LMC BULLETIN

WEEKLY PUBLICATION OF THE LIVESTOCK AND MEAT COMMISSION FOR NORTHERN IRELAND

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CONCENTRATE PURCHASES UP 25 PER CENT IN QUARTER 1 2013

THE combination of the fodder shortage and difficult production conditions experienced by beef and sheep producers in NI this spring resulted in a marked increase in the quantity of concentrates being purchased. This trend can be observed in the Animal Feed Statistics report released by the Policy and Economics Division of DARD for the first quarter of 2013.

Figure 1 shows the total amount of concentrates purchased for beef production (beef cattle compounds and beef coarse mixes/blends) by NI producers for the first quarter of 2013 and the corresponding period in 2012.

In January 2013 50.3 thousand tonne of beef concentrates were purchased, a 21.2 per cent increase on the 41.5 thousand tonne purchased in January 2012. In February 2013 beef concentrate purchases were up 18 per cent on the previous February and in March 2013 concentrate purchases were 37.3 per cent higher than March 2012. For the first quarter as a whole beef concentrate purchases were up 25 per cent on the first quarter of 2012 with an additional 27.7 thousand tonne purchased.

Table 1 outlines the quantity of concentrates purchased by NI sheep producers in the first quarter of 2013 and the same period in 2012. Total purchases have increased from 33,100 tonne in the first quarter of 2012 to 36,800 tonne in the same period in 2013. This is an increase of 11.2 per cent between the two periods.

Some of this increase in concentrate usage by sheep producers may be due to the higher carryover of hoggets into 2013. The increased carryover of hoggets from 2012 was caused by an increase in lamb numbers on the previous year combined with lower than usual lamb performance in 2012 due to the poor weather and grass growth. The poor weather and fodder shortage on NI farms will also have increased the demand for concentrates for the breeding flock during the first quarter.

There have also been reports that the quality of the cereals used for animal feed has been impacted by the poor weather in 2012 with a reduction in expected animal performance as a result. This has meant that in some cases producers have had to increase concentrate feeding levels to get cattle and sheep to an adequate level of finish.

The marked rise in the quantity of cereals being purchased has placed increased financial pressure on both the beef and sheep sectors, especially given that the cost of concentrates has also increased between 2012 and 2013.

The latest available Farm Business Survey Data for the 2011/12 financial year indicated that the average cost of producing beef from the suckler herd was £3.82/kg. This figure was calculated using Farm Business Survey Data collected by DARD.

The costs of beef production were higher last year and it is expected that they will be higher again in 2013/14 given the difficult production conditions in summer 2012, the early housing of cattle in Autumn 2013, the increased cost of concentrates and forage and the late turnout of stock this spring due to poor grass growing conditions.

The beef price has improved in recent months which may help to absorb some of the additional costs of production with base quotes this week for U-3 grade cattle of 372-376p/kg. This week last year base quotes were 322-326p/kg. The average R3 steer price in NI last week was 380.6p/kg. This is an increase of 45.9p/kg on the R3 steer price the corresponding week last year when it was 334.7p/kg.

Figure 1: Beef concentrate purchases January-March 2012-2013 ('000 tonne)

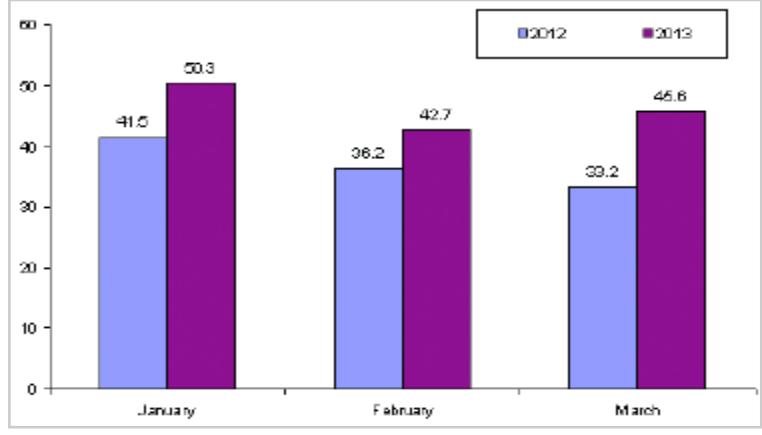


Table 1: Sheep concentrate purchases January-March 2012-2013 ('000 tonne)

