LMC BULLETIN

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# R3 LAMB PRICES ABOVE 2015 LEVELS

SHEEP throughput in the local plants has remained steady in recent weeks although the level of throughput is currently below year earlier levels. The proportion of spring lambs in the kill has gradually increased as the hogget season comes to an end with spring lambs accounting for 97 per cent of the price reported kill in NI plants last week.

Hogget/spring lamb throughput in NI last week totalled 4,582 head, an 18 per cent decrease from the 5,581 killed during the corresponding week in 2015. Throughput for 2016 to date has totalled 101,956 head and is running ten per cent behind the corresponding period last year when throughput totalled 112,787 head.

The volume of sheep meat handled by the NI processors during 2016 to date has totalled 2,235 tonnes, an 11 per cent decrease on the same period in 2015. This decrease in the volume of sheep meat handled by the local processors can be mainly attributed to the decrease in sheep throughput. There has also been a slight decrease in average carcase weights with the average carcase weight during 2016 to date of 21.9kg compared to 22.2kg in the same period in 2015.

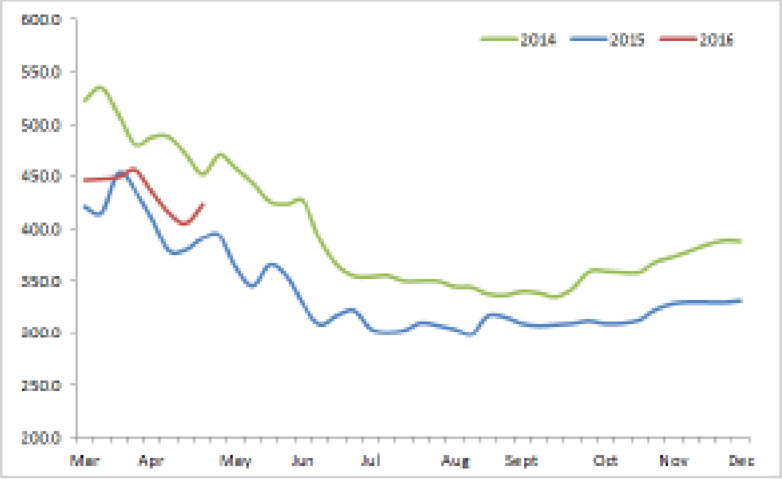
The price reported R3 lamb price in NI last week was 423p/kg, an increase on the corresponding week last year when the R3 lamb price was 390.5p/kg. This accounts for a differential year on year of 32.5p/kg or £7 on a 21kg carcase. As indicated in Figure 1, lamb prices during 2016 to date have generally been higher than during the corresponding period in 2015 however are still below 2014 levels.

A key factor affecting the deadweight lamb trade in NI is the euro/sterling exchange rate. The exchange rate last week was €1 = 78.9p/kg compared to €1 = 72p/kg in the corresponding week in 2015. The current high value of euro against sterling makes NI origin lambs less expensive in euro terms and this has resulted in increased demand from ROI processors for NI origin lambs this spring when compared to last year. During 2016 to date 141,810 sheep have been exported from NI to ROI for direct slaughter compared to 112,750 head during the same period in 2015.

A strong euro also makes it easier for NI (and GB) processors to compete on European markets such as France against other lamb producing regions within the Eurozone. Approximately 60 per cent of NI origin lamb is exported to mainland Europe every year with the remaining 40 per cent destined for NI and GB markets.

In order to increase market opportunities for lamb it is important that every effort is made to gain access to more third country markets for NI and GB origin lambs which currently only account for a very small proportion of total NI lamb exports. LMC are actively working in this area through their participation in the UK Export Certification Partnership (UKECP) and good progress is being made in some key priority markets in particular Asia and North America.

**Figure 1: Weekly R3 lamb prices in NI from 2014-2016 to date**



# EU LEAGUE TABLE UPDATE

THE EU league table provides a useful comparison of deadweight prices received by beef finishers across the EU by ranking EU countries in terms of the farmgate prices paid for R3 grade heifers. During the week ending 08 May 2016 the average R3 heifer price in the EU was 377.6c/kg, a decrease of 3c/kg from the week ending 10 April 2016 when the average R3 heifer price in the EU was 380.6c/kg. During the week ending 08 May 2016 €1 = 78.9p, a slight decrease from the week ending 10 April 2016 when €1 = 80.6p.

