LMC BULLETIN

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DIFFERENTIAL BETWEEN NI AND GB NARROWS

ANALYSIS of the R3 steer price can be used as an indicator of the overall trade for prime cattle as it is the most common price reported grade in NI. The average R3 steer price in NI last week was 343.1p/kg, down almost 1p/kg from the previous week and 34.8p/kg lower than the 377.9p/kg paid in the corresponding week in 2013.

Chart 1 displays the R3 steer price in NI, GB and ROI from the week ending 05 January 2013 until the week ending 18 April 2014. As indicated in the chart the R3 steer price has recorded a decline in all three regions in recent months although the rate of the decline has varied between the regions.

In the first week of January 2014 the R3 steer price in NI was 364.2p/kg. This was 21.1p/kg higher than the R3 steer price in NI last week and represents a 5.8 per cent decline over the sixteen week period. In GB R3 steer prices came back from 387.6p/kg in the first week of January 2014 to 362.5p/kg last week. This decline by 25.1p/kg represents a 6.5 per cent drop in prices.

Meanwhile in ROI R3 steer prices were back by the equivalent of 11.5p/kg from 323p/kg in the first week of January 2014 to 311.5p/kg last week. This represents a 3.6 per cent decline over the sixteen week period.

The steeper drop in R3 prices experienced in GB than the other two regions has resulted in a narrowing of the price differential between the regions in recent weeks as outlined in Chart 1. In the week ending 04 January 2014 the differential between NI and GB was 23.4p/kg and this declined to 19.4p/kg last week. In monetary terms this reduced the differential between NI and GB from £77 on a 330kg carcase in the first week of January to £64 last week.

The differential between ROI and GB has also narrowed over the same period but still remains substantially wider than the differential between NI and GB. In the week ending 04 January 2014 the differential in R3 steer prices between ROI and GB was the equivalent of 64.6p/kg and by last week this had narrowed to 51p/kg.

This narrowing in the differential by the equivalent of 13.6p/kg over the sixteen week period has narrowed the differential on a 330kg R3 grading steer carcase from £213 in the week ending the 04 January 2014 to £168 last week.

The drop in prime cattle prices in all three regions has been attributed to the supply of cattle being higher than the demand for beef during 2014 to date. Industry sources have indicated difficulties in beef sales due to the fairly mild winter and warm spring combined with a relatively high retail beef price and competition from other meats.

Throughput of prime cattle in NI during the first sixteen weeks of 2014 totalled 101,022 head, a three per cent decrease on the 104,289 head killed in the corresponding period in 2013. The average carcase weight of prime cattle has also decreased in NI from 332kg in the 2013 period to 329kg in the 2014 period. The combination of these two figures has resulted in a four per cent decline in the amount of beef sourced from prime cattle processed year on year. The amount of cow beef processed by NI processors also decreased by four per cent between the two periods.

Meanwhile in GB prime cattle throughput was up by 2.2 per cent and beef production up 2.9 percent on year earlier levels for the period January-March 2014 (latest available data). Meanwhile in ROI prime cattle throughput for 2014 to date has totalled 378,012 head. This is an increase of 44,385 head on the corresponding period in 2013 when 333,627 prime cattle were slaughtered and represents a 13.3 per cent increase in throughput year on year.

With supplies of prime cattle outpacing demand for beef during 2014 to date in all three regions the average deadweight prices have gradually come back to just above the levels recorded in the corresponding period in 2012. Chart 2 displays the R3 steer price in NI from January 2012 to April 2014. While R3 steer prices in NI in recent weeks are below the record levels paid last year they are still high in historical terms.

However it is worth noting that the availability of cattle for slaughter is expected to tighten significantly in the second half of this year in both NI and GB as the reduced calf births and difficult production conditions of 2012/2013 start to come into effect.

The strong store cattle prices in recent times in both GB and NI have been attributed to increased demand from finishers for the reduced number of store cattle on the ground.

