LMC BULLETIN

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CARCASE WEIGHTS DECLINE YEAR ON YEAR

THE poor weather last summer and issues with both the quality and supply of feed on NI farms over the last twelve months has had an impact on the conformation and carcase weights of cattle presented for slaughter in the NI plants during the period April-June this year.

SUCKLER ORIGIN BEEF

Table 1 outlines the conformation of the suckler origin prime kill for the period April-June during 2012 and 2013. There has been a slight movement down a sliding scale in terms of the grades awarded when comparing the two periods but in general conformation has been maintained despite a marked reduction in carcase weights.

The proportion of U grading carcases in the suckler origin prime kill declined by one percentage point to account for 26.7 per cent of the total while the proportion of R grading carcases increased by 0.8 percentage points to account for 55.6 per cent of the total suckler origin prime kill.

Meanwhile the proportion of O and P grading carcases sourced from the suckler herd was fairly unchanged at 16.2 per cent and 0.8 per cent respectively in the 2013 period.

As indicated in Table 1 the average suckler origin carcase weight in the 2012 period was 355.7kg and in the corresponding period in 2013 it was 339.4kg. This represents a decline of 16.3kg year on year which accounts for a five per cent decline in average carcase weights

The unsettled weather and poor grass growing conditions last summer will have resulted in beef cattle being housed at below target live weights and with many producers facing issues with the supply and quality of feedstuffs over the winter many cattle would have struggled to reach target slaughter weights.

Assuming an average kill out percentage of 55 per cent prime cattle slaughtered in the 2013 period would have been 30kg (liveweight) lighter than their counterparts in the 2012 period. The costs associated with achieving this extra weight gain during the housing period are likely to have outstripped the benefits which will have encouraged producers to slaughter animals at lower weights.

Another key factor which must be considered in the preference by the processors for lighter carcase weights. The plants have an ideal carcase weight range of 280-380kg with penalties of 10p/kg for carcases over 420kg. Producers also miss out on the 8p/kg bonus for in spec cattle as there are limited outlets for the larger cuts which these heavier carcases produce. The combination of these bonuses and penalties will have encouraged producers to kill prime cattle at lower carcase weights.

Figure 1 displays the spread of carcase weights for the prime kill sourced from the suckler herd for the period April-June 2012 and 2013. There has been a notable decrease in the number of prime cattle from the suckler herd killed that have carcase weights in excess of 380kg, falling from 33 per cent of the kill in the 2012 period to 23 per cent of the kill in the 2013 period.

Meanwhile there has been an increase in the proportion of suckler origin prime cattle being slaughtered within the desired weight range of 280-380kg, increasing from 58 per cent in the 2012 period to 65 per cent in the 2013 period.

The number of carcases slaughtered at less than 280kg accounted for 8 per cent of the suckler origin prime kill during the 2012 period and this increased to 12 per cent in the 2013 period. The increased proportion of heifers in the prime kill, up from 34 per cent to 37 per cent year on year, may have had a key role to play in this trend.

Figure 1: Spread in carcase weights of the suckler origin prime cattle kill April-June 2012 and 2013

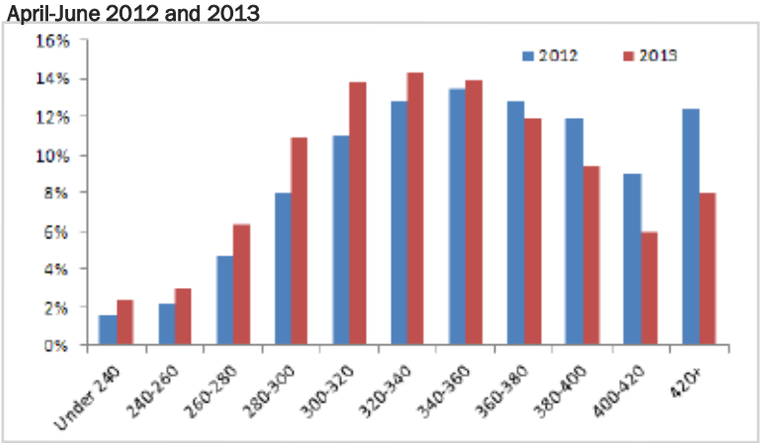


Figure 2: Spread in carcase weights of the dairy origin prime cattle kill April-June 2012 and 2013

