LMC BULLETIN
WEEKLY PUBLICATION OF THE LIVESTOCK AND MEAT COMMISSION FOR NORTHERN IRELAND
Saturday 21 December 2013 Issue No. 2301

Merry Christmas

CHRISTMAS HOLIDAYS

Best Wishes
LMC would like to wish all of our levy-payers and stakeholders a very Happy Christmas and prosperous New Year

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Holiday Arrangements
LMC's offices will be closed for the Christmas and New Year Period (25 December - 1 January). We will reopen on Thursday 2 January

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Next Bulletin
Saturday 4 January 2014 in Farming Life

Answerphone & Text Service
There will be no answerphone or text message service during Christmas Week

PRICE DIFFERENTIAL REPORT LAUNCHED BY LMC

BEEF industry representatives, DARD and local farming journalists gathered at Lissue House on Tuesday 17 December 2013 for the launch of the much anticipated LMC report into regional price disparities in deadweight cattle. The report was commissioned by LMC in late 2012 and over the course of the last 12 months Oxford Economics, with the support of an independent project steering group facilitated by LMC, has been examining the nature and causes of the differential in deadweight cattle prices between Northern Ireland and Great Britain.

The research involved extensive consultation with industry coupled with detailed analysis of trade data. The report concludes that the differential in cattle prices varies across different classifications, with higher prices paid for prime cattle in GB compared to NI, while NI processors paid higher prices for cull cows. On average, R3 steer prices were 14p/kg higher in GB between 2009 and 2012, while the difference in R4 steer prices was 21p/kg. From 2009 to 2012 the NI P2 cow price was 9p/kg higher than equivalent prices in GB.

The key objective of the research was to explore reasons for the differential and to provide evidence for explaining why prime cattle prices in GB were higher than those in NI. The report has clearly identified the key factors affecting the price differential, has evaluated their relative importance and has ranked each of the 11 contributing factors as having a major, medium or minor influence on the differential.

No single factor has been identified as the cause of the differential. Evidence used in the determination of the significance of each factor is clearly set out in the report which is available on the LMC website. The publication of this report will help to bring a clearer understanding to this often contentious issue and, coupled with the identification of key areas for action in the report, this should help inform decision making and put industry in a better position to change the situation.

Discussing the report findings at the project launch on Tuesday. From left to right: Jonathan Birnie (Dunbia) and steering group representatives Bob Bansback (International Meat Secretariat Economics Committee) and Paul Caskie (DARD),

NI LAMB MARKET UPDATE 2012

FQAS CORNER

ANAESTHETIC RECORDED IN VMR BOOK

FQAS participants are reminded to include anaesthetic purchase and use in their Veterinary Medicine Record (VMR) book. This is a common non-conformance during FQAS inspections and, thus, requires rectification in the form of evidence submission. Advice to participants is to record anaesthetic, and all other veterinary medicines, at the time of purchase and usage in the relevant sections of the Veterinary Medicine Record book.

Anaesthetic usage will, no doubt, increase over the coming months as disbudding takes place on beef and dairy farms across the country, following calving, and FQAS participants are encouraged to carry out disbudding as early as possible by trained and competent stock keepers. For further information and a summary of the legal requirements for common veterinary operations for cattle and sheep consult your Welfare Codes. These can also be viewed at www.lmcni.com/fqas/documentation.

In recent weeks there has been an improvement in the deadweight lamb prices in NI with an average price last week of 384.3p/kg and the plants increasing quotes to 390-395p/kg up to 22kg this week.

The average lamb/hogget price in NI early in 2013 was markedly below the levels recorded during the corresponding period in 2011 and 2012 as indicated in Figure 1. This was due to an increase in the number of hoggets carried over from 2012 coming forward for slaughter early this year as indicated in Figure 2 by the peak in throughput early in the year. In March and April this year deadweight lamb prices were similar to the same period in 2012 but a tightening in lamb availability and an improvement in demand for lambs as the summer progressed resulted in prices running fairly similar to 2011 levels as indicated in the chart.

In late summer deadweight prices followed the normal seasonal trend and started to come under pressure as availability of lambs improved. Throughout autumn 2013 deadweight lamb prices in NI have remained above 2012 levels but below the record lamb prices recorded in autumn 2011 when tight supplies helped to boost returns.

