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STEADY TRADE CONTINUES FOR LAMBS

A steady demand for lambs from the processors combined with good supplies have kept the deadweight lamb market on an even keel now for several weeks with the NI plants continuing to quote 360p/kg>21.5kg for R3 grading lambs.

A steady supply of lambs was reported by the plants during September 2013 with throughput increasing by 3.5 per cent on the number killed the previous September to 45,661 head. Meanwhile average lamb carcase weights remained constant year on year at 21kg taking the total volume of lamb processed by NI plants during September 2013 to 960.7 tonne. This is a 3.5 per cent increase on the 927.9 tonne processed in September 2012.

Exporting lambs to ROI for direct slaughter continues to act as an alternative outlet for NI lambs, however the total number of lambs being exported for direct slaughter during September 2013 was down 27.4 per cent on exports during September 2012 with 34,896 sheep being exported. This is a reduction of 13,172 head between the two months.

Deadweight lamb prices in NI during September 2013 averaged 362.0p/kg compared to an average deadweight price of 341.9p/kg recorded during September 2012. The average price paid for an R3 grade lamb during September 2013 was 362.1p/kg compared to 339.2p/kg during September 2012. This increase in the average R3 price by 22.9p/kg accounts for an additional £4.81 on a 21kg carcase year on year.

Analysis of the sheep price reporting has indicated that the lambs being presented for slaughter continue to be of a high quality with 98.7 per cent of price reported lambs slaughtered during September 2013 achieving an E, U or R for conformation.

Meanwhile there has been a reduction in the proportion of lambs achieving a 1 or 2 for fat class. In September 2013 16 per cent of the price reported lamb kill achieved a 1 or 2 for fat cover compared to 23 per cent in the corresponding period in 2012.

The deadweight trade for lambs in GB during September 2013 was back 3p/kg on September 2012 with an average deadweight price of 392.5p/kg. Throughput in the GB plants has shown a 6 per cent increase during September 2013 with supplies improved year on year due to the better weather conditions experienced this summer. Reports from EBLEX have indicated that English census results have identified a better lamb crop than was expected. However the number of lambs recorded remains below the levels of previous years indicating a comparatively poor lamb crop.

Meanwhile in ROI supplies of lambs during September 2013 were similar to the previous year with 201,846 lambs processed, an increase of 3 per cent year on year. The average lamb price in sterling terms in ROI in September 2013 was 354.5p/kg, a 2 per cent increase on the 347.6p/kg in September 2012.

Consumer data

The latest consumer data for NI from Kantar has indicated a 4.3 per cent increase in the volume of lamb purchased by NI consumers in the 52 week period ending the 15 September 2013 when compared to the previous year as indicated in Figure1.

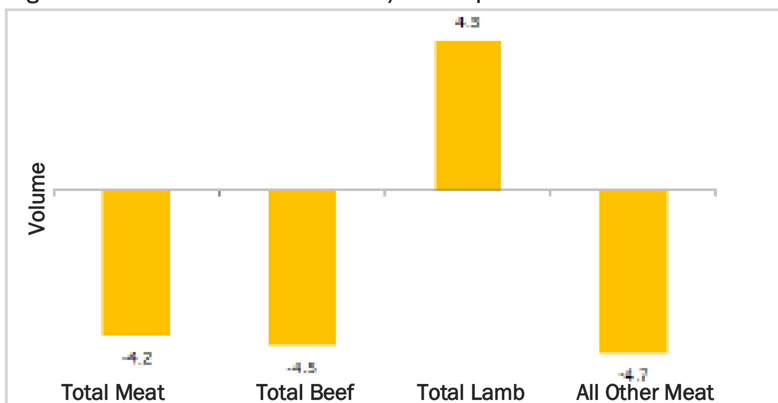
A reduction in the average retail price from £8.25/kg in the 2012 period to £6.99/kg in the 2013 period encouraged shoppers to buy more lamb but resulted in an 11.6 per cent decline in the value of total sales. As a result the average annual value of purchases recorded a decline from £52.70 in the 2012 period to £47.70 in the 2013 period with household penetration back 1.5 percentage points to 45.4 per cent of households purchasing lamb in the year ending 15 September 2013.

