LMC BULLETIN

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IMPROVEMENTS IN NI BEEF TRADE

DURING Autumn 2014 the deadweight trade for prime cattle in NI has slowly improved with an average R3 steer price last week of 351.7p/kg. This is an increase of 30.4p/kg from the week ending the 06 September 2014 when the R3 steer price was 321.3p/kg.

While the deadweight trade for prime cattle in NI has improved in recent weeks it remains behind the record prices being paid in the corresponding period last year. This week the base quotes from some of the NI plants have seen a strong increase to 360p/kg with reports of a tightening in the availability of prime cattle for slaughter. It remains to be seen what effect this will have on deadweight prices with some plants continuing to quote lower base prices in the region of 350p/kg,

Figure 1 displays R3 steer prices for 2014 to date for NI, GB and ROI. As indicated in the chart the differential in R3 steer prices between NI and the GB average price was in the region of 10p/kg in recent weeks. The differential has narrowed significantly from the week ending the 06 September 2014 when the differential was as wide as 30p/kg.

In general the gap in prices between NI and GB has narrowed with an average differential during 2014 to date of 15.2p/kg compared to a differential of 21.1p/kg in 2013.

Further analysis of GB prices has shown that there is a significant differential in R3 steer prices between the GB regions. Chart 2 shows the average R3 steer price in the British Isles broken down by region for the six week period ending 06 December 2014.

The average R3 steer price in NI over the last six weeks was 350.3p/kg. This was 3.4p/kg higher than the equivalent price in Southern England and 1.2p/kg higher than the equivalent price in the Midlands and Wales. The average R3 steer price in Northern England during the six weeks ending 06 December 2014 was 355.5p/kg, 5.2p/kg higher than the equivalent price in NI.

However the Scottish beef price is markedly higher than the rest of the UK regions as indicated in Figure 2 and it drags up the GB average. The average R3 steer price in Scotland during the period under analysis was 378.6p/kg, 28.3p/kg higher than the equivalent price in NI or £93 on a 330kg carcase.

The strong brand identity of Scotch beef, higher levies at point of slaughter providing more money for promotion and the gaining of PGI certification have contributed to Scotch beef commanding higher beef prices than the rest of the UK. In the six week period ending 06 December 2014 the R3 steer price in Scotland was 22.6p/kg higher than the R3 steer price in Northern England, the highest GB price (£75 on a 330kg carcase).

While deadweight prime cattle prices in NI and the GB regions have recorded a steady improvement since early September 2014 deadweight prices in ROI remained much more stagnant until early November 2014. This resulted in the differential between ROI and the rest of the British Isles to widen significantly.

At its widest the differential in R3 steer prices between NI and ROI was 66.6p/kg and between GB and ROI the differential was as wide as 77.4p/kg during 2014 to date. The average R3 steer price in ROI during the six weeks ending 07 December 2014 was 291.9p/kg. This was 58.4p/kg below the equivalent price in NI (£193 on a 330kg carcase).

In recent weeks however a tightening in the supplies of prime cattle being presented for slaughter in ROI plants combined with a firm demand for prime cattle have helped to improve the deadweight trade with an equivalent R3 steer price last week of 299.6p/kg.

Figure 1: R3 steer prices in NI, GB and ROI during 2014 to date

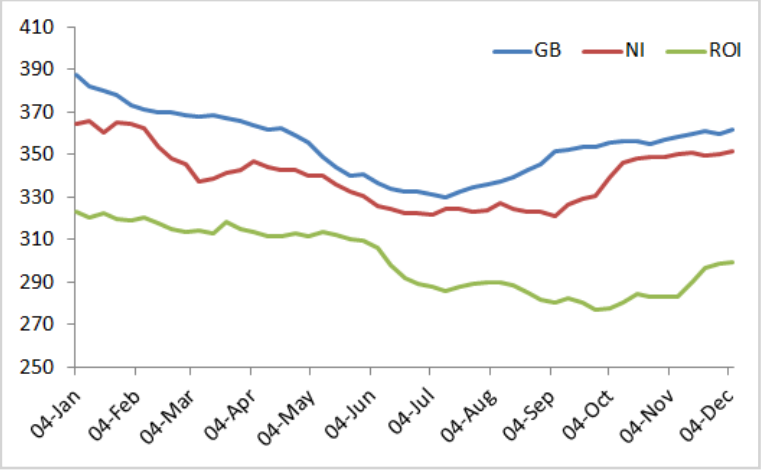
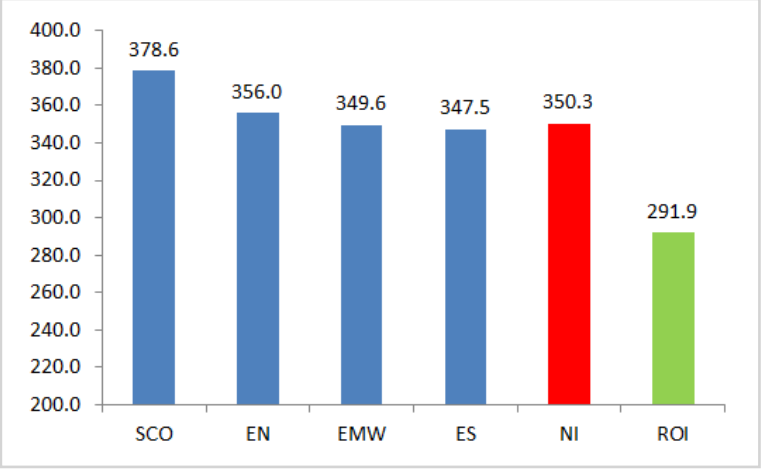


