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MORE NI CATTLE EXPORTED TO GB

WITH reported deadweight prices for prime cattle in GB remaining ahead of the prices being paid at NI plants it is perhaps not surprising that the number of cattle crossing the Irish Sea for direct slaughter in GB plants has shown a marked increase. During 2013 to date the level of exports has been markedly higher than the levels recorded over the past number of years as indicated in Chart 1.

Chart 1 displays monthly exports of cattle to GB for direct slaughter from January 2011 to July 2013. In 2013 to date 8,663 head of cattle have been exported for direct slaughter in GB plants compared to 2,819 head exported during the corresponding period in 2012. This increase in exports by 5,844 head accounts for a 207 per cent increase in the number of cattle exported to GB for direct slaughter year on year.

The number of cattle being exported did show a decline from 1,404 head in May 2013 to 1,099 head in June 2013 but this downward trend was short lived with exports during July this year increasing to 1,250 head.

As indicated in Chart 1 exports of cattle from NI to GB for direct slaughter tends to increase as we move into the autumn. This annual increase in exports coincides with the increase in the supply of grass finished cattle coming fit for slaughter and probably reflects stronger prices in GB at that time of year. However with the plants reporting tight numbers this summer and the number of beef sired cattle on the ground aged 12-30 months back 3.3 per cent between July 2012 and July 2013 it remains to be seen if this flush of cattle will appear.

There has however been a nine per cent increase in the number of dairy sired male cattle aged 12-30 months on NI farms year on year. When these figures are combined the total number of beef sired cattle and dairy sired males on NI farms in July 2013 are back 2.3 per cent year on year.

It is also worth considering that there has also been an increase in the number of NI cattle being exported to GB for further breeding and production. Chart 2 displays the level of exports from NI to GB for further breeding and production from January 2011 to July 2013. Calves under 42 days of age have been excluded from this analysis.

As indicated in Chart 2 the level of exports to GB for further breeding and production during 2013 to date have been well above the levels recorded in 2011 and 2012. Exports during 2013 to date have totalled 8,096 head compared to 3,408 head during the corresponding period in 2012. This increase by 4,688 head when comparing the two periods accounts for a 138 per cent increase in exports for further breeding and production.

The level of exports for further production increased month on month from January 2013 to peak at 1,787 head in May 2013 as indicated in Chart 2. The number of cattle exported to GB showed a marked decline in June 2013 to 666 head before increasing again to 929 head in July 2013. This demand for store cattle from NI possibly reflects tighter cattle supplies in GB.

As with the exports of cattle for direct slaughter the number of cattle exported for further breeding and production tends to show an increase in the autumn. However with the number of beef cattle on the ground reduced as indicated above and calf registrations back 8.7 per cent for the year to date development of these trends will be closely watched by all in the industry.

Chart 1: Exports of cattle for direct slaughter in GB plants January 2011 to June 2013

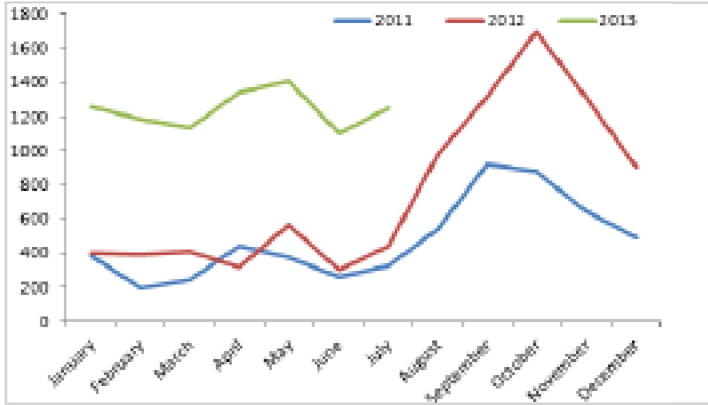
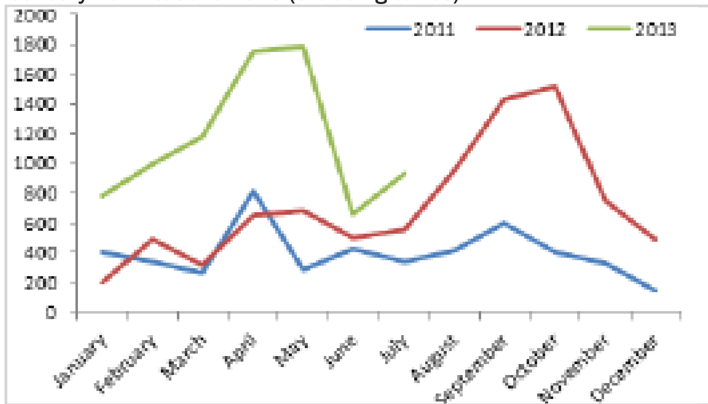


Chart 2: Exports of cattle for further breeding and production in GB January 2011 to June 2013 (excluding calves)



GB BEEF VOLUME SALES STRUGGLE WHILE LAMB CONTINUES TO PERFORM STRONGLY

WITH reports from the plants in recent weeks of difficulty in finding markets for the beef they are processing and a drop in the base quotes as a result it is perhaps a useful time to look at the latest consumer data from Kantar.