With the Swedish Krona currently trading strongly against the euro Sweden retained first position in the league table with an equivalent R3 heifer price of 480.5c/kg as indicated in Table 1. This was an increase of 10c/kg from the week ending 10 April 2016 when the R3 heifer price was the equivalent of 470.5c/kg. Deadweight cattle prices have also strengthened in Greece in recent weeks putting it in second place in the league table with an R3 heifer price of 460.4c/kg in the week ending 08 May 2016.

In NI during the week ending 08 May 2016 the R3 heifer price was the equivalent of 393.2c/kg, an increase of 10.6c/kg from the week ending 10 April 2016 when the R3 heifer price was the equivalent of 382.6c/kg. This increase in the R3 heifer price in euro terms moved NI up one position into sixth on the EU league table. In the week ending 08 May 2016 the differential in R3 heifer prices between NI and the EU average was 15.6c/kg compared to 2c/kg in the week ending 10 April 2016.

Meanwhile in GB the R3 heifer price was the equivalent of 406.1c/kg during the week ending 08 May 2016, an increase of 4.5c/kg from the week ending 10 April 2016 when it was 401.6ckg. Despite this increase GB has moved down two positions on the league table into fourth position. The differential in R3 heifer prices between GB and the EU average has widened from 21c/kg during the week ending 10 April 2016 to 28.5c/kg during the week ending 08 May 2016.

The R3 heifer price in ROI during the week ending 08 May 2016 was 404.7c/kg, an increase of 5.9c/kg from the week ending 10 April 2016 when it was 398.8c/kg. This puts the R3 heifer price in ROI 27.1c/kg above the EU average price and places it in fifth position on the EU league table. The differential in R3 heifer prices between ROI and NI narrowed from 16.2c/kg in the week ending 10 April 2016 to 11.5c/kg in the week ending 08 May 2016.

**Table 1: EU Deadweight Cattle Prices - Heifers R3 Equivalent (€ Cents)**

| Position last Mth | Position this Mth | Country | Price last Mth (w/e 10.04.16) | Price this Mth (w/e 08.05.16) | Change on Mth (cents) |
|---|---|---|---|---|---|
| 1 | 1 | Sweden | 470.5 | 480.5 | +10.0 |
| - | 2 | Greece | - | 460.4 | - |
| 5 | 3 | Luxembourg | 396.0 | 406.1 | +10.1 |
| 2 | 4 | Great Britain | 401.6 | 406.1 | +4.5 |
| 4 | 5 | Ireland | 398.8 | 404.7 | +5.9 |
| 7 | 6 | Northern Ireland | 382.6 | 393.2 | +10.6 |
| 6 | 7 | France | 390.0 | 385.0 | -5.0 |
| 3 | 8 | Italy | 400.2 | 383.1 | -17.1 |
| 8 | 9 | Spain | 379.2 | 377.3 | -1.9 |
| 9 | 10 | Denmark | 373.6 | 370.8 | -2.8 |
| 10 | 11 | Germany | 360.4 | 349.1 | -11.3 |
| 11 | 12 | Austria | 348.4 | 339.5 | -8.9 |
| 12 | 13 | Slovenia | 333.4 | 325.4 | -7.9 |
| 13 | 14 | Belgium | 320.0 | 316.5 | -3.5 |
| 14 | 15 | Poland | 302.7 | 290.4 | -12.2 |
| 16 | 16 | Czech Republic | 260.5 | 260.8 | +0.3 |
| 15 | 17 | Lithuania | 275.8 | 243.8 | -32.0 |
| | | EU Average | 380.6 | 377.6 | -3.0 |
| Euro (€1=) | | | 80.6 | 78.9 | -1.7 |

# BENEFITS OF FQAS FOR SHEEP PRODUCERS

WITH supplies of spring lambs being presented for slaughter starting to increase, processors are keen to source FQAS approved lambs. It is therefore important to consider the advantages of becoming FQAS approved for sheep.

There is currently no additional cost for being approved for sheep with the annual renewal fee for FQAS membership the same whether a producer is approved for 'Beef', 'Sheep' or 'Beef & Sheep'. This fee is £66 including VAT. If a FQAS participant is only approved for beef and would like to gain approval for sheep it is a relatively simple process. An inspection can be organised in order to include sheep in the inspection scope or alternatively the surveillance inspection can be brought forward if appropriate to do so.

Sourcing FQAS approved lambs is important for NI lamb processors as it allows them to service the high value retail and food service markets in the UK. For many of these customers FQ status on lamb is a key requirement of their specification. FQAS provides additional assurances on animal welfare, food safety, traceability and care for the environment, all of which retailers place in high regard.

