamb despite the higher retail price. As a result the average spend per trip during the 12 weeks ending 14 September 2014 was £5.98, three per cent higher than the £5.82 in the same period in 2013.

There has been some variation in the retail performance of individual lamb cuts during the 12 weeks ending 12 October 2014 when compared to the corresponding period in 2013 as outlined in Figure 1. Volume sales of lamb chops increased by four per cent year on year while sales of leg roasting joints increased by seven per cent over the same period. Volume sales of lamb marinades increased by two per cent year on year.

The biggest increase in volume sales however was for chilled ready meals which increased by 12 per cent year on year. Other cuts recorded volume declines over the same period with volume sales of frying/grilling steaks back ten per cent year on year and sales of shoulder roasting joints back by 15 per cent over the same period.

Figure 1: Volume change in lamb sales by cut in GB in the 12 weeks ending 12-Oct 2014.



NI Market Update

WHILE the latest Kantar data has indicated a steady retail market for lamb in GB the performance of lamb in the NI market over the last year has shown signs of improvement. The value of lamb sales in NI during the 52 weeks ending 14 September 2014 was 6.5 per cent higher than year earlier levels despite volume sales being back by 9.2 per cent from the previous 52 week period.

Lamb was the only major meat group to record growth in the value of sales year on year in NI. By comparison the value of sales of beef in NI was back by 3.3 per cent during the 52 week period ending 14 September 2014 with the value of total meat sales back by 2.6 per cent year on year.

While the retail market for lamb in NI remains small in comparison to other meats the increase in the value of retail sales in NI has increased its share of the total meat market in terms of value to seven per cent during the 52 week period ending 14 September 2014.

With all meat categories recorded declines in volume sales in NI during the 2014 period compared to year earlier levels lamb has maintained its market share in terms of volume sales at five per cent.

While lamb has maintained its share of the market in terms of volume sales there has been a drop in household penetration by three percentage points to 42 per cent. This drop can be attributed to the increase in the average retail price from £7.10/kg in the 2013 period to £8.33/kg in the 2014 period. Retail prices in the 2014 period were similar to prices in the corresponding period in 2012 when the average retail price was £8.31/kg.

The increase in the average retail price has increased average spend per shopper on lamb to £54. This was a 14 per cent increase from the same period in 2013 when spend per shopper was £47.20. Lamb shoppers were the only NI meat shoppers to increase expenditure year on year.

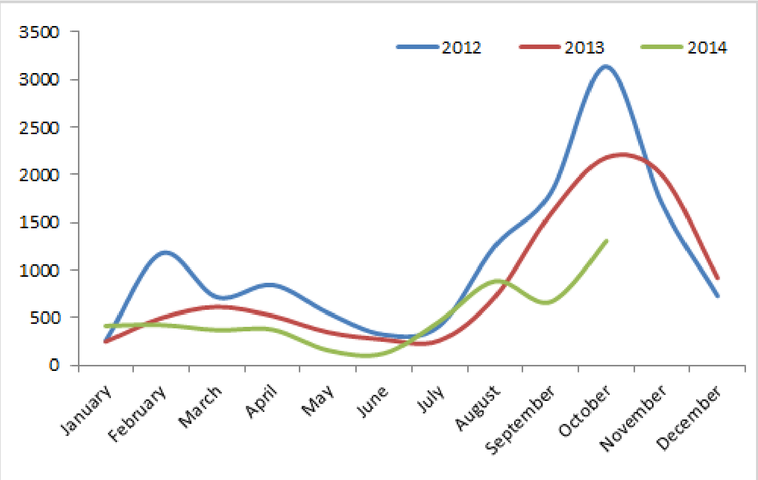
IMPORTS OF CATTLE FROM ROI FOR FURTHER PRODUCTION

IMPORTS of cattle from ROI for further breeding and production on NI farms tend to peak in the autumn months due to increased cattle availability in ROI as the grazing season comes to an end and the suckled calf sales commence.