	January	February	March	Total
2012	10.1	11.6	11.4	33.1
2013	9.5	12.2	15.1	36.8

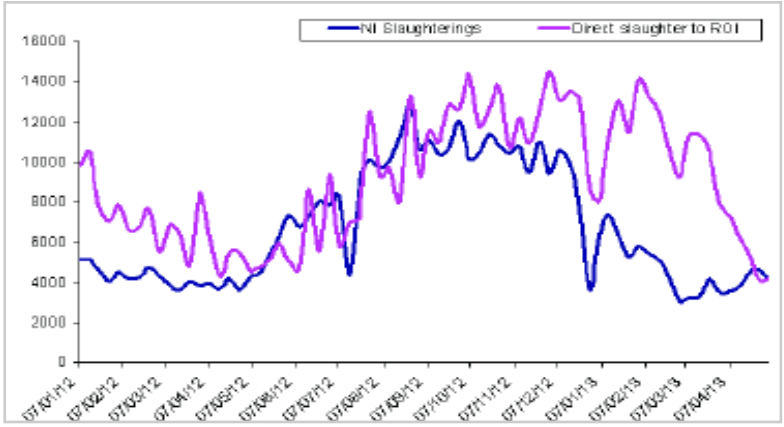
EXPORTS TO ROI FOR DIRECT SLAUGHTER DECLINE AS NUMBERS TIGHTEN

THE season for hoggets is coming to an end and with supplies of spring lambs remaining tight in Northern Ireland due to the difficult spring the total slaughterings last week were 4,538 head.

The tight supplies of spring lambs this year has increased competition for lambs with quotes from the plants this week increasing from 490p/kg to 500p/kg up to 21kg. The trade in the marts has also strengthened with average prices of over 520p/kg reported in several marts.

As availability has tightened the number of lambs/hoggets being exported to ROI for direct slaughter has declined significantly while slaughterings in NI have remained fairly steady as indicated in Figure 2.

Figure 2: Total Lamb/Hogget slaughterings in NI and exports to ROI for direct slaughter January 2012-April 2013



Last week's kill in NI accounted for 50 per cent of the total NI output. This is a significant increase in the proportion of the total NI output given that in particular weeks during 2013 to date the NI kill accounted for just over 20 per cent of total sheep output from NI.

Slaughterings in NI during 2013 to date have totalled 88,122 head, an increase of 7,796 head on the same period in 2012. This accounts for a ten per cent increase in throughput in the NI plants.

The increased availability of sheep and higher slaughterings as a result in the early part of 2013 was due to the combination of an increased lamb crop in 2012 and the less than desirable production conditions during 2012 slowing down the finishing process. This resulted in a greater carryover of lambs into 2013 than seen in previous years.

Plants in ROI have acted as an important outlet for NI lambs in recent years and have accounted for a large proportion of NI hoggets/lambs slaughtered during 2013 to date. This peaked at 78 per cent of the NI output in the week ending the 16 March 2013. In 2013 to date 176,478 sheep have been exported to ROI for direct slaughter, an increase of 50,000 head on the same period in 2012.

The export of lambs/hoggets to ROI for direct slaughter is driven by two key factors. The first of these is the availability of lambs in ROI. There have been reports of tighter spring lamb numbers in ROI in 2013 due to a combination of problems with the Schmallenberg virus, liver fluke, fewer ewes lambing early and a lower litter size. This could create a potential opportunity for NI spring lamb producers in the weeks ahead.

The second key factor which influences the level of exports to ROI is the euro/sterling exchange rate. The euro has weakened slightly against sterling in recent weeks to €1=84.5p which is one potential reason for exports declining while the slaughter in NI plants has remained more or less steady.

FQAS NOTICE

ONLINE PAYMENTS

LMC has recently 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.

www.lmcni.com

FARM QUALITY ASSURED
NORTHERN IRELAND

FQAS Liaison Officer Mart Clinics Timetable

Omagh	Monday	20/05/13
Enniskillen	Thursday	23/05/13
Kilrea	Wednesday	29/05/13

LMC

FQAS Helpline
If you have had a recent inspection and need help and advice to rectify any non-conformances, contact the FQAS helpline:
028 9263 3024

Answerphone Service
Factory Quotes &
Mart Results
Updated 5pm Daily

Tel: 028 9263 3011

Text Service
Free Price Quotes sent to your mobile phone weekly

Email - bulletin@lmcni.com
Tel: 028 9263 3000

WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 13/05/13	Next Week 20/05/13
Prime		
U-3	372-376p	372-376p
R-3	366-370p	366-370p
O+3	360-364p	360-364p
* Plus 8p/kg in spec bonus where applicable		
Cows		
O+3 & better	280-310p	280-310p
Steakers	260-280p	260-280p
Blues	180-185p	180-185p

