LMC BULLETIN

WEEKLY PUBLICATION OF THE LIVESTOCK AND MEAT COMMISSION FOR NORTHERN IRELAND

Saturday 22 February 2014 Issue No. 2308

NI SLAUGHTER MIX TRENDS

PRIME cattle throughput in the NI plants during 2014 to date has totalled 43,046 head, a reduction of 4,266 head on the 47,312 prime cattle killed in the corresponding period in 2013. Cow throughput has also come back year on year with throughput in 2014 to date totalling 11,130 head, an 18 per cent reduction on the 13,558 head during the 2013 period.

While throughput has been reduced year on year there have also been key changes in the type of cattle being presented for slaughter. Figure one outlines a breakdown of the NI prime cattle kill during 2014 to date. As indicated in the chart young bulls have accounted for 18.3 per cent of the total prime kill, up 1.8 percentage points on the same period in 2013.

During the same period steers accounted for 40.1 per cent of the prime cattle kill compared to 44.5 per cent in the 2013 period. Heifers accounted for 41.7 per cent of the prime cattle kill during 2014 to date, a 2.8 percentage point increase on the corresponding period last year.

Average carcase weights have also recorded a change year on year. Table 1 outlines average carcase weights for prime cattle by category during 2014 to date and the same period in 2013. Prime cattle carcases during the 2014 period were an average of 328.6kg, a reduction of 3.9kg on the same period in 2013.

This lower average carcase weight combined with lower prime cattle throughput has resulted in a ten per cent reduction in the amount of beef sourced from prime cattle processed in the NI plants so far in 2014 when compared to the corresponding period in 2013.

Steer carcases have been an average of 346kg during 2014 to date, 2.7kg lighter than the same period in 2013 while the average young bull carcase weight was back 18.5kg between the two periods to 324.3kg. This marked decline in average young bull carcase weights has been driven by an increase in the proportion of young bulls being slaughtered at under 16 months.

During 2014 to date 60 per cent of young bulls slaughtered have been under 16 months of age compared to 36 per cent in the same period in 2013. Meanwhile heifer carcase weights increased by 4.1kg from 308.9kg in the first seven weeks of 2013 to 313kg during 2014 to date

The processors have a desired carcase weight range at present of 280-380kg to fit main market specifications and there has been a year on year improvement in the proportion of steers and heifer carcases that meet this criteria. During 2014 to date 68.6 per cent of price reported steers and heifers have fulfilled this criteria. This is an increase on the same period in 2013 when 66.2 per cent of steers and heifer carcases were within this weight bracket. In the same period in 2012 65.4 per cent of price reported steer and heifer carcases met this criteria.

During 2014 to date the proportion of steer and heifer carcases over 380kg accounted for 16.8 per cent of price reported steers and heifers compared to 18.1 per cent of steer and heifer carcases in the 2013 period. Meanwhile steer and heifer carcases less than 280kg accounted for 14.5 per cent of carcases during 2014 to date, a decrease of 1.2 percentage points on the same period in 2013.

Cow carcase weights have also recorded a change between the two periods in question, increasing from 328.6kg in the first seven weeks of 2013 to 332.5kg in the same period in 2014. This increase by 3.9kg in average carcase weights has been driven by an improvement in production conditions when compared to the same period in 2013. Another key factor in the increase in carcase weights has been an increase in the proportion of suckler origin cows in the slaughter mix.

In 2014 to date 45.7 per cent of the price reported cow kill was sourced from the suckler herd compared to 42.8 per cent in the same period in 2013. Despite the increase recorded in average carcase weights the drop in cow throughput has resulted in a 16 per cent reduction in the amount of cow beef processed by the NI plants during 2014 to date.

Figure 1: Breakdown of the prime cattle kill by category during 2014 to date

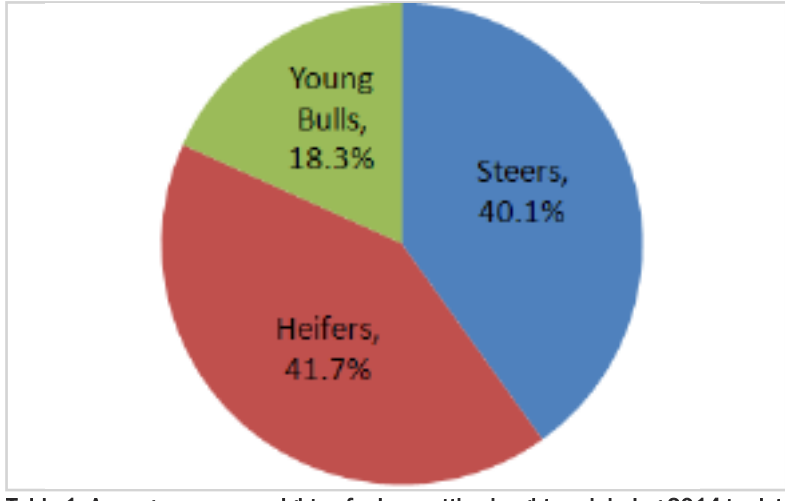

Table 1: Average carcase weights of prime cattle slaughtered during 2014 to date and the corresponding period in 2013.