Figure 2: R3 steer prices in the British isles by region during the six weeks ending 06 December 2014



INCREASE IN PROPORTION OF R3 GRADE LAMBS IN NI SLAUGHTER MIX

DURING the six month period ending 29 November 2014 the lamb kill in NI totalled 288,931 head compared to 264,500 in the corresponding period in 2013. This accounts for a nine per cent increase in lamb throughput year on year.

This increase in throughput can be partly attributed to a lower lamb mortality on NI farms in Spring 2014 when compared to year earlier levels. A drop in the value of euro against sterling also made it less advantageous to export lambs from NI to ROI for direct slaughter resulting in a larger proportion of lambs to be killed domestically.

Exports of lambs/hoggets from NI to ROI for direct slaughter during the six month period ending 29 November 2014 totalled 177,426 head and accounted for 38 per cent of total lamb output from NI farms. In the corresponding period in 2013 196,094 lambs/hoggets were exported to ROI for direct slaughter, accounting for 43 per cent of total NI production.

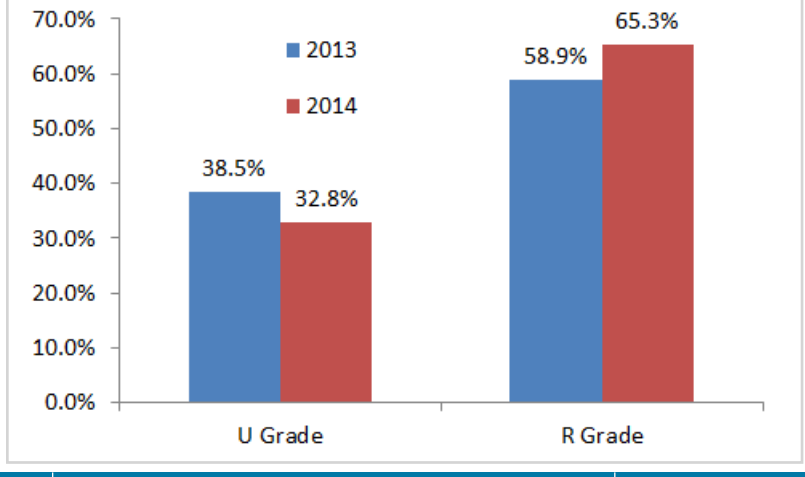
While the throughput in the NI plants increased during the period under analysis average carcase weights also recorded an increase. The average carcase weight of price reported lambs during the six month period ending 29 November 2014 was 21.2kg, up 0.4kg from the corresponding period in 2013 when the average carcase weight was 20.8kg. The much improved production conditions on NI farms in 2014 will have been a key driver behind this trend.

However while the average carcase weight of lambs has shown an increase year on year analysis of the sheep price reporting has indicated a general decline in the conformation scores lambs presented for slaughter in NI plants as indicated in Figure 3.

In the six month period ending 29 November 2014 32.8 per cent of price reported lambs achieved an U grade compared to 38.5 per cent in the corresponding period in 2013. Meanwhile the average carcase weight of price reported U grade lambs increased from 21.7kg in the 2013 period to 22.4kg in the 2014 period.

While the proportion of U grade lambs in the slaughter mix has recorded a decline year on year the proportion of R grade lambs has increased. In the 2014 period 65.3 per cent of the price reported lamb kill were awarded an R grade compared to 58.9 per cent in the 2014 period. This accounts for an increase of 6.4 percentage points year on year. The average carcase weight of R grade lambs has also recorded an increase year on year. In the 2014 period the average carcase weight of R grade lambs was 20.8kg compared to 20.4kg in the corresponding period in 2013.

