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SUCKLER COW NUMBERS DECLINE AFTER THREE YEARS OF GROWTH

NI suckler cow numbers are now at their lowest level since 2009 according to the December 2013 Agricultural Survey with 258,400 suckler cows recorded. This is six per cent lower than the previous December when there were 275,700 suckler cows on NI farms and represents a drop of 17,300 head over the course of a year. This marked decline has come after three years of gradual growth in suckler cow numbers in NI.

Difficult production conditions during 2012/2013 resulted in fertility problems on many NI suckler farms and led to an increase in the number of cows failing to get into calf. With feed shortages and a relatively high cow beef price many producers opted to remove unproductive stock from their suckler systems with an increase in the cow kill as a result. Chart 1 outlines cow throughput in the NI plants from January 2012-February 2014.

The highest level of cow throughput was recorded in the six month period September 2012 to February 2013 and coincides with the peak period of fodder shortage and production difficulties on NI farms. Cow throughput during this period totalled 57,819 head, 17 per cent higher than the corresponding period in 2011/2012.

The proportion of suckler cows in the slaughter mix has also increased. During 2012 36.5 per cent of the price reported cow kill were of suckler origin and during 2013 this increased to 45.3 per cent of the price reported cow kill. This increase in suckler cow throughput by the NI processors has been reflected in the results of the Agricultural Survey.

With higher costs of production and pressure on financial returns from suckler enterprises there has also been a seven per cent decline in the number of in calf beef heifers recorded in the December 2013 Agricultural Survey. The number of heifers in calf with their first calf has declined from 59,200 in December 2012 to 55,100 in December 2013. This is a worrying development given that these are the future of the NI suckler herd and is particularly concerning given the decline in suckler cow numbers and the fall in the level of beef sired calf registrations over the past fifteen months.

Chart 2 displays the beef sired calf registrations in NI from January 2012 to February 2014. Beef sired calf registrations during 2014 to date have totalled 33,664 head, 6.2 per cent lower than the 35,893 beef sired calves registered in the corresponding period in 2013. During 2013 monthly beef calf registrations were lower than the corresponding months in 2012 for eight of the twelve months with 20,981 fewer beef calves registered in 2013 than in 2012.

This drop in beef calf registrations can be attributed to the poor fertility recorded in the NI suckler herd during 2012 and 2013 and this problem has been further influenced by the increase in the number of cows culled and not being replaced.

The number of dairy sired male calves registered has also declined which will also impact on the availability of cattle for slaughter in the future. During 2014 to date 16,827 male dairy calves were registered compared to 17,784 in the corresponding period in 2013 representing a 5.4 per cent decline.

The lower levels of calf registrations during 2013 and continuing into 2014 is now being reflected in the number of cattle on the ground. In February 2014 there were 265,588 beef sired cattle under one year of age on NI farms. This is a reduction of 11,477 head on the 277,065 head recorded in February 2013 and represents a 4.1 per cent reduction year on year. The number of dairy sired male cattle aged under 12 months in February 2014 was seven per cent below year earlier levels at 45,043 head.

The lower birth rate is also starting to become apparent in older age ranges of cattle. In February 2014 there were 341,653 beef sired cattle on NI farms aged 12-30 months, a 3.3 per cent reduction from February 2013 when 353,340 cattle in the same age bracket were on NI farms. A similar trend can be observed if we consider dairy origin male cattle over the same period. In February 2014 there were 46,719 dairy male cattle aged 12-30 months on NI farms, a six per cent reduction on the 49,670 recorded the previous year.

The cattle within these categories represent the prime cattle that will be coming forward for slaughter over the next 12-18 months and if beef and dairy origin cattle are combined there was a 3.6 per cent reduction between February 2013 and February 2014.

The availability of prime cattle for slaughter by the NI plants is also influenced by the number of cattle being imported and exported. While there have been some indications of higher levels of cattle imports from ROI directly to NI farms during 2014 to date the number of ROI born cattle under 30 months of age currently on NI farms is at its lowest recorded level in four years. Imports of prime cattle from ROI for direct slaughter in NI plants during 2014 to date have totalled 2,794 head compared to 3,641 clean cattle imported during the corresponding period in 2013.

Exports of cattle from NI to GB for further production during 2014 to date have been similar to the same period in 2013 with a total of 1,878 head exported. Meanwhile exports to GB for direct slaughter during 2014 to date have totalled 1,684 head, back 31 per cent from year earlier levels.

While exports for direct slaughter in GB have come back year on year the decline in suckler cow numbers, fewer beef sired calf registrations and a drop in the number of cattle on the ground in NI will mean cattle supplies will be a concern in the entire NI beef industry in the months and years ahead.