Chart 1: R3 steer prices in GB, NI and ROI from January 2013 to April 2014

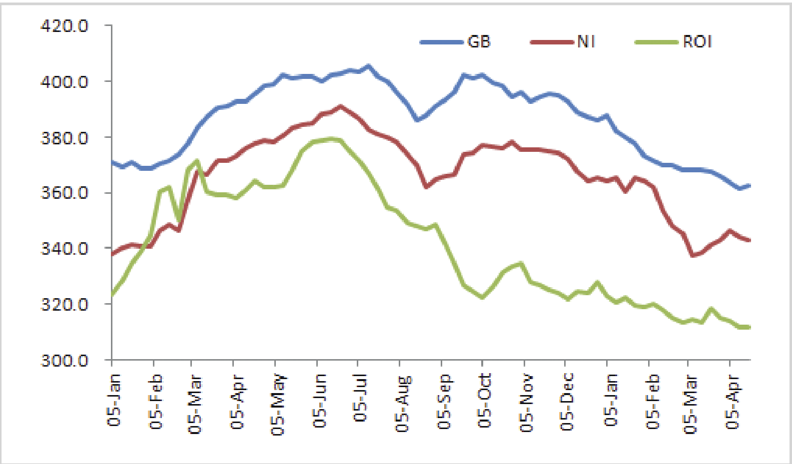
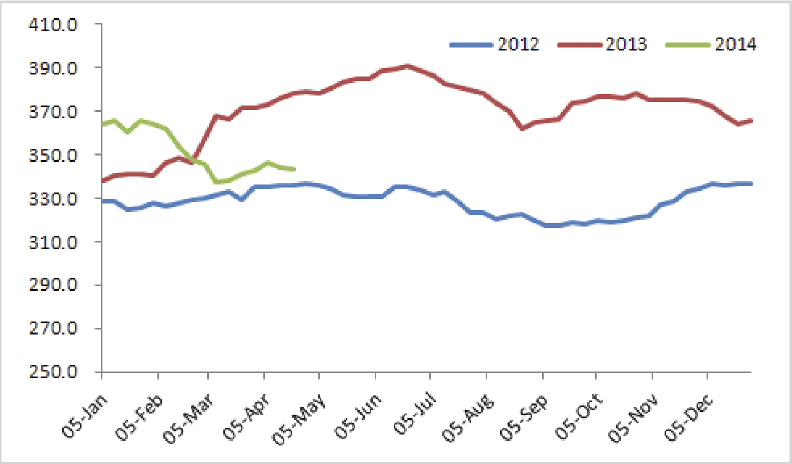


Chart 2: R3 steer prices in NI from January 2012 to April 2014



LARGER LAMB CROP FORECASTED FOR 2014

QUOTES from the plants this week have remained fairly similar to previous weeks with quotes of 450-460p/kg up to 22 kg for hoggets and 500p/kg up to 21kg for spring lambs.

Total sheep throughput in NI last week was back 8 per cent from the previous week with 4,969 lambs and hoggets slaughtered. Reports from industry have indicated numbers of hoggets starting to tighten on the ground in line with seasonal trends with spring lambs starting to come forward in greater numbers. Spring lambs last week accounted for 30 per cent of the price reported sheep kill compared to 12 per cent of the sheep kill the previous week. They have also started to come forward in greater numbers in the marts.

Last years good summer followed by the relatively mild winter and good spring have been welcomed by sheep producers across the British Isles. The more favourable production conditions have helped to improve ewe body condition and with reports of much lower lamb mortality this spring more lambs are expected to be weaned per breeding ewe this year.

However it remains to be seen what effect the improved production conditions will have on total lamb output in NI given that the December 2013 Agricultural Survey indicated a six per cent fall in the breeding flock from year earlier levels. The December 2013 survey estimated the NI breeding flock to be 864,600 head, the lowest recorded level since 2008.

In ROI the December census indicated a one per cent decline in ewe numbers to 2.5 million. Despite this decline lamb numbers in ROI are expected to increase year on year given the improved weather and reduced lamb mortality this spring.

The much more favourable weather conditions during spring 2014 compared to year earlier levels has provided ideal grass growing conditions with lamb performance expected to be much better than this time last year. If this performance is maintained it is likely that a lot of lambs will be coming forward for slaughter during the July/August period in all regions of the British Isles.

Industry sources from the GB regions have also indicated that they expect larger lamb crops this year due to the improved weather conditions and reduced lamb mortality. In England the improved production conditions combined with a 6.3 per cent increase in ewe numbers recorded in the December 2013 census is expected to result in a notable increase in lamb output.

Meanwhile in Scotland the breeding flock in the December 2013 survey were back by two per cent on year earlier levels to 2.9 million ewes. Despite this reduction lamb production is still forecasted to increase in the region. Strong supplies of lambs are forecasted for GB as a whole during 2014, particularly in the second half of the year.

