LMC BULLETIN

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IMPORTANCE OF FQAS INCREASES

THE Northern Ireland Farm Quality Assurance Scheme was first established in 1991 to provide consumers with assurances about the farm end of the production chain. The scheme is owned by LMC on behalf of the Beef and Sheep meat industry and is based on the three key pillars of animal welfare, food safety and care for the environment. Farms are inspected every 18 months and are certified as operating to designated assurance standards including the quality of care of their animals and the environment, their freedom from the use of unnatural substances and their compliance with legislation.

Farm Quality Assurance has become a requirement of trade with major retailers and food service operators and forms an important part of their product specifications. The Farm Quality Assured status of beef and lamb has also become increasingly important in servicing the local butchery trade.

The enhanced assurances on the traceability and safety of locally produced beef and lamb provided by the NI Farm Quality Assurance Scheme have resulted in a renewed interest in the scheme from the whole supply chain. Until recently the penalty for non FQAS stock from the processors was £30 per head but how stringently this was applied was closely linked to the availability of cattle.

In recent weeks however the major processors in NI have increased penalties for non quality assured cattle to discourage supply of non-FQAS animals. Some of the plants are quoting penalties of up to £150 per head for non quality assured stock with reports that some plants will not slaughter non FQAS stock.

Figure 1 outlines the price differential for FQAS and non-FQAS R3 grading heifers in 2013 to date. Aberdeen Angus, Hereford and Organic cattle have been removed for the purposes of analysis as these attract significant bonuses which can potentially skew the data. In the first week of January the differential was 12.9p/kg and by the week ending 12 April 2013 this had increased to 36.2p/kg. In the week ending 12 April the average R3 heifer carcase weight was 312kg which puts the average differential in monetary terms at £112.94 per head.

With the annual fee for membership of the FQAS scheme currently £55 (+ VAT) the cost of membership is now approximately half of the penalty for one non FQAS animal. With this increase in the importance of Farm Quality Assured status at point of slaughter there has been a marked increase in the number of applications to join the scheme as outlined in Table 1. In March 2012 4 applications were received to join the scheme and in March 2013 this increased to 103 applications received.

It is however worth noting that the largest majority of prime cattle presented for slaughter already qualify to carry the Farm Quality Assured logo. In the year to date 96.9 per cent of all heifers slaughtered have Farm Quality Assured as indicated in Figure 2.

If we consider the heifer kill on a week by week basis for the year to date it has been as high as 98.5 per cent. The proportion of the steer kill qualifying for FQ status for the year to date was slightly higher at 97.9 per cent with 99.0 per cent of the kill qualifying for the logo in particular weeks.

The percentage of cows which are FQAS at point of slaughter has traditionally lagged behind prime cattle. However the strong market signals from the processors in recent months in terms of the increased penalties for non FQAS stock have highlighted the importance of FQ status on all categories of livestock. As a result the number of NI dairy farmers seeking to join the NIBL FQAS has increased in recent months.

For any further queries in relation to the Farm Quality Assurance Scheme or assistance in rectifying non conformances please contact LMC's FQAS Helpline on 028 9263 3024.

Figure 1: Price paid for FQAS and non FQAS R3 grade heifers 2013 to date

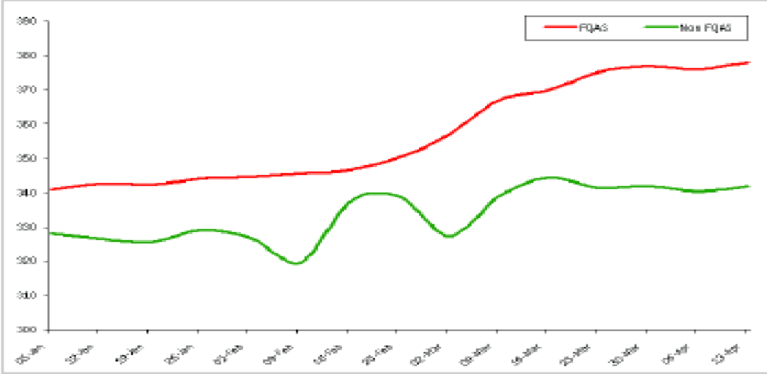
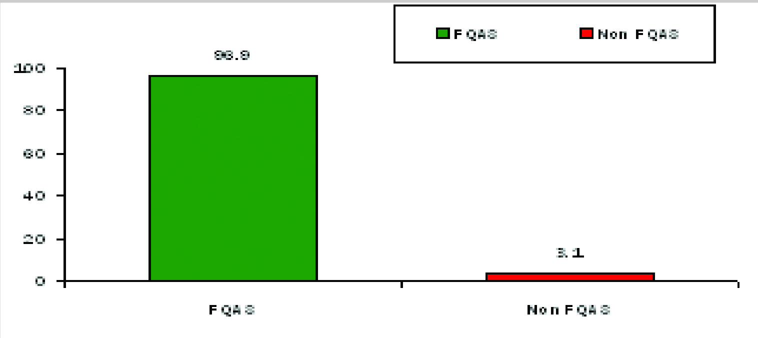