Chart 1: Cow throughput in the NI plants from January 2012- February 2014

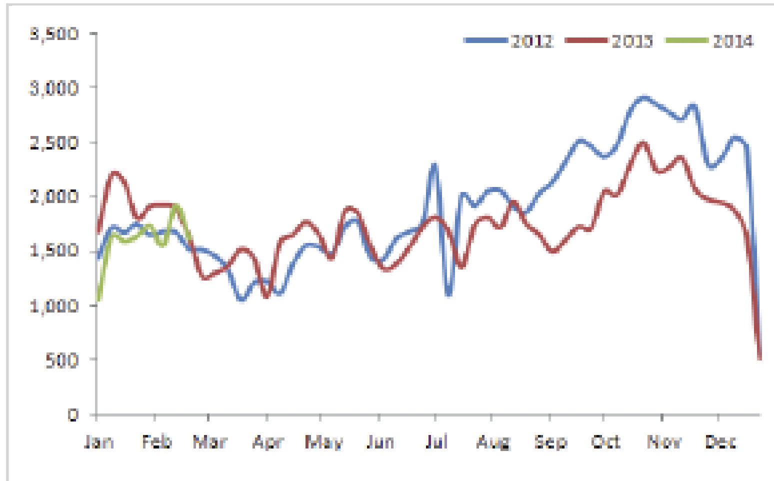
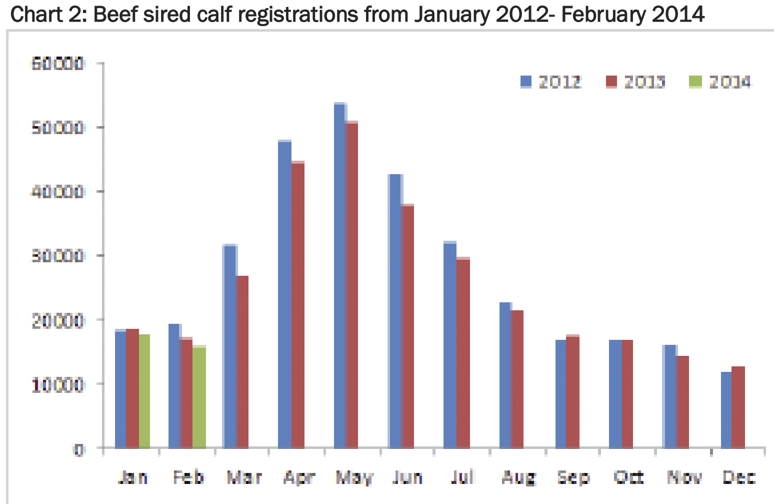


Chart 2: Beef sired calf registrations from January 2012- February 2014



EXPENDITURE ON BEEF REMAINS STRONG BUT CONSUMPTION DECLINES

TOTAL expenditure on beef in the UK during the 52 week period ending 02 February 2014 was three per cent higher than the previous 52 weeks according to the latest consumer data released by Kantar Worldpanel.

This increase in expenditure occurred despite a four per cent decline in the volume of beef purchased by UK consumers. The average retail price per kg of beef increased by seven per cent between the two periods in question to £7.53/kg in the 52 weeks ending 02 February 2014 and this was a key driver in the overall increase in total consumer spend on beef year on year.

In the four weeks ending the 02 February 2014 total expenditure on beef by UK consumers was unchanged from the previous year at £184 million. Volume sales however have been under pressure with an eight per cent decline when compared to the corresponding period in 2013 with household penetration back five per cent year on year. In addition to this those consumers still buying beef are doing so in smaller volumes.

The average retail price increased by nine per cent between the two four week periods in question to £7.77/kg in the 2014 period and this will have been a key factor in the reduction in household penetration between the two periods.

In the four week period ending 02 February 2014 all major cuts of beef recorded a decline in volume sales when compared to the corresponding period on 2013. Sales of beef stewing steak recorded the most marked decline, back by 20.1 per cent year on year. Volume sales of beef frying/grilling steaks were back by 9.8 per cent, sales of beef mince back by 5.7 per cent and beef roasting joints by 2.9 per cent.

The marked decline in sales of all major cuts of beef year on year has been attributed in some part to the milder winter this year compared to previous years. Another factor which must also be considered is the higher retail price and the availability of cheaper alternative proteins.

