LMC BULLETIN

WEEKLY PUBLICATION OF THE LIVESTOCK AND MEAT COMMISSION FOR NORTHERN IRELAND

Saturday 22 October 2016 Issue No. 2441

NI RETAIL MEAT SALES UPDATE

THE total value of retail red meat sales in NI during the twelve week period ending 11 September 2016 was £28 million according to the latest data from Kantar Worldpanel, a one per cent decline on the corresponding period in 2015 when the total value of retail red meat sales was £28.2 million. Red meat sales during the twelve week period under analysis accounted for 45 per cent of total meat sales by value in NI which is three percentage points less than the corresponding period in 2015.

Beef

The latest Kantar figures have indicated that the value of beef sales in NI during the twelve week period ending 11 September 2016 totalled £24.6 million and this accounted for 88 per cent of the total red meat sales in terms of value. In the corresponding period in 2015 NI beef sales were valued at £25.2 million and accounted for 89 per cent of total red meat sales in terms of value. This was a two per cent decline in the value of beef sales year on year.

The volume of beef sales in NI during the 12 weeks ending 11 September 2016 totalled 3,210 tonnes compared to 3,174 tonnes during the corresponding period in 2015 and this was an increase of one per cent year on year. Beef sales accounted for 89 per cent of total red meat sales in terms of volume during the 2016 period which was lower than the 91 per cent in the same period in 2015.

The number of households buying beef has also decreased with 81.4 per cent of shoppers purchasing beef during the 2016 period under analysis. This was a 4.8 percentage point decrease from the same period in 2015 when 86.2 per cent of shoppers purchased beef.

The average retail price of beef in NI during the 12 weeks ending 11 September 2016 recorded a decrease at £7.65/kg, compared to the corresponding period in 2015 when the average retail price was £7.94/kg. The total spend per buyer on beef however has increased from £40.10 in the 2015 period to £41.10 in the 2016 period.

Lamb

Retail lamb sales in NI during the twelve weeks ending 11 September 2016 were valued at £3.4 million, accounting for 12 per cent of total red meat sales in terms of value. In the 2015 period the value of lamb sales in NI was £3 million, accounting for 11 per cent of red meat sales. This gives a 13 per cent increase in the value of lamb value year on year. The volume of lamb sales in NI during the twelve weeks ending 11 September 2016 totalled 414 tonnes, a notable 26 per cent increase from the 329 tonnes sold during the corresponding period in 2015. During the 2016 period lamb sales accounted for 11 per cent of total red meat sales in terms of volume which was higher than the nine per cent in the same period in 2015.

There has been a marked increase in the number of households buying lamb with 30.8 per cent of shoppers purchasing beef during the 2016 period under analysis compared to 24.2 per cent in the same period in in 2015.

Conversely there has been a marked decrease in the average retail price of lamb to £8.30 during the 12 weeks ending 11 September 2016 from £9.26 in the corresponding period in 2015. This drop in the average retail price will have been a key factor behind the increase in the volume of lamb sales year on year. The reduced retail price has also contributed to a decrease in the average spend per buyer, back from £17.30 in the 2015 period to £15.20 in the 2016 period.

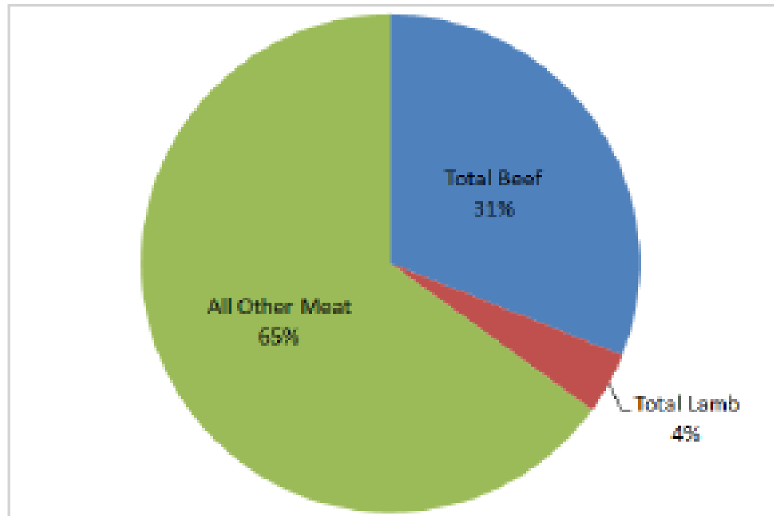
Market share

Figure 2 outlines the proportional volume of total meat sales in NI during the 12 weeks ending 11 September 2016. As indicated in the chart beef and lamb accounted for 31 per cent and four per cent of total volume sales respectively with all other meat accounting for 65 per cent of meat sales.

