

NI SHEEP MARKET HOLDING STEADY

QUOTES from the plants this week for R3 grade hoggets ranged from 395-400p/kg with plants paying up to 22kg. Industry sources have indicated that they expect the market to remain broadly similar in the weeks ahead with enough hoggets coming forward for slaughter to meet demand. The R3 lamb price in NI last week was 393.2p/kg compared to 394.8p/kg in the corresponding week last year.

The number of hoggets coming forward for slaughter in the NI plants during 2015 to date has been fairly similar to 2013 levels with 47,855 hoggets slaughtered. Throughput however is 15 per cent lower than the corresponding period in 2014 when 56,570 hoggets were slaughtered. The increased level of throughput early in 2014 was due to a greater carryover of hoggets as a result of difficult production conditions in 2013 impacting on lamb performance and thus lengthening finishing times. The much improved weather and grass growing conditions of 2014 resulted in lambs reaching slaughter weights earlier with a smaller carryover of hoggets into 2015 as a result.

The average carcase weight of hoggets killed in NI during 2015 to date was 22.4kg, an increase of 0.3kg on the same period in 2014 when the

average carcase weight was 22.1kg. The total carcase weight of lamb handled by the NI processors during 2015 to date was 1,075 tonnes, a 14 per cent reduction on the 1,247 tonnes handled in the corresponding period in 2014. In the same period in 2013 the NI plants handled 985.4 tonnes of lamb.

ROI continues to be an important outlet for the NI sheep industry with 58,695 sheep exported to ROI for direct slaughter during 2015 to date. This accounted for 52 per cent of total NI output. In the same period last year a total of 62,979 sheep were exported from NI for direct slaughter in ROI plants accounting for 49 per cent of total output from the NI sheep flock. This seven per cent decline in the number of sheep exported year on year can be attributed to lower hogget availability and a less favourable exchange rate.

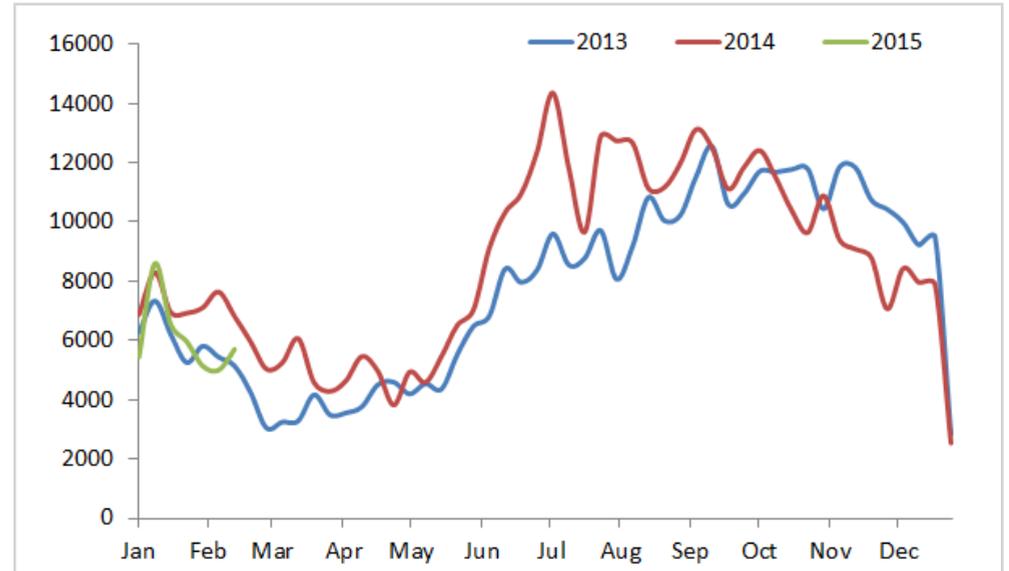
The sterling euro exchange rate has a key influence on the export of sheep from NI to ROI for direct slaughter. The sterling euro exchange rate last week was €1 = £0.74 compared to €1 = £0.83 in the corresponding week last year. The current exchange rate makes Northern Ireland lambs less attractive to ROI buyers but despite this exports have remained strong with reports of some plants

in ROI paying to heavier weights. The increased value of sterling against euro also makes trading lamb in our key European markets more difficult.

The stronger sterling becomes against euro the less cost competitive NI and UK lamb becomes

against other European competitors. At present the biggest competition to UK and NI origin lamb in the valuable French market which takes approximately 40 per cent of NI lamb comes from processors in ROI.

Figure 1: Lamb/Hogget throughput in NI plants January 2013- February 2015



UK BEEF OFFAL EXPORTS INCREASE IN 2014

THE latest data released by HMRC has indicated that beef offal exports from the UK onto the world market totalled 43,944 tonnes during 2014. This was an increase of 10,885 tonnes on the previous year and accounted for a 33 per cent increase in total offal exports.

