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PRELIMINARY DARD CENSUS RESULTS RELEASED

SUCKLER COW NUMBERS DOWN THREE PER CENT

THE preliminary results of the June 2013 NI Agricultural Census were released by DARD this week and identified the key changes between June 2012 and June 2013. It should however be noted that these figures are preliminary and may be subject to change with the final figures due to be published in November 2013.

The census has recorded a two per cent decline in total cattle numbers between June 2012 and June 2013 with the number of beef cows recorded declining from 279,200 in June 2012 to 270,100 in June 2013. This decline by 9,100 cows represents a three per cent contraction in suckler cow numbers year on year.

The number of dairy cows declined by two per cent over the same period with the numbers recorded back 5,900 head. These figures are not surprising given the number of cows being slaughtered in NI plants. In the 52 weeks ending the 29 June 2013 101,102 cows were slaughtered compared to 88,981 cows slaughtered in the previous 52 week period. This accounts for an additional 12,121 cows (+13.6 per cent). It is likely that this increase in throughput can be attributed to the poor weather last year affecting cow fertility and producers opting to cull unproductive stock.

The number of heifers in calf entering the suckler herd has also shown a decline, back from 40,900 in June 2012 to 36,700 in June 2013, a ten per cent reduction over the year. The majority of this decline has been in the number of heifers over two years old in calf with their first calf, back by 16 per cent year on year with the number of heifers in calf under two years of age only back two per cent to 16,100 in June 2013.

This may be an indication that producers are moving towards calving heifers down earlier with heifers less than two years accounting for 44 per cent of the total number of in calf heifers in June 2013 compared to 40 per cent in June 2012. During the same period however there was a three per cent decline in the number of heifers on NI farms aged between 1 and 2 years intended for breeding but not yet in calf. The number of females in this age range intended for slaughter increased by nine per cent year on year.

The number of cattle over two years old intended for beef production (all males and females for slaughter) was back 1.8 per cent between June 2012 and June 2013. There was however a five per cent increase in the number of beef cattle aged 1-2 years between the two periods,

With calf registrations during the first half of 2013 running well behind 2012 levels the number of animals aged less than six months in the June census was back nine per cent year on year. The number of male calves was back ten per cent year on year while the number of heifer calves was back seven per cent.

This trend is perhaps unsurprising given the contraction in cow numbers in both the dairy and suckler herds indicated in the census results. This will have reduced the number of calves on the ground and the increase in the number of dairy sired males exported to the continent in 2013 compared to 2012 will also have pushed the decline.

The preliminary census results have also indicated a two per cent decline in the total sheep flock between June 2012 and June 2013. The total number of ewes on NI farms in June put to the ram the previous year was back 2 per cent from 806,100 to 790,200.

Meanwhile the number of other female sheep intended for breeding increased by two per cent to 134,200 in June 2013. This increase is likely to be due to ewe lambs failing to reach target breeding weights last autumn due to poor production conditions in Summer 2012 and then carried as dry stock for breeding for the first time in Summer/Autumn 2013.

CHINA TO DRIVE INCREASE IN GLOBAL DEMAND FOR SHEEP MEAT

THE total world consumption of sheep meat is estimated to grow by just under two per cent per year by 2020 to 15.6 million tonnes according to the Organisation for Economic Co-operation and Development (OECD). Much of this increase will be driven by increased demand in the developing world with consumption of sheep meat actually forecast to decline slightly in the developed world.

While most of the developing world is expected to show growth in sheep meat consumption a particularly strong increase is expected in the Asia Pacific region with consumption per capita estimated to reach 1.9kg by 2020. The biggest increase in this region is expected to be in China where consumption is forecasted to increase to 4.9 million tonnes by 2020.

Consumption of meat has increased substantially in China as the population has become increasingly affluent. The demand for meat products has risen at an annual rate of 2.2 million tonnes during the 30 years leading up to 2010 according to a recent report from Agra Europe called The World Meat Market in Transition.

While the per capita daily consumption of meat remains low in China compared to developed countries the rapid population growth and urbanisation of populations create huge potential for increasing demand for meat. This creates opportunities for countries to export meat to China.

Limited supplies of agricultural land and water are key challenges for China to increase its domestic meat production so it is likely that its reliance on imports will increase in the future. This has led to a significant increase in the amount of sheepmeat imported into China in the first half of 2013.