The average deadweight prices in NI levelled off in September 2013 and remained fairly steady up until recently when tightening supplies and firm demand have helped stimulate the deadweight trade. This has helped to widen the differential between 2012 and 2013 prices. As outlined above the average deadweight lamb price in NI last week was 384.3p/kg compared to 325.6p/kg during the corresponding week last year (an increase of 18 per cent).

With the exception of the first quarter throughput in the NI plants during 2013 was broadly similar to the levels recorded during 2012 as indicated in Figure 2.

Figure 1: NI Average Deadweight Weekly Price (p/kg CW)

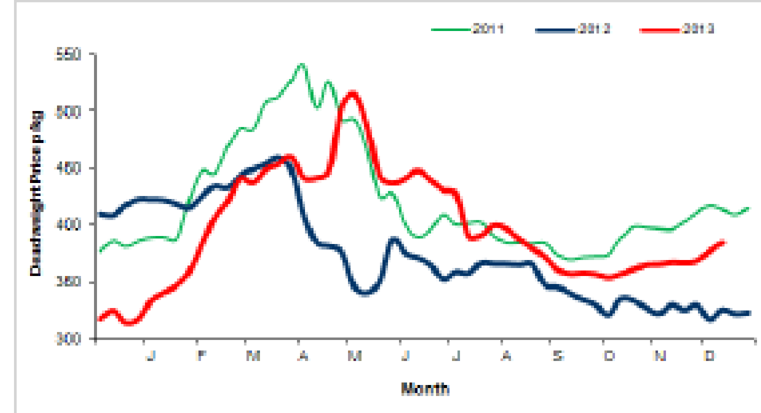
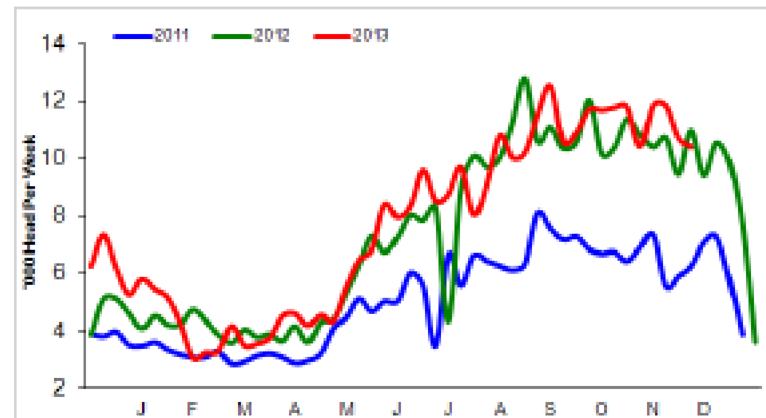


Figure 2: NI Lamb / Hogget Slaughterings ('000 head per week)



WEEKLY BEEF & LAMB MARKETS

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 16/12/13	Next Week 23/12/13
Prime		
U-3	346-348p	342-346p
R-3	340-342p	336-340p
O+3	334-336p	330-334p
* Plus 8-14 p/kg in spec bonus where applicable		
Cows		
O+3 & better	225-245p	225-245p
Steakers	150-200p	150-200p
Blues	110-140p	110-140p

REPORTED NI CATTLE PRICES - P/KG

W/E 14/12/13	Steers	Heifers	Young Bulls
U-3=	370.8	376.3	343.7
U=3=	373.2	373.4	348.7
U=4=	365.6	370.4	-
R=3=	367.5	366.1	339.0
R=4=	365.1	361.2	321.2
O+3=	363.2	368.0	329.8
O=3=	349.8	345.6	323.4
Average	358.5	360.0	328.0

REPORTED COW PRICES NI W/E 14/12/13

Grades	Price (p/kg)	Avg Wgt
O+3=	249.2	317.8
O-3+	231.3	296.7
P+2+	210.2	284.4
P+3+	215.2	296.3
P-1-	129.9	226.9

COMMODITY PRICE

W/E 14/12/13	Price (£) per tonne / 1000litre	% weekly change
Barley	163.00	+0.3
Wheat	185.50	+0.5
Straw	17.20	-
Diesel	715-720	-

Deadweight Cattle Trade

BASE quotes from the plants this week for U-3 grade prime cattle were 346-348p/kg with quotes of 342-346p/kg for prime cattle early next week. Producers should note that the increased penalties for young bulls over sixteen months of age are due to be implemented in the New Year. The plants have reported steady supplies of both prime cattle and cows to meet demand. Quotes for O+3 cows remained steady this week at 225-245p/kg.