	Steers	Heifers	Young Bulls	Total
2013	348.7kg	308.9kg	342.8kg	332.5kg
2014	346.0kg	313.0kg	324.3kg	328.6kg
Change	-2.7kg	+4.1kg	-18.5kg	-3.9kg

NI SHEEP MARKET INFLUENCED BY GLOBAL TRENDS

TIGHTENING supplies of hoggets in recent weeks and a steady level of demand for sheep meat have helped to strengthen quotes for hoggets from the NI processors and underpin demand for good quality hoggets across the marts. While the supply of hoggets and demand for sheep meat has a key influence on market returns at a national level the price available has become increasingly influenced by EU and global markets.

A large proportion of the lamb produced in NI is destined for the GB and French markets with the remainder servicing the domestic market and smaller markets within the EU. The level of trade with these markets is becoming increasingly influenced by domestic supplies of sheep meat, exchange rates and the increasing availability of alternative markets outside the EU for exporting countries. Each of these factors will ultimately have a knock on effect on the sheep market in NI.

New Zealand and Australia are the world's two largest exporters of sheepmeat so any changes in the level of production can have implications on markets across the globe. In 2013 production difficulties in both regions stemming from prolonged periods of drought led to an increase in slaughterings and thus the availability of sheep meat for export.

The latest figures from GIRA have indicated that there was a six per cent increase in exports of lamb from the two regions in 2013 when compared to 2012 while there was a 28 per cent increase in the volume of mutton exported over the same period. This increase in supplies resulted in a sharp drop in prices in both regions which had a knock on effect on a global scale due to the increased availability of lower value product.

In New Zealand the production difficulties faced in the 2012/2013 season resulted in a one per cent contraction in breeding ewe numbers in 2013 and a lower lambing performance due to poorer ewe condition. The combination of these factors resulted in the lamb crop for the 2013/2014 season being back 7.7 per cent or 2.1 million lambs from the 2012/2013 season. With lower supplies of lambs for slaughter Beef and Lamb New Zealand have forecast a nine per cent decline in the volume of sheep meat available for export in 2013/2014.

This drop in the availability of sheep meat for export from New Zealand combined with the increased demand from growing markets in China and the Middle East has meant it is unlikely that exports into the EU will show any marked increase and will remain well below quota levels during 2014.

Exports of lamb from New Zealand to China accounted for 30 per cent of the country's total exports during 2013 in terms of volume but it is worth noting that while China has been the largest market for New Zealand lamb in terms of volume the cuts exported tend to be of relatively lower value. However in recent years there has been a gradual increase in demand for more premium and higher value cuts as China's population becomes increasingly affluent. The highest value market for New Zealand lamb continues to be the UK due to the demand for higher value cuts, particularly legs, and accounted for 21 per cent of the total value of New Zealand exports in 2013.

The latest data from GIRA has forecasted sheep meat production in the EU during 2014 to be similar to the levels recorded in 2013 with domestic demand within the EU expected to show a marginal increase as economic conditions improve. This will come at a time when the EU breeding flock is forecast to decline by 1 per cent with much of this decline expected in Southern Europe where there has been weaker demand for lamb and a reduction in profitability due to rising production costs. The combination of these factors and the potential of reduced imports from non EU countries could help to create a more favourable outlook for EU sheep producers in 2014.