While the domestic market is an important outlet for quality beef cuts the opportunities for beef offal on the domestic market is very limited due to customer preferences for primal meat cuts. However with the rising global demand for protein and with many regions of the world favouring some offal cuts the global export market provides a valuable opportunity to add value to the UK beef industry.

During 2014 the UK exported beef offal to 45 countries worldwide which shows the range of markets available for different animal by products but also highlights the complexities associated with marketing of fifth quarter materials.

While the total volume of beef offal exports increased year on year the value has also increased. In 2013 beef offal exports from the UK were valued at £41 million or £1,241 per tonne exported. In 2014 the value of UK beef offal exports increased to £62.6 million or £1,424 per tonne.

The largest market for UK beef offal during 2014 in terms of volume was Hong Kong with 11,070 tonnes exported which accounted for 25 per cent of total UK beef offal exports. This was a marked increase from the previous year when 3,457 tonnes were exported to Hong Kong which accounted for 10.5 per cent of total exports. The value of beef offal exports to Hong Kong in

2014 totalled £21.8 million compared to £6.1 million during 2013. While the total value of beef offal exports has increased the value per tonne has also increased from £1,764 per tonne to £1,972 per tonne. The value of offal exports to Hong Kong accounted for 35 per cent of total UK offal exports during 2014.

The second largest market for UK beef offal in 2014 in terms of volume was Ireland with 9,603 tonnes exported and accounted for 22 per cent of total exports. The largest majority, if not all, of this offal will have been destined for further markets. This was an increase to 2013 levels of export when 9,005 tonnes of beef offal were exported to Ireland. This accounts for an increase of 600 tonne year on year (+7 per cent).

The value of beef offal exports from the UK to Ireland increased from £7.6 million in 2013 to £10.2 million in 2014. While there was an increase in the volume exported the increase in the total value of offal sales was also driven by an increase in the average value per tonne. In 2013 the average value was £842/tonne and this increased to £1,060/tonne in 2014.

The second largest market for UK beef offal exports in terms of value during 2014 was France with a total value of £12.6 million for 3,927 tonnes of offal. This was fairly similar to the previous year when 4,142 tonnes were exported with a total value of £12.8 million.

Other important European outlets for beef offal from the UK in 2014 in terms of volume included the Netherlands (6,396 tonnes), Poland (1,920 tonnes), Germany (1,427 tonnes) and Denmark (1,063 tonnes). With the exception of Denmark all

of these European destinations recorded notable year on year increases in the volume of UK beef offal they received. The most notable decline in offal exports was to South Africa, declining from 1,929 tonnes in 2013 to 275 tonnes in 2014. This represents a reduction of 1,654 tonnes or an 86 per cent decline year on year

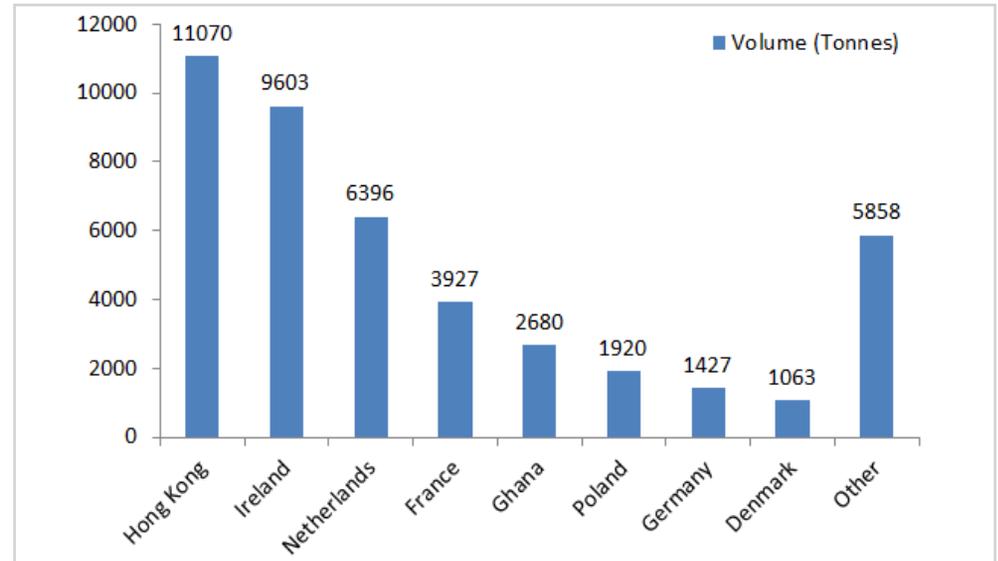
Whilst market access is still a major barrier to the local industry being able to fully exploit all the potential opportunities provided by the rising global demand for meat it is nonetheless important that available export markets are fully utilised.