Meanwhile Kantar data for GB has indicated an 8 per cent growth in expenditure on lamb in the 52 week period ending 15 September 2013 when compared to the previous year. Over the same period the volume of lamb sold increased by 13 per cent to 83,088 tonnes.

A five per cent decline in the average retail price to £7.86/kg in the 52 week period ending 15 September 2013 has helped to boost both the value and volume of lamb sales in the UK over the last year. Market penetration for lamb continues to be markedly higher in GB than in NI with 59.6 per cent of households purchasing lamb in the last year, representing a three per cent growth year on year.

Much of the growth has been driven by strong retail activity on lamb leg roasting joints which recorded a 36 per cent increase in sales year on year. Sales of lamb pieces, lamb mince and lamb chop steaks have also performed well year on year while sales of lamb shoulder roasting joints were back 8.7 per cent.

Figure 1: Volume of NI meat sales 52 w/e 15 September 2013



INCREASED PROPORTION OF CULL COWS FROM SUCKLER HERD

COW slaughterings in NI during 2013 to date totalled 70,910 head, a 3.8 per cent decrease on the 73,680 head slaughtered in the corresponding period in 2012.

A more marked decline in the cow kill has been recorded in recent weeks with throughput during the six week period ending the 19 October totalling 11,406 head, a 23.7 per cent decline on the corresponding period in 2012.

Cow throughput in the NI plants started to show a strong increase in June 2012 and remained well above previously recorded levels for the remainder of 2012 as indicated in Figure 2. This high level of throughput continued for the first half of 2013 and during the period July-September throughput was similar to the levels recorded in the corresponding period in 2011.

This higher throughput of cows from July 2012 through to June 2013 can be attributed to difficult production conditions, reduced cow fertility, strong cull cow prices and the forage shortage experienced during spring 2013. The combination of these factors has encouraged producers to off-load unproductive and underperforming stock.

If we consider the price reported cow kill for the period July-September 2013 and compare it to the same period in 2012 there have been some notable changes in terms of conformation and fat class as indicated in Tables 1 and 2.

The proportion of cows awarded an R grade for conformation increased from 10.9 per cent of the cow kill in the 2012 period to 16.3 per cent in the same period in 2013. Meanwhile the proportion of cows achieving an O grade increased by 8.8 percentage points to account for 35.5 per cent of the cow kill during the 2013 period. The proportion of cows awarded a P grade declined from 61.4 per cent of the cow kill in the 2012 period to 46.6 per cent in the 2013 period.

The marked changes in the proportion of cattle falling within each conformation band have occurred due to the type of cows being presented for slaughter. In the 2012 period 37.8 per cent of the price reported cow kill was sourced from the suckler herd and in the same period in 2013 this increased to 51.8 per cent of the kill.

The increase in the proportion of continental genetics in the overall cow kill will have been a key driver behind the improvement recorded in conformation scores. It will also have played a key role in the increase recorded in average carcase weights. The average carcase weight increased by 4.3kg when comparing the period July-September 2013 with the same period in 2012.

If we consider the price reported cow kill during the period July-September 2013 56 per cent of cows slaughtered achieved a 3 or a 4 for fat cover. This is a marked increase on the 46.5 per cent of cows awarded a 3 or 4 for fat cover in the same period in 2012. Meanwhile the proportion of cows achieving a 2 for fat cover declined by 1.6 percentage points to 21.6 per cent in the 2013 period while the proportion awarded a 1 for fat cover declined by 7.4 percentage points to account for 20.3 per cent of the total cow kill in the 2013 period.

The general improvement in the cover on carcases during July-September 2013 when compared to the previous year may be attributed to the increased proportion of suckler origin cows in the slaughter mix and the much improved production conditions experienced during summer 2013.