When considering the latest data for the four week period ending 7 July 2013 the volume of beef purchases declined by eight per cent when compared to the corresponding period in 2012 with all major cuts of beef showing a decline in total volume sales year on year. In the four weeks ending 7 July 2013 sales of beef roasting joints were down 17.4 per cent while sales of beef stewing meat were down 14.2 per cent on the same period the previous year. These figures for beef roasting joints are perhaps not surprising given the cold and wet summer of 2012 compared to the record temperatures recorded during summer 2013 to date.

Over the four week period ending 7 July 2013 the average retail beef price was £7.54 per kg, a seven per cent increase year on year. One contributory factor to this increase in the beef price has been the reduction in the amount of beef sold on price reduction promotions. Sales of beef mince were back four per cent year on year however the six per cent increase in the average price of mince has meant overall consumer expenditure is up two per cent year on year.

However it was not all bad news for beef sales in the four weeks ending the 7 July with sales of burgers and grills up 29 per cent year on year due to increased opportunity for barbeques. Beef ready meal sales have continued to suffer as a result of the horse meat incident with sales of chilled ready meals down five per cent and sales of frozen ready meals down sixteen per cent year on year.

If we consider the 52 week period ending 07 July 2013 the beef expenditure was up four per cent on the previous 52 weeks at £2.1 billion. This was driven by the six per cent increase in the average retail price year on year to £7.18 with the volume of beef sold back two per cent when compared to the previous 52 week period. Household penetration was back one per cent year on year to 86.1 per cent with a two per cent drop in the average weight purchased per household to 12.6kg.

The story has been much more promising for lamb with expenditure in the four weeks ending 7 July 2013 up eight per cent on the corresponding period in 2012. This increased expenditure between the two periods has occurred due to a 15 per cent increase in the volume of lamb sold. The average price per kg of lamb in the 2013 period was £7.57 per kg, a seven per cent reduction on the same period in 2012.

The increase in the volume of lamb purchased was driven by a 42 per cent increase in the volume of lamb leg roasting joints when comparing the two four week periods. Expenditure on frying and grilling chops also increased, up 13.6 per cent year on year. Some cuts of lamb have performed less strongly with sales of lamb shoulder roasting joints in the four weeks ending 7 July 2013 back 27 per cent year on year. This drop in lamb shoulder joint sales was driven by shoppers switching to the leg roasting joints due to strong promotional activity. Meanwhile sales of lamb stewing pieces were also down between the two periods, back 23.4 per cent year on year.

While lamb has been performing strongly in GB during 2013 to date, in terms of both the volume and value of sales, at the expense of beef and pork there has been some indication in recent weeks of lamb sales coming under pressure. This may be due to consumers switching to burgers and sausages for the barbeque instead of purchasing lamb. This reduced demand combined with a surge in the supply of lambs in GB over the last number of weeks led to the marked drop in the deadweight lamb prices in the week ending 27 July 2013.

However despite the drop in quotes and deadweight prices in recent weeks there have been some signs of the lamb market stabilising with quotes from the plants in NI this week increasing to 410p/kg for R3 grading lambs. The plants have reported an improvement in the lamb market in terms of sales over the past week to ten days. A steady trade was indicated in NI last week with the deadweight lamb price up marginally on the previous week to 391.2p/kg while in GB the deadweight price was up 3p/kg to 412.7p/kg.

MANAGE EWES TO IMPROVE PERFORMANCE

THE largest majority of sheep producers across NI will by now have weaned their lambs and it is important that ewes are managed correctly between now and tupping time to ensure maximum performance. Ewes should be drafted at weaning time to remove any problematic or under performing stock. Any aged ewes as well as those that encountered difficulties at lambing time, have had problems with mastitis or persistent sore feet should be culled to help minimise problems next spring and maximise lamb production.

Ewes should be condition scored and grouped accordingly at weaning. This will allow for easier management of the flock and allow producers to target ewes for good condition scores at tupping time by allocating sufficient grass. Hill ewes should have a condition score of 2.5-3.0 at tupping time and 3.0-3.5 for lowland ewes.

Table 1 outlines the ideal grass allowance pre-mating for ewes of different condition scores. It should be noted that it takes about six weeks grazing on good grass to improve ewe body condition by one score. All routine management practices are best carried out during this period. Producers should contact their CAFRE advisor for further advice.