REPORTED NI CATTLE PRICES - P/KG

W/E 11/05/13	Steers	Heifers	Young Bulls
U-3=	382.5	389.2	370.1
U=3=	383.1	395.6	360.8
U=4=	391.7	394.8	362.0
R=3=	383.6	385.8	369.0
R=4=	374.3	381.1	-
O+3=	376.6	377.2	357.2
O=3=	372.8	367.4	350.2
Average	372.8	378.9	353.9

REPORTED COW PRICES NI W/E 11/05/13

Grades	Price (p/kg)	Avg Wgt
O+3=	313.3	317.2
O-3+	296.3	315.0
P+2+	276.3	286.9
P+3+	285.8	300.7
P-1-	187.0	214.5

COMMODITIES

COMMODITY PRICE

W/E 11/05/13	Price (£) per tonne / 1000litre	% weekly change
Barley	198.50	-1.7
Wheat	220.50	-1.3
Straw	22.00	-
Red Diesel	710-730	-

Deadweight Cattle Trade

BASE quotes for U-3 grade prime cattle this week increased slightly to 372-376p/kg with the 8p/kg bonus available for steers and heifers that kill out in spec. Quotes for cows generally range from 300-310p/kg with one plant quoting a price of 280p/kg. The plants are continuing to apply penalties of up to £150 per head for non quality assured cattle.

With the plants reporting a tightening in the availability of cattle last week the prime cattle slaughterings in NI last week totalled 6,530 head. This is a reduction of 800 head on the previous week and represents an 11 per cent decline in throughput. Imports of prime cattle for direct slaughter from ROI last week totalled 471 head with 49 cows also imported. The cow kill last week was back 221 head on the previous week to 1,439 head, a decline of 13 per cent.

A total of 110 cows were exported to ROI last week for direct slaughter taking the number exported for the year to date to 3,567 head. This is a 45 per cent increase on the 2,463 cows exported during the same period in 2012. Meanwhile exports to GB for direct slaughter last week totalled 340 head taking the total for the year to date to 5,399 head. In the same period last year 1,760 head were exported to GB for direct slaughter.

The R3 steer price in NI last week was 380.6p/kg, up 2.6p/kg from the previous week while the R3 heifer price was up 2p/kg to 383.4p/kg. In GB last week the average R3 steer price increased by 3.1p/kg to 402.1p/kg with the R3 heifer price up 1.9p/kg to 398.6p/kg. R3 steer and heifer prices were up on the previous week in all of the UK regions with the exception of the Midlands where prices remained fairly steady.

Average steer prices in the Midlands and Southern England were within 1p/kg of the previous week while the average steer price in Northern England was back 3.1p/kg to 403.2p/kg. In Scotland the average steer price was up 3.5p/kg to 409.8p/kg. Average heifer prices were fairly steady across the regions with the exception of Southern England where the price increased by 4.9p/kg to 384.6p/kg.

In ROI a strengthening in the trade has seen the price paid for all reported grades increase on the previous week. The R3 steer price in ROI last week was the equivalent of 362.8p/kg while the R3 heifer price was 385.4p/kg.

This week's marts

FINISHED first quality steers sold to an average of 225p/kg liveweight this week compared to an average of 220p/kg last week. The trade for second quality finished steers was similar to last week with an average price of 202p/kg. First quality finished heifers sold to an average of 220p/kg with second quality selling to an average of 197p/kg..
Heavier store cattle continue to be a good trade with first quality heifers over 450kg selling to an average of 210p/kg (av 200p/kg last week). Bullocks in the 400-500kg weight range sold to a top price of 240p/kg with first quality selling to an average of 218p/kg and second quality to an average of 192p/kg.

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

W/E 11/05/13		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	383.0	370.8	412.3	405.4	407.3	404.5	407.9
	R3	380.6	362.8	411.8	403.3	395.0	396.8	402.1
	R4	378.7	363.9	412.8	412.4	395.5	393.0	405.9
	O3	371.8	347.3	393.5	390.2	383.3	378.8	387.6
	AVG	372.8	-	409.8	403.2	394.7	384.9	400.1
Heifers	U3	390.9	399.8	411.1	406.0	408.9	402.4	408.3
	R3	383.4	385.4	403.7	401.1	395.6	391.7	398.6
	R4	382.3	385.9	407.0	399.6	394.8	393.1	399.6
	O3	373.6	368.5	386.4	396.2	380.5	380.8	386.2
	AVG	378.9	-	404.1	400.8	392.3	384.6	396.8
Young Bulls	U3	367.2	361.8	405.5	391.4	399.5	402.2	399.2
	R3	365.0	356.0	391.9	378.9	385.4	387.2	384.2
	O3	350.3	341.5	367.8	359.0	366.7	373.0	366.4
	AVG	353.9	-	385.8	367.2	381.7	378.6	377.2
Prime Cattle Price Reported		5430	-	6867	5734	5024	3499	21124
Cows	O3	303.3	301.3	313.2	301.9	298.7	288.8	300.8
	O4	309.1	303.9	319.1	303.6	302.9	288.5	303.8
	P2	254.2	262.0	267.8	246.8	242.0	229.3	246.1
	P3	278.7	291.0	287.1	281.0	252.3	254.1	271.2
	AVG	280.5	-	303.3	278.2	290.6	251.0	277.4