FQAS NOTICE

ONLINE PAYMENTS

LMC has recently launched an online payment system for the Farm Quality Assurance Scheme. This allows producers to pay annual membership renewal and initial registration fees through the LMC website.

www.lmcni.com

FARM QUALITY ASSURED
NORTHERN IRELAND

WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 17/02/14	Next Week 24/02/14
Prime		
U-3	328-332p	324-330p
R-3	322-326p	318-324p
O+3	316-320p	312-318p
* Plus 8-14p/kg in spec bonus where applicable		
Cows		
O+3 & better	230-250p	225-245p
Steakers	130-180p	130-180p
Blues	110-130p	110-130p

REPORTED NI CATTLE PRICES - P/KG

W/E 15/02/14	Steers	Heifers	Young Bulls
U-3=	350.3	359.0	323.6
U=3=	354.6	364.6	307.6
U=4=	343.3	362.5	-
R=3=	354.1	352.6	329.1
R=4=	351.3	353.9	295.0
O+3=	349.5	345.7	306.9
O=3=	331.4	339.5	322.1
Average	343.3	350.3	311.6

REPORTED COW PRICES NI W/E 15/02/14 (p/kg)

Grades	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
O+3=	-	-	242.4	254.5
O-3+	-	-	231.3	237.5
P+2+	-	198.3	209.0	227.2
P+3+	-	196.0	236.0	221.8
P-1-	122.3	123.6	133.5	-

COMMODITY PRICE

W/E 15/01/14	Price (£) per tonne / 1000litre	% weekly change
Barley	155.50	+0.3
Wheat	176.00	+0.9
Straw	17.30	-
Diesel	715-725	-

Deadweight Cattle Trade

QUOTES from the plants this week for U-3 grade prime cattle ranged from 328-332p/kg with the majority of plants quoting 330p/kg for both steers and heifers. The plants are quoting 324-330p/kg for Monday. The 8-14p/kg bonus continues to be available for steers and heifers that kill out in spec. Quotes for O+3 grade cows this week ranged from 230-250p/kg with the majority of plants quoting in the region of 240p/kg.

Throughput of prime cattle in the plants last week totalled 6,657 head, the highest weekly kill of prime cattle during 2014 to date. Imports of prime cattle for direct slaughter from ROI last week totalled 355 head and accounted for five per cent of total prime cattle throughput. In the corresponding week in 2013 prime cattle throughput totalled 7,050 head with 391 of these imported for direct slaughter from ROI representing 5.5 per cent of prime cattle throughput.

Exports of prime cattle to GB for direct slaughter last week totalled 163 head, bringing the total for the year to date to 1,048 head. In the same period in 2013 a total of 1,549 prime cattle were exported to GB for direct slaughter representing a 32 per cent decline year on year. This decline in exports for direct slaughter is due to a narrowing of the differential between NI and GB. Last week the differential between NI and the GB average price for an R3 steer was 15.9p/kg compared to 27.5p/kg in the corresponding week last year.

Average steer and heifer prices in NI last week were back in the region of 7.5p/kg to 343.3p/kg and 350.3p/kg respectively. The R3 steer price in NI last week was back by 8.5p/kg from the previous week to 353.7p/kg which is the lowest reported price since late February 2013. The R3 heifer price in NI last week was back 6.5p/kg to 355.9p/kg. Young bull prices also recorded a decline in NI last week with the average price back by 5.6p/kg to 311.6p/kg and the R3 price back in the region of a penny to 321.3p/kg.

Prices for prime cattle in GB last week also recorded a decline but not to the same degree as the declines recorded in NI. The average steer price in GB last week was 367.2p/kg, down 1.7p/kg from the previous week. The average steer price was back in all the GB regions with the biggest decline recorded in Scotland where average prices were back by 2.7p/kg to 380.5p/kg. The average heifer price in GB last week was back in the region of a penny to 367.0p/kg with the R3 heifer price back by 2.9p/kg to 368.9p/kg. The average young bull price in GB last week was 325.3p/kg, back 2.6p/kg on the previous week.

In ROI last week the beef trade was fairly similar to the previous week in euro terms but a decline in the value of the euro has meant prices are back in sterling terms. The R3 steer price was the equivalent of 317.6p/kg last week, back 2.5p/kg from the previous week while the R3 heifer price was 331.0p/kg, back 4.1p/kg on the previous week.