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
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FQAS Helpline

If you have had a recent inspection and need help and advice to rectify any non-conformances, contact the FQAS helpline:
028 9263 3024

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WEEKLY BEEF & LAMB MARKETS

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 21/04/14	Next Week 28/04/14
Prime		
U-3	326-330p	324-330p
R-3	320-324p	318-324p
O+3	314-318p	312-318p
* Plus 8-14p/kg in spec bonus where applicable		
Cows		
O+3 & better	240-250p	240-250p
Steakers	140-170p	140-170p
Blues	120-130p	120-130p

REPORTED NI CATTLE PRICES - P/KG

W/E 19/04/14	Steers	Heifers	Young Bulls
U-3=	343.9	351.2	315.8
U=3=	342.9	349.7	330.0
U=4=	334.4	344.4	-
R=3=	340.9	342.3	329.6
R=4=	338.4	337.4	320.0
O+3=	340.3	336.0	311.4
O=3=	330.7	318.1	311.5
Average	335.6	336.6	307.5

REPORTED COW PRICES NI W/E 19/04/14 (p/kg)

Grades	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
O+3=	-	-	-	254.2
O-3+	-	-	230.0	241.5
P+2+	120.0	195.1	216.0	223.2
P+3+	-	212.0	-	226.3
P-1-	127.5	129.2	135.2	-

COMMODITY PRICE

W/E 22/04/14	Price (£) per tonne / 1000litre	% weekly change
Barley	165.00	-
Wheat	184.50	-
Straw	16.80	-
Red Diesel	670-685	-

Deadweight Cattle Trade

QUOTES from the plants this week for U-3 grade prime cattle have remained steady at 326-330p/kg. Similar quotes are expected for Monday from the majority of plants but one plant has quoted 324-326p/kg. The 10-14p/kg bonus is available for steers and heifers that kill out in spec and producers should consult with individual processers about bonus requirements as there is some variation between plants. Quotes for O+3 cows from the plants have remained steady at 240-250p/kg

Prime cattle throughput in NI last week totalled 6,367 head, back 5.5 per cent from the previous week when 6,734 prime cattle were slaughtered. The average prime cattle carcase weight for 2014 to date has been 329.5kg compared to 331.9kg in the corresponding period in 2013.

Cow throughput in NI last week totalled 1,124 head compared to 1,429 head the previous week. This reduction by 305 head accounts for a 21 per cent reduction week on week. Cow carcase weights for 2014 to date have averaged 306.9kg compared to 294.5kg in the same period last year. This increase can be attributed to an increase in the proportion of suckler cows in the slaughter mix and the improvement in production conditions.

The average steer price in NI last week was 335.4p/kg, up 0.8p/kg from the previous week while the R3 steer price was down by the same margin to 343.1p/kg. The average heifer price in NI last week was 336.6p/kg, down 3.7p/kg from the previous week. The R3 heifer price was back by 4p/kg to 342.9p/kg last week. The average young bull price in NI last week was 307.5p/kg, up 2.6p/kg from the previous week. The R3 young bull price increased by 3p/kg to 321.0p/kg.

Meanwhile in GB average steer prices were unchanged at 359.2p/kg while the R3 steer price increased by 1p/kg to 362.5p/kg. There was however some variation across the regions with the R3 steer price in Northern England increasing by 4.2p/kg to 365.0p/kg while the other regions recorded a decline in the region of 1p/kg. Heifer prices improved in Northern England last week with the R3 heifer price up by 3.1p/kg to 361.8p/kg and the average heifer price in the region up by 1.3p/kg to 363.0p/kg. Average heifer prices were up in the region of a penny in the Midlands to 350.7p/kg but recorded a decline in Scotland and Southern England.

The GB average young bull price increased by 1.3p/kg on the previous week to 325p/kg last week with increases in the region of 7p/kg recorded in Scotland and the Midlands. Average prices in Northern England were back by 5.2p/kg to 312.2p/kg with the average price in Southern England back by 2.1p/kg to 326.8p/kg.

The deadweight trade in ROI for steers and heifers has remained fairly steady this week with the majority of reported prices within 1p/kg of the previous week. An improvement in the cow trade in ROI has seen P3 cow prices increase by the equivalent of 3p/kg to 225.9p/kg.

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

W/E 19/04/2013		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	343.0	321.1	379.8	374.9	368.7	366.1	373.5
	R3	343.1	311.3	373.2	365.0	354.7	348.9	362.5
	R4	343.2	311.8	374.9	373.5	357.3	349.7	367.0
	O3	328.2	298.4	348.6	347.7	328.6	325.0	337.0
	AVG	335.4	-	372.9	368.3	347.8	338.0	359.2
Heifers	U3	350.5	338.1	380.1	375.4	366.5	363.7	373.6
	R3	342.9	322.9	370.0	361.8	354.6	348.1	360.3
	R4	339.7	321.8	372.6	364.5	355.6	346.6	362.0
	O3	325.7	305.1	349.4	347.9	336.4	324.9	340.2
	AVG	336.6	-	371.2	363.0	350.7	334.0	357.5
Young Bulls	U3	321.9	298.7	374.0	346.3	354.2	356.1	355.0
	R3	321.0	289.8	359.9	326.8	339.9	346.9	337.8
	O3	301.5	262.0	311.4	292.5	315.4	334.7	311.0
	AVG	307.5	-	341.2	312.2	328.6	326.8	325.0
Prime Cattle Price Reported		4538	-	6164	5576	5134	3862	20736
Cows	O3	242.1	236.3	254.6	249.4	256.5	245.3	250.5
	O4	249.6	238.8	255.1	253.4	261.2	249.0	253.2
	P2	196.9	200.4	190.3	205.1	208.9	195.6	197.9
	P3	221.6	225.9	219.5	222.7	236.7	214.3	218.8
	AVG	229.5	-	244.6	228.3	242.9	215.5	230.3