Table 1: Applications received for FQAS scheme in first quarter 2012 and 2013

Applications received	January	February	March
2012	10	17	4
2013	30	71	103

Figure 2: Proportion of the prime heifer kill FQAS approved 2013 to date



FQAS Liaison Officer Mart Clinics Timetable

Omagh	Mon	29/04/13
Markethill	Tues	30/04/13

NI Sheep Industry Key Performance Indicators (March Snapshot)	Mar-12	Mar-13	% Change
Sheep Prices (p/kg)			
Average Deadweight Price	439.9	429.1	-2.5%
Average Liveweight Price	400.5	376.1	-6.1%
Average Weekly Price (GB)	453.8	434.5	-4.3%
Average Weekly Price (ROI)	419.5	424.7	+1.2%
Slaughterings			
Total Hoggets & Lambs Slaughterings (Head)	15,300	14,189	-7.3%
Total Ewes & Rams Slaughterings (Head)	2,467	2,695	+9.2%
Average Hogget & Lambs Carcase Weight (kg)	22.4	21.2	-5.1%
Average Ewe & Rams Carcase Weight (kg)	29.1	28.5	-1.8%
Trade (Head)			
Live Imports for Direct Slaughter	0	0	-
Live Exports for Direct Slaughter	26,590	41,117	+54.6%
All NI Figures Unless Otherwise Stated			

SIGNIFICANT INCREASE IN EXPORTS TO ROI FOR DIRECT SLAUGHTER

A total of 41,117 lambs/hoggets were exported from NI to ROI for direct slaughter during March 2013, a 54.6 per cent increase on the 26,590 exported during March 2012. In 2013 to date an additional 51,000 hoggets have been exported to ROI for direct slaughter when compared to the same period last year.

This increase in the supply of hoggets year on year can be attributed to additional hoggets being carried over into 2013 due to lower than expected lamb growth rates during 2012 in response to the unsettled weather conditions. This pushed back finishing dates and increased the finishing costs of many producers.

Meanwhile in NI slaughterings during March 2013 were back 7.3 per cent on March 2012 figures with 14,189 head slaughtered. For the year to date however slaughterings in NI have been 12 per cent higher than the corresponding period in 2012 with an additional 7,000 hoggets/lambs processed by the NI plants.

Ewe and ram slaughterings during March 2013 were 9.2 per cent ahead of March 2012 with a total of 2,695 head slaughtered. Slaughterings for the year to date running 12 per cent ahead of the same period in 2012 with an additional 1,300 head slaughtered.

The average lamb/hogget carcase weight during March 2013 was 21.2kg, a 5.1 per cent reduction on the 22.4kg average during March 2012. Average ewe and ram carcase weights were also back between the two periods, down 0.6kg to 28.5kg.

Average NI deadweight prices in March 2013 were back 2.5 per cent on March 2012 figures to 429.1p/kg, a decline of 10.8p/kg. Meanwhile in GB prices were back 4.3 per cent to 434.5p/kg, a decline of 19.3p/kg. The differential between NI and GB for the month of March 2013 was 8.2p/kg compared to a differential of 34.3p/kg during March 2012.

In ROI the average deadweight price during March 2013 was the equivalent of 424.7p/kg, an increase of 5.2p/kg on the March 2012 average of 419.5p/kg. This increase has been helped by a rise in the value of Euro against Sterling from €1=83.4p in March 2012 to €1=86.0p in March 2013.

WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 22/04/13	Next Week 29/04/13
Prime		
U-3	366-370p	366-370p
R-3	360-364p	360-364p
O+3	358-358p	358-358p
* Plus 8p/kg in spec bonus where applicable		
Cows		
O+3 & better	275-310p	275-310p
Steakers	255-280p	255-280p
Blues	170-185p	170-185p

REPORTED NI CATTLE PRICES - P/KG

W/E 20/04/13	Steers	Heifers	Young Bulls
U-3=	381.2	382.2	365.5
U=3=	381.6	384.9	367.6
U=4=	368.6	379.0	362.7
R=3=	377.9	380.2	358.9
R=4=	371.9	376.7	355.7
O+3=	372.7	369.7	352.4
O=3=	365.8	361.1	346.9
Average	369.4	373.0	351.5

REPORTED COW PRICES NI W/E 20/04/13

Grades	Price (p/kg)	Avg Wgt
O+3=	305.0	313.1
O-3+	289.9	324.4
P+2+	268.0	288.1
P+3+	282.8	303.9
P-1-	191.0	218.8

COMMODITIES

COMMODITY PRICE

W/E 20/04/13	Price (£) per tonne / 1000litre	% weekly change
Barley	206.00	-0.2
Wheat	225.00	-0.4
Straw	19.90	-
Red Diesel	720-740	-

Deadweight Cattle Trade

QUOTES from the plants this week for U-3 grade prime cattle were 366-370p/kg with the 8p/kg bonus available for steers and heifers that kill out in spec. The majority of plants are quoting 290-310p/kg for good quality cows. The plants are reporting increased availability of cattle this week with producers eager to offload cattle due to the current forage crisis. Similar quotes are expected for early next week.

Last week the prime cattle throughput in NI showed a strong increase for the second week in a row with 7,549 head slaughtered. This is an increase of 781 head on the previous week and accounts for a 12 per cent increase week on week. This is the highest prime cattle throughput since October 2012 and is almost 1,000 head higher than the corresponding week in 2012. The cow kill last week was up 65 head to 1,650 head.

The R3 steer price in NI was up 2p/kg last week to 377.9p/kg with the R3 heifer price up by a similar margin to 380p/kg. With a top base quote from the plants last week of 372p/kg for R3 grading steers, including the 8p/kg bonus, it is obvious that higher prices are available than base quotes would suggest. A similar trend can be observed for heifers. Producers should keep this in mind when selling finished cattle and ensure they get the best possible deal.

In GB average steer prices were up 2.6p/kg to 393.6p/kg with increases recorded in all regions except Southern England where the average steer price was back 1.3p/kg to 377.3p/kg. The strongest increase was in Scotland where average prices were up 4.7p/kg to 403.3p/kg. Average heifer prices in GB were up 3.1p/kg to 390.8p/kg. Heifer prices increased by 4-5p/kg across the regions with the exception of the Midlands where heifer prices were back 1.1p/kg to 386p/kg.

In ROI all reported prices showed an increase in sterling terms with strong demand reported in ROI plants despite the continued strong prices. R3 steer prices were up 3.4p/kg to 364.3p/kg while R3 heifer prices were up 4p/kg to 384.9p/kg. The total kill in ROI last week was 28,047 head, an increase of 1000 head on the previous week.

This week's marts

A steady trade for finished cattle across the marts saw finished first quality steers sell to an average of 217p/kg liveweight with second quality selling to an average of 193p/kg. Finished first quality heifers sold to a top price of 233p/kg with second quality selling to an average of 192p/kg. Well fleshed beef cows sold to an average of 170p/kg with plainer lots selling to an average of 133p/kg.

First quality bullocks over 500kg sold from 213-232p/kg (av 223p/kg) compared to 210-242 (av 220p/kg) last week. Second quality bullocks in the same weight range sold to an average of 196p/kg compared to 185p/kg last week. First quality heifers over 450kg were a similar trade to last week selling to an average of 212p/kg.

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

W/E 20/04/13		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	380.4	368.1	407.7	402.2	403.3	399.4	403.8
	R3	377.9	364.3	402.5	394.9	392.3	390.3	395.4
	R4	373.0	365.4	406.1	407.6	391.8	391.1	401.0
	O3	365.7	350.6	390.0	383.3	373.1	367.9	379.7
	AVG	369.4	-	403.3	398.6	388.7	377.3	393.6
Heifers	U3	385.6	399.0	406.5	401.7	404.8	402.8	404.3
	R3	380.0	384.9	400.3	389.5	390.0	388.7	392.8
	R4	376.6	384.6	402.8	394.4	390.5	389.7	395.3
	O3	365.4	367.2	385.7	392.9	371.7	367.3	380.1
	AVG	373.0	-	400.6	394.1	386.0	376.6	390.8
Young Bulls	U3	366.2	360.5	402.4	376.8	390.6	392.5	387.1
	R3	361.6	353.8	389.8	372.2	376.5	377.2	376.8
	O3	348.0	337.1	369.1	355.7	360.1	365.2	360.2
	AVG	351.5	-	386.7	364.6	372.1	365.3	370.0
Prime Cattle Price Reported		6010	-	7234	6464	5813	4475	23986
Cows	O3	294.5	299.8	318.6	303.4	301.7	293.2	305.0
	O4	301.8	303.1	320.2	304.4	305.5	299.0	307.7
	P2	250.2	255.9	269.2	243.9	259.8	235.4	251.0
	P3	275.2	291.7	280.1	271.8	269.5	266.0	272.5
	AVG	271.3	-	308.0	271.8	288.0	255.3	280.2