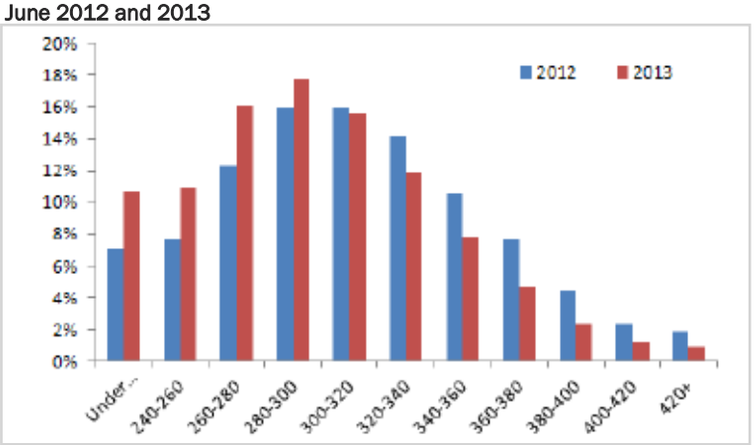


Table 1: Grade classification of the suckler origin prime cattle kill April-June 2012 and 2013.

Year	E	U	R	O	P	Avg Cold Wt
2012	0.6%	27.7%	54.7%	16.3%	0.7%	355.7
2013	0.7%	26.7%	55.6%	16.2%	0.8%	339.4

Table 2: Grade classification of the dairy origin prime cattle kill April-June 2012 and 2013 (Excluding veal).

Year	E	U	R	O	P	Avg Cold Wt
2012	0.0%	1.3%	17.2%	57.1%	24.3%	310.6
2013	0.0%	1.3%	16.7%	58.7%	23.3%	296.1

DAIRY ORIGIN BEEF

The dairy herd acts as an important source of prime cattle for the beef industry and accounted for 35 per cent of price reported prime cattle slaughterings during the April-June period in 2013, down slightly from 38 per cent in the 2012 period. Table 2 provides a breakdown of the grades awarded for dairy origin cattle slaughtered from April-June during 2012 and 2013.

These have followed a similar trend to the suckler origin cattle in that the proportion of cattle falling within each grade has remained fairly consistent year on year despite the marked reduction in average carcase weights.

The proportion of dairy origin carcases awarded an R grade accounted for 16.7 per cent of total dairy origin slaughterings in the 2013 period, down 0.5 percentage points year on year.

Meanwhile the proportion of O grades awarded increased by 1.6 percentage points to account for 58.7 per cent of the dairy origin kill while the proportion of P grades decreased slightly to account for 23.3 per cent of the dairy origin kill. The average carcase weight of dairy origin prime cattle during the 2013 period was 296.1kg, 14.5kg lighter than the corresponding period in 2012 when they were an average of 310.6kg.

Figure 2 displays the spread of carcase weights for the prime kill sourced from the dairy herd for April-June 2012 and 2013 and indicates that there has been a general downward shift in carcase weights.

In the 2012 period 64 per cent of the dairy origin kill were within the desired weight range of 280-380kg but during the 2013 period only 58 per cent of the dairy origin kill was within this desired range, a reduction of six percentage points.

Meanwhile the proportion of carcases within the 240-280kg weight range increased from 20 per cent in the 2012 period to 27 per cent in 2013 while the proportion of carcases under 240kg increased from 7 per cent in the 2012 period to 10.7 per cent in the 2013 period. This downward shift in carcase weights is likely to be a result of a combination of the production difficulties faced by producers.

FQAS NOTICE

The Farm Liaison Clinic organised for Omagh Mart on Wednesday 10 July has now been cancelled as there is no sale to be held in Omagh that day.

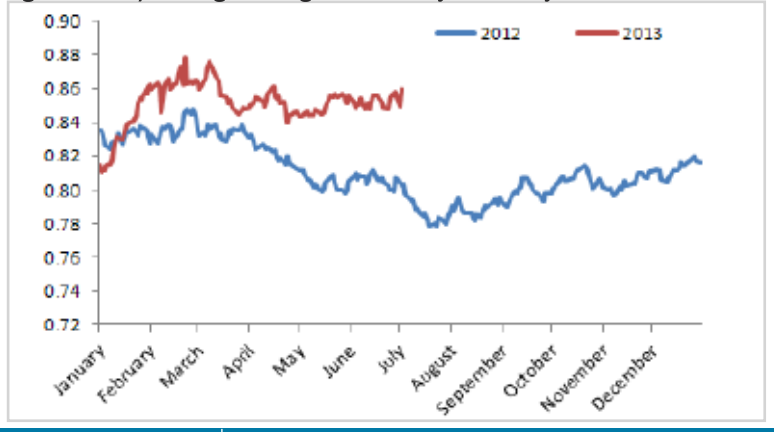
EXCHANGE RATE UPDATE

THE value of the euro against sterling has continued to strengthen in recent days and remains markedly above the exchange rate during the corresponding period in 2012. This is outlined in Figure 3 with a euro/sterling exchange rate as of Thursday of €1=£0.86.