Imports of sheep meat into China reached 124,000 tonnes during 2012, a 50 per cent increase on the level of imports recorded in 2011 and established China as the world's largest sheep meat importer. Further growth in imports in China during the first half of 2013 has seen imports of sheep meat reach 133,000 tonnes. This is 9,000 tonnes higher than the total sheep meat imports for the whole of 2012. In the corresponding period January to June 2012 58,000 tonnes were imported. This rapid increase in imports has meant that in the first half of 2013 China imported more sheepmeat than France and the UK combined.

Imports of sheep meat to China currently come from three countries, New Zealand, Australia and Uraguay but growth in the level of imports is absorbing an ever greater proportion of global sheep meat production. The growing demand for sheep meat in China will have implications for the rest of the world.

As the Chinese population becomes increasingly affluent and people have higher levels of disposable income the demand for better cuts of meat has increased. China's growing demand for lamb, in particular these higher end cuts, will have a huge influence on the global sheep market in the years ahead.

Through the joint government/industry UK Export Certification Partnership, of which LMC is a contributory member on behalf of the NI red meat industry, significant efforts are ongoing with Chinese authorities to progress market access and certification for UK beef and lamb into China.

The UK currently does not have access to the Chinese market but will still benefit indirectly from the growing demand for sheep meat in China. The growing level of imports into China from New Zealand in particular will reduce the risk of global oversupply and could help prevent the surge in NZ lamb into the UK as seen in previous years.

Imports of sheep meat into the UK during June 2013 continued to be well ahead of 2012 levels with volumes up 14 per cent year on year. Increased availability and lower prices of New Zealand lamb have meant imports from New Zealand accounted for 81 per cent of all imports in the month of June 2013. In particular imports of fresh/chilled lamb leg imports were higher and with the lower unit price there has been strong promotional retail activity.

However recent forecasts have indicated a substantial drop in lamb production in New Zealand over the next twelve months and with most of New Zealand lamb destined for export a fall in export volumes should be expected for the rest of 2013.

CALF REGISTRATIONS DOWN FOR SEVENTH CONSECUTIVE MONTH

CALF registrations in NI for 2013 to date have totalled 361,125 head, a seven per cent reduction on the 388,429 calves registered in the corresponding period in 2012.

During 2013 to date beef sired calf registrations were back 7.8 per cent on the same period last year with a total of 247,735 calves registered. This is a reduction of 21,016 calf registrations on the 268,751 beef sired calves registered in the first eight months of 2012. Chart 1 displays the number of beef sired calf registrations in NI from January 2012 to August 2013.

Meanwhile dairy sired calf registrations in 2013 to date have totalled 113,390, a drop of 6,288 on the corresponding period in 2012. This accounts for a 5.3 per cent reduction in calf registrations.

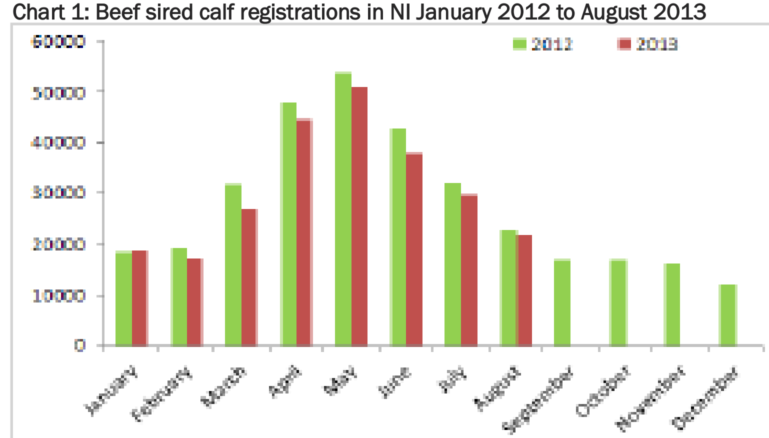
With total calf registrations during August 2013 back six per cent on August 2012 it is the seventh consecutive month where calf registrations are behind the corresponding month last year.

This drop in calf registrations has come about due to a reduction in both the dairy and suckler cow herds as indicated in the preliminary census data discussed above.

Problems with cow fertility due to the difficult production conditions over the last twelve months have played a key role in maintaining the strong number of cows being processed by NI plants with producers opting to off load unproductive stock.

This increase in cow slaughterings has also coincided with a sharp increase in the number of cows dying on farm and entering the rendering plants when compared to previous years. A total of 21,548 cows have been rendered in 2013 to date compared to 17,286 in the same period last year (+25 per cent).