WEEKLY BEEF & LAMB MARKETS

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CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 03/03/14	Next Week 10/03/14
Prime		
U-3	322-326p	320-322p
R-3	316-320p	314-316p
O+3	310-314p	308-310p
* Plus 8-14p/kg in spec bonus where applicable		
Cows		
O+3 & better	230-244p	230-244p
Steakers	130-180p	130-180p
Blues	110-130p	110-130p

REPORTED NI CATTLE PRICES - P/KG

W/E 01/03/14	Steers	Heifers	Young Bulls
U-3=	350.0	353.0	316.3
U=3=	344.7	355.1	317.4
U=4=	328.7	349.4	262.0
R=3=	343.9	340.8	314.0
R=4=	342.6	342.5	297.0
O+3=	342.2	336.0	309.8
O=3=	323.0	333.3	303.3
Average	333.1	340.0	301.2

REPORTED COW PRICES NI W/E 01/03/14 (p/kg)

Grades	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
O+3=	-	-	220.2	248.8
O-3+	-	-	228.0	232.6
P+2+	190.0	186.0	202.2	215.5
P+3+	-	200.0	208.8	222.4
P-1-	127.8	125.6	127.8	120.0

COMMODITY PRICE

W/E 21/02/14	Price (£) per tonne / 1000litre	% weekly change
Barley	157.50	n/c
Wheat	178.50	n/c
Straw	17.30	-
Diesel	710-720	-

Deadweight Cattle Trade

QUOTES for U-3 grade prime cattle this week ranged from 322-326p/kg with quotes expected to be 320-322p/kg for early next week. The majority of plants were quoting 324p/kg for both steers and heifers this week with reports of steady supplies. The additional 8-14p/kg bonus for steers and heifers that kill out in spec continues to be available. Quotes for O+3 cows ranged from 230-244p/kg across the plants this week.

A total of 6,971 prime cattle were slaughtered in NI plants last week compared to 6,561 in the corresponding week last year. Prime cattle throughput during 2014 to date is running 5.5 per cent behind the same period last year. A total of 1,768 cows were also slaughtered in NI plants last week compared to 1,617 cows the previous week. Total cow throughput for 2014 to date is back 12 per cent on throughput during the same period in 2013.

Exports of cattle to GB last week for direct slaughter continued at similar levels to previous weeks with 224 prime cattle and 39 cows crossing the Irish Sea with a further 43 prime cattle and 187 cows making the journey to ROI for direct slaughter. Meanwhile imports of prime cattle from ROI last week for direct slaughter totalled 360 head and accounted for five per cent of the total prime kill in NI. A small number of cows were also imported from ROI and GB for slaughter in NI plants.

Prime cattle deadweight prices continued to come under pressure in NI last week with average steer prices back 3.2p/kg to 333.1p/kg and the R3 steer price back by 2.7p/kg to 345.4p/kg. This is the lowest R3 steer price in NI since the last week of January 2013. The average NI heifer price last week was back 4.1p/kg to 340.0p/kg while the R3 heifer price was back by 4.9p/kg to 345.8p/kg. The average young bull price last week was within a penny of the previous week at 301.2p/kg while the R3 young bull price increased by 3.4p/kg to 313.9p/kg.

Average steer prices in GB last week were back by 1.4pkg to 365.9p/kg while the R3 steer price was back by 1.6p/kg to 368.3p/kg. The differential between R3 prices in NI and the average R3 steer price in GB last week was 22.9p/kg with the differential widening as you move northwards from 15.6p/kg in Southern England to 31.9p/kg in Scotland. The same trend can be identified in R3 heifer prices with a differential of 22.4p/kg between NI and the GB average R3 price. Average cow prices increased by 4p/kg in GB last week to 232.5p/kg with average prices showing an increase in all of the GB regions. Meanwhile in NI average cow prices were back by 2p/kg to 223.7p/kg.

Deadweight prices in ROI have continued to come under pressure with R3 steer prices back the equivalent of 1.7p/kg to 313.5p/kg and R3 heifer prices back by a similar margin to 324.6p/kg. The differential between ROI and NI for R3 steers last week was 31.9p/kg while for R3 heifers it was 21.2p/kg. The R3 young bull price in ROI last week was the equivalent of 282.7p/kg, 31.2p/kg behind the R3 young bull price in NI.