October 2014 has been no exception to this trend with 1,305 male weanlings and store cattle imported into NI from ROI compared to 663 head during September 2014. However while imports have shown a seasonal increase in Autumn 2014 the level of imports remains well below previous years as indicated in Figure 1.

In October 2013 2,181 male weanlings and store cattle were imported into NI from ROI. This was 876 head lower than the previous year and accounted for a 40 per cent decline. Meanwhile imports of male store cattle from ROI during October 2014 were 58 per cent lower than the corresponding month in 2012 with 1,832 fewer cattle imported.

Figure 1: Imports of male store cattle into NI from ROI January 2012-October 2014



Imports of male store cattle from ROI for further keep on NI farms during 2014 to date have totalled 5,150 head. This is 29 per cent lower than the 7,219 head imported in the corresponding period in 2013 and 51 per cent lower than the 10,462 head imported in the corresponding period in 2014.

With the drop in the level of imports from ROI to NI the number of ROI origin cattle on NI farms has recorded a decline. In October 2012 there were 19,732 ROI origin under 30 months of age cattle on NI farms intended for beef production. By October 2014 this declined to 10,614 head, accounting for a 46 per cent decline over the period.

MORE DAIRY COWS IN NI SLAUGHTER MIX

THE number of cows being presented for slaughter in NI plants has increased in recent weeks in line with normal seasonal trends but have remained below the record levels slaughtered in the corresponding period in 2013. There were 2,219 cows slaughtered in NI meat plants last week, the highest weekly throughput for the year to date which brings total cow throughput for the last six weeks to 12,019 head. In the corresponding six week period in 2013 cow throughput in the NI plants was 13,683 head, representing a 12 per cent decline year on year.

Exports of cows for direct slaughter in ROI plants have also recorded an increase in recent weeks with 303 cows making the journey south last week bringing total cow exports to ROI for the last six weeks to 1,729 head. A further 360 cows were exported to GB for direct slaughter during the same period. Total exports to ROI and GB accounted for 15 per cent of total cow output from NI during the last six weeks. In the corresponding period in 2013 1,605 cows were exported from NI to ROI for direct slaughter and a further 356 cows were exported to GB. These exports accounted for 12.5 per cent of total cow output from NI.

There have also been key changes to the make up of the NI cow kill during the last six weeks when compared to the corresponding period in 2013. In the 2013 period 54 per cent of the price reported cow kill were of dairy origin and in the 2014 period this increased to 61 per cent. Despite the increasing dairy influence in the NI cow kill the average cow carcase weight increased from 296kg in the 2013 period to 301kg in the 2014 period. The average price reported suckler origin cow carcase weight increased from 321kg in the 2013 period to 334kg in the 2014 period while the dairy origin cow carcase weight increased from 266kg to 275kg.

Deadweight prices for cows have come under pressure in recent weeks with increasing numbers of cows coming available for slaughter. The O3 cow price in NI last week was 242.5p/kg, down 4.3p/kg from the previous week but has remained strong relative to the other GB regions and was 13p/kg higher than the average O3 price in GB last week.

WEEKLY BEEF & LAMB MARKETS

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 19/11/14	Next Week 24/11/14
Prime		
U-3	344-350p	344-350p
R-3	338-344p	338-344p
O+3	332-338p	332-338p
P+3	284-300p	284-300p
	Including bonus where applicable	
Cows		
O+3 & better	230-246p	230-246p
Steakers	140-170p	140-170p
Blues	120-130p	120-130p

REPORTED NI CATTLE PRICES - P/KG

W/E 15/11/14	Steers	Heifers	Young Bulls
U3	352.2	356.7	337.5
R3	349.3	349.7	336.7
O+3	339.4	337.5	329.5

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 15/11/14	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	128.9	139.8	148.2	160.1
P2	163.6	182.8	195.5	210.9
P3	188.6	201.5	221.6	223.8
O3	180.0	218.3	233.2	244.7
O4	-	225.5	233.8	246.6
R3	-	-	-	263.3

