

NI BEEF KEY PERFORMANCE INDICATORS JULY 2014

TABLE 1 outlines the key performance indicators for the NI beef industry during July 2014 and the corresponding period in July 2013.

The average prime cattle price in NI during July 2014 was 312.9p/kg, down 14.9 per cent from July 2013 when the average prime cattle price was 367.6p/kg. The average cow price in NI recorded a 17.7 per cent decline over the same period to 231.4p/kg in July 2014.

The average R3 steer price in NI during July 2014 was 323.4p/kg, down 58.7p/kg from the previous July. This represents a 15.4 per cent decline year on year. In GB the R3 steer price was back 17 per cent (68.2p/kg) to 333.2p/kg in July 2014 and puts the differential between NI and GB at 9.8p/kg during July 2014 compared to 19.3p/kg during the previous July. The average R3 steer price in ROI during July 2014 was the equivalent of 288.2p/kg, back 73.5p/kg from the previous July. The differential between ROI and NI has widened from 20.4p/kg in July 2013 to 35.2p/kg in July 2014. NI prices have moved 10p/kg closer to GB prices during July 2014, relative to year earlier levels, and have moved 15p/kg further ahead of ROI prices over the same period.

Throughput of all classes of cattle was back in the NI plants during July 2014. Prime cattle throughput was back 19.5 per cent to 22,277 head during July 2014 with the average carcass weight increasing by 9.1kg (2.8 per cent) to 330.2kg. Meanwhile cow throughput was back 20.5 per cent from year earlier levels to 6,684 head with the average carcass weight increasing by 10.1kg to 311.1kg.

Imports of cattle for direct slaughter during July 2014 were similar to year earlier levels at 3,318 head. However while the overall number of cattle imported was similar to the previous year the number of ROI origin cattle imported was back 22 per cent year on year while the number of GB origin

cattle increased from 105 head in July 2013 to 849 head in July 2014.

Exports of cattle out of NI for direct slaughter during July 2014 totalled 780 head compared to 1,607 head exported during July 2013. While the number of cattle exported to ROI increased between the two periods to 415 head with the majority of these being cows. Meanwhile the number of cattle exported to GB decreased to 365 head in July 2014 (-929 head).

The number of cattle on NI farms for beef production in July 2014 totalled 436,885 head (Beef and Dairy sired male cattle aged 12-30 months). This is a 3.2 per cent reduction from the 451,380 head on NI farms in July 2013 with the number of beef sired cattle back 2.7 per cent to 397,210 head and the number of dairy sired male cattle back by 8.3 per cent to 39,675 head. These reductions in the number of beef cattle on the ground have been driven by a reduction in imports for further production and a drop in the number of domestic calf births.

However there has been a slight recovery in calf registrations in recent months with beef sired calf registrations during July 2014 up almost ten per cent on year earlier levels. The number of dairy sired male calf registrations also increased from 4,556 head in July 2013 to 4,699 head in July 2014 (+3.1 per cent).

The value of the euro against sterling has also recorded a decline year on year. In July 2013 €1 was worth £0.86 and in July 2014 €1 was worth £0.79. This accounts for an 8 per cent decline year on year. While the majority of NI beef is consumed within the UK the weakening euro against sterling makes NI and UK produce less competitive on the EU and global market.

From Week 14 to Week 18			
NI Beef Industry Key Performance Indicators (July Snapshot)			
	Jul-13	Jul-14	% Change
Finished Cattle Prices (p/kg)			
Average Prime Cattle Price	367.6	312.9	-14.9%
Average Cow Price	281.2	231.4	-17.7%
Average R3 Steer Price (NI)	382.1	323.4	-15.4%
Average R3 Steer Price (ROI)	361.7	288.2	-20.3%
Average R3 Steer Price (GB)	401.4	333.2	-17.0%
Slaughterings			
Total Clean Slaughterings (Head)	27,667	22,277	-19.5%
Total Cow Slaughterings (Head)	8,407	6,684	-20.5%
Average Clean Carcass Weight (kg)	321.1	330.2	+2.8%
Average Cow Carcass Weight (kg)	301.0	311.1	+3.4%
Trade (Head)			
Live Imports for Direct Slaughter	3,289	3,318	+0.9%
Live Exports for Direct Slaughter	1,607	758	-51.5%
Availability (Head)			
No. Cattle on the Ground*	451,380	436,885	-3.2%
Beef Sired	408,103	397,210	-2.7%
Dairy Sired (Male Only)	43,277	39,675	-8.3%
Calf Births Registrations (Head)			
Calf Births	34,122	37,121	+8.8%
Beef Sired	29,566	32,452	+9.8%
Dairy Sired (Male Only)	4,556	4,699	+3.1%
Euro / Stg Exchange Rate (€ / £)	86.2	79.3	-8.0%
* Aged between 12-30 mths (Beef + Dairy Male only)			
All NI Figures Unless Otherwise Stated			