Chart 1: Beef sired calf registrations in NI January 2012 to August 2013



WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE		
(P/KG DW)	This Week 02/09/13	Next Week 09/09/13
Prime		
U-3	350-354p	350-354p
R-3	344-348p	344-348p
O+3	338-342p	338-342p
* Plus 8p/kg in spec bonus where applicable		
Cows		
O+3 & better	270-280p	270-280p
Steakers	250-270p	250-270p
Blues	180-185p	180-185p

REPORTED NI CATTLE PRICES - P/KG

W/E 31/08/13	Steers	Heifers	Young Bulls
U-3=	364.2	371.0	347.0
U=3=	364.3	369.6	352.0
U=4=	366.8	360.2	-
R=3=	362.0	362.0	346.9
R=4=	353.3	363.4	-
O+3=	364.5	363.7	334.1
O=3=	352.0	345.6	324.1
Average	354.5	358.2	331.7

REPORTED COW PRICES NI W/E 31/08/13

Grades	Price (p/kg)	Avg Wgt
O+3=	282.4	321.2
O-3+	276.2	306.5
P+2+	252.3	292.0
P+3+	265.4	322.7
P-1-	175.2	219.5

COMMODITY PRICE

W/E 31/08/13	Price (£) per tonne / 1000litre	% weekly change
Barley	160.00	+0.6
Wheat	169.00	+0.6
Soya	20.00	-
Straw	715-725	-

Deadweight Cattle Trade

BASE quotes from the plants this week for U-3 grade prime cattle have increased to 350-354p/kg with quotes for O+3 cows between 270-280p/kg. The strong grass growth and good weather in recent weeks have delayed the marketing of cattle in some instances with the plants reporting a tightening in supplies.

Prime cattle slaughterings in NI last week totalled 5,345 head, a reduction of 727 head on the previous week. Imports of prime cattle from ROI last week for direct slaughter were back by 100 head from the previous week at 588 head although more cows were imported. Exports to GB last week for direct slaughter were broadly similar to previous weeks with 213 prime cattle exported and 34 cows. Exports of cattle to GB for further production during August totalled 1,026 head bringing the total for 2013 to date to 9,137 head. This is more than double the 4,367 exported during the same period last year for further production.

The average steer price in NI last week was 354.5p/kg, up 1.8p/kg from the previous week with the R3 steer price increasing by 3p/kg to 364.9p/kg. The average NI heifer price last week was up 1p/kg from the previous week at 358.2p/kg. The R3 heifer price was up by the same margin to 365.8p/kg last week. The average cow price in NI last week was 253.0p/kg, back 6.9p/kg on the previous week with all reported cow grades showing a marked decline from the previous week. The average NI cow price was marginally ahead of the GB cow average price last week of 251.4p/kg.

Prices for prime cattle in GB last week also showed an improvement on the previous week with average steer prices up 4.3 p/kg to 388.7p/kg with average prices up in all the GB regions. The strongest increases were recorded in Northern England and the Midlands where average prices were both up by 6.9p/kg to 391.2p/kg and 377.0p/kg respectively. Average heifer prices in GB were up 2.1p/kg to 384.9p/kg last week. Average prices increased in Scotland, Northern England and the Midlands while in Southern England the average price was back by 3.4p/kg to 362.3p/kg.

In ROI last week average prices were similar to the previous week in euro terms but a strengthening in the euro against sterling has meant prices were generally up 1-2p/kg in sterling terms. The R3 steer price in ROI last week was the equivalent of 348.4p/kg (+1.7p/kg) while the R3 heifer price was 358.2p/kg (+1p/kg).

This week's marts

FINISHED first quality steers sold to an average of 212p/kg this week with second quality selling to an average of 187p/kg. First quality finished heifers sold to an average of 206p/kg this week with second quality selling to an average of 183p/kg. The trade for beef cows this week was back slightly with first quality selling to 160p/kg (165p/kg last week) and second quality selling to 130p/kg (135p/kg last week). The trade for store cattle has remained strong with first quality store bullocks up to 400kg selling to an average of 220p/kg this week compared to 214p/kg last week. Second quality bullocks in the same weight range sold to an average of 194p/kg compared to 185p/kg last week.

