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Information Point

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LMC RED MEAT PROSPECTS CONFERENCE

LMC is pleased to announce that it will host a new 1-day conference in Greenmount College on 29 March. The theme is: **The Great Economic Uncertainty; Opportunity or Threat for the Red Meat Industry.**

Speakers will brief the audience on the prospects for the cattle and sheep trade in 2012.

A conference DVD will be available to stakeholders who cannot make it on the day. The conference will

run from 9:30am - 4pm on 29 March. Booking is free.

Spaces are limited and anyone who would like to book a seat should contact LMC immediately.

See further details inside.

Red Meat Prospects Conference
Greenmount: 29 March 2012
Book your Free Seat Now - Further Details Inside

LMC CAP REFORM CONSULTATION RESPONSE

In the autumn, DARD issued a consultation on the CAP reform proposals published by the European Commission. In our dual capacity of advising DARD on matters relating to the red meat industry and representing our stakeholders, LMC responded to this consultation early in the new year.

Our response focused exclusively on those areas of the proposals that impacted the beef and lamb sector. Outlined below are highlights from the LMC response.

Context

LMC's response clearly stated the importance of protecting the proportion of the UK CAP budget that is currently allocated to NI to provide income support to NI beef and lamb producers.

LMC is eager to ensure that the outcome of this CAP reform round is a package of measures that encourages agricultural activity, contributes to the sustainability and growth of the local red meat sector and plays its part in ensuring that our potential regional

contribution to global food security is optimised. There is an opportunity for NI to capitalise on its natural suitability with regard to primary beef and lamb production at a time when market opportunities exist, arising from a shortfall in global red meat production and a consumption base which is constrained only by supply.

Direct Payments - Pillar 1

LMC emphasised the point that livestock finishing is a very marginal business and highlighted the concern that a move to common value entitlements could result in more store cattle and lambs being exported out of NI to those regions of the UK or EU where finishing costs are lower, hence depriving the local processing industry of raw material and added value potential. LMC therefore recommend that any phase in period for full flat-rate is as long as possible.

Greening

The methods proposed for greening the pillar 1 payments are inappropriate. Forcing farmers to retain at least 95

per cent of their permanent grassland could have an adverse impact on the competitiveness of the beef and lamb sector in NI. Under the Commission's definition of permanent grassland (in grass for the previous five years) land which may be suitable for planting with an arable or alternative forage crop before returning to grass will not be allowed to be ploughed up. More productive and environmentally beneficial grass varieties and clovers are continually coming on to the market and the best way to establish these is often by ploughing and secondary cultivation. Severely limiting such activity would be a retrograde step.

A further inappropriate proposal under the greening measures is where farmers growing more than three hectares of arable land must cultivate at least three different crops. LMC believes this will pose a particular challenge for livestock farmers currently growing single arable crops for producing livestock feed e.g. spring barley.

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RED MEAT PROSPECTS

LMC will be hosting its inaugural Red Meat Prospects Conference on 29 March, 2012 in Greenmount. At a time of great economic uncertainty, the guest speakers will brief delegates on whether they think the current unsteady economic environment is an opportunity or threat to the NI red meat sector.

The conference theme and

timing couldn't be more relevant. This year promises to be a nervous one for the international economy with the EuroZone debt crisis remaining unresolved. Global economic leaders continue to issue dire warnings about the financial future.

Meanwhile the beef and lamb trade has staged something of a recovery in recent years and producers hope that this will

continue. Although producers' input costs have risen sharply, farmgate beef and lamb prices have also increased and there are some signs of improved confidence in the sector.

Producers will become increasingly reliant on the market in the coming years given the pressure on the CAP budget and ongoing reforms. With this in mind delegates will be keen to hear about the

prospects for beef and lamb supplies both locally and globally and the impact of higher retail prices, combined with recession on demand.

LMC welcomes producers and other stakeholders to Greenmount on 29 March 2012 to attend what promises to be a very informative event.

See booking details below.