RUSSIAN BAN ON EU AGRICULTURAL PRODUCE

THE recent move by Russian authorities to ban certain types of food imports from all EU countries has highlighted the volatility of the world export market. Russia is the second largest importer of EU agricultural produce in terms of value with just under ten per cent of the total EU agricultural produce destined for Russian markets last year.

Many EU countries are heavily reliant on Russia as an end market for their agricultural produce and with this market now closed they will have to find alternative markets for their produce. This will increase competition on the world market and thereby indirectly affect countries who do not currently deal directly with Russia. The current Russian ban however has not just been confined to EU produce. The move will also prevent the import of agricultural produce from the US, Canada, Norway and Australia.

The ban currently applies to beef (fresh, chilled and frozen), pork (fresh, chilled and frozen), poultry (all meat and offal fresh, chilled and frozen), as well as sausages and processed foods. Fish, fruit and vegetables, milk and dairy products are also affected by the ban. However while Russia's ban on food products will have serious impacts for producers in some EU member states, particularly those producing cheese, fruit and vegetables the

EU meat markets are expected to be less affected.

The UK and Russia finalised a deal in late September 2013 to allow UK access to the Russian beef and lamb market. The deal was potentially worth £100 million to the UK beef and lamb sectors over the next three years. A deal on offal was also finalised at the same talks and brought to an end the ban on British beef and lamb imposed by Russia after the outbreak of BSE in the 1990's. This restriction had been maintained despite the ban being lifted elsewhere in 2006.

The growing demand for beef in Russia in recent times has been driven by growing populations and tight domestic supplies. In particular there has been a growing demand in Russia for manufacturing beef and offal to undergo further processing. It is worth highlighting that the current restrictions imposed by the Russian authorities do not apply to beef offal.

While the NI Industry does not currently export beef and lamb directly to Russian markets a lot of preparation work was being undertaken by industry and government to get plants ready for approval by the Russian authorities. Approval would have enabled processors to do business in the Customs Union of Russia, Belarus and Kazakhstan.

Russia has been a leading destination for fresh/frozen unprocessed beef from the EU and accounted for more than a fifth of EU exports last year. During 2013 beef exports from the EU to Russia were valued at £111 million with exports from Lithuania accounting for £30.9 million of this total. Exports from Poland accounted for a further £29.6 million. Beef imports into Russia from the EU would have primarily been lower value cuts for further processing and the closure of this outlet has the potential to create issues for processors across Europe in finding alternative markets for this beef due to competition for contracts.

Under normal trading conditions pigmeat would have been one of the biggest losers from Russia's import ban as sales to the country accounted for a significant proportion of EU pork production and export sales in recent times. However EU exports of pork to Russia were stopped in February this year due to concerns around outbreaks of African Swine Fever in some Eastern European countries. This has given the pigmeat sector a period of time to identify alternative markets.

While there were some short term implications of this ban on pigmeat imports into Russia the EU market adjusted with many member states redirecting produce to alternative markets. Asian markets in particular increased the volumes of

pigmeat they sourced from EU member states. Although there may be some period of adjustment there is no reason to think that this identification of new markets is not also possible for the EU beef market.

EU exporters will most likely seek new markets in the Middle East and Africa with the option to export to Asian markets such as China, Vietnam and the Philippines also a possibility. The closure of the Russian market to EU exporters may provide other countries with the opportunity to fill the vacuum in Russian market providing they have market access and adequate supplies. As the market adjusts other opportunities may then emerge for EU produce in alternative markets. However EU exporters will have to compete with exporters from the US, Canada and Australia in accessing these markets who are all affected by the Russian ban on imports.

The Directorate-General for Agriculture and Rural Development (DG AGRI) in Europe has indicated that it will set up a task force to analyse the potential impact of the Russian sanctions on EU agriculture in the coming weeks. These talks will include identifying new market opportunities elsewhere in the world.