The proportion of beef sales was unchanged from year earlier levels however the volume of lamb sales has decreased from six per cent during the 2015 period. All other meat recorded an increase in its share of total meat sales year on year, up from 63 per cent during the corresponding period in 2015.

LMC is committed to promoting beef and sheep meat in home and export markets in order to increase the share of red meat within total meat sales. As part of its services to industry LMC educates consumers about the true nutritional value of red meat and cooking beef and lamb with confidence, through highly valued retail sampling and education services programmes across Northern Ireland.

Figure 1: Volume of meat sales in NI during the 12 weeks ending 11 September 2016 broken down by beef, lamb and other meats



FQAS NOTICE ONLINE PAYMENTS

LMC has 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.

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COUNTING FARM RESIDENCES

MEETING market specifications at point of slaughter has become increasingly important in recent times with processors advising their suppliers of raw material that significant value achievable from the end market is lost through the supplies of out of spec cattle.

One aspect of the current specification in many of the major NI processing plants is that the animal being presented for slaughter must have had four or less different farm residences over its lifetime. This is required to meet the product specifications of many of the major UK retail and food service companies.

It should be noted that it is the number of DIFFERENT RESIDENCES an animal has in its lifetime that is counted and NOT the number of movements. The number of farm residences is currently being displayed for cattle at point of sale in the NI cattle marts which is very useful as it ensures that cattle buyers are aware of the number of farm residences prior to purchase.

Establishing the number of farm residences an animal has had over its lifetime is a straight forward process but it is important to know the rules. When calculating the number of residences you need to be looking for the number of distinct herd numbers in the animal movement history. This includes the herd that the animal was born into.

It is important to note that trading premises herds are included as a farm residency but agricultural shows, marts and meat plants are not. It should also be noted that if an animal is moved to a mart but does not sell and is taken home again there is no change to the number of farm residences.

The number of cattle being presented for slaughter in the major NI processing plants that do not meet the current market requirement of four or less farm residences is very small. Table 1 provides a breakdown of the number of farm residences by category of NI born price reported cattle at point of slaughter during the period June-September 2016.

As indicated in the table 95 per cent of price reported cows had four or less farm residences at point of slaughter during the June–September 2016 period. It is worth noting that 38 per cent of cows were presented for slaughter from the herd they were born into while a further 34 per cent had only two farm residences in their lifetime. Meanwhile 99 per cent of price reported heifers had four or less farm residences during the June-September 2016 period with 98 per cent of steers meeting the market specification. All young bulls slaughtered in price reporting plants during the 2016 period fulfilled the requirement of four or less farm residences.

Producers can check the residency status of cattle in their herd by accessing their herd list using APHIS online. Any producer who does not have access to APHIS online can a get a herd list from their local DVO office which lists all the cattle in the keeper's herd for the day it is printed along with their full movement history so far. Anyone with queries should contact their local DVO for further clarification.

Figure 2: Number of farm residences of price reported cattle in NI during June-September 2016 broken down by category

	Number of farms					
	1	2	3	4	> 4	Total
Cows	38%	34%	15%	7%	5%	100%
Heifers	23%	42%	25%	9%	1%	100%
Steers	14%	40%	32%	12%	2%	100%
Young bulls	42%	41%	14%	3%	0%	100%

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WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 17/10/16	Next Week 24/10/16
Prime		
U-3	330 - 336p	334 - 338p
R-3	324 - 330p	328 - 332p
O+3	318 - 324p	322 - 326p
P+3	264 - 284p	268 - 286p
	Including bonus where applicable	
Cows		
O+3 & better	240 - 250p	240 - 250p
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 15/10/16	Steers	Heifers	Young Bulls
U3	341.3	344.0	334.3
R3	336.2	338.1	329.8
O+3	328.6	329.9	321.9