Red Meat Prospects Conference: Greenmount: 29 March 2012

CONFERENCE ITINERARY & BOOKING

Red Meat Prospects Conference The Great Economic Uncertainty - Opportunity or Threat for the NI Industry	
Date	Thursday 29 March 2012
Location	Greenmount Campus, CAFRE, Antrim Conference Hall
Chair	James Campbell, Northern Editor, Irish Farmers Journal
09:15 - 09:45	Registration, Tea / Coffee / Biscuits
09:45 - 10:00	Conference Introduction, Welcome, Housekeeping
Morning Sessions	
10:00 - 10:35	Richard Ramsey, Economist, Ulster Bank 2012 - Recovery, Recession or Depression
10:35 - 11:10	Rupert Claxton, Senior Consultant, GIRA International Outlook for Beef & Lamb
11:10 - 11:40	Mid-Morning Break Tea / Coffee / Scones
11:45 - 12:20	Mark Thompson, Head of Scotland / Ireland, Kantar The GB retail landscape in 2012; What this means for you!
12:20 - 12:55	Trevor Lockhart, CEO Fane Valley & Chairman Linden Foods Growing a Business in an Uncertain Economic Environment
12:55 - 13:15	Panel Discussion
13:15 - 14:15	Lunch
Afternoon Sessions	
14:15 - 14:45	Stuart Ashworth, Head of Economic Services, QMS GB Cattle and Sheep Supply Prospects
14:45 - 15:15	Joe Burke, Beef Sector Manager, Bord Bia /Irish Food Board Livestock Supply Prospects, ROI
15:15 - 15:45	Conall Donnelly, Economist, LMC NI Beef and Lamb Trade Prospects

Free Booking

Conference booking is **FREE** and includes lunch and refreshments.

The deadline for bookings is 22 March. We are taking bookings on a first-come / first-served basis. Register now to avoid disappointment.

To register contact Lynda Kelly or Karen Murphy at LMC on:
Tel: 028 9263 3000
Email: conference@lmcni.com

Location

Greenmount College is located close to Antrim Town and is easily accessible from the M1 and M2 motorways.

Greenmount Campus,
45 Tirgracy Road,
Antrim, Co. Antrim,
BT41 4PS

Conference DVD

If you cannot make it to the conference you may be interested to know that LMC is making a DVD of the conference.

Contact us to reserve your copy.

CONFERENCE 2012

CONFERENCE SPEAKERS AND CHAIRMAN



**James Campbell: Northern Editor, Irish Farmers' Journal
Conference Chair**

James is well known in the local agriculture scene after almost 28 years reporting and commenting for the Irish Farmers Journal. Before that, he worked for the Ulster Farmers' Union as an economist and was its joint deputy General Secretary. In recent years, as chairman of AgriSearch, James has been actively involved in commissioning research into beef and sheep farming in Northern Ireland.



**Richard Ramsay: Economist, Ulster Bank
2012 - Recovery, Recession or Depression**

Described by Jim Fitzpatrick, (BBC NI Business and Economics Editor), as "frighteningly accurate", Richard is one of Northern Ireland's best-known economic commentators. Richard covers all aspects of the NI economy, including financial markets, with particular focus on the UK economy. Richard also provides regular analysis to some of NI's largest companies and a range of leading business bodies. He regularly engages on behalf of Ulster Bank with policy makers and public representatives.



**Rupert Claxton, Senior Consultant, GIRA
International Outlook for Beef & Lamb**

Rupert has worked as strategy consultant in the food sector for Gira for the last 9 years, with a high level of specialization in global meat markets. Gira has a huge meat sector database, insight and intelligence network, having forecast on developments for over 30 years. Rupert will brief delegates on the trends in European and International Beef & Lamb demand and supply for 2012 and beyond.



**Mark Thomson, Head of Scotland & Ireland, Kantar Worldpanel
The GB Retail Landscape in 2012; What This Means for You !**

Mark has spent 10 years working within Kantar Worldpanel across both the consumer usage teams, as well as within the shopper research side. Mark is currently Business Unit Director looking after key clients across Scotland and Ireland. Mark has worked across all the main manufacturers and producers, along with key retailers including buying teams.



**Trevor Lockhart, Chief Executive, Fane Valley & Chairman Linden Foods
Growing a Business in an Uncertain Economic Environment**

As CEO of Northern Ireland's largest and most diversified co-op, Trevor is ideally-placed to brief delegates on the challenges of doing business in the current economic environment. Fane Valley now has a turnover in excess of £425 million, with over 1,700 employees with sites in Northern Ireland, Republic of Ireland, England and Belgium, with significant red meat interests.



**Stuart Ashworth, Head of Economic Services, Quality Meat Scotland (QMS)
GB Cattle and Sheep Supply Prospects**

Stuart joined QMS in 2003 and his team has responsibility for monitoring and reporting on the business environment facing the red meat sector in Scotland from market supply, demand and price trends through enterprise profitability measures and the machinations of trade flows to the impact of national, EU and global agricultural, environmental, economic and trade policies on the Scottish industry.



**Joe Burke, Beef Sector Manager, Bord Bia / Irish Food Board
Livestock Supply Prospects in ROI**

Joe is the Beef Sector Manager with Bord Bia, the Irish Food Board. He grew up on a beef finishing farm in Co. Limerick and graduated from Agricultural Science in University College Dublin. Joe previously worked in management in the meat industry and also spent a few years working as a beef nutrition advisor.



**Conall Donnelly, Economist, Livestock and Meat Commission, NI
NI Beef and Lamb Trade Prospects**

Conall takes responsibility for analysis of the NI red meat market and is editor of the LMC Bulletin and regularly briefs industry on a range of market issues. Conall will brief delegates on the supply situation in NI and will provide an update of NI red meat export trends and local demand trends.

