LMC BULLETIN

WEEKLY PUBLICATION OF THE LIVESTOCK AND MEAT COMMISSION FOR NORTHERN IRELAND

Saturday 10 October 2015

Issue No. 2389

INCREASE IN NI COW KILL IN QUARTER 3

Figure 1: Weekly cow throughput in NI plants January 2014 - September 2015

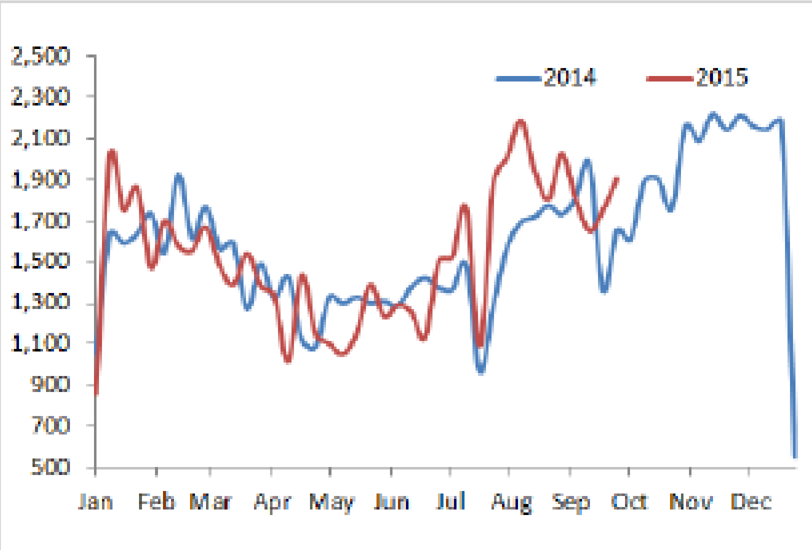
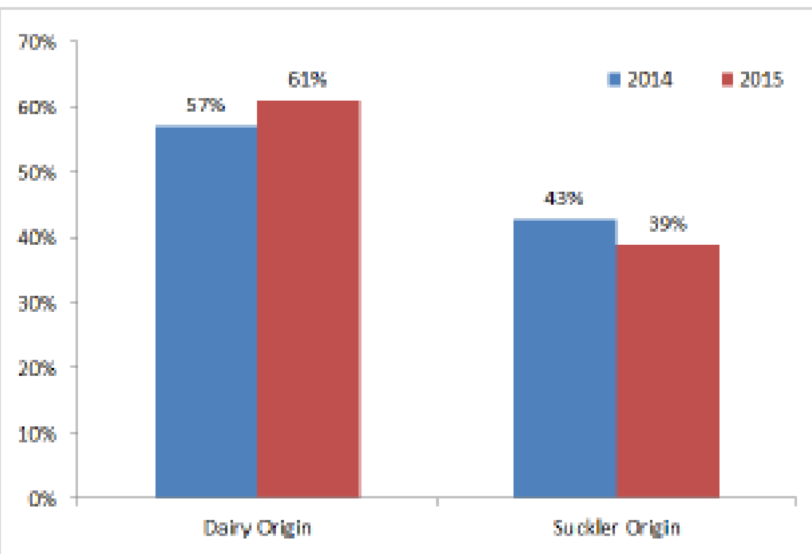


Figure 2: Proportion of NI cow kill sourced from dairy/suckler herds during July - September 2014/2015



THE June 2015 Agricultural Survey completed by DARD indicated a two percent increase in suckler cow numbers on NI farms while dairy cow numbers increased by six per cent to 311,500 head, their highest ever level.

As expected with an increase in both beef and dairy cow numbers on NI farms the number of cows coming forward for slaughter has increased. The cow kill in NI during September 2015 totalled 7,107 head, a five per cent increase on September 2014 when 6,804 cows were slaughtered. The NI processors are reporting steady supplies of cows coming forward to meet the demands for cow beef.

Figure 1 outlines the weekly cow kill in NI from January 2014 to September 2015. As indicated in the chart cow throughput in NI has generally been above year earlier levels since June this year with cow throughput for the period July-September 2015 running 14 per cent higher than the corresponding period in 2014. This increase in cow throughput in NI has largely been driven by an increase in culling from the dairy herd as a consequence of reduced profitability in dairy production.

During the three month period July to September 2015 61 per cent of price reported cows were of dairy origin compared to 57 per cent of the cow kill in the corresponding period in 2014. Meanwhile suckler origin cows accounted for 39 per cent of the total cow kill in NI during the 2015 period, back from 43 per cent in the same period in 2014.

Despite the increase in the proportion of dairy origin cows in the slaughter mix the average cow carcase weight has recorded an increase year on year. In the period July to September 2015 the average cow carcase weight in NI was 308.4kg, a 2.6kg increase from the same period in 2014 when the average carcase weight was 305.8kg.