Figure 2: Cow slaughterings in NI January 2011-October 2013

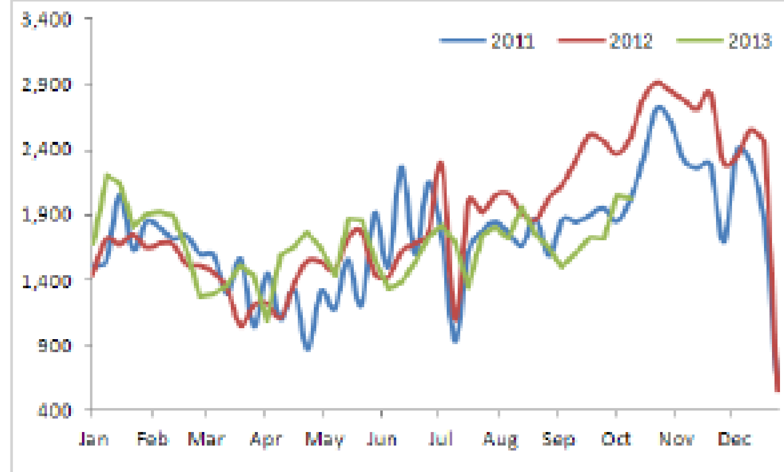


Table 1: Conformation allocation of cows July-September 2012/2013

Year	E	U	R	O	P
2012	0.1%	1.0%	10.9%	26.7%	61.4%
2013	0.1%	1.5%	16.3%	35.5%	46.6%

Table 2: Fat class allocation of cows July-September 2012/2013

Year	1	2	3	4	5
2012	27.7%	23.2%	30.3%	16.2%	2.7%
2013	20.3%	21.6%	37.4%	18.6%	2.1%

WEEKLY BEEF & LAMB MARKETS

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 21/10/13	Next Week 28/10/13
Prime		
U-3	364-368p	364-368p
R-3	358-362p	358-362p
O+3	352-356p	352-356p
* Plus 8-14p/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 19/10/13	Steers	Heifers	Young Bulls
U-3=	375.9	380.2	357.5
U=3=	377.7	385.9	362.8
U=4=	369.2	374.5	-
R=3=	374.4	379.1	354.6
R=4=	369.7	371.8	347.3
O+3=	375.7	373.0	350.1
O=3=	360.5	369.7	339.2
Average	366.7	371.0	344.3

REPORTED COW PRICES NI W/E 19/10/13

Grades	Price (p/kg)	Avg Wgt
O+3=	290.0	329.0
O-3+	269.8	303.4
P+2+	246.8	293.7
P+3+	256.7	302.9
P-1-	170.2	218.4

COMMODITY PRICE

W/E 19/10/13	Price (£) per tonne / 1000litre	% weekly change
Barley	161.50	+0.6
Wheat	182.50	+2.5
Straw	17.08	-
Diesel	712-720	-

Deadweight Cattle Trade

QUOTES from the plants for U-3 grade prime cattle remained steady this week, ranging from 364-368p/kg across the plants. The in spec bonus of 8-14p/kg continues to be available for steers and heifers. Producers should consult individual processors as the criteria and level of bonus available for in spec cattle varies across the plants. Quotes for O+3 grade cows have come back to 270-280p/kg this week.

The plants have reported steady supplies of cattle with throughput of prime cattle last week totalling 7,087 head. This is 307 head less than the previous week and 200 head behind the corresponding week in 2012 when 7,287 head were slaughtered. The cow kill in NI last week increased to 2,293 head, an increase of 274 head on the previous week. Imports from ROI last week for direct slaughter were similar to the previous week and consisted of 745 prime cattle and 204 cows, with a total of 244 cows exported from NI for slaughter in ROI plants. Meanwhile exports of cattle from NI to GB for direct slaughter increased on previous weeks to consist of 306 prime cattle and 62 cows.