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=85.61p 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 20/04/13	1st QUALITY			2nd QUALITY		
	From	To	Average	From	To	Average
Finished Cattle (p/kg)						
Steers	205	229	217	175	212	193
Friesians	150	178	160	120	149	135
Heifers	206	233	215	180	205	192
Beef Cows	156	205	170	115	155	133
Dairy Cows	120	149	127	80	119	100
Store Cattle (p/kg)						
Bullocks up to 400kg	190	226	200	170	189	180
Bullocks 400kg - 500kg	206	238	218	175	205	190
Bullocks over 500kg	213	232	223	180	212	196
Heifers up to 450kg	202	242	208	175	200	190
Heifers over 450kg	200	224	212	180	199	190
Dropped Calves (£/head)						
Continental Bulls	230	390	280	150	228	185
Continental Heifers	230	360	255	100	228	165
Friesian Bulls	125	205	150	40	122	70
Holstein Bulls	40	100	70	2	38	20

SHEEP TRADE

REPORTED HOGGET PRICES - P/KG

(P/KG DW)	W/E 06/04/13	W/E 13/04/13	W/E 20/04/13
NI Liveweight	386.2p	388.4p	375.9p
NI Deadweight	435.6p	435.5p	447.0p
ROI Deadweight	428.0p	435.4p	436.4p
GB Deadweight	454.8p	470.8p	456.5p

REPORTED SPRING LAMB PRICES - P/KG

(P/KG DW)	W/E 06/04/13	W/E 13/04/13	W/E 20/04/13
NI Liveweight	491.9p	458.7p	451.2p
NI Deadweight	526.4p	528.4p	497.9p
GB Deadweight	-	530.5p	526.3p

Deadweight Sheep Trade

THE plants were quoting 440-450p/kg for R3 grade hoggets this week with similar quotes expected for Monday. The quote for spring lambs was 490-500p/kg compared to 500-520p/kg last week. Total lamb/hogget slaughterings in NI last week were 20 per cent higher than the previous week with an additional 750 head slaughtered. This takes the total lamb/hogget slaughtering for the week to 4,504 head.

NI deadweight hogget prices increased by 11.5p/kg to 447p/kg last week while in GB hogget prices were back 14.3p/kg to 456.5p/kg. The NI spring lamb price was back 30.5p/kg last week to 497.9p/kg while in GB it was back 4.2p/kg 526.3p/kg.

This weeks' marts

THERE was a very mixed trade across the sheep marts this week with many marts reporting a significant range in the quality presented for sale. In Kilrea on Monday 400 hoggets sold from 385-415p/kg (av 388p/kg) while a small entry of spring lambs sold up to 500p/kg. A slightly stronger trade in Enniskillen on Wednesday saw 421 hoggets sold from 412-438p/kg while 56 spring lambs sold from 532-544p/kg. In Ballymena on Friday 752 hoggets sold to an average of 370p/kg while 102 spring lambs sold to an average of 455p/kg. An entry of 373 cull ewes sold to a top price of £97.

HOGGET/LAMB QUOTES

(P/Kg DW)		This Week 22/04/13	Next Week 29/04/13
NI Factories	Hoggets upto 22kg	440 - 450p	440 - 450p
	Spring Lambs	490-500p	490-500p

LATEST SHEEP MARTS

From: 20/04/13 To: 25/04/13		Hoggets (P/KG LW)				Spring Lambs (P/KG LW)			
		No.	From	To	Avg	No.	From	To	Avg
Saturday	Donemana	200	376	417	391	31	417	486	439
	Hilltown	220	370	401	390	50	433	477	-
	Omagh	214	362	425	-	12	427	470	-
	Swatragh	350	375	400	380	50	420	448	434
Monday	Massereene	670	390	442	-	112	480	522	-
	Kilrea	400	385	415	388		upto	500	-
Tuesday	Saintfield	402	-	-	400	74	-	-	485
	Rathfriland	271	-	-	389	121	-	-	476
Wednesday	Enniskillen	421	412	438	-	56	532	544	-
	Ballymena	752	350	418	370	102	425	507	455
	Markethill	250	370	420	382	70	449	469	

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