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

W/E 19/04/14	1st QUALITY From	1st QUALITY To	1st QUALITY Average	2nd QUALITY From	2nd QUALITY To	2nd QUALITY Average
Finished Cattle (p/kg)						
Steers	197	216	204	165	196	180
Friesians	140	150	144	133	139	136
Heifers	194	221	200	160	193	176
Beef Cows	155	193	165	115	154	135
Dairy Cows	102	137	110	60	101	80
Store Cattle (p/kg)						
Bullocks up to 400kg	226	279	236	180	225	200
Bullocks 400kg - 500kg	219	244	227	175	218	195
Bullocks over 500kg	214	238	217	170	213	190
Heifers up to 450kg	190	230	210	150	189	175
Heifers over 450kg	195	240	215	150	194	175
Dropped Calves (£/head)						
Continental Bulls	250	385	300	160	248	200
Continental Heifers	200	325	240	80	198	140
Friesian Bulls	60	125	100	15	58	38
Holstein Bulls	45	100	80	1	42	28

SHEEP TRADE

HOGGET QUOTES

(P/Kg DW)	This week 21/04/14	Next Week 28/04/14
NI Factories	450-460>22kg	450-460>22kg
ROI Factories	500>21kg	500>21kg

REPORTED HOGGET PRICES - P/KG

(P/KG DW)	W/E 05/04/14	W/E 12/04/14	W/E 19/03/14
NI Liveweight	422.1	388.5	381.7
NI Deadweight	488.8	475.5	448.2
ROI Deadweight	467.0	456.9	
GB Deadweight	480.9	489.8	483.2

REPORTED LAMB PRICES - P/KG

(P/KG DW)	W/E 05/04/14	W/E 12/04/14	W/E 19/03/14
NI Liveweight	484.7	476.5	477.0
NI Deadweight	528.8	500.4	479.9
GB Deadweight	517.1	516.9	529.6

Deadweight Sheep Trade

Quotes from the plants for R3 grade hoggets have strengthened slightly this week to 450-460p/kg up to 22kg with reports of tighter supplies. Quotes for spring lambs have remained steady at 500p/kg to 21kg with numbers coming forward starting to increase. Similar quotes are expected for early next week for both hoggets and spring lambs. The average deadweight hogget price in NI last week was 448.2p/kg, back 27.3p/kg from the previous week. The average deadweight hogget price in GB last week was 483.2p/kg, down 6.6p/kg from the previous week. The average deadweight spring lamb price in NI last week was 479.9p/kg while in GB it was 529.6p/kg.

This week's marts

TRADE in the marts this week was fairly similar to the previous week with the number of hoggets starting to tighten with reports of the quality on offer also declining. In Saintfield on Tuesday 204 hoggets sold from 375-420p/kg compared to 304 hoggets last week selling from 380-430p/kg. In Ballymena on Wednesday 406 hoggets sold from 305-441p/kg compared to 609 hoggets last week selling from 350-440p/kg. In Markethill on Wednesday 400 hoggets sold from 370-419p/kg compared to 440 hoggets last week selling from 360-418p/kg. The number of spring lambs has started to increase with 60 lambs in Saintfield on Monday selling from 464-500p/kg. In Markethillon Wednesday 170 lambs sold from 470-492p/kg while in Ballymena 111 lambs sold from 430-552p/kg.

LATEST SHEEP MARTS

From: 19/04/14		Hoggets (P/KG LW)			
To: 26/04/14		No	From	To	Avg
Saturday	Swatragh	450	407	482	-
Tuesday	Saintfield	204	375	420	-
	Rathfriland	225	357	460	-
Wednesday	Ballymena	406	305	441	372
	Markethill	400	370	419	-

LATEST SHEEP MARTS

From: 19/04/14		Spring Lambs (P/KG LW)			
To: 26/04/14		No	From	To	Avg
Saturday	Swatragh	70	505	536	-
Tuesday	Saintfield	60	464	500	-
	Rathfriland	115	465	512	-
Wednesday	Ballymena	111	430	552	470
	Markethill	170	470	492	-

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