Achieving FQAS approved status allows sheep producers to keep their options open when marketing lambs. Producers slaughtering lambs in local plants may receive a financial bonus when lambs are FQAS approved at slaughter. In addition producers with FQAS lambs will find it easier to secure sales than those presenting non-FQAS lambs, avoiding the need to hold finished lambs for longer periods so reducing costs. Buyers in the local marts are increasingly looking to purchase finished lambs that have FQ status and finishers buying lambs for a short keep will favour lambs with FQAS approved status or a large proportion of the required 60-day residency completed.

A further benefit of FQAS membership is that scheme membership is recognised by the Food Standards Agency (FSA) and DAERA Service Delivery Group as having a lower risk and therefore there is a reduced likelihood of selection for a cross compliance inspection in this area when compared to non-FQAS members.

Should you wish to apply for FQAS, increase your scope to cover sheep, or require any FQAS documentation, please call the FQAS Helpline on 028 9263 3024.

**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

LMC

## CATTLE TRADE

### NI FACTORY QUOTES FOR CATTLE

| (P/KG DW) | This Week 16/05/16 | Next Week 23/05/16 |
|---|---|---|
| Prime | | |
| U-3 | 306 - 312p | 308 - 312p |
| R-3 | 300 - 306p | 302 - 306p |
| O+3 | 294 - 300p | 296 - 300p |
| P+3 | 222 - 260p | 222 - 260p |
| | Including bonus where applicable | |
| Cows | | |
| O+3 & better | 228 - 240p | 228 - 240p |
| Steakers | 140 - 170p | 140 - 170p |
| Blues | 120 - 130p | 120 - 130p |

Cow quotes vary depending on weight and grade.
Pricing policies vary from plant to plant. Producers are advised to check pricing policies before presenting cattle for slaughter.

### REPORTED NI CATTLE PRICES - P/KG

| W/E 14/05/16 | Steers | Heifers | Young Bulls |
|---|---|---|---|
| U3 | 314.2 | 318.1 | 312.8 |
| R3 | 310.7 | 312.2 | 307.6 |
| O+3 | 302.6 | 304.8 | 301.2 |

*Prices exclude AA, HER and Organic cattle

### REPORTED COW PRICES NI - P/KG

| w/e 14/05/16 | Wgt <220kg | Wgt 220-250kg | Wgt 250-280kg | Wgt >280kg |
|---|---|---|---|---|
| P1 | 147.7 | 153.9 | 152.3 | 176.9 |
| P2 | 163.6 | 179.3 | 194.9 | 208.9 |
| P3 | 164.9 | 191.3 | 216.9 | 222.5 |
| O3 | 211.5 | 217.5 | 226.0 | 235.6 |
| O4 | 190.0 | - | 229.1 | 240.3 |
| R3 | - | - | - | 252.3 |

## Deadweight Cattle Trade

BASE quotes towards the end of this week for in spec U-3 grade prime cattle ranged from 308-312p/kg across the plants with the majority of plants quoting in the region of 310-312p/kg. Quotes for good quality O+3 grade cows this week remained steady and ranged from 228-240p/kg across the plants. Similar quotes are expected for all types of cattle early next week.

Prime cattle throughput in NI last week totalled 5,744 head, an increase of 496 head from the previous week when 5,248 prime cattle were slaughtered locally. In the corresponding week in 2015 a total of 6,159 prime cattle were killed in NI plants. Meanwhile cow throughput has remained steady with a total of 1,412 cows slaughtered in NI last week compared to 1,293 head the previous week. In the corresponding week in 2015 a total of 1,155 cows were killed in NI plants.

Imports of prime cattle from ROI for direct slaughter in NI last week totalled 113 head, a decline of 39 head from the previous week and accounting for two per cent of the total NI prime cattle kill. In the corresponding week in 2015 362 prime cattle were imported from ROI for direct slaughter in NI plants and accounted for six per cent of the total NI prime cattle kill. A small total of 13 cows were also imported from ROI for direct slaughter in NI last week while a total of 85 cows were imported from GB. Meanwhile 40 prime cattle were exported from NI for direct slaughter in ROI last week with a further 24 prime cattle exported from NI to GB for direct slaughter. Cow exports from NI to ROI for direct slaughter totalled 212 head compared to 324 cows exported to ROI the previous week.