Average steer and heifer prices in NI last week were within a penny of the previous week at 366.7p/kg and 371.0p/kg respectively with R3 steer and heifer prices showing a similar trend. Meanwhile in GB average steer prices were back by 2p/kg to 394.9p/kg with average prices across the GB regions showing a 2-3p/kg decline with the exception of Northern England where average prices were back by half a penny to 395.5p/kg. Average heifer prices in GB were back by 1.5p/kg to 393.1p/kg. Average prices in Scotland and Northern England were back by 1p/kg on the previous week while prices in the Midlands were unchanged at 386.2p/kg. Heifer prices in Southern England were back 5.8p/kg to 371.2p/kg. Average cow prices in NI remain the strongest in the British Isles at present.

Young bull prices in NI were back by half a penny to 344.3p/kg last week while prices were back in GB by 4.3p/kg to 364.5p/kg. The strongest declines were recorded in the Midlands and Southern England where prices were back by 5.6p/kg and 7.1p/kg respectively.

Tighter supplies of cattle in ROI have seen an improvement in the deadweight trade for all classes of cattle. The R3 steer and heifer prices increased by the equivalent of 5p/kg last week to 331.2p/kg and 340.9p/kg respectively. Deadweight prices in ROI remain behind NI levels with a price differential of 44.6p/kg for R3 steers and 37.1p/kg for R3 heifers.

This week’s marts

Finished first quality steers sold from 215-238p/kg (avg 222p/kg) this week while second quality sold from 160-214p/kg (avg 195p/kg). Finished heifers sold to an average of 217p/kg for first quality while second quality sold to an average of 195p/kg. Well fleshed beef cows sold from 140-193p/kg (avg 157p/kg) with second quality selling from 112-139p/kg (127p/kg). A slightly quieter trade for forward store cattle saw first quality bullocks 400-500kg sell to an average of 219p/kg while first quality heifers over 450kg sold to an average of 208p/kg.

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

W/E 19/10/13		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	376.0	342.3	420.6	397.0	399.3	399.7	405.0
	R3	375.8	331.2	416.0	391.3	392.1	388.5	398.3
	R4	374.4	330.1	418.0	405.3	390.1	386.1	402.3
	O3	364.2	313.6	397.6	387.4	367.5	369.0	383.0
	AVG	366.7	-	414.8	395.5	385.1	377.4	394.9
Heifers	U3	382.6	354.5	427.5	402.2	405.6	400.5	410.5
	R3	378.0	340.9	418.6	391.1	389.5	382.8	397.6
	R4	373.7	339.5	417.3	396.1	389.3	382.6	398.6
	O3	369.5	324.4	380.7	375.2	371.0	361.7	372.7
	AVG	371.0	-	413.5	391.9	386.2	371.2	393.1
Young Bulls	U3	357.6	333.6	412.6	378.6	391.0	389.7	389.3
	R3	356.3	324.1	394.9	367.6	377.7	377.0	376.1
	O3	339.1	307.7	365.7	348.6	355.1	368.9	357.3
	AVG	344.3	-	385.1	357.3	367.2	358.9	364.5
Prime Cattle Price Reported		5526	-	6330	5707	5266	3892	21195
Cows	O3	278.3	269.9	260.3	260.0	256.7	245.6	255.8
	O4	283.1	271.8	266.8	261.8	269.5	248.3	258.9
	P2	229.6	235.9	205.1	208.1	215.0	198.5	203.9
	P3	255.7	257.9	219.4	229.7	229.7	218.0	222.2
	AVG	251.3	-	251.1	224.0	245.4	206.1	227.2

