LMC BULLETIN

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BENEFITS OF FQAS FOR SHEEP PRODUCERS

WITH strong supplies of lambs being presented for slaughter this autumn, processors are keen to source FQAS approved lambs. With this in mind, it is important to consider the positive implications 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. A spot check inspection can be organised in order to include sheep in the inspection scope or alternatively the surveillance inspection can be brought forward.

Sourcing FQAS approved lambs is important for NI lamb processors as it allows them 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 their lambs. Producers slaughtering lambs in local plants will 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 producers presenting non-FQAS lambs. This will help reduce costs to the producer by not having to hold finished lambs for a longer period of time. At present Farm Quality Assured status is not a requirement when lambs are exported from NI for direct slaughter in ROI plants.

Export of lambs for direct slaughter to ROI is highly dependent on the euro/sterling exchange rate and the demand from ROI processors. A weaker euro this autumn when compared to autumn 2014 has meant an increased proportion of NI lambs have been slaughtered domestically.

In addition to this changes to EU labelling legislation requiring country of origin and country of slaughter on retail packs came into effect earlier this year which reportedly caused some difficulties for processors in ROI in marketing lambs born in NI but slaughtered in ROI. FQAS approval has therefore taken on a greater importance, when there are greater numbers of lambs being slaughtered here in NI.

It is important to also consider that when lambs are being presented for sale in local marts FQAS approved status is increasingly important with factory agents looking to purchase finished lambs that have FQ status. In addition 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.

Additional benefits of FQAS membership is that scheme membership is recognised by the Food Safety Authority (FSA) and DARD Service Delivery Group as having a lower risk and therefore have a reduced likelihood of selection for 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.

REMINDER: RED FQAS LAMB FORMS

FQAS verification forms are required by meat processors when sheep or lambs are being presented for slaughter. These red forms are needed to verify that lambs have completed 60 days on a Farm Quality Assured farm/farms prior to slaughter.

FQAS approved lamb producers may incur price penalties from their processor if lambs are not accompanied by these forms as this is an essential FQAS check.

Farm Quality Assurance Scheme participants who are approved for sheep can request lamb verification forms by calling the FQAS Helpline on: 028 9263 3024.

FQAS MART CLINICS NOVEMBER 2015

LMC's Farm Liaison Officer, Terry White, runs Farm Quality Assurance Scheme (FQAS) mart clinics at a range of Livestock Marts across Northern Ireland. Terry is present to assist members of FQAS with non-conformances, general scheme queries and any issues prior to or following an inspection.

Any farmers who wish to join the scheme can also do so through their local FQAS mart clinic. Terry will be available at the livestock marts listed above. For further information call (028) 9263 3024.

LOCATION	DAY	DATE
Omagh	Monday	02/11/2015
Enniskillen	Thursday	12/11/2015
Markethill	Tuesday	17/11/2015
Saintfield	Wednesday	18/11/2015
Kilrea	Wednesday	25/11/2015
Ballymena	Friday	27/11/2015

EU SHORT-TERM OUTLOOK FOR BEEF AND SHEEP MEAT

THE European Commission has recently published its short term outlook for the EU meat markets in 2015 and 2016 and have indicated that further increases in total EU meat supplies are expected.

In 2014 the EU suckler herd declined by 350,000 head while dairy cow numbers increased by 240,000 head. The decrease in suckler cow numbers was primarily due to declines in suckler cow numbers in Ireland, GB, the Netherlands, Austria and Italy with increases in dairy cow numbers recorded in these regions. Meanwhile France, Spain and NI all recorded increases in both their suckler and dairy cow numbers.

Total EU beef production during the first half of 2015 was 3.4 per cent higher than the corresponding period in 2014 and the recent EU report has indicated that total EU beef production for 2015 is expected to be two per cent higher than 2014 levels.

Live cattle exports from the EU increased by 39 per cent in the first half of 2015 when compared to year earlier levels. Lebanon remains the main destination for live cattle exports from the EU but exports to Turkey are gradually increasing. The increase in exports to Turkey are in response to high domestic beef prices in Turkey and the opening of a tariff rate quota for beef meat which gives a positive market signal in the short term. Live beef exports from the EU for 2015 are expected to increase to the equivalent of 174,000 tonnes with the potential of further increases in 2016.

EU exports of beef meat were three per cent lower than year earlier levels during the first half of 2015. During the first half of 2014 Russia received 28,000 tonnes of EU beef and the closure of this outlet was not fully compensated for during the first half of 2015 despite increases in exports to other destinations such as Norway, the Balkan countries and the Philippines. The EU report expects total beef exports to each 219,000 tonnes for 2015, a six per cent increase on 2014 levels.

Meanwhile EU beef imports during the first half of 2015 were one per cent higher than the corresponding period in 2014 and the Commission expects total beef imports for 2015 to be similar to 2014 levels.

The report has forecast a recovery in beef consumption rates in the EU to 10.7kg/capita (in retail weight) in 2015 and it is expected to stay at these levels in 2016 due to the improved availability of beef and current price developments.