The increasing strength of euro against sterling will have a positive influence on trade in general between NI and Europe as the stronger the value of the euro the more price competitive NI produce is on the European market when compared to our European competitors.

This is positive news for the lamb trade in particular as the euro is likely to encourage ROI buyers to be more active in NI marts. On the flipside the ability of local processors to compete is bound to be aided by the greater value of exports to the Eurozone. At present a large proportion of lamb processed in NI plants is destined for EU markets.

Figure 3: Euro/Sterling exchange rate January 2012- July 2013



WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 01/07/13	Next Week 08/07/13
Prime		
U-3	372-374p	364-366p
R-3	366-368p	358-360p
O+3	360-362p	352-354p
* Plus 8p/kg in spec bonus where applicable		
Cows		
O+3 & better	290-310p	290-305p
Steakers	270-280p	270-280p
Blues	180-185p	180-185p

REPORTED NI CATTLE PRICES - P/KG

W/E 29/06/13	Steers	Heifers	Young Bulls
U-3=	390.9	395.1	378.0
U=3=	391.3	397.9	374.8
U=4=	388.5	374.7	-
R=3=	388.1	389.1	371.8
R=4=	383.0	387.0	368.0
O+3=	386.8	384.0	358.7
O=3=	376.4	369.0	356.0
Average	380.5	382.6	362.1

REPORTED COW PRICES NI W/E 29/06/13

Grades	Price (p/kg)	Avg Wgt
O+3=	316.1	316.8
O-3+	293.4	303.0
P+2+	275.6	285.0
P+3+	285.8	299.3
P-1-	191.2	219.8

COMMODITIES

COMMODITY PRICE

W/E 29/06/13	Price (£) per tonne / 1000litre	% weekly change
Barley	182.50	-2.4
Wheat	188.50	-5.0
Straw	23.33	-
Diesel	715-720	-

Deadweight Cattle Trade

QUOTES for U-3 grade prime cattle from the plants this week were 372-374p/kg while quotes for good quality cows ranged from 290-310p/kg. The plants are quoting prices of 364-366p/kg for prime cattle next week with quotes for cows ranging from 290-305p/kg with the plants reporting a steady supply of cattle to meet demand. It would appear however that cattle have been killed lighter and earlier this year leaving 3 per cent fewer cattle aged 18-30 months on the ground compared to the same time last year. Securing supply moving into the autumn may be a bigger challenge than normal.

Prime cattle throughput in the NI plants last week totalled 6,082 head, a decrease of 133 head on the previous week. This brings the total throughput for June 2013 to 24,607 head, an eleven per cent increase on June 2012 when 22,090 head were slaughtered. However a drop in the average prime cattle carcase weight from 341.5kg in June 2012 to 323kg in June 2013 has meant that the total amount of beef processed from the prime kill increased by only 5.4 per cent despite the eleven per cent increase in throughput.

Meanwhile the cow kill in NI last week was 1,727 head, bringing cow slaughterings for June 2013 to 5,992 head, an 8 per cent reduction on throughput in June 2012. The amount of cow beef processed during June 2013 was 8 per cent lower than was processed in June 2012 with average cow carcase weights relatively similar between the two periods.

Despite the 4p/kg drop in quotes in NI last week average reported steer prices were back 2p/kg to 380.5p/kg while average heifer prices were back by a similar margin to 382.6p/kg. Meanwhile R3 steer and heifer prices were back in the region of 2p/kg while U3 prices were broadly similar to the prices paid the previous week. This perhaps indicates that higher prices were available than the base quotes from the plants would suggest.

Meanwhile in GB the market has remained fairly steady with average steer prices unchanged at 401.8p/kg and average heifer prices increasing by 2p/kg to 400.5p/kg. Average steer prices were within 1p/kg of reported prices the previous week in all the GB regions while average heifer prices were up by 1-3p/kg across the regions. Average young bull prices in GB were up 2p/kg to 382.7p/kg with prices in Scotland, Northern England and the Midlands up in the region of 4-5p/kg. Average prices in Southern England were back 3p/kg to 378.8p/kg.

Prices in ROI came under pressure last week with reports of more grass fed cattle coming available for slaughter. The R3 steer price in ROI last week was the equivalent of 375.1p/kg, back 3.6p/kg on the previous week while the R3 heifer price was back 4.6p/kg to 394.9p/kg. The R3 heifer price in ROI was 6.1p/kg higher than the equivalent NI price last week while the R3 steer price in ROI was 13.7p/kg lower than the NI price.