Figure 3: Proportion of NI price reported lamb kill awarded U and R grades during June-November 2013/2014



FQAS NOTICE ONLINE PAYMENTS

LMC has launched an online payment system for the Farm Quality Assurance Scheme. This allows producers to pay annual membership renewal and initial registration fees through the LMC website.

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WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 10/12/14	Next Week 15/12/14
Prime		
U-3	346-360p	350-360p
R-3	340-354p	344-354p
O+3	334-348p	338-348p
P+3	316-330p	316-330p
	Including bonus where applicable	
Cows		
O+3 & better	230-250p	230-250p
Steakers	140-170p	140-170p
Blues	120-130p	120-130p

REPORTED NI CATTLE PRICES - P/KG

W/E 06/12/14	Steers	Heifers	Young Bulls
U3	355.1	356.0	340.5
R3	349.8	347.8	327.9
O+3	340.4	338.2	333.5

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 06/12/14	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	130.1	135.8	142.6	164.4
P2	157.5	171.7	189.1	206.6
P3	171.6	210.9	210.8	218.6
O3	-	214.9	237.5	238.9
O4	-	236.1	225.0	241.0
R3	-	-	-	260.2

COMMODITY PRICE

W/E 06/12/14	Price (£) per tonne / 1000litre	% weekly change
Barley	145.00	+1.1
Wheat	151.00	-1.0
Straw	11.92	-

Deadweight Cattle Trade

QUOTES for U-3 grade prime cattle from the major processors ranged from 350-360p/kg towards the end of this week with similar quotes expected for early next week. With such a range in base quotes producers are advised to shop around to get the best possible deal. Quotes for good quality O+3 grade cows ranged from 230-250p/kg across the plants this week.

The plants have reported a tightening in the availability of prime cattle coming forward for slaughter with throughput last week in NI plants totalling 6,668 head. This was 322 head (five per cent) lower than the previous week and 473 head (seven per cent) lower than the corresponding week in 2013 when 7,141 prime cattle were slaughtered. Cow throughput in the NI plants has remained fairly steady with 2,157 cows slaughtered last week. This brings cow throughput for the year to date to 77,973, a 9.5 per cent reduction on the corresponding period in 2013.

There have been notable changes to the slaughter mix of prime cattle in NI plants this autumn when compared to the previous year. In NI last week steers accounted for 52 per cent of the prime cattle kill compared to 41 per cent in the corresponding week in 2013. The proportion of heifers in the kill also recorded an increase year on year, up from 37 per cent to 42 per cent of the kill. The most notable change was in the young bull kill which accounted for 7 per cent of the prime kill last week compared to 23 per cent in the same week in 2013.

The average steer price in NI last week was within half a penny of the previous week at 338.6p/kg while the R3 steer price increased by 1.3p/kg to 351.7p/kg. This was the highest reported R3 steer price since mid February 2014 when the reported price was 353.7p/kg. The average heifer price in NI last week was unchanged at 343.1p/kg with the R3 heifer price back 1p/kg to 349.0p/kg. The average price for young bulls was back 2.4p/kg last week to 310.8p/kg while the R3 price was up by 2.7p/kg to 331.2p/kg.

In GB last week the trade was fairly steady for prime cattle with the average steer price up by half a penny to 355.5p/kg. The average steer price was within a penny of the previous week in all the GB regions with the exception of Southern England where it increased by 3.7p/kg to 338.8p/kg. The R3 steer price in GB last week was up 1.6p/kg to 361.7p/kg. This is 10p/kg higher than the equivalent price in NI or £33 on a 330kg carcase. The average heifer price in GB last week was up 1.6p/kg to 358.2p/kg with average prices up in all the regions. The strongest increase was in Southern England where it increased by 4.8p/kg to 340.8p/kg.

The total beef kill in ROI increased by 278 head to 36,675 head last week with reports of cattle having entered sheds in good condition and finishing earlier than expected. The R3 steer price in ROI last week was up in the region of a penny to 299.6p/kg while the R3 heifer price was up by 1.8p/kg to 309p/kg.