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 15/10/16	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	157.3	168.1	177.8	190.2
P2	169.2	193.0	212.6	225.9
P3	183.9	213.3	227.1	235.8
O3	210.0	214.5	237.4	252.2
O4	-	231.3	245.0	255.4
R3	-	-	-	270.2

Deadweight Cattle Trade

THE deadweight cattle trade in NI has remained relatively steady with base quotes for in spec U-3 grade prime cattle ranging from 334-338p/kg for Monday. Quotes for good quality O+3 grade cows were unchanged ranging from 240-250p/kg across the plants.

Reports from the major processors have indicated a continuous increase in the number of prime cattle coming forward for slaughter during the last few weeks. Prime cattle throughput in NI last week totalled 6,740 head, an increase of 44 head from the previous week and the highest throughput since mid-April this year. In the corresponding week in 2015 a total of 6,260 prime cattle were slaughtered locally which accounts for an eight per cent increase year on year. Cow throughput has also continued to increase over the last few weeks with a total of 2,313 head killed in NI plants last week, an increase of 46 head from the previous week. In the corresponding week in 2015 a total of 1,997 cows were slaughtered in NI accounting for a 16 per cent increase year on year.

Due to the unfavourable exchange rate imports of cattle from ROI for direct slaughter last week were minimal with a total of 12 prime cattle and 6 cows imported for local slaughter. This was well below the corresponding week in 2015 when 551 prime cattle and 153 cows were imported for slaughter in NI plants. Meanwhile a total of 177 cows were exported from NI for direct slaughter in ROI last week, compared to 293 cows during the same week in 2015. A further 154 prime cattle and 31 cows were exported from NI to GB for direct slaughter last week, lower than the corresponding period in 2015 when 243 prime cattle and 51 cows were exported to GB.

The deadweight trade for prime cattle has generally weakened in NI with the average steer price last week back by a penny to 330.4p/kg while the R3 steer price decreased by 0.6p/kg to 340p/kg. The average heifer price in NI last week was back by half a penny to 333.9p/kg while the R3 heifer price decreased by 2.2p/kg to 339.7p/kg. The average cow price in NI last week recorded a decrease of 6.1p/kg to 223p/kg while the O3 cow price was back by 3.4p/kg to 249.9p/kg.

In GB last week the deadweight trade also came under pressure with the average steer price back by almost a penny to 351.6p/kg while the R3 steer price decreased by 1.2p/kg to 361.3p/kg. The differential in R3 steer prices between NI and the GB average last week was 21.3p/kg which is the equivalent of £75 on a 350kg carcase. The average heifer price in GB last week was back marginally to 354.8p/kg while the R3 heifer price decreased by almost a penny to 361.6p/kg. This puts the differential in R3 heifer prices last week between NI and the GB average at 21.9p/kg which is the equivalent of £77 on a 350kg carcase.

The deadweight cattle trade in ROI last week remained relatively steady in euro terms however increased in sterling terms with the continued strengthening of the euro against sterling. The R3 steer price in ROI last week was the equivalent of 328.1p/kg, an increase of 6.2p/kg from the previous week while the R3 heifer price was up by 6.6p/kg to 339.1p/kg. The O3 cow price in ROI last week increased by 4.6p/kg to 259.9p/kg.

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

W/E 15/10/2016		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	342.1	336.3	382.2	357.8	360.2	362.7	365.8
	R3	340.0	328.1	378.3	357.4	353.3	355.6	361.3
	R4	337.3	326.5	380.6	371.4	355.1	357.1	368.3
	O3	332.4	310.0	357.1	328.9	321.0	326.4	333.9
	AVG	330.4	-	375.6	351.1	336.9	338.9	351.6
Heifers	U3	344.7	351.0	388.4	364.9	365.3	365.8	371.6
	R3	339.7	339.1	379.2	353.1	354.3	357.1	361.6
	R4	338.7	339.0	381.0	363.4	356.3	354.1	365.0
	O3	339.2	326.5	360.8	330.6	328.0	332.6	338.7
	AVG	333.9	-	377.7	354.1	341.1	340.3	354.8
Young Bulls	U3	334.4	333.9	369.3	343.4	347.8	332.6	348.6
	R3	329.6	326.0	366.4	325.3	340.1	342.7	342.4
	O3	312.0	311.3	324.8	294.0	304.4	307.7	306.0
	AVG	318.1	-	340.0	303.7	323.5	312.2	320.2
Prime Cattle Price Reported		6210	-	6666	6997	6943	4213	24819
Cows	O3	249.9	259.9	247.9	231.4	237.4	227.2	234.6
	O4	254.4	261.1	249.6	232.5	240.4	231.7	237.8
	P2	212.5	234.4	195.7	192.0	187.5	192.5	190.6
	P3	232.1	249.9	205.1	202.2	201.9	207.1	203.8
	AVG	223.0	-	233.2	203.1	193.6	194.4	200.4