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CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 20/08/14	Next Week 25/08/14
Prime		
U-3	316-320p	316-320p
R-3	310-314p	310-314p
O+3	304-308p	304-308p
Including bonus where applicable		
Cows		
O+3 & better	245-256p	245-256p
Steakers	140-170p	140-170p
Blues	120-130p	120-130p

REPORTED NI CATTLE PRICES - P/KG

W/E 16/08/14	Steers	Heifers	Young Bulls
U3	324.7	332.7	316.1
R3	322.8	325.9	315.2
O+3	312.9	315.8	297.2

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 16/08/14	Wgt <220kg	Wgt 220- 250kg	Wgt 250- 280kg	Wgt >280kg
O+3=	-	-	260.0	264.1
O-3+	-	208.5	-	244.8
P+2+	166.8	208.6	225.3	228.3
P+3+	-	219.0	203.0	229.0
P-1-	140.2	147.1	148.6	125.0

COMMODITY PRICE

W/E 16/08/14	Price (£) per tonne / 1000litre	% weekly change
Barley	129.50	-3.0
Wheat	135.00	-2.5
Straw	13.70	-

Deadweight Cattle Trade

QUOTES from the plants this week for U-3 grade prime cattle ranged from 316-320p/kg with the majority of plants quoting 316-318p/kg for steers and 316-320p/kg for heifers. With similar quotes expected for early next week producers are encouraged to shop around to ensure they get the best possible price for their cattle. Quotes for O+3 grade cull cows range from 245-256p/kg across the plants.

The plants have reported steady supplies of cattle to meet demand with throughput of prime cattle in the NI plants last week totalled 5,761 head. This was an increase of 560 head from the previous week. With reports of prime cattle availability for slaughter remaining tight there has been an increase in the number of cattle imported for direct slaughter in NI plants. Imports of prime cattle from ROI for direct slaughter last week totalled 744 head, the highest weekly import since late October 2013. With a further 16 prime cattle imported for direct slaughter from GB imports accounted for 13 per cent of the total prime kill in NI last week.

There continues to be a significant differential between quotes for prime cattle and the prices being paid so producers should ensure they are getting the best price available for their stock. The highest quoted price for R-3 grade steers last week was 314p/kg with an average price paid of 320.7p/kg, excluding Aberdeen Angus, Hereford and Organic cattle. Meanwhile the highest quoted price for R-3 grade heifers was 316p/kg with an average price paid of 320.7p/kg, excluding Aberdeen Angus, Hereford and Organic cattle. The average steer price in NI last week was 312.9p/kg, down 3.4p/kg from the previous week while the R3 steer price was back 3p/kg to 324.5p/kg. Meanwhile in GB reports of an increase in demand for beef and a tightening in cattle availability has resulted in R3 steer prices increasing across all the regions with the average price up 2.3p/kg to 339.4p/kg. The differential in R3 steer prices between NI and GB last week was 15p/kg or £50 on a 330kg carcass.

Meanwhile average heifer prices in NI last week generally increased with the average heifer price up 2.8p/kg to 320.5p/kg and the R3 heifer price up by a similar margin to 327.3p/kg. The R3 heifer price in GB also increased by 2.5p/kg to 338.6p/kg with increases of 2-4p/kg recorded in Scotland, Northern England and the Midlands. In Southern England the R3 heifer price was back by a penny to 326.3p/kg. The average young bull price in NI was within half a penny of the previous week at 300.1p/kg while the average price in GB increased by 1.8p/kg to 310.9p/kg. The average cow price in NI last week was up 3.5p/kg to 231.9p/kg taking it above the average GB cow price of 229.3p/kg.

Meanwhile in ROI reports have indicated an increase in the number of grass finished cattle coming forward for slaughter with total factory throughput totalling 30,521 head last week. The R3 steer price was the equivalent of 288.6p/kg last week, back 1p/kg from the previous week, while the R3 heifer price was back by 2.2p/kg to 293.0p/kg. This puts the differential between ROI and NI at 35.9p/kg for R3 grade steers and 34.3p/kg for R3 grade heifers.