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

W/E 31/08/13		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	364.6	357.6	409.9	389.5	389.4	390.0	395.5
	R3	364.9	348.4	407.2	385.1	385.2	381.9	391.0
	R4	358.2	348.7	413.4	400.0	384.4	377.9	397.1
	O3	352.3	331.6	389.7	382.9	359.0	358.4	375.4
	AVG	354.5	-	408.3	391.2	377.0	367.5	388.7
Heifers	U3	370.5	371.0	409.0	390.2	399.2	389.0	397.6
	R3	365.8	358.2	401.6	382.6	377.8	372.5	384.9
	R4	363.2	357.6	410.3	382.6	388.5	372.4	390.5
	O3	352.0	341.4	373.1	373.9	356.6	354.7	365.8
	AVG	358.2	-	403.5	385.3	378.8	362.3	384.9
Young Bulls	U3	350.3	346.8	403.6	372.2	378.5	381.5	379.7
	R3	344.5	339.1	394.4	362.4	360.2	367.9	366.2
	O3	323.8	317.4	357.4	337.0	339.5	348.7	342.6
	AVG	331.7	-	379.4	348.9	360.6	348.6	356.3
Prime Cattle Price Reported		3659	-	6476	5789	5245	3910	21420
Cows	O3	274.8	276.1	278.8	277.0	272.1	258.0	272.4
	O4	278.5	278.1	287.0	278.1	282.2	264.1	276.8
	P2	230.6	246.4	231.2	236.2	223.4	206.2	222.7
	P3	256.7	266.5	240.6	255.8	223.3	234.1	241.3
	AVG	253.0	-	276.2	255.5	256.8	223.3	251.4

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=85.83p 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 31/08/13	From	To	Average	From	To	Average
Finished Cattle (p/kg)						
Steers	200	232	212	175	199	187
Friesians	156	165	162	122	153	141
Heifers	197	227	206	170	196	183
Beef Cows	148	194	160	115	147	130
Dairy Cows	95	133	110	75	92	85
Store Cattle (p/kg)						
Bullocks up to 400kg	210	258	220	170	209	194
Bullocks 400kg - 500kg	220	259	230	180	219	196
Bullocks over 500kg	204	228	212	160	203	185
Heifers up to 450kg	200	234	212	170	199	185
Heifers over 450kg	200	233	210	175	199	190
Dropped Calves (£/head)						
Continental Bulls	278	390	330	160	275	220
Continental Heifers	170	270	220	90	168	120
Friesian Bulls	100	165	135	30	95	65
Holstein Bulls	80	140	100	2	78	45

SHEEP TRADE

LAMB QUOTES		
(P/Kg DW)	This Week 02/09/13	Next Week 09/09/13
NI Factories	370-385p/kg	370p/kg
ROI Factories	370-380p/kg	-

REPORTED LAMB PRICES - P/KG			
(P/KG DW)	W/E 17/08/13	W/E 24/08/13	W/E 31/08/13
NI Liveweight	349.4p	338.7p	338.7p
NI Deadweight	396.6p	387.3p	379.6p
ROI Deadweight	389.9p	382.8p	375.17p
GB Deadweight	423.2p	422.0p	410.8p

Deadweight Sheep Trade

QUOTES from the plants for R3 grading lambs have come under pressure this week. Quotes started the week at 385p/kg but came back to 370p/kg as the week progressed. Lamb slaughterings in NI last week totalled 10,266 head bringing throughput for the month of August to 40,275 head. This is a ten per cent reduction in throughput on the 44,767 lambs processed during August 2012. Meanwhile exports to ROI for direct slaughter last week totalled 7,700 head, a 25 per cent reduction on the previous week. Exports to ROI for direct slaughter during August 2013 totalled 36,427 head, a ten per cent reduction on the 40,278 exported in August 2012. The NI deadweight price last week was 379.6p/kg, back 7.7p/kg on the previous week with prices in GB back 11p/kg to 410.8p/kg over the same period.

This week's marts

AN increase in throughput has been reported in the marts this week with average reported prices generally ranging from 329-342p/kg. In Massereene on Monday an entry of 1,026 lambs sold from 330-367p/kg compared to 1,149 lambs selling from 340-369p/kg last week. In Rathfriland on Tuesday 1,231 lambs sold from 320-377 (av 342p/kg) compared to 1,129 lambs last week selling from 320-373p/kg (av 338p/kg). A large entry of 1,725 lambs in Ballymena on Tuesday sold to an average of 329p/kg, a quieter trade than last week when 1,507 lambs sold to an average of 336p/kg. The top reported prices for cull ewes this week ranged from £65-77 across the marts.

LATEST SHEEP MARTS					
From: 31/08/13 To: 05/09/13		Lambs (P/KG LW)			
		No.	From	To	Avg
Saturday	Omagh	1040	333	371	-
	Donemana	1280	328	367	341
	Hilltown	1700	334	360	352
	Newtownstewart	280	328	347	335
Monday	Massereene	1026	330	367	-
	Kilrea	700	324	342	329
Tuesday	Saintfield	785	335	395	-
	Rathfriland	1231	320	377	342
Wednesday	Ballymena	1725	320	346	329
	Enniskillen	522	328	352	336

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