Table 1: Grass allowance pre mating according to ewe body condition

Ewe Body Condition Score		Sward Height (cm)
Low	2.5 and less	5-7
Good	3.0-3.5	4
High	4+	3

Source: CAFRE

WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE		
(P/KG DW)	This Week 05/08/13	Next Week 12/08/13
Prime		
U-3	360-362p	354-356p
R-3	354-356p	348-350p
O+3	348-352p	342-344p
* Plus 8p/kg in spec bonus where applicable		
Cows		
O+3 & better	275-300p	290-295p
Steakers	250-270p	250-270p
Blues	180-185p	180-185p

REPORTED NI CATTLE PRICES - P/KG

W/E 03/08/13	Steers	Heifers	Young Bulls
U-3=	377.6	385.9	364.1
U=3=	380.1	385.9	370.2
U=4=	362.0	-	-
R=3=	378.6	378.1	358.6
R=4=	375.8	376.6	-
O+3=	375.9	375.9	353.9
O=3=	373.7	376.2	342.9
Average	368.7	372.4	349.2

REPORTED COW PRICES NI W/E 03/08/13

Grades	Price (p/kg)	Avg Wgt
O+3=	311.8	324.7
O-3+	292.9	300.9
P+2+	269.1	289.8
P+3+	286.2	309.3
P-1-	188.2	222.1

COMMODITY PRICE

W/E 03/08/13	Price (£) per tonne / 1000litre	% weekly change
Barley	165.50	-1.8
Wheat	180.00	-2.2
Soya	23.33	-
Straw	715-725	-

Deadweight Cattle Trade

QUOTES from the plants this week for U-3 grade prime cattle were 360-362p/kg with quotes of 354-356p/kg for early next week. Quotes for good quality cows this week ranged from 275-300p/kg. The plants have reported a steady supply of both prime cattle and cows to meet demand.

Prime cattle throughput in the NI plants last week totalled 5,296 head bringing throughput for the month of July to 27,507 head. This a three per cent reduction on the 28,334 prime cattle slaughtered in July 2012. The number of cows processed during July 2013 totalled 8,407, a 10 per cent reduction on the 9,362 cows slaughtered in July 2012. A total of 631 prime cattle were imported from ROI for direct slaughter in NI plants last week with 131 cows also imported. Meanwhile exports of cattle for slaughter in GB plants totalled 208 head, consisting of 166 prime cattle and 42 cows.

The average steer price in NI last week was 368.7p/kg, down half a penny from the previous week while average heifer prices were up 3.1p/kg to 372.4p/kg. The average U3 heifer price was up 6.3p/kg to 385.4p/kg while the O3 heifer price was up 7p/kg to 371.2p/kg. Meanwhile the average young bull price last week was unchanged from the previous week at 349.2p/kg.

In GB last week the majority of reported prices were back on the previous week with the average steer price back 3.3p/kg to 395.5p/kg and the average heifer price was back by 3.5p/kg to 393.4p/kg. The R3 steer price in GB last week was 395.9p/kg, back 4.4p/kg on the previous week with some variance shown across the regions. In Scotland the R3 steer price was back by 5p/kg to 412.8p/kg while in Northern England the R3 steer price was back 8.6p/kg to 389.6p/kg. Meanwhile in the Midlands the R3 steer price increased by 2.8p/kg to 393.3p/kg. The R3 heifer price was back by 2.5p/kg in GB last week with prices back in the range of 2-6p/kg across the regions. The one exception was the Midlands where the R3 heifer price was up 2.3p/kg to 386.6p/kg.

Prices continued to come under pressure in ROI last week as more cattle start to become available with all reported prices back in euro terms. However with an improvement in the value of euro against sterling to 1 euro = 86.90p stg resulted in average U3 steer and heifer prices increasing by the equivalent of 1.5p/kg.

This week's marts

A quieter trade across the marts this week saw first quality steers sold to an average of 220p/kg liveweight compared to 228p/kg last week with second quality selling to an average of 186p/kg compared to 195p/kg last week. Finished first quality heifers sold to an average of 213p/kg (-5p/kg) this week while second quality sold to 170p/kg (-14p/kg). The prices achieved by bullocks in the 400-500kg weight range were back in the region of 10p/kg liveweight with first quality selling to an average of 209p/kg while second quality sold to an average of 177p/kg. Meanwhile the trade for first quality heifers over 450kg improved with first quality selling to an average of 212p/kg (+17p/kg).