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

W/E 16/08/2014	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB	
Steers	U3	325.0	295.2	360.3	343.3	341.1	338.8	346.9
	R3	324.5	288.6	352.7	338.3	333.2	328.2	339.4
	R4	323.2	287.5	355.7	348.1	333.4	327.1	344.4
	O3	310.4	273.1	331.6	319.5	309.4	305.0	316.7
	AVG	312.9	-	350.5	339.2	322.5	316.2	334.4
Heifers	U3	332.8	304.1	363.5	344.0	344.5	341.6	349.7
	R3	327.3	293.0	352.6	335.5	334.1	326.3	338.6
	R4	325.4	291.3	355.8	338.3	334.6	324.6	340.5
	O3	315.4	278.0	335.1	325.7	308.1	303.4	321.3
	AVG	320.5	-	353.8	336.6	330.5	317.2	337.1
Young Bulls	U3	316.1	290.3	352.6	320.5	333.0	338.1	332.9
	R3	315.4	282.2	343.2	304.7	317.1	319.5	315.3
	O3	293.6	261.0	298.7	279.4	290.3	290.5	287.5
	AVG	300.1	-	334.1	296.7	313.7	314.1	310.9
Prime Cattle Price Reported	3515	-	6853	6005	5679	3923	22460	
Cows	O3	249.8	235.7	256.2	247.9	247.9	243.3	249.5
	O4	253.5	238.8	261.4	248.2	259.0	243.2	251.8
	P2	206.1	202.9	191.7	207.0	212.0	181.5	193.8
	P3	227.9	228.1	218.9	225.4	224.8	211.8	220.0
	AVG	231.9	-	252.8	226.1	242.3	202.7	229.3

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=79.93p 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 16/08/14	1st QUALITY			2nd QUALITY		
	From	To	Average	From	To	Average
Finished Cattle (p/kg)						
Steers	180	198	188	150	176	168
Friesians	135	140	137	106	126	119
Heifers	180	199	190	150	179	165
Beef Cows	142	184	158	108	141	125
Dairy Cows	100	117	110	70	99	86
Store Cattle (p/kg)*						
Bullocks up to 400kg	211	221	216	169	181	177
Bullocks 400kg - 500kg	192	214	204	160	190	175
Bullocks over 500kg	194	203	198	155	193	174
Heifers up to 450kg	195	208	202	174	194	185
Heifers over 450kg	154	181	168	140	146	143
Dropped Calves (£/head)						
Continental Bulls	285	385	335	180	280	230
Continental Heifers	225	325	275	100	220	160
Friesian Bulls	135	235	185	55	132	80
Holstein Bulls	70	125	95	2	55	35

* Store Cattle prices are for w/e 09/08/2014

SHEEP TRADE

LAMB QUOTES

(P/Kg DW)	This Week 20/08/14	Next Week 25/08/14
Lambs	350-355p>21kg	350p>21kg

REPORTED LAMB PRICES - P/KG

(P/KG DW)	W/E 02/08/14	W/E 09/08/14	W/E 16/08/14
NI Liveweight	322.9	318.6	322.6
NI Deadweight	353.6	349.0	349.4
ROI Deadweight	348.2	338.1	344.0
GB Deadweight	382.0	383.3	380.3

Deadweight Sheep Trade

THE deadweight trade in NI has steadied this week with quotes from the plants for R3 grade lambs of 350-355p/kg up to 21kg. The plants have indicated steady supplies of good quality lambs coming forward for slaughter. Lamb throughput in the NI plants last week totalled 11,136 head compared to 12,677 head the previous week. Exports of lambs to ROI for direct slaughter increased to 6,965 head last week but remain significantly behind the 9,947 lambs exported in the corresponding week last year. Deadweight lamb prices in NI remained fairly steady last week at 349.4p/kg while prices in ROI increased by the equivalent of 6p/kg to 344p/kg. In GB the deadweight lamb price was back by 3p/kg to 380.3p/kg.

This Week's Marts

A steady trade was reported for good quality lambs across the marts this week with 986 lambs in Massereene on Monday selling from 315-344p/kg compared to 916 lambs last week selling from 310-338p/kg. In Rathfriland on Tuesday a similar trade saw 1,238 lambs selling to an average of 330p/kg compared to 1,133 lambs the previous week selling to an average of 332p/kg. A good entry of 1,718 lambs in Ballymena on Wednesday sold from 290-330p/kg (avg 308p/kg) compared to 1,151 lambs last week selling from 310-348p/kg (avg 319p/kg). In Markethill this week 1,150 lambs sold to an average of 315p/kg compared to 1,020 lambs last week selling to an average of 320p/kg.

LATEST SHEEP MARTS

From: 16/08/14		Lambs (P/KG LW)			
To: 22/08/14		No	From	To	Avg
Saturday	Swatragh	850	307	352	-
	Omagh	1143	294	385	-
Monday	Massereene	986	315	344	-
	Kilrea	260	318	335	-
Tuesday	Saintfield	955	310	360	-
	Rathfriland	1238	325	380	330
Wednesday	Ballymena	1718	290	330	308
	Enniskillen	456	324	345	-
	Markethill	1150	300	325	315

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