The average carcase weight of price reported dairy origin cows during the June-September period 2015 was 280.1kg, an increase of 2.2kg from the corresponding period in 2014. Meanwhile the price reported suckler origin cow carcase weight increased from 337.6kg in the 2014 period to 341.1kg in the 2015 period.

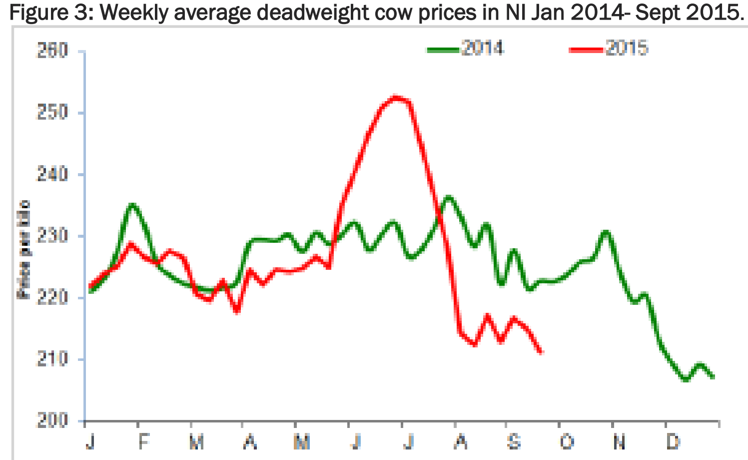
This increase in the average carcase weight in NI combined with an increase in throughput has resulted in the NI processors handling greater volumes of cow beef. During September 2015 NI processors handled 2,158 tonnes of cow beef compared to 2,037 tonnes in September 2104. This increase by 121 tonnes represents a 6 per cent increase year on year.

Figure 3 outlines the average cow price in NI from January 2013 to September 2015. The average cow price in NI during September 2015 was 213.9p/kg, a four per cent reduction from September 2014 when the average cow price was 222.7p/kg.

However the O3 cow price in NI during September 2015 was 248.2p/kg, similar to the 247.1p/kg paid for O3 cows in September 2014. With O3 cow prices remaining fairly steady year on year the decline in the average cow price can therefore be attributed to a reduction in the quality of the cow kill with an increase in the proportion of dairy cows.

The increase in cow availability in NI has contributed to a notable increase in the number of cows being exported from NI to ROI for direct slaughter. During the period July-September 2015 a total of 3,202 cows were exported, an increase of 1,928 head from the corresponding period in 2014 when 1,274 cows were exported for direct slaughter.

Figure 3: Weekly average deadweight cow prices in NI Jan 2014- Sept 2015.



EU EXPORTS GROW DESPITE RUSSIAN EMBARGO

Agri-food exports from the EU during the 12 month period ending July 2015 recorded a 5.7 per cent increase from the previous 12 month period. This increase accounted for a rise in the total value by €6.8 billion euro according to the latest report from the European Commission. This strengthening in the value of export sales has occurred despite the continued ban on EU exports to Russia and has shown how the EU has further developed existing export markets and identified new opportunities in response to the Russian ban on a large proportion of EU produce. Some products and some live animal exports are not covered by the current Russian embargo.

Export sales from the EU to Russia during the twelve months ending July 2015 were valued at €6.3 billion compared to €11 billion in the previous twelve month period. This accounts for a 57 per cent decline in the total value of exports year on year. Meanwhile the value of EU exports to other key markets increased including the US (+16 per cent), China (+33 per cent), Switzerland (+5 per cent), Hong Kong (+ 19 per cent) and South Korea (+29 per cent).

Agri-food exports from the EU to certain Arab countries have also increased during the twelve month period ending July 2015 when compared to the previous year. This included increases in exports to Saudi Arabia (+10 per cent), United Arab-Emirates (+14 per cent) and Egypt (+26 per cent).

The biggest growth in exports from the EU in terms of value was for bovine products (including live animals) which increased by 23 per cent from €1.4 billion in the twelve months ending July 2014 to €1.7 billion in the 12 months ending July 2015. This growth in export sales has occurred despite a notable drop in the value of exports from the EU to Russia. In the twelve months ending July 2014 bovine exports to Russia accounted for 16 per cent of total bovine exports out of the EU in terms of value and in the twelve months ending July 2015 this was reduced to 6 per cent.

The value of total EU exports from the poultry sector increased by five per cent to total €2.1 billion in the 12 months ending July 2015 with exports of poultry products from the EU to Russia back by 67 per cent from year earlier levels. Meanwhile EU exports from the pig sector were unchanged from the previous year during the twelve months ending July 2015 and were valued at €5.6 billion.