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

W/E 01/03/2013		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	344.5	318.1	387.1	377.9	376.2	377.4	379.9
	R3	345.4	313.5	377.3	369.8	363.4	361.0	368.3
	R4	341.5	316.8	380.9	381.1	365.2	360.8	373.9
	O3	328.2	300.3	360.0	348.8	341.8	338.5	348.5
	AVG	333.1	-	379.5	368.3	358.6	351.5	365.9
Heifers	U3	351.8	337.3	385.9	377.7	377.4	375.4	379.8
	R3	345.8	324.6	374.5	369.5	364.0	363.5	368.2
	R4	343.9	323.2	379.1	375.6	364.4	360.7	371.0
	O3	331.5	308.7	349.5	353.7	344.4	344.4	348.5
	AVG	340.0	-	377.9	371.6	359.4	352.9	367.0
Young Bulls	U3	313.8	290.0	381.8	340.1	368.4	362.8	357.6
	R3	313.9	282.7	352.8	332.3	348.8	343.4	342.0
	O3	301.8	261.1	317.5	301.2	326.4	327.3	317.2
	AVG	301.2	-	337.4	315.3	332.3	332.4	327.4
Prime Cattle Price Reported		4986	-	6227	5629	5133	3785	20774
Cows	O3	237.1	230.3	248.6	244.4	260.4	237.0	244.9
	O4	241.5	231.9	254.0	246.7	264.8	240.2	248.9
	P2	188.2	194.7	177.0	198.9	209.2	176.7	185.2
	P3	215.3	215.7	214.1	223.5	232.2	208.8	215.8
	AVG	223.7	-	243.3	228.8	263.8	212.5	232.5

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=82.22p 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 01/03/14	From	To	Average	From	To	Average
Finished Cattle (p/kg)						
Steers	195	216	208	170	194	185
Friesians	146	154	150	143	145	144
Heifers	190	214	200	166	189	178
Beef Cows	150	208	164	110	149	130
Dairy Cows	100	135	112	50	99	75
Store Cattle (p/kg)						
Bullocks up to 400kg	222	240	230	170	186	180
Bullocks 400kg - 500kg	220	269	235	170	219	190
Bullocks over 500kg	210	265	225	160	209	185
Heifers up to 450kg	190	205	197	150	189	170
Heifers over 450kg	200	221	210	136	199	170
Dropped Calves (£/head)						
Continental Bulls	300	415	345	200	298	250
Continental Heifers	240	355	285	125	238	175
Friesian Bulls	100	192	143	30	98	65
Holstein Bulls	35	85	60	1	34	20

SHEEP TRADE

HOGGET QUOTES		
(P/Kg DW)	This Week 03/03/14	Next Week 10/03/14
NI Factories	420-430p > 22kg	420-430p > 22kg
ROI Factories	420 > 22.5kg	420 > 22.5kg

REPORTED HOGGET PRICES - P/KG			
(P/KG DW)	W/E 15/02/14	W/E 22/02/14	W/E 01/03/14
NI Liveweight	353.9p	366.8p	376.2p
NI Deadweight	387.3p	394.1p	412.9p
ROI Deadweight	374.9p	384.1p	391.1p
GB Deadweight	412.0p	422.4p	423.4p

Deadweight Sheep Trade

QUOTES from the plants this week for R3 grading hoggets were 420-430p/kg up to 22kg with similar quotes expected for next week. Throughput of hoggets has continued to decline in line with seasonal trends with 5,042 killed in NI plants last week. A further 7,158 hoggets were exported for direct slaughter in ROI plants. Hoggets being presented for slaughter are generally well covered with 82 per cent of price reported hoggets last week achieving a 3 or 4 for fat cover compared to 73 per cent in the corresponding week last year. The average deadweight hogget price in NI last week increased by 18.8p/kg to 412.9p/kg while the price in GB increased by 1p/kg to 423.4p/kg.

This week's marts

A firm trade was reported across the marts this week with trade similar to, and in some cases better, than last week. In Massereene on Monday 1,019 lambs sold from 370-410p/kg compared to 860 hoggets last week selling from 370-400p/kg. In Saintfield this week 784 hoggets sold from 365-414p/kg compared to 540 hoggets last week selling from 355-385p/kg. In Ballymena on Wednesday a similar trade saw 1,417 hoggets sold from 360-423p/kg (avg 377p/kg) compared to 1,506 hoggets last week selling from 360-422p/kg (avg 377p/kg). In Markethill this week 920 hoggets sold from 360-409p/kg (avg 380p/kg) compared to 1,110 hoggets last week selling from 360-404p/kg (avg 379p/kg). The top prices reported for good quality ewes generally ranged from £80-90.

LATEST SHEEP MARTS					
From: 28/02/14 To: 06/03/14		Hoggets (P/KG LW)			
		No	From	To	Avg
Saturday	Omagh	1061	357	406	-
	Donemana	400	368	397	380
	Swatragh	840	354	423	-
Monday	Massereene	1019	370	410	-
	Kilrea	500	378	402	-
Tuesday	Saintfield	784	365	414	-
	Rathfriland	850	378	450	394
Wednesday	Ballymena	1417	360	423	377
	Enniskillen	902	384	427	395
	Markethill	920	360	409	380

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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