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

W/E 03/08/13		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	378.5	365.4	417.8	397.6	397.5	390.6	402.2
	R3	378.5	353.5	412.8	389.6	393.3	384.1	395.9
	R4	375.3	352.5	418.1	410.8	395.5	387.7	406.6
	O3	369.5	335.6	397.3	385.7	370.8	363.7	381.6
	AVG	368.7	-	412.7	398.4	386.1	375.8	395.5
Heifers	U3	385.4	379.7	418.0	393.9	400.8	392.7	402.8
	R3	379.0	363.9	408.6	388.1	386.6	375.2	391.6
	R4	376.8	363.1	415.1	396.3	390.5	378.1	397.2
	O3	371.2	345.6	389.3	380.9	373.1	373.1	380.5
	AVG	372.4	-	411.3	396.0	384.6	370.4	393.4
Young Bulls	U3	366.2	356.2	411.3	379.1	386.2	388.3	387.7
	R3	362.0	347.4	404.4	367.6	371.9	371.3	374.1
	O3	341.7	314.3	374.9	346.0	345.7	360.0	353.4
	AVG	349.2	-	400.1	360.6	370.9	372.7	371.8
Prime Cattle Price Reported		3912	-	6926	6024	5449	4188	22587
Cows	O3	297.0	271.7	294.7	288.5	288.7	263.9	283.7
	O4	304.0	274.8	298.4	287.9	284.9	266.6	283.9
	P2	246.8	232.7	227.3	229.4	228.8	205.2	221.1
	P3	275.6	261.4	252.6	258.3	262.1	228.4	246.3
	AVG	276.9	-	282.7	262.9	268.7	225.9	257.2

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=86.90p 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 03/08/13	From	To	Average	From	To	Average
Finished Cattle (p/kg)						
Steers	203	238	220	170	202	186
Friesians	148	174	165	100	146	128
Heifers	193	233	213	150	190	170
Beef Cows	150	210	165	112	149	128
Dairy Cows	112	135	124	80	110	95
Store Cattle (p/kg)						
Bullocks up to 400kg	191	234	208	154	190	172
Bullocks 400kg - 500kg	196	226	209	160	195	177
Bullocks over 500kg	197	212	205	160	196	178
Heifers up to 450kg	194	224	211	152	193	174
Heifers over 450kg	200	224	212	146	196	171
Dropped Calves (£/head)						
Continental Bulls	250	400	300	135	235	185
Continental Heifers	200	340	250	100	198	150
Friesian Bulls	70	130	100	20	68	45
Holstein Bulls	40	100	55	1	38	25

SHEEP TRADE

LAMB QUOTES		
(P/Kg DW)	This Week 05/08/13	Next Week 12/08/13
NI Factories	410p	410p
ROI Factories	405-410p	410p

REPORTED LAMB PRICES - P/KG			
(P/KG DW)	W/E 20/07/13	W/E 27/07/13	W/E 03/08/13
NI Liveweight	406.4p	346.6p	360.3p
NI Deadweight	427.1p	390.5p	391.2p
ROI Deadweight	429.2p	399.7p	394.8p
GB Deadweight	474.5p	409.6p	412.7p

Deadweight Sheep Trade

THERE was an improvement in the quotes from the plants for R3 grading lambs this week to 405-410p/kg with plants paying up to 21kg. Plants reported a tightness in the supply of lambs last week and this was reflected by a reduction in throughput in NI last week. A total of 7,897 head were killed in NI plants last week, a reduction of 1,816 head on the previous week. The quality of lambs being presented for slaughter in NI plants has been good with 29 per cent of lambs slaughtered achieving a U3 grade and 40 per cent achieving an R3 grade last week. Exports to ROI for direct slaughter totalled 8,447 head last week, a reduction of 1,202 head on the previous week. Deadweight prices in NI last week were up marginally to 391.2p/kg while prices in GB increased by 3p/kg to 412.7p/kg.

This week's marts

THE trade in the marts this week generally improved with average prices ranging from 365-389p/kg compared to a range of 345-379p/kg last week. In Kilrea on Monday 500 lambs sold from 360-385p/kg (av 373p/kg) compared to 350 lambs last week selling from 346-372p/kg (359p/kg). In Saintfield on Tuesday 804 lambs sold from 370-406p/kg compared to 525 lambs last week selling from 356-400p/kg. In Ballymena on Wednesday 1,057 lambs sold to an average of 366p/kg compared to 659 lambs last week selling to an average of 357p/kg. Top prices for cull ewes were generally £65-80 with a top reported price of £92 in Hilltown last Saturday.

LATEST SHEEP MARTS					
From: 03/08/13 To: 08/08/13		Lambs (P/KG LW)			
		No.	From	To	Avg
Saturday	Omagh	626	367	391	-
	Donemana	626	-	-	369
	Hilltown	1100	344	382	368
	Newtownstewart	120	-	-	365
Monday	Massereene	926	355	392	-
	Kilrea	500	360	385	373
Tuesday	Saintfield	804	370	406	-
	Rathfriland	964	363	412	389
Wednesday	Ballymena	1057	360	423	366
	Markethill	825	360	402	372

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