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=84.67p 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 19/10/13	1st QUALITY From	1st QUALITY To	1st QUALITY Average	2nd QUALITY From	2nd QUALITY To	2nd QUALITY Average
Finished Cattle (p/kg)						
Steers	215	238	222	160	214	195
Friesians	145	180	165	120	144	135
Heifers	210	232	217	175	209	195
Beef Cows	140	193	157	112	139	127
Dairy Cows	110	177	118	75	109	92
Store Cattle (p/kg)						
Bullocks up to 400kg	216	264	225	180	215	197
Bullocks 400kg - 500kg	210	255	219	170	209	188
Bullocks over 500kg	192	214	203	160	191	178
Heifers up to 450kg	208	238	215	150	207	180
Heifers over 450kg	196	223	208	150	195	175
Dropped Calves (£/head)						
Continental Bulls	280	365	320	180	278	230
Continental Heifers	230	355	300	150	228	185
Friesian Bulls	75	150	110	25	72	50
Holstein Bulls	50	125	85	1	48	25

SHEEP TRADE

LAMB QUOTES		
(P/Kg DW)	This Week 21/10/13	Next Week 28/10/13
NI Factories	360p >21.5kg	360p >21.5kg
ROI Factories	360p>21.5kg	360p>21.5kg

REPORTED LAMB PRICES - P/KG			
(P/KG DW)	W/E 05/10/13	W/E 12/10/13	W/E 19/10/13
NI Liveweight	318.1p	323.2p	324.0p
NI Deadweight	356.9p	353.8p	356.9p
ROI Deadweight	350.2p	352.9p	352.1p
GB Deadweight	385.1p	386.7p	395.5p

Deadweight Sheep Trade

QUOTES from the plants for R3 grade lambs remained steady this week at 360p/kg up to 21.5kg. The plants are reporting good supplies with 11,775 lambs slaughtered in NI plants last week. In the corresponding week in 2012 11,401 lambs were slaughtered in NI plants. Exports to ROI for direct slaughter totalled 10,177 last week compared to 13,613 the previous week. A total of 90 lambs were also shipped to GB for direct slaughter. The average deadweight price in GB last week increased by 8.8p/kg to 395.5p/kg while prices in NI increased by 3.1p/kg to 356.9p/kg. The differential between NI and GB last week was 38.6p/kg or £8.10 on a 21kg lamb. In ROI the deadweight lamb trade remained steady with an equivalent deadweight price of 352.1p/kg. The Eid al adha Muslim Festival took place on 15 October this year and may have contributed to the stability in lamb prices over recent weeks.

This week's marts

AVERAGE prices in the marts this week ranged from 312-333p/kg compared to 310-330p/kg last week. In Massereene on Monday 926 lambs sold from 325-367p/kg compared to 1,377 lambs last week selling from 315-342p/kg. A similar trade to last week in Kilrea saw 800 lambs sell from 310-335p/kg (avg 322p/kg). In Rathfriland this week 1,192 lambs sold from 310-356p/kg (avg 332p/kg) compared to 1,002 lambs last week selling from 300-361p/kg (avg 328p/kg). A firm trade for lambs in Markethill on Wednesday saw 1,230 lambs sell from 315-352p/kg (avg 326p/kg). Top prices reported across the marts for good quality cull ewes are generally £60-80.

LATEST SHEEP MARTS

From: 19/10/13 To: 24/10/13		Lambs (P/KG LW)			
		No.	From	To	Avg
Saturday	Omagh	1314	331	394	-
	Donemana	970	308	332	326
	Newtownstewart	148	300	342	312
	Hilltown	1393	301	410	330
Monday	Massereene	926	325	367	-
	Kilrea	800	310	335	322
Tuesday	Saintfield	741	334	380	-
	Rathfriland	1192	310	356	332
Wednesday	Ballymena	2402	300	350	320
	Enniskillen	742	317	336	325
	Markethill	1230	315	352	326
	Armoy	424	320	370	333

Contact us:

Website: www.lmcni.com

Telephone: 028 9263 3000

Fax: 028 9263 3001

FQAS Helpline: 028 9263 3024

Answerphone: 028 9263 3011

Comments: bulletin@lmcni.com

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