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

W/E 15/02/2014		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	351.7	324.7	388.9	377.3	375.7	375.6	379.9
	R3	353.7	317.6	378.3	366.7	367.1	363.7	369.6
	R4	354.8	319.1	381.7	381.3	368.9	362.9	375.4
	O3	335.7	303.4	354.3	357.7	345.9	339.1	349.5
	AVG	343.3	-	380.5	371.0	361.0	351.5	367.2
Heifers	U3	360.1	344.3	388.5	377.9	380.9	375.6	381.8
	R3	355.9	331.0	378.3	368.0	365.8	360.0	368.9
	R4	354.7	329.7	380.2	371.8	366.0	360.1	370.8
	O3	341.0	313.7	343.1	348.0	347.6	340.6	344.6
	AVG	350.3	-	379.4	368.4	362.1	351.2	367.0
Young Bulls	U3	321.3	295.2	374.9	335.7	364.2	346.1	353.4
	R3	321.3	287.0	361.2	331.2	354.8	330.3	341.5
	O3	314.9	262.9	323.4	307.1	327.8	320.3	318.3
	AVG	311.6	-	332.2	315.4	339.0	314.1	325.3
Prime Cattle Price Reported		5441	-	6139	5635	5120	3703	20597
Cows	O3	242.3	237.2	239.0	236.8	255.2	226.7	236.7
	O4	243.1	237.6	245.0	238.3	261.9	229.7	240.8
	P2	190.8	196.3	190.2	194.1	183.4	166.7	183.6
	P3	217.6	222.7	210.5	219.1	206.1	198.6	210.1
	AVG	232.1	-	233.6	222.0	248.5	204.2	223.4

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=82.51p 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 15/02/14	From	To	Average	From	To	Average
Finished Cattle (p/kg)						
Steers	193	212	198	140	192	173
Friesians	163	179	171	140	158	149
Heifers	188	208	193	150	187	168
Beef Cows	134	190	153	110	133	122
Dairy Cows	90	111	97	45	89	67
Store Cattle (p/kg)						
Bullocks up to 400kg	198	211	205	186	194	190
Bullocks 400kg - 500kg	206	231	220	150	205	178
Bullocks over 500kg	200	233	213	131	199	180
Heifers up to 450kg	190	224	200	140	188	170
Heifers over 450kg	190	214	200	145	189	170
Dropped Calves (£/head)						
Continental Bulls	260	395	300	160	258	205
Continental Heifers	200	270	245	80	198	140
Friesian Bulls	90	140	110	20	88	50
Holstein Bulls	60	110	80	1	58	25

SHEEP TRADE

HOGGET QUOTES

(P/Kg DW)	This Week 17/02/14	Next Week 24/02/14
NI Factories	390-400p > 22kg	395-400p > 22kg
ROI Factories	395p > 22.5kg	400p > 22.5kg

REPORTED HOGGET PRICES - P/KG

(P/KG DW)	W/E 01/02/14	W/E 08/02/14	W/E 15/02/14
NI Liveweight	348.5p	349.8p	353.9p
NI Deadweight	388.2p	386.5p	387.3p
ROI Deadweight	371.4p	374.7p	374.9p
GB Deadweight	404.3p	406.4p	412.0p

Deadweight Sheep Trade

QUOTES from the plants have increased this week in response to tighter supplies of hoggets with the plants quoting 390-400p/kg for R3 grade hoggets up to 22kg. Throughput of hoggets in the NI plants last week totalled 6,816 head, the lowest weekly throughput during 2014 to date. Exports of hoggets to ROI last week for direct slaughter totalled 8,418 head bringing exports for the year to date to 54,692 head. This is markedly below the 87,329 head exported during the corresponding period in 2013. Deadweight lamb prices in NI last week were similar to the previous week at 387.3p/kg while prices in GB increased by 5.6p/kg to 412p/kg. Deadweight prices in ROI last week were similar to the previous week at 374.9p/kg.

This week's marts

A firm trade for good quality hoggets has been reported across the marts this week. In Massereene on Monday 926 hoggets sold from 350-382p/kg compared to 916 hoggets last week selling from 345-370p/kg. In Rathfriland on Tuesday 728 hoggets sold to an average of 367p/kg compared to 753 hoggets last week selling to an average of 355p/kg. A strong trade in Enniskillen on Wednesday saw 648 hoggets sell from 382-407p/kg compared to 742 hoggets last week selling from 342-376p/kg. In Ballymena on Wednesday an entry of 1,342 hoggets sold to an average of 364p/kg compared to 1,023 hoggets last week selling to an average of 353p/kg. In Markethill this week 1,010 hoggets sold to an average of 367p/kg compared to 750 hoggets last week selling to an average of 361p/kg.

LATEST SHEEP MARTS

From: 15/02/14		Hoggets (P/KG LW)			
To: 21/02/14		No	From	To	Avg
Saturday	Omagh	784	349	387	-
	Swatragh	550	352	397	-
Monday	Massereene	926	350	382	-
	Kilrea	350	354	386	-
Tuesday	Saintfield	550	349	395	-
	Rathfriland	728	340	398	367
Wednesday	Ballymena	1342	350	410	364
	Enniskillen	648	382	407	386
	Markethill	1010	340	390	367

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