COMMODITY PRICE

W/E 15/11/14	Price (£) per tonne / 1000litre	% weekly change
Barley	141.00	+4.4
Wheat	143.50	+1.8
Straw	12.14	--

Deadweight Cattle Trade

QUOTES from the plants for U-3 grade prime cattle remained steady this week with 344-350p/kg available for steers and heifers. Quotes for O+3 cows have also remained similar to last week with quotes ranging from 230-246p/kg across the plants this week. With a wide range in quotes producers may benefit from shopping around to ensure they get the best possible deal for their cattle.

Prime cattle throughput in the NI plants last week totalled 6,658 head, down 216 head from the previous week. Imports of prime cattle for direct slaughter from ROI increased last week to 663 head after several weeks of decline. These cattle accounted for ten per cent of total prime cattle throughput in NI plants last week. In the corresponding week last year 494 prime cattle were imported from ROI for direct slaughter and accounted for eight per cent of the prime kill in NI. Meanwhile exports of prime cattle to GB last week for direct slaughter also recorded an increase with 263 head making the crossing compared to 159 head the previous week.

The deadweight trade for prime cattle in NI last week was similar to the previous week with average steer, heifer and young bull prices all within a penny of the previous week. The R3 steer price in NI last week was 350.9p/kg, up 1p/kg from the previous week while the R3 heifer price was back by 1p/kg to 350.6p/kg. While the trade for prime cattle remained fairly steady the trade for cows came under pressure with the average cow price back by 7.4p/kg to 213p/kg.

In GB last week there was a general improvement in the trade with average steer and heifer prices up in the region of 2p/kg to 353.8p/kg and 355.8p/kg respectively. Average steer and heifer prices recorded an increase in all the GB regions last week with the exception of Scotland where the average steer price was back marginally to 375.3p/kg and the average heifer price was unchanged at 375.4p/kg. The R3 steer price in GB last week was 360.1p/kg, 9p/kg higher than the equivalent NI price or £30 on a 330kg carcase with the R3 heifer prices in NI and GB showing a similar differential.

In ROI last week an improvement in the deadweight trade combined with a slight increase in the value of euro against sterling has meant prime cattle prices recorded strong increases in sterling terms. The R3 steer price in ROI last week increased by the equivalent of 6.3p/kg to 289.7p/kg while the R3 heifer price increased by 5.6p/kg to 296.9p/kg. This puts the differential between ROI and NI at 61.2p/kg for R3 grade steers and 53.7p/kg for R3 grade heifers.

The trade for cull cows remains strong in ROI with an average P3 cow price the equivalent of 235.3p/kg. This is 36p/kg higher than the average price in GB of 199.7p/kg and 13.3p/kg higher than the equivalent price in NI last week.

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

W/E 15/11/2014		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	352.5	299.6	383.9	365.2	362.7	362.4	369.7
	R3	350.9	289.7	379.1	356.3	351.3	346.1	360.1
	R4	348.8	289.1	379.4	372.1	352.7	344.8	367.1
	O3	334.5	273.5	363.1	331.0	325.9	325.3	338.1
	AVG	339.5	-	375.3	355.0	339.8	334.4	353.8
Heifers	U3	356.8	308.3	387.7	369.3	362.5	360.0	372.1
	R3	350.6	296.9	378.6	355.1	350.5	346.7	359.7
	R4	348.5	294.9	377.4	360.4	351.1	344.6	361.1
	O3	333.9	283.1	359.1	340.3	320.8	323.9	339.2
	AVG	343.9	-	375.4	356.0	344.9	333.9	355.8
Young Bulls	U3	335.9	293.8	377.1	334.3	350.8	355.9	348.8
	R3	336.5	288.3	367.4	328.4	339.8	326.9	337.3
	O3	319.4	263.9	328.9	299.6	308.4	319.9	311.7
	AVG	319.3	-	341.0	318.0	324.2	315.1	322.2
Prime Cattle Price Reported		5310	-	6210	5701	5213	3889	21013
Cows	O3	242.5	243.9	238.0	233.8	233.9	212.7	229.3
	O4	245.5	245.9	241.5	229.5	238.8	215.5	229.8
	P2	198.9	215.4	184.0	186.3	196.4	161.4	176.8
	P3	222.0	235.3	202.6	208.5	206.1	186.3	199.7
	AVG	213.0	-	226.2	206.4	215.7	179.7	205.1