The R3 steer price in NI last week was unchanged from the previous week at 312.8p/kg while the average steer price was up by 1.7p/kg to 303.2p/kg. The R3 heifer price in NI last week increased by 2.3p/kg to 313.8p/kg while the average heifer price was up by 2.8p/kg to 306.1p/kg. Meanwhile the average cow price in NI last week increased by 4.1p/kg to 222.3p/kg while the O3 cow price was back by 0.8p/kg to 234.3p/kg.

In GB last week the average steer price increased by 2.2p/kg to 314.4p/kg while the R3 steer price was up by 3.6p/kg to 321.7p/kg. This puts the differential in R3 steer prices between NI and GB at 8.9p/kg which is the equivalent of £29 on a 330kg carcase. The average heifer price in GB last week increased by 2.3p/kg to 315.3p/kg while the R3 heifer price was up by 0.7p/kg to 322.4p/kg. The differential in R3 heifer prices between NI and GB last week was 8.6p/kg which is the equivalent of £28 on a 330kg carcase. The cow trade in GB recorded increases last week with the average cow price up by 4.7p/kg to 201p/kg while the O3 cow price was up by 3.1p/kg to 228.7p/kg.

The deadweight cattle trade in ROI has held relatively steady in both euro and sterling terms with reported prices similar to the previous week. The R3 steer price in ROI last week was almost unchanged at 310.9p/kg while the R3 heifer price was similarly almost unchanged at 321.3p/kg.

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

| W/E 14/05/2016 | | Northern Ireland | Rep of Ireland | Scotland | Northern England | Midlands & Wales | Southern England | GB |
|---|---|---|---|---|---|---|---|---|
| Steers | U3 | 314.9 | 318.8 | 329.1 | 325.7 | 326.3 | 325.1 | 326.7 |
| | R3 | 312.8 | 310.9 | 329.6 | 316.3 | 322.2 | 316.6 | 321.7 |
| | R4 | 310.0 | 310.8 | 331.2 | 330.8 | 320.0 | 314.2 | 325.8 |
| | O3 | 299.0 | 297.0 | 307.7 | 289.3 | 288.3 | 292.2 | 294.6 |
| | AVG | 303.2 | - | 326.9 | 317.5 | 307.0 | 302.0 | 314.4 |
| Heifers | U3 | 318.2 | 333.7 | 342.1 | 333.2 | 333.5 | 331.8 | 335.5 |
| | R3 | 313.8 | 321.3 | 332.2 | 316.4 | 321.1 | 317.7 | 322.4 |
| | R4 | 310.2 | 321.5 | 333.6 | 322.2 | 320.1 | 314.1 | 323.6 |
| | O3 | 303.7 | 308.4 | 307.0 | 292.2 | 290.1 | 291.5 | 295.6 |
| | AVG | 306.1 | - | 331.3 | 316.7 | 307.7 | 298.4 | 315.3 |
| Young Bulls | U3 | 312.7 | 314.3 | 328.0 | 315.3 | 323.8 | 319.1 | 321.3 |
| | R3 | 307.6 | 304.2 | 321.9 | 302.6 | 312.0 | 310.9 | 311.1 |
| | O3 | 291.6 | 289.5 | 274.3 | 266.4 | 276.5 | 285.3 | 275.1 |
| | AVG | 295.6 | - | 308.4 | 290.5 | 299.1 | 298.1 | 298.0 |
| Prime Cattle Price Reported | | 4938 | - | 7102 | 6964 | 6522 | 4279 | 24867 |
| Cows | O3 | 234.3 | 250.6 | 241.5 | 229.0 | 227.4 | 222.5 | 228.7 |
| | O4 | 239.7 | 252.3 | 245.7 | 228.8 | 229.7 | 219.3 | 229.3 |
| | P2 | 194.9 | 225.9 | 193.4 | 186.3 | 179.6 | 169.8 | 180.2 |
| | P3 | 219.2 | 244.4 | 213.5 | 200.8 | 196.1 | 189.5 | 197.7 |
| | AVG | 222.3 | - | 233.9 | 206.5 | 195.5 | 188.5 | 201.0 |