Throughput of prime cattle last week was similar to the previous week with 7,265 clean cattle killed compared to 7,141 head the previous week. Throughput of cows was also similar to previous weeks with 1,879 cows slaughtered. Imports from ROI for direct slaughter in NI plants last week consisted of 270 clean cattle and 109 cows with 35 cows also imported from GB. Meanwhile exports to GB for direct slaughter consisted of 252 clean cattle and 63 cows while a further 170 cows were exported from NI for direct slaughter in ROI plants.

Prices in NI this week have shown the most marked decrease in the British Isles with average steer prices back by 6.5p/kg to 358.5p/kg and average heifer prices back by 6p/kg to 360p/kg. R3 steer and heifer prices were both back by 4.5p/kg from the previous week to 367.6p/kg and 367.3p/kg respectively. Despite the falls the NI prices for R3 steers and heifers remained 42.8p/kg and 27.3p/kg ahead of the equivalent prices in ROI. The average price paid for young bulls in NI last week was 328p/kg, back 9.1p/kg from the previous week. There was a more mixed trade for young bulls across the regions in GB where the average price was back 1.4p/kg to 352.7p/kg. Average young bull prices recorded a decline in the Midlands and Scotland but increased in Northern and Southern England by 2.8p/kg and 1.1p/kg respectively.

The average steer price in GB recorded a decline of 2.3p/kg last week to 387.5p/kg with prices back by 2-4p/kg across the regions. One exception was the Midlands where the average steer price increased by half a penny to 377.1p/kg. Average heifer prices in GB were back by 3.6p/kg last week to 384.6p/kg with prices back across all the regions by 2-5p/kg.

The trade for finished cattle in ROI has remained fairly steady in euro terms but a strengthening of the euro has meant prices have shown an increase in sterling terms. The R3 steer price in ROI last week was the equivalent of 324.8p/kg (+2.9p/kg) while the R3 heifer price was the equivalent of 340.0p/kg (+3.7p/kg).

This weekś marts

FINISHED first quality steers sold from 208-244p/kg (avg 218p/kg) this week with second quality selling from 180-207p/kg (avg 193p/kg). Finished first quality heifers sold from 202-234 (avg 215p/kg) with plainer finished heifers selling from 175-199p/kg (avg 190p/kg). The trade for well fleshed beef cows topped at 200p/kg with first quality beef cows selling to an average of 175p/kg. First quality bullocks over 500kg sold from 190-205p/kg (avg 200p/kg) with second quality selling from 165-188p/kg (avg 180p/kg). Meanwhile first quality heifers over 450kg sold to an average of 195p/kg.

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

W/E 14/12/13		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	372.5	329.1	419.6	390.4	392.4	389.7	399.4
	R3	367.6	324.8	410.6	383.0	381.3	376.5	389.1
	R4	366.4	324.5	413.1	403.1	381.1	376.5	397.4
	O3	353.5	310.1	390.0	375.0	359.7	353.3	371.1
	AVG	358.5	-	410.5	388.7	377.1	365.1	387.5
Heifers	U3	373.6	351.8	420.6	390.1	392.4	382.7	399.3
	R3	367.3	340.0	411.8	379.1	381.0	373.7	388.5
	R4	364.8	338.4	411.0	385.8	382.9	373.5	390.8
	O3	353.7	324.4	382.0	365.3	359.0	348.7	364.3
	AVG	360.0	-	407.8	382.5	376.9	361.6	384.6
Young Bulls	U3	342.5	323.1	410.3	359.9	370.7	381.6	374.3
	R3	337.8	317.2	394.0	350.2	360.1	368.6	362.3
	O3	321.7	298.3	364.1	335.3	343.1	352.0	344.7
	AVG	328.0	-	380.8	344.3	349.5	353.8	352.7
Prime Cattle Price Reported		5964	-	6190	5725	5218	3861	20994
Cows	O3	234.2	242.5	244.8	239.6	237.4	217.8	233.8
	O4	237.1	244.7	250.2	241.6	235.9	222.8	237.0
	P2	193.4	206.4	189.7	188.8	171.3	170.6	181.2
	P3	215.2	230.2	214.3	214.8	169.5	195.7	203.2
	AVG	211.5	-	232.5	215.6	201.7	187.2	209.4