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=84.46p 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 11/05/13	1st QUALITY From	1st QUALITY To	1st QUALITY Average	2nd QUALITY From	2nd QUALITY To	2nd QUALITY Average
Finished Cattle (p/kg)						
Steers	220	239	225	190	219	202
Friesians	160	183	170	116	154	150
Heifers	214	242	220	185	213	197
Beef Cows	150	208	170	120	149	135
Dairy Cows	120	150	132	80	118	100
Store Cattle (p/kg)						
Bullocks up to 400kg	203	250	220	180	200	190
Bullocks 400kg - 500kg	205	240	218	180	204	192
Bullocks over 500kg	210	231	215	180	209	194
Heifers up to 450kg	206	234	215	170	205	185
Heifers over 450kg	198	229	210	164	197	180
Dropped Calves (£/head)						
Continental Bulls	280	405	335	180	278	225
Continental Heifers	205	335	250	120	200	160
Friesian Bulls	135	205	158	50	132	85
Holstein Bulls	60	120	75	1	58	25

SHEEP TRADE

REPORTED HOGGET PRICES - P/KG

(P/KG DW)	W/E 27/04/13	W/E 04/05/13	W/E 11/05/13
NI Liveweight	386.3p	394.6p	377.4p
NI Deadweight	441.9p	441.6p	447.5p
ROI Deadweight	434.4p	438.4p	448.0p
GB Deadweight	455.2p	460.9p	472.0p

REPORTED SPRING LAMB PRICES - P/KG

(P/KG DW)	W/E 27/04/13	W/E 04/05/13	W/E 11/05/13
NI Liveweight	473.8p	480.4p	466.1p
NI Deadweight	478.8p	482.4p	484.2p
GB Deadweight	528.6p	532.9p	535.8p

Deadweight Sheep Trade

QUOTES from the plants this week for spring lambs increased from 490p/kg to 500p/kg with plants paying up to 21kg. Quotes for hoggets are 440-450p/kg for the small number of hoggets being presented for slaughter. Total lamb/hogget slaughterings last week were 4,538 head, up 340 head on the previous week. Exports to ROI for direct slaughter last week totalled 4,559 head.

The NI spring lamb deadweight price increased by 1.8p/kg to 484.2p/kg last week. Meanwhile in GB the spring lamb price increased by 2.9p/kg to 535.8p/kg. This puts the differential between NI and GB at 51.6p/kg, or £10.84 for a 21kg lamb.

This week's marts

THERE was a strong trade for spring lambs reported across the marts this week with availability remaining tight. In Saintfield on Tuesday 190 spring lambs sold from 500-540p/kg (av 518p/kg) compared to 102 lambs last week selling to an average of 480p/kg. In Rathfriland on Tuesday 251 spring lambs sold from 500-568p/kg (av 524p/kg) compared to 254 lambs last week selling from 456-492p/kg (av 473p/kg). In Markethill 265 spring lambs sold to an average of 520p/kg compared to an average of 472p/kg last week. Small numbers of hoggets have been passing through the sale rings with average reported prices of 350-385p/kg. Well fleshed cull ewes sold to a top price of £100 across the marts.

HOGGET/LAMB QUOTES

(P/Kg DW)		This Week 13/05/13	Next Week 20/05/13
NI Factories	Spring Lambs	490-500p	500p
	Hoggets	440-450p	440-450p

LATEST SHEEP MARTS

From: 11/05/13 To: 16/05/13		Hoggets (P/KG LW)				Spring Lambs (P/KG LW)			
		No.	From	To	Avg	No.	From	To	Avg
Saturday	Donemana					106	453	489	469
	Omagh	59	401	420		126	454	501	
	Hilltown	50			350	150	495	528	515
	Newtownstewart					40			482
Monday	Massereene					330	500	550	
	Kilrea					400	470	502	480
Tuesday	Saintfield	150			385	190	500	540	518
	Rathfriland	82	351	465	375	251	500	568	524
Wednesday	Enniskillen	100	Upto 440			224	502	545	525
	Ballymena	338	320	387	350	239	450	554	480
	Markethill	80	392	416		265	500	552	520

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