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

W/E 06/12/2014		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	355.5	308.5	386.9	364.7	362.7	361.5	370.3
	R3	351.7	299.6	378.8	358.6	352.3	350.1	361.7
	R4	350.2	298.1	380.4	371.3	351.4	346.9	367.2
	O3	332.5	284.2	361.2	336.9	324.9	327.7	339.1
	AVG	338.6	-	376.8	357.1	338.8	338.8	355.5
Heifers	U3	356.3	319.4	389.2	368.1	369.2	364.9	374.3
	R3	349.0	309.0	380.2	357.5	353.2	349.9	362.2
	R4	345.7	308.2	379.3	360.9	354.1	347.6	363.2
	O3	335.9	294.7	361.4	340.8	326.7	325.6	342.3
	AVG	343.1	-	378.2	357.0	343.1	340.8	358.2
Young Bulls	U3	340.5	300.9	372.8	337.2	351.9	357.9	350.5
	R3	331.2	294.2	367.8	319.4	343.3	346.9	337.0
	O3	308.6	275.1	329.6	294.4	302.9	311.3	306.9
	AVG	310.8	-	341.1	312.3	315.1	305.8	315.1
Prime Cattle Price Reported		4691	-	6183	5652	5211	3925	20971
Cows	O3	238.5	246.8	237.4	232.4	229.1	216.3	230.1
	O4	240.1	247.8	238.7	235.7	234.3	220.4	233.0
	P2	194.5	217.1	171.1	188.3	179.4	162.4	175.6
	P3	215.7	237.8	195.9	209.5	200.6	185.2	198.5
	AVG	209.2	-	217.2	208.8	194.5	189.2	203.3

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=78.93p 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 06/12/14	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	202	210	205	170	201	185
Friesians	-	-	-	-	-	-
Heifers	190	220	202	175	189	182
Beef Cows	150	188	170	115	149	130
Dairy Cows	100	144	115	60	99	80
Store Cattle (p/kg)						
Bullocks up to 400kg	207	232	218	175	206	190
Bullocks 400kg - 500kg	192	208	200	165	191	178
Bullocks over 500kg	187	197	191	160	186	173
Heifers up to 450kg	194	216	205	160	193	172
Heifers over 450kg	190	198	194	160	189	175
Dropped Calves (£/head)						
Continental Bulls	260	355	310	175	258	220
Continental Heifers	200	295	250	120	198	160
Friesian Bulls	75	148	105	20	72	45
Holstein Bulls	30	65	45	2	28	15

SHEEP TRADE

LAMB QUOTES

(P/Kg DW)	This Week 10/12/14	Next Week 15/12/14
Lambs	385p>22kg	385-390>22kg

REPORTED LAMB PRICES - P/KG

(P/KG DW)	W/E 22/11/14	W/E 29/11/14	W/E 06/12/14
NI Liveweight	345.2	354.0	353.6
NI Deadweight	367.2	373.8	377.4
ROI Deadweight	370.6	369.0	370.2
GB Deadweight	396.1	400.5	409.3

Deadweight Sheep Trade

A firming in the deadweight sheep market in NI this week saw quotes from the plants for R3 lambs increase to 385-390p/kg. The plants are continuing to pay up to 22kg. Steady supplies of lambs have been reported to meet demand with lamb throughput last week totalling 8,433 head. This was an increase of 1,364 head on the previous week when 7,069 lambs were slaughtered. A further 978 ewes and rams were killed in NI plants last week compared to 1,462 head during the previous week. The deadweight lamb price in NI last week was 377.4p/kg, up 4p/kg from the previous week. In ROI last week the deadweight lamb price was up a penny to 370.2p/kg while in GB the deadweight price increased by 9p/kg to 409.3p/kg.

This Week's Marts

THERE was a firm trade across the marts this week with reports of lots of heavy lambs in several of the marts. In Massereene on Monday a larger entry of 1,125 lambs sold from 345-386p/kg compared to 820 lambs last week selling from 340-366p/kg. In Rathfriland this week 1,015 lambs sold to an average of 360p/kg compared to 1,453 lambs last week selling to an average of 351p/kg. A similar trade to the previous week in Ballymena this week saw a large entry of 2,240 lambs sold from 330-397p/kg (avg 346p/kg) compared to 2,114 lambs last week selling from 330-378 (avg 344p/kg). The firm trade for well fleshed cull ewes has continued across the marts with top reported prices generally in the region of £95.

LATEST SHEEP MARTS

From: 06/12/14		Lambs (P/KG LW)			
To: 12/12/14		No	From	To	Avg
Saturday	Donemana	970	351	396	-
	Swatragh	625	334	409	-
	Omagh	1484	344	393	-
Monday	Massereene	1125	345	386	-
	Kilrea	500	342	408	-
Tuesday	Saintfield	914	327	467	-
	Rathfriland	1015	324	411	360
Wednesday	Ballymena	2240	330	397	346
	Enniskillen	608	342	378	-
	Markethill	1099	330	372	352

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