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=78.84p 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 08/11/14	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	194	213	201	165	193	180
Friesians	142	146	144	100	118	109
Heifers	190	206	196	160	189	176
Beef Cows	128	154	143	100	127	115
Dairy Cows	90	110	100	60	89	74
Store Cattle (p/kg)						
Bullocks up to 400kg	200	219	212	170	199	185
Bullocks 400kg - 500kg	195	209	202	160	194	175
Bullocks over 500kg	190	214	198	160	189	175
Heifers up to 450kg	190	208	200	155	189	172
Heifers over 450kg	190	208	200	160	189	175
Dropped Calves (£/head)						
Continental Bulls	260	360	300	160	258	210
Continental Heifers	200	300	250	100	198	150
Friesian Bulls	110	170	135	50	108	80
Holstein Bulls	50	105	75	20	48	35

SHEEP TRADE

LAMB QUOTES

(P/Kg DW)	This Week 19/11/14	Next Week 24/11/14
Lambs	360-370>22kg	370>22kg

REPORTED LAMB PRICES - P/KG

(P/KG DW)	W/E 01/11/14	W/E 08/11/14	W/E 15/10/14
NI Liveweight	333.9	336.6	335.2
NI Deadweight	358.3	356.3	358.0
ROI Deadweight	355.8	354.7	361.4
GB Deadweight	360.6	368.2	385.6

Deadweight Sheep Trade

QUOTES from some of the NI processors recorded an increase towards the end of this week with the plants quoting 370p/kg up to 22kg for early next week. The number of lambs coming forward for slaughter has continued to tighten with 9,085 lambs killed in NI plants last week compared to 9,401 during the previous week. The number of sheep exported to ROI for direct slaughter last week also recorded a slight decline with a total of 7,822 head exported compared to 7,959 the previous week. Deadweight prices in NI last week increased by 1.7p/kg to 358p/kg last week while in ROI a combination of an improvement in the prices paid and an increase in the value of the euro increased prices in sterling terms by 6.7p/kg to 361.4p/kg.

This Week's Marts

THE numbers passing through the sale rings has generally declined this week with reports of steady demand for good quality lambs. In Kilrea on Monday 500 lambs sold from 320-381p/kg compared to 525 lambs last week selling from 316-353p/kg. In Enniskillen this week 587 lambs sold from 336-364p/kg compared to 723 lambs last week selling from 320-355p/kg. An improved trade in Ballymena this week saw 1,387 lambs sell from 315-368p/kg (avg 332p/kg) compared to 1,849 lambs last week selling from 300-347p/kg (avg 319p/kg). There was also an improved trade in Markethill this week with 1,100 lambs selling from 320-360p/kg (avg 336p/kg) compared to 1,040 lambs last week selling from 310-364p/kg (avg 326p/kg).

LATEST SHEEP MARTS

From: 15/11/14		Lambs (P/KG LW)			
To: 21/11/14		No	From	To	Avg
Saturday	Swatragh	745	304	389	-
	Omagh	1285	322	381	-
Monday	Massereene	986	335	367	-
	Kilrea	500	320	381	-
Tuesday	Saintfield	589	318	400	-
	Rathfriland	1000	323	410	343
Wednesday	Ballymena	1387	315	368	332
	Enniskillen	587	336	364	-
	Markethill	1100	320	360	336

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