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=78.87p 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 14/05/16 | From | To | Avg | From | To | Avg |
| **Finished Cattle (p/kg)** | | | | | | |
| Steers | 178 | 186 | 182 | 160 | 177 | 168 |
| Friesians | 126 | 144 | 131 | 110 | 125 | 118 |
| Heifers | 185 | 204 | 195 | 168 | 179 | 172 |
| Beef Cows | 136 | 165 | 145 | 105 | 135 | 120 |
| Dairy Cows | 105 | 117 | 109 | 60 | 104 | 82 |
| **Store Cattle (p/kg)** | | | | | | |
| Bullocks up to 400kg | 200 | 237 | 218 | 170 | 199 | 185 |
| Bullocks 400kg - 500kg | 190 | 218 | 205 | 165 | 189 | 177 |
| Bullocks over 500kg | 188 | 212 | 195 | 160 | 187 | 175 |
| Heifers up to 450kg | 200 | 226 | 213 | 160 | 199 | 180 |
| Heifers over 450kg | 180 | 200 | 190 | 150 | 179 | 165 |
| **Dropped Calves (£/head)** | | | | | | |
| Continental Bulls | 230 | 350 | 265 | 150 | 228 | 190 |
| Continental Heifers | 180 | 355 | 250 | 100 | 178 | 140 |
| Friesian Bulls | 80 | 185 | 120 | 40 | 78 | 55 |
| Holstein Bulls | 60 | 170 | 100 | 15 | 58 | 40 |

# SHEEP TRADE

## SHEEP QUOTES

| (P/Kg DW) | This Week 16/05/16 | Next Week 23/05/16 |
|---|---|---|
| Lambs | 420 - 430 > 21kg | 395 - 420 > 21kg |

## REPORTED SHEEP PRICES

| (P/KG) | W/E 30/04/16 | W/E 07/05/16 | W/E 14/05/16 |
|---|---|---|---|
| NI Hoggets L/W | 317.9 | 306.9 | 324.0 |
| NI Hoggets D/W | 388.3 | 362.0 | 352.7 |
| GB Hoggets D/W | 403.2 | 404.3 | 413.7 |
| ROI D/W | 388.9 | 403.1 | 410.5 |
| NI Lambs L/W | 372.2 | 391.7 | 409.8 |
| NI Lambs D/W | 414.7 | 403.8 | 423.6 |
| GB Lambs D/W | 481.1 | 451.3 | 462.5 |

## Deadweight Sheep Trade

QUOTES for R3 grade spring lambs towards the end of this week ranged from 395-420p/kg up to 21kg across the major NI plants, with reports of steady supplies of lambs coming forward for slaughter. Spring lambs accounted for 97 per cent of price reported sheep slaughtered in NI plants last week with total sheep throughput similar to the previous week at 4,582 head. Exports of sheep to ROI for direct slaughter last week totalled 3,423 head, compared to 4,089 head the previous week. The deadweight lamb price in NI last week increased by 19.8p/kg to 423.6p/kg while the deadweight hogget price was back by 9.3p/kg to 352.7p/kg. In ROI last week the combined lamb and hogget price increased by 7.4p/kg to 410.5p/kg.

## This week's marts

A relatively steady trade was reported across the marts this week with larger numbers of spring lambs passing through most of the sale rings when compared to previous weeks. In Swatragh this week 426 lambs sold from 382-420p/kg compared to 170 lambs the previous week selling from 374-400p/kg. In Massereene this week 402 lambs sold from 400-443p/kg compared to 244 lambs last week selling from 400-439p/kg. In Rathfriland this week 750 lambs sold to an average of 383p/kg compared to 338 lambs last week selling to an average of 431p/kg. In Markethill this week 700 lambs sold from 360-386p/kg compared to 650 lambs last week selling from 400-435p/kg. Top reported prices for cull ewes generally ranged from £84-99 with a top reported price of £108 in Rathfriland on Tuesday.

## LATEST SHEEP MARTS

| From: 13/05/16 | | Lambs (P/KG LW) | | | |
|---|---|---|---|---|---|
| To: 19/05/16 | | No | From | To | Avg |
| Friday | Newtownstewart | 205 | 381 | 421 | - |
| Saturday | Omagh | 78 | 417 | 458 | - |
| | Swatragh | 426 | 382 | 420 | - |
| Monday | Massereene | 402 | 400 | 443 | - |
| | Kilrea | 370 | 395 | 415 | - |
| Tuesday | Saintfield | 272 | 374 | 410 | - |
| | Rathfriland | 750 | 376 | 410 | 383 |
| Wednesday | Ballymena | 701 | 370 | 409 | 383 |
| | Enniskillen | 389 | 374 | 394 | 385 |
| | Markethill | 700 | 360 | 386 | 375 |
| | Armoy | 218 | 370 | 395 | 386 |

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