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

W/E 29/06/13		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	390.2	384.2	420.2	409.8	412.1	403.9	412.4
	R3	388.8	375.1	412.9	409.8	398.0	392.0	403.8
	R4	386.6	376.6	419.2	417.2	397.6	394.6	410.1
	O3	376.4	360.4	398.8	394.8	382.5	372.1	388.8
	AVG	380.5	-	414.8	407.8	393.6	383.1	401.8
Heifers	U3	395.8	409.4	419.5	409.5	411.7	404.5	412.8
	R3	388.8	394.9	408.7	393.1	396.8	388.0	397.9
	R4	387.2	393.7	413.9	404.2	399.3	392.0	403.8
	O3	374.8	376.1	399.1	388.7	375.8	380.7	387.3
	AVG	382.6	-	410.8	403.6	395.6	385.0	400.5
Young Bulls	U3	377.5	377.7	414.9	390.8	398.8	398.8	398.6
	R3	373.1	369.6	405.4	378.0	386.8	387.5	386.4
	O3	353.9	346.7	364.9	358.7	361.8	366.8	362.4
	AVG	362.1	-	403.5	375.1	384.1	378.8	382.7
Prime Cattle Price Reported		5130	-	6893	5932	5618	4168	22611
Cows	O3	302.3	292.7	304.8	304.5	306.2	284.7	299.6
	O4	308.4	293.4	312.8	303.4	302.8	289.4	302.3
	P2	255.0	253.0	244.4	254.1	255.4	230.4	244.0
	P3	280.4	280.3	275.3	277.7	272.5	252.6	269.7
	AVG	281.9	-	294.6	285.2	298.8	249.7	279.0

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=85.17p 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 29/06/13	1st QUALITY From	1st QUALITY To	1st QUALITY Average	2nd QUALITY From	2nd QUALITY To	2nd QUALITY Average
Finished Cattle (p/kg)						
Steers	215	232	220	168	214	191
Friesians	166	208	188	127	150	140
Heifers	218	245	227	180	217	200
Beef Cows	168	205	183	125	165	145
Dairy Cows	115	152	128	85	114	100
Store Cattle (p/kg)						
Bullocks up to 400kg	200	243	205	150	198	175
Bullocks 400kg - 500kg	212	239	221	170	210	190
Bullocks over 500kg	194	224	207	165	192	188
Heifers up to 450kg	200	225	212	160	198	180
Heifers over 450kg	205	230	217	165	204	185
Dropped Calves (£/head)						
Continental Bulls	275	410	330	180	270	225
Continental Heifers	225	325	275	140	220	180
Friesian Bulls	145	230	160	50	140	90
Holstein Bulls	75	150	100	1	72	35

SHEEP TRADE

LAMB QUOTES

(P/Kg DW)	This Week 01/07/13	Next Week 08/07/13
NI Factories	445-450p	445p
ROI Factories	450p	450p

REPORTED LAMB PRICES - P/KG

(P/KG DW)	W/E 15/06/13	W/E 22/06/13	W/E 29/06/13
NI Liveweight	412.6p	417.4p	417.7p
NI Deadweight	437.0p	440.9p	447.7p
GB Deadweight	490.5p	480.3p	494.2p

Deadweight Sheep Trade

QUOTES from the plants for R3 grade lambs this week were 445-450p/kg with the plants reporting strong supplies of lambs. Throughput in the NI plants last week totalled 8,374 head bringing throughput for the month of June to 31,570 head. This is a 6 per cent increase on the 29,887 killed during June 2012. Exports to ROI for direct slaughter increased by 450 head to 5,727 last week.

The deadweight lamb price in NI last week was 447.7p/kg, up 6.8p/kg on the previous week. Meanwhile the deadweight lamb price in GB increased by 14p/kg to 494.2p/kg. A strong demand for lamb has been reported in GB in the run up to the Ramadan festival.

This week's marts

The trade in the marts this week was back on the previous week with increased throughput reported in the majority of marts. However the trade is still much stronger than the corresponding week last year when average prices ranged from 330-355p/kg. In Massereene on Monday 966 lambs sold from 400-433p/kg compared to 606 lambs last week selling from 420-470p/kg. In Rathfriland on Tuesday a large entry of 1,335 lambs sold to an average of 416p/kg compared to 931 lambs last week selling to an average of 428p/kg. An entry of 1,179 lambs sold to an average of 404p/kg in Ballymena on Wednesday compared to 906 lambs last week selling to an average of 418p/kg.

LATEST SHEEP MARTS

From: 29/06/13 To: 04/07/13		Lambs (P/KG LW)			
		No.	From	To	Avg
Saturday	Omagh	773	418	446	-
	Hilltown	460	409	434	419
Monday	Massereene	966	400	433	-
	Kilrea	499	414	435	421
Tuesday	Saintfield	818	410	445	418
	Rathfriland	1335	390	431	416
Wednesday	Enniskillen	522	390	428	410
	Ballymena	1179	380	445	404
	Markethill	850	385	416	402

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