LMC plays a strategic role facilitating the opening of new markets through its membership of the UK

Export Certification Partnership (UKECP). LMC is a co-founder of this joint industry/government programme, the aim of which is to establish access for UK red meat products into third country markets.

A further benefit of increasing the utilisation of the fifth quarter is the potential improvement in the green image of current beef production. Increasing the amount of the beef animal being utilised increases the efficiency of the beef system and reduces the amount of waste material produced. This improved efficiency has the potential to markedly reduce the carbon cost of beef production and thereby adding to the green image of Northern Ireland's expanding beef industry.

Figure 2: UK HMRC Beef Offal Export Statistics 2014 (tonnes)



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CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 23/02/15	Next Week 02/03/15
Prime		
U-3	350 - 356p	352 - 356p
R-3	344 - 350p	346 - 350p
O+3	338 - 344p	340 - 344p
P+3	310 - 316p	312 - 316p
Including bonus where applicable		
Cows		
O+3 & better	230-255p	230-254p
Steakers	140-170p	140-170p
Blues	120-130p	120-130p

Cow quotes vary depending on weight and grade.

Pricing policies vary from plant to plant. Producers are advised to check pricing policies before presenting cattle for slaughter.

REPORTED NI CATTLE PRICES - P/KG

W/E 21/02/15	Steers	Heifers	Young Bulls
U3	362.1	365.3	336.4
R3	359.4	357.6	340.9
O+3	351.1	348.1	340.4

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 21/02/15	Wgt <220kg	Wgt 220- 250kg	Wgt 250- 280kg	Wgt >280kg
P1	138.6	148.1	158.6	170.9
P2	155.8	174.7	198.1	216.0
P3	192.3	200.2	217.8	227.4
O3	210.0	228.4	251.2	249.0
O4	-	222.0	244.8	253.6
R3	-	-	-	273.0

Deadweight Cattle Trade

QUOTES from the major processors in NI this week have remained steady with quotes for U-3 grade prime cattle ranging from 352-356p/kg. Reports have indicated however that higher base quotes are available so producers are advised to check with individual plants before presenting cattle for slaughter. Quotes for O+3 grade cows this week were similar to previous weeks and ranged from 230-254p/kg with the majority of plants quoting in the region of 250p/kg.

Imports of prime cattle from ROI last week for direct slaughter in NI plants totalled 481 head, an increase of 50 head from the previous week. Total prime cattle imports from ROI for 2015 to date have totalled 3,283 head. This is an increase of 849 head on the corresponding period in 2014 when 2,434 prime cattle were imported for direct slaughter. Meanwhile exports of prime cattle from NI for direct slaughter in GB last week totalled 101 head bringing the total for the year to date to 448 head. This is a notable decline from the corresponding period in 2014 when 1,166 prime cattle were exported.

The average steer price in NI last week increased by 1.2p/kg to 351.2p/kg while the R3 steer price was unchanged at 360.3p/kg. When premiums for Aberdeen Angus, Hereford and Organic are excluded the average price paid for R-3 steers last week was 355.6p/kg. This was 5.6p/kg higher than the top quote would suggest. The average heifer price in NI last week was 353.5p/kg, up 1p/kg from the previous week. Meanwhile the R3 heifer price was back by half a penny to 358.4p/kg in NI last week.

The average price for young bulls in NI last week was almost unchanged at 324.9p/kg. However the O3 young bull price increased by 9.9p/kg to 328.9p/kg. This notable upturn was driven by an increase in the proportion of O3 grade young bulls aged under 16 months in the slaughter mix last week when compared to the previous week.

In GB last week average deadweight prices for steers and heifers were within a penny of the previous week at 361.2p/kg and 362.4p/kg respectively. The R3 steer price in GB last week was 366.6p/kg, 6.3p/kg higher than the equivalent price in NI. The R3 steer price recorded a slight decline in all the GB regions with the exception of Northern England where it increased by 3.9p/kg to 367.5p/kg. The R3 heifer price in GB last week was 365.3p/kg, 6.9p/kg higher than the equivalent price in NI which equates to a differential of £22 on a 320kg carcass.

In ROI last week the prime cattle kill totalled 24,213 head, back 528 head from the previous week. These tighter supplies of prime cattle have helped to steady the beef trade in ROI with reported prices within 1p/kg of the previous week for the majority of reported grades. The differential between NI and ROI for R3 steers last week was £188 on a 320kg carcass and for R3 grade heifers the differential was £149 on a 320kg carcass.