The closure of the Russian market to EU dairy products had a profound impact on EU dairy producers. EU exports of cheese to Russia during the twelve months ending July 2015 were back by 97 per cent from year earlier levels while exports of skimmed and whole milk powders were both back by 100 per cent. This impacted total EU exports of dairy products when compared to the previous twelve months with notable declines in the value of total EU exports recorded for cheese (-14 per cent), skimmed milk powder (-10 per cent) and whole milk powder (-24 per cent).

The ban also had a significant detrimental effect on the value of EU fruit and vegetable exports according to the latest statistics from the European Commission. In the twelve months ending July 2014 exports of fruit and vegetables from the EU to Russia were valued at €1.9 billion and accounted for 27 per cent of total EU exports in terms of value. In the twelve months ending July 2015 exports of fruit and vegetables from the EU to Russia were valued at €210 million, a decline by 89 per cent year on year. The value of total fruit and vegetable exports from the EU recorded a 12 per cent decline from year earlier levels to €6.9 billion in the 12 months ending July 2015.

WEEKLY BEEF & LAMB MARKETS

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 05/10/15	Next Week 12/10/15
Prime		
U-3	316 - 322p	316 - 320p
R-3	310 - 316p	310 - 314p
O+3	304 - 310p	304 - 308p
P+3	264 - 292p	264 - 290p
	Including bonus where applicable	
Cows		
O+3 & better	224 - 245p	224 - 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 NI CATTLE PRICES - P/KG

W/E 03/10/15	Steers	Heifers	Young Bulls
U3	323.6	330.9	319.4
R3	322.5	325.5	319.4
O+3	315.0	317.9	307.9

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 03/10/15	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	127.3	137.1	145.4	161.2
P2	136.4	178.4	199.2	214.1
P3	170.0	189.3	214.8	224.3
O3	170.0	206.7	230.6	242.9
O4	-	216.6	239.3	244.6
R3	-	-	-	261.6

Deadweight Cattle Trade

QUOTES from the plants this week for in spec U-3 grade steers and heifers ranged from 316-322p/kg. Quotes of 316-320p/kg are expected for early next week. Quotes for good quality O+3 grade cows this week ranged from 224-245p/kg with the majority of plants quoting 235-240p/kg. With a range in quotes for all types of cattle producers are encouraged to shop around to get the best possible deal.

The processors have reported steady supplies of prime cattle coming forward for slaughter with 6,389 prime cattle slaughtered in NI plants last week. This was an increase of 245 head from the previous week and was the highest weekly throughput in NI since early April this year. In the corresponding week in 2014 prime cattle throughput in NI totalled 6,287 head. Cow throughput has also remained strong with 1,967 cows killed in NI plants last week compared to 1,611 head killed in the corresponding week in 2014.

The level of import of prime cattle from ROI for direct slaughter in NI plants last week was similar to previous weeks at 565 head with 177 cows also imported. Meanwhile exports from NI to ROI for direct slaughter last week consisted of 364 cows and 15 prime cattle. Exports of prime cattle from NI to GB for direct slaughter last week totalled 240 head, the highest weekly level of export for the year to date. A total of 57 cows were also exported from NI for slaughter in GB plants.

The average steer price in NI last week was 315.8p/kg, back 5.1p/kg from the previous week while the R3 steer price was back by a similar margin to 324p/kg. Meanwhile in GB the deadweight trade for prime cattle has held steady with an average R3 steer price of 357.4p/kg. There was however a mixed trade across the regions with prices in Northern England back by 3p/kg to 352.7p/kg while R3 steer prices in the other regions were within 1p/kg of the previous week. The decline in deadweight prices for prime cattle in NI combined with a relatively steady trade in GB has resulted in a widening in the price differential between NI and GB. Last week the differential in R3 steer prices between NI and GB was 33.4p/kg for R3 grade steers which equates to £110 on a 330kg carcase.

The average heifer price in NI last week was back by 3.5p/kg to 320.6p/kg while the R3 heifer price was back by 3.2p/kg to 326.5p/kg. The deadweight trade for heifers in GB meanwhile remained steady with an average heifer price of 351.4p/kg and an R3 heifer price of 358.6p/kg last week.

The deadweight trade for prime cattle in ROI has continued to come under pressure as supplies coming forward for slaughter remain steady. Prime cattle throughput in ROI last week totalled 24,167 head. However an improvement in the value of euro against sterling has resulted in prices remaining steady in sterling terms. The R3 steer price in ROI last week was the equivalent of 283.1p/kg and the R3 heifer price was the equivalent of 291.5p/kg.