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=90.13p 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 15/10/16	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	190	200	194	160	189	175
Friesians	141	150	145	110	122	118
Heifers	190	210	197	155	183	170
Beef Cows	136	184	143	106	135	120
Dairy Cows	100	124	107	60	99	80
Store Cattle (p/kg)						
Bullocks up to 400kg	210	250	220	160	209	185
Bullocks 400kg - 500kg	200	220	210	165	199	182
Bullocks over 500kg	193	211	203	150	192	170
Heifers up to 450kg	200	225	212	160	199	178
Heifers over 450kg	190	207	200	150	189	170
Dropped Calves (£/head)						
Continental Bulls	250	350	300	175	248	205
Continental Heifers	200	305	250	125	198	160
Friesian Bulls	90	140	115	35	88	60
Holstein Bulls	55	88	70	30	52	40

SHEEP TRADE

SHEEP QUOTES		
(P/Kg DW)	This Week 17/10/16	Next Week 24/10/16
Lambs	370-375p > 21kg	375-380p > 21kg

REPORTED SHEEP PRICES			
(P/KG)	W/E 01/10/16	W/E 08/10/16	W/E 15/10/16
NI Lambs L/W	334.5	333.8	331.6
NI Lambs D/W	377.5	373.3	373.6
GB Lambs D/W	400.8	394.6	389.8
ROI D/W	389.1	390.3	394.7

Deadweight Sheep Trade

QUOTES from the plants early this week ranged from 370-375p/kg however quotes strengthened to 375-380p/kg as the week progressed with plants continuing to pay up to 21kg. Lamb throughput in NI last week remained steady with a total of 10,210 lambs killed locally compared to 10,331 lambs the previous week. This is lower than the corresponding week in 2015 when lamb throughput totalled 13,490 head accounting for a 24 per cent decline year on year. Exports of sheep to ROI for direct slaughter last week totalled 9,412 head which was lower than the same week in 2015 when 9,894 sheep were exported to ROI. The average deadweight lamb price in NI last week was almost unchanged from the previous week at 373.6p/kg while the average deadweight lamb price in ROI last week increased by the equivalent of 4.4p/kg to 394.7p/kg.

This week's marts

REPORTS from the marts this week indicated a steady trade with good numbers of lambs passing through the sale rings. In Swatragh last Saturday 1,495 lambs sold from 321-408p/kg compared to 1,085 lambs the previous week selling from 345-410p/kg. In Massereene on Monday 1,246 lambs sold from 325-364p/kg compared to 1,216 lambs the previous week selling from 320-358p/kg. In Saintfield on Tuesday 971 lambs sold from 326-376p/kg compared to 590 lambs the previous week selling from 320-370p/kg. Top reported prices for cull ewes generally ranged from £80-100 with a top price of £119 in Swatragh on Saturday.

LATEST SHEEP MARTS

From: 14/10/16		Lambs (P/KG LW)			
To: 20/10/16		No	From	To	Avg
Friday	Newtownstewart	400	321	347	-
Saturday	Omagh	1230	349	381	-
	Swatragh	1495	321	408	-
Monday	Kilrea	600	327	350	-
	Massereene	1246	325	364	-
Tuesday	Saintfield	971	326	376	-
	Rathfriland	1288	328	398	348
Wednesday	Ballymena	2007	312	352	327
	Enniskillen	322	334	355	-
	Markethill	1100	320	351	-
	Armoy	346	325	348	-

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