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

W/E 21/02/2015	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	362.3	311.6	380.0	374.5	374.0	376.0
	R3	360.3	301.4	372.0	367.5	363.7	366.6
	R4	358.6	302.5	374.9	373.3	364.8	370.1
	O3	341.6	287.8	349.9	346.2	335.1	341.4
	AVG	351.2	-	371.9	364.5	352.9	361.2
Heifers	U3	365.7	322.0	383.6	376.3	380.4	379.6
	R3	358.4	311.7	370.5	365.3	364.1	365.3
	R4	357.0	311.3	371.2	369.3	363.8	367.6
	O3	345.7	298.5	356.1	347.8	333.7	345.3
	AVG	353.5	-	371.5	363.9	356.3	362.4
Young Bulls	U3	336.4	300.6	368.1	346.4	358.5	357.8
	R3	339.5	295.0	356.1	339.2	350.5	349.6
	O3	328.9	283.2	321.0	301.2	324.9	318.6
	AVG	324.9	-	329.8	315.8	330.0	327.3
Prime Cattle Price Reported	5495	-	6077	5419	5105	3754	20355
Cows	O3	248.5	250.0	263.5	259.9	243.4	254.5
	O4	253.1	252.0	267.8	258.2	252.0	258.1
	P2	200.7	218.0	200.7	218.2	190.7	200.0
	P3	224.2	243.2	218.3	242.0	206.8	222.0
	AVG	228.9	-	251.1	242.3	216.1	222.1

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=73.91p 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

W/E 21/02/15	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	200	219	211	160	199	180
Friesians	145	149	147	138	144	141
Heifers	202	235	208	165	201	183
Beef Cows	150	188	160	112	148	130
Dairy Cows	100	148	110	60	99	78
Store Cattle (p/kg)						
Bullocks up to 400kg	220	262	235	180	210	195
Bullocks 400kg - 500kg	214	238	227	175	210	192
Bullocks over 500kg	202	224	213	160	200	180
Heifers up to 450kg	200	228	214	160	199	180
Heifers over 450kg	200	226	212	170	199	185
Dropped Calves (£/head)						
Continental Bulls	275	395	340	185	270	230
Continental Heifers	235	390	310	100	230	165
Friesian Bulls	100	180	140	40	98	70
Holstein Bulls	50	105	75	5	50	25

SHEEP TRADE

HOGGET QUOTES

(P/Kg DW)	This Week 23/02/15	Next Week 02/03/15
Hoggets	395>22kg	400>22kg

REPORTED HOGGET PRICES - P/KG

(P/KG DW)	W/E 07/02/15	W/E 14/02/15	W/E 21/02/15
NI Liveweight	358.9	358.9	356.3
NI Deadweight	396.9	393.9	394.1
ROI Deadweight	382.7	377.8	378.7
GB Deadweight	411.2	424.4	425.7

Deadweight Sheep Trade

QUOTES from the plants this week for R3 grade hoggets were 400p/kg with plants paying up to 22kg. The plants have reported tighter availability of hoggets for slaughter in recent weeks. A total of 5,465 hoggets were killed in NI plants last week, a reduction of 237 head from the previous week. The deadweight trade in NI last week remained steady with an average hogget price of 394.1p/kg. The trade in ROI has also remained similar in sterling terms with an average reported price of 378.7p/kg. Throughput in the ROI plants last week increased by 1,902 head to 39,864 head. In GB last week the reported hogget price was 425.7p/kg, up 1.3p/kg from the previous week.

This Week's Marts

THERE was a similar trade this week for smaller entries across most of the marts with reports of reduced numbers of hoggets on the ground. In Massereene on Monday an entry of 762 hoggets sold from 350-382p/kg compared to 926 hoggets last week selling from 350-380p/kg. A slightly better trade in Rathfriland on Tuesday saw 502 hoggets sold to an average of 362p/kg compared to 1,053 hoggets last week selling to an average of 355p/kg. In Enniskillen this week a similar trade to last week saw 727 hoggets selling to an average of 355p/kg compared to 698 hoggets last week also selling to an average of 355p/kg. The trade for well fleshed cull ewes has continued with top prices of over £130 reported in several of the marts.

LATEST SHEEP MARTS

From: 21/02/15		Hoggets (P/KG LW)			
To: 27/02/15		No	From	To	Avg
Saturday	Omagh	534	341	374	-
	Swatragh	722	325	400	-
Monday	Massereene	762	350	382	-
	Kilrea	440	352	369	-
Tuesday	Saintfield	325	350	390	-
	Rathfriland	502	328	400	362
Wednesday	Ballymena	952	340	391	352
	Enniskillen	727	349	378	355
	Markethill	620	340	380	360
	Armoyle	484	345	400	360

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