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

W/E 03/10/2015		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	323.9	292.8	376.7	359.9	361.6	363.9	366.1
	R3	324.0	283.1	370.6	352.7	350.6	353.2	357.4
	R4	321.7	282.6	375.5	365.7	350.7	350.9	363.6
	O3	311.7	268.0	352.3	332.5	324.0	331.1	335.6
	AVG	315.8	-	368.7	353.1	338.6	340.6	351.8
Heifers	U3	331.1	301.7	381.5	365.6	362.4	371.9	371.3
	R3	326.5	291.5	372.5	354.6	352.7	350.4	358.6
	R4	324.2	290.1	372.9	356.5	352.3	348.6	359.2
	O3	314.7	279.4	347.2	327.0	322.7	324.1	331.7
	AVG	320.6	-	368.7	349.8	339.0	339.4	351.4
Young Bulls	U3	319.5	290.5	371.1	349.8	356.4	360.6	356.7
	R3	320.0	282.6	363.8	333.3	343.1	348.8	344.0
	O3	303.7	270.3	319.7	299.4	313.9	323.1	311.1
	AVG	307.6	-	348.3	325.3	335.7	324.2	332.7
Prime Cattle Price Reported		5032	-	6448	6881	5641	4644	23614
Cows	O3	239.8	246.8	241.9	231.7	233.2	225.7	234.3
	O4	243.8	248.0	251.3	233.4	238.2	231.1	239.7
	P2	202.8	214.8	190.3	199.1	189.1	178.9	190.4
	P3	221.6	241.2	203.6	217.3	203.9	202.6	207.3
	AVG	217.7	-	231.3	208.1	191.3	195.4	207.9

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=73.71p 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 03/10/15	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	182	202	190	155	181	170
Friesians	-	-	-	-	-	-
Heifers	180	206	190	150	179	165
Beef Cows	125	161	133	100	124	112
Dairy Cows	104	115	108	60	103	80
Store Cattle (p/kg)						
Bullocks up to 400kg	195	212	202	155	194	172
Bullocks 400kg - 500kg	204	232	215	165	203	175
Bullocks over 500kg	193	211	198	160	192	175
Heifers up to 450kg	190	215	197	160	189	175
Heifers over 450kg	193	211	202	165	192	180
Dropped Calves (£/head)						
Continental Bulls	280	365	325	180	278	230
Continental Heifers	230	350	275	125	225	175
Friesian Bulls	102	215	150	20	100	60
Holstein Bulls	70	170	120	10	68	40

SHEEP TRADE

SHEEP QUOTES

(P/Kg DW)	This Week 05/10/15	Next Week 12/10/15
Lambs	305-310>21kg	305-310>21kg

REPORTED SHEEP PRICES

(P/KG)	W/E 19/09/15	W/E 26/09/15	W/E 03/10/15
NI Lambs L/W	281.4	277.8	277.6
NI Lambs D/W	315.0	308.6	305.9
GB Lambs D/W	350.5	351.7	343.3
ROI D/W	327.7	323.3	321.6

Deadweight Sheep Trade

QUOTES from the plants this week for R3 grade lambs ranged from 305-310p/kg with plants continuing to pay up to 21kg. Similar quotes are expected from the major NI processors early next week. Lamb throughput in NI last week totalled 12,091 head, a reduction of 1,223 head from the previous week. Meanwhile exports of lambs from NI to ROI for direct slaughter last week totalled 8,156 head with 930 ewes and rams also exported. The average deadweight lamb price in NI last week was 305.9p/kg, back 2.7p/kg from the previous week. In the corresponding week last year the deadweight lamb price was 338.2p/kg. The deadweight lamb price in ROI last week was the equivalent of 321.6p/kg.

This week's marts

THE marts have generally reported a steady trade this week with firm demand around the ring for good quality lambs. In Massereene on Monday a smaller entry of 912 lambs sold from 265-296p/kg compared to 1,102 lambs last week selling from 260-288p/kg. In Rathfriland this week 1,304 lambs sold to an average of 290p/kg compared to 950 lambs last week also selling to an average of 290p/kg. In Enniskillen on Wednesday a larger entry of 892 lambs sold from 282-302p/kg compared to 687 lambs last week selling from 280-295p/kg. The number of ewes passing through the rings increased this week with top reported prices for good quality cull ewes generally ranged from £70-90 with a top reported price of £95 in Swatragh last Saturday.

LATEST SHEEP MARTS

From: 02/10/15		Lambs (P/KG LW)			
To: 08/10/15		No	From	To	Avg
Friday	Newtownstewart	370	264	300	-
Saturday	Omagh	1108	311	375	-
	Swatragh	1065	260	350	-
Monday	Massereene	912	265	296	-
	Kilrea	590	270	306	-
Tuesday	Saintfield	696	272	330	-
	Rathfriland	1304	258	330	290
Wednesday	Ballymena	2241	260	311	276
	Enniskillen	892	282	302	292
	Armoy	324	270	300	283

Contact us:

Website: www.lmcni.com

Telephone: 028 9263 3000

Fax: 028 9263 3001

FQAS Helpline: 028 9263 3024

Answerphone: 028 9263 3011

Comments: bulletin@lmcni.com

LMC