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=83.96p 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 14/12/13	From	To	Average	From	To	Average
Finished Cattle (p/kg)						
Steers	208	244	218	180	207	193
Friesians	157	159	158	150	150	150
Heifers	202	234	215	175	199	190
Beef Cows	155	200	175	110	154	134
Dairy Cows	100	145	108	65	99	80
Store Cattle (p/kg)						
Bullocks up to 400kg	200	227	212	156	199	177
Bullocks 400kg - 500kg	204	236	213	162	201	182
Bullocks over 500kg	190	205	200	165	188	180
Heifers up to 450kg	190	204	197	165	189	175
Heifers over 450kg	185	204	195	149	184	167
Dropped Calves (£/head)						
Continental Bulls	300	390	340	200	298	250
Continental Heifers	260	380	290	150	258	200
Friesian Bulls	78	140	102	20	75	48
Holstein Bulls	50	100	70	1	48	20

SHEEP TRADE

LAMB QUOTES		
(P/Kg DW)	This Week 16/12/13	Next Week 23/12/13
NI Factories	390-395p > 22kg	390-395p > 22kg
ROI Factories	390-395p > 22kg	390-395p > 22kg

REPORTED LAMB PRICES - P/KG			
(P/KG DW)	W/E 30/11/13	W/E 07/12/13	W/E 14/12/13
NI Liveweight	340.2p	350.2p	359.9p
NI Deadweight	368.4p	377.2p	384.3p
ROI Deadweight	357.2p	363.2p	360.0p
GB Deadweight	399.0p	396.4p	396.3p

Deadweight Sheep Trade

QUOTES from the plants this week for R3 grading lambs were 390-395p/kg with plants paying up to 22kgs. In the corresponding week last year the plants were quoting 320p/kg up to 22kgs. Steady supplies of lambs have been reported to meet demand with 9,222 lambs slaughtered in NI plants last week. A further 9,083 lambs were exported to ROI for direct slaughter compared to 10,227 exported the previous week. The deadweight lamb price in NI last week was 384.3p/kg, an increase of 7.1p/kg on the 377.2p/kg reported the previous week. Meanwhile in GB the deadweight lamb price has remained steady at 396.3p/kg which has resulted in the differential being reduced to 12p/kg.

This week's marts

THERE has been a steady trade reported in the marts this week with firm demand for good quality finished lambs. Average prices across the marts ranged from 351-378p/kg compared to 335-364p/kg last week. In Swatragh last Saturday 985 lambs sold from 331-391p/kg while in Omagh a large entry of 1,264 lambs sold from 351-382p/kg. In Kilrea on Monday 780 lambs sold from 340-390p/kg compared to 740 lambs last week selling from 340-384p/kg. In Rathfriland on Tuesday 1,445 lambs sold to an average of 359p/kg compared to 1,085 lambs last week selling to an average of 363p/kg. In Ballymena on Wednesday 1,908 lambs sold from 330-400p/kg (avg 351p/kg) compared to 1,705 lambs last week selling from 340-392p/kg (avg 360p/kg).

LATEST SHEEP MARTS					
From: 13/12/13 To: 19/12/13		Lambs (P/KG LW)			
		No.	From	To	Avg
Saturday	Omagh	1264	351	382	-
	Donemana	930	353	378	364
	Hilltown	400	360	390	378
	Swatragh	985	331	391	-
Monday	Massereene	946	350	391	-
	Kilrea	780	340	390	-
Tuesday	Saintfield	687	347	385	-
	Rathfriland	1445	328	412	359
Wednesday	Ballymena	1908	330	400	351
	Markethill	863	340	374	354

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