Lamb

In 2014 sheep and goat meat production in the EU were fairly similar to 2013 levels. However a 0.4 per cent increase (+320,000 head) was recorded in the total EU flock size in the December 2014 census which would indicate a potential increase in production in 2015 and 2016 as a result of the larger reproductive capacity of the EU flock.

During the first half of 2015 sheep and goat slaughterings in the EU were 2.5 per cent higher than the corresponding period in 2014, reversing the long term decline recorded over previous years. Total sheep and goat meat production by the end of 2015 is forecast to be 1.5 per cent higher than 2014 levels.

In the first half of 2015 imports from New Zealand increased by six per cent and offset some of the decline in imports from other trade partners. Overall EU imports for the first half of 2015 were two per cent higher than year earlier levels with imports for the whole of 2015 forecast to be one per cent higher than 2014 levels.

Destocking in Australia due to ongoing issues with drought has increased Australian sheepmeat exports, primarily to Asia but also to the EU. The Commission report highlights this as a potential reason behind the sudden collapse in exports from the EU to Hong Kong earlier this year with total EU exports for 2015 expected to end the year 25 per cent lower than 2014 levels.

Sheep meat consumption in the EU is expected to remain stable at 1.8kg/capita during 2015 and 2016. Sheep meat consumption accounts for just 2.4 per cent of total meat consumption in the EU.

WEEKLY BEEF & LAMB MARKETS

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 26/10/15	Next Week 02/11/15
Prime		
U-3	316 - 322p	318-320p
R-3	310 - 316p	312-314p
O+3	304 - 310p	308-312p
P+3	264 - 290p	264-290p
	Including bonus where applicable	
Cows		
O+3 & better	224 - 240p	234 - 245p
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 COW PRICES NI - P/KG

w/e 24/10/15	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	129.8	141.3	150.1	158.6
P2	145.9	169.0	192.0	208.7
P3	186.6	191.1	211.1	222.4
O3	-	211.7	226.9	239.4
O4	-	211.3	232.7	241.9
R3	-	-	-	256.0

Deadweight Cattle Trade

QUOTES from the major processors this week for in spec U-3 grade prime cattle ranged from 316-322p/kg with the majority of plants quoting from 318-322p/kg. Similar quotes are expected for early next week. Quotes for good quality O+3 grade cows have remained fairly steady at 224-240p/kg with a similar trade expected for Monday.

The processors have reported steady supplies of prime cattle to meet demand for beef with 6,413 prime cattle slaughtered in NI last week. This is eleven per cent lower than the 7,200 prime cattle slaughtered in the corresponding week in 2014. Imports of prime cattle from ROI for direct slaughter in NI last week totalled 589 head and accounted for nine per cent of the NI prime cattle kill. In the corresponding week last year prime cattle imports from ROI for direct slaughter totalled 628 head and accounted for nine per cent of the total prime kill in NI. A total of 291 prime cattle were exported from NI to GB last week for direct slaughter. This is the highest number of prime cattle reported for export to GB in 2015.

Cow throughput in the NI plants has remained strong with 2,127 cows killed in NI last week compared to 1,759 in the same week last year. A total of 358 cows were also exported from NI for direct slaughter in ROI plants last week, an increase from the 293 cows exported during the previous week.

The average steer price in NI last week was similar to the previous week at 311.5p/kg while the R3 steer price increased by 2.0p/kg to 322.5p/kg. Meanwhile in GB the average steer price was back by 1.0p/kg to 345.2p/kg with the R3 steer price back by 1.9p/kg to 350.6p/kg. This puts the differential in R3 steer prices between NI and GB at 28.1p/kg or £98.35 on a 350kg carcase. NI was the only region where R3 steer prices increased last week with the remaining UK regions reporting decreases of between 3.3p/kg in Scotland and 1p/kg in the Midlands and Wales. The average heifer price in NI last week was 316.1p/kg, down 2.4p/kg from the previous week. The R3 heifer price was also down by 1.2p/kg to 322.7p/kg. Meanwhile in GB the average heifer price was back by 1.9p/kg to 345.2p/kg while the R3 heifer price was back by 1.1p/kg to 352.8p/kg.

The average young bull price in NI last week was up by 0.5p/kg to 302.4p/kg with the O3 steer price down marginally by 0.3p/kg to 308.8p/kg.

Reports from ROI have indicated an improvement in the supplies of prime cattle with throughput last week totalling 23,779 head, a four per cent increase from the 22,884 prime cattle killed in ROI plants during the previous week. Deadweight prices for prime cattle in ROI all increased in euro terms last week however a decrease in the value of the euro against sterling meant a decrease of 2-3p/kg in sterling terms for some grades. The R3 steer price in NI last week was the equivalent of 279.4p/kg while the R3 heifer price was the equivalent of 289.4p/kg.