LMC CAP REFORM CONSULTATION RESPONSE

Continued from front page

During 2012 EU production of beef meat and sheep meat is forecast to fall by 2.8 per cent and 0.7 per cent respectively (GIRA Consulting). In an era of expanding global populations and growing demand for protein it seems illogical for a greening measure to be focussed on placing seven per cent of eligible farmland into ecological focus areas when the focus should in fact be on improving efficiency of production and contributing to global food security.

Coupled Payments

The potential to reintroduce coupled payments to farmers to maintain output of specific agricultural products is worth serious consideration in Northern Ireland. The suckler cow herd and breeding sheep flock has been in steep decline in Northern Ireland in recent years and was accelerated following the decoupling of direct payments in 2005. There has been a recent flattening out of these declines, as evidenced in the June 2011 census, but with higher market prices for both

lamb and beef, there is added incentive for farmers to continue the trend of downsizing their breeding herds and flocks. For example cull cow prices in the first week of December 2011 were up by 28 per cent relative to the same period in 2010. LMC has two important points to make on the possibility of coupling payments.

Firstly, the budget envelope for coupling payments in the UK should have the potential to be enhanced beyond the proposed five per cent limit. It must be argued in negotiations that the UK cannot be subject to a lower limit than other Member States simply because the UK chose not to retain coupled payments following the last CAP reform round.

Secondly, if coupled payments are to be reintroduced it is the LMC view that the focus of these should be towards the suckler cow and breeding ewe. LMC is of the view that there are strong economic, social and environmental reasons why action should be taken now to maintain breeding

livestock populations and perhaps a coupled payment (albeit small at the current five per cent budget limit) could help to tip the balance between a farmer retaining stock numbers or continuing to cash in (or choose not to replace) breeding animals at higher prevailing market prices.

Active Farmers

The suggestion that 64 per cent of active farmers under a flat rate payment regime in Northern Ireland would have to undergo an active farmer test by demonstrating their level of non-agricultural activity receipts would, in our opinion, run contrary to the whole concept behind the proposal for an active farmer. Given that the active farmer test as proposed looks like it will have little effect on excluding non-active farmers perhaps the easiest solution to this for Northern Ireland would be to lift the exemption threshold from €5,000 to a more optimal level.

Climate Change

LMC would support a

minimum allocation of at least 25 per cent of EU Pillar II funding to climate change mitigation and adaptation and land management measures providing these measures are not at the expense of having to reduce livestock production levels. The farming of livestock production in Northern Ireland already contributes a great deal to these objectives and hopefully there will be sufficient flexibility in measures to work synergistically with the production systems. For example the conversion of human inedible grass to human edible protein; the prevention of land abandonment or encroachment through grazing with livestock; improving the sequestration potential of that land; the ability to use land in partnership with livestock to produce renewable energy etc. are all good fundamentals that would warrant support going forward.

Further details about this consultation response are available on request: Contact: 028 9263 3000

SCHMALLEMBERG VIRUS UPDATE

THE Schmallenberg virus (SBV) is a NEW virus which is currently a cause for concern in the EU beef and lamb sector. Information suggests that it belongs to a *family* of viruses which are mostly found in ruminants in Asia, Australia, Africa and the Middle East. These virus types are mainly transmitted by mosquitoes or midges. Direct transmission from animal to animal has not been demonstrated except to the foetus of an infected dam.

Some EU countries are reporting on suspicious abortions, stillbirths or congenital malformations in infected ruminants. Clearly

such developments have potentially serious consequences for the profitability of impacted enterprises. However, a recent meeting of member states concluded that the impact on animal health is much less than Bluetongue, based on the knowledge available. There is no evidence that the virus could cause illness in people. The European Centre for Disease Prevention and Control assessed the risks and concluded "it is unlikely that this virus can cause disease in humans, but it cannot be completely excluded at this stage".

There have been no reports of

the disease in NI or ROI and it is preferable that the island of Ireland remains a SBV free zone for obvious reasons. A recent veterinary risk assessment (VRA) for NI has found that the most probable route for incursion of SBV into NI is through the import of infected ruminants, including those infected in the womb. It has concluded that the best means of mitigating the threat of SBV is a voluntary ban on the importation of ruminants.

Since the start of the year, cattle have been imported onto NI farms from GB, France and Holland. SBV infection has been found in these countries and therefore such

trade represents a risk to the NI industry. In the absence of a statutory ban, LMC recommends that producers considering engaging in the import trade from affected countries exercise appropriate caution. Where importation is business critical, the advice in the VRA is that imports should preferably occur between December and April inclusive with animals being non-pregnant prior to arrival. Such animals should also be sourced from regions that are SBV free and from farms where no clinical signs of SBV infection have been observed.

Information correct at date of publication.