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

W/E 24/10/2015		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	322.0	287.7	367.9	355.9	354.7	355.5	359.0
	R3	322.5	279.4	363.1	348.4	344.3	343.7	350.6
	R4	319.8	279.0	366.0	360.6	344.9	345.4	356.7
	O3	308.8	264.5	348.9	328.8	320.6	321.1	330.5
	AVG	311.5	-	361.7	348.6	333.1	331.3	345.2
Heifers	U3	329.2	297.8	373.5	359.9	359.9	354.3	363.3
	R3	322.7	289.4	367.7	348.1	346.0	344.8	352.8
	R4	320.0	288.6	365.6	354.4	344.1	341.1	353.6
	O3	308.8	278.2	338.2	321.7	315.9	317.1	324.5
	AVG	316.1	-	362.7	343.5	335.8	329.5	345.2
Young Bulls	U3	314.4	284.9	368.7	340.0	346.6	349.8	347.9
	R3	312.8	279.5	351.3	331.6	334.1	336.0	336.0
	O3	297.4	268.1	310.8	294.9	307.1	328.4	311.7
	AVG	302.4	-	339.4	322.1	323.5	327.6	325.9
Prime Cattle Price Reported		5224	-	6520	6671	5983	4551	23725
Cows	O3	237.8	242.2	240.3	227.5	230.2	220.1	230.9
	O4	241.1	243.5	247.6	229.3	233.2	220.9	234.1
	P2	195.6	221.8	182.9	200.3	185.0	173.8	185.6
	P3	218.7	237.1	203.0	209.3	197.3	193.1	201.6
	AVG	212.1	-	234.1	208.5	188.0	186.7	206.4

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=73.06p 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 24/10/15	**From**	**To**	**Avg**	**From**	**To**	**Avg**
Finished Cattle (p/kg)						
Steers	180	195	184	160	179	170
Friesians	131	144	140	115	126	121
Heifers	190	211	199	160	189	175
Beef Cows	130	161	140	105	129	117
Dairy Cows	101	123	107	60	100	80
Store Cattle (p/kg)						
Bullocks up to 400kg	210	234	221	165	193	183
Bullocks 400kg - 500kg	207	229	214	170	206	188
Bullocks over 500kg	195	211	203	160	194	175
Heifers up to 450kg	198	215	206	161	196	179
Heifers over 450kg	190	211	200	160	189	175
Dropped Calves (£/head)						
Continental Bulls	280	380	325	180	278	230
Continental Heifers	200	340	270	100	198	150
Friesian Bulls	100	160	125	20	98	65
Holstein Bulls	50	100	70	10	48	25

SHEEP TRADE

SHEEP QUOTES

(P/Kg DW)	This Week 26/10/15	Next Week 02/11/15
Lambs	310-315>21kg	305-310>21kg

REPORTED SHEEP PRICES

(P/KG)	W/E 10/10/15	W/E 17/10/15	W/E 24/10/15
NI Lambs L/W	281.0	279.0	281.9
NI Lambs D/W	305.8	307.4	309.9
GB Lambs D/W	338.7	338.9	333.4
ROI D/W	320.4	318.4	317.9

Deadweight Sheep Trade

THE deadweight sheep trade has remained unchanged from the previous week at 310-315p/kg up to 21kg towards the end of this week. Similar quotes are expected for early next week. The major NI processors have reported a reduction in supplies of lambs coming forward for slaughter with throughput last week totalling 10,253 head. A further 9,115 lambs were exported from NI to ROI for direct slaughter last week. The deadweight lamb price in NI last week increased by 2.5p/kg to 309.9p/kg while the deadweight price in ROI was back by 0.5p/kg to 317.9p/kg.

This week's marts

A good trade was reported across the marts this week with good numbers of lambs passing through the sale rings however all marts reported a small decrease in numbers compared with the previous week. In Omagh last Saturday there was a slight reduction in trade to the previous week with 1,357 lambs selling from 278-341p/kg. In Massereene on Monday 965 lambs sold from 265-292p/kg compared to 1,216 lambs last Monday selling from 270-300p/kg. In Saintfield on Tuesday 744 lambs sold from 260-316p/kg compared to 907 lambs last week selling from 269-326p/kg. There were 1604 lambs in Ballymena on Wednesday sold to an average of 268p/kg compared to 2,186 lambs last Wednesday selling to an average of 274p/kg. Top reported prices for cull ewes generally ranged from £69- 88 with a top reported price of £92.50 in Swatragh last Saturday.

LATEST SHEEP MARTS

From: 23/10/15		Lambs (P/KG LW)			
To: 29/10/15		**No**	**From**	**To**	**Avg**
Friday	Newtownstewart	568	260	300	-
Saturday	Omagh	1357	278	341	-
	Swatragh	926	243	303	-
Monday	Massereene	965	265	292	-
	Kilrea	840	275	305	-
Tuesday	Saintfield	744	260	316	-
	Rathfriland	1177	259	310	286
Wednesday	Ballymena	1604	258	306	268
	Enniskillen	748	274	300	282
	Markethill	1000	270	298	282
	Armoy	415	265	300	279

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