LMC BULLETIN
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LAMB GRADING UPDATE QUARTER 3

REPORTS from the major NI processors have indicated that during the period June-September 2015 the quality of lambs presented for slaughter in NI plants was generally very good. Lamb throughput in NI during this period totalled 203,949 head, a two per cent increase from the corresponding period in 2014 when 199,765 lambs were slaughtered in NI plants.

Domestic slaughterings of lambs/hoggets during the period June September 2015 accounted for 68.9 per cent of total lamb output from the NI sheep flock during this period. This is a slight increase from the corresponding period in 2014 when 66.6 per cent of NI origin lambs were slaughtered locally.

ROI continues to act as an important outlet for NI origin lambs with 31.1 per cent of NI lambs exported for direct slaughter in ROI plants during the June-September period 2015. This is a slight decline from the corresponding period in 2014 when 33.4 per cent of NI lambs were exported to ROI for direct slaughter.

Analysis of sheep price reporting has indicated an improvement in the grades awarded to lambs during the period June-September 2015 when compared to the corresponding period in 2014 as indicated in Figure 1.

Conformation scores

R and U grade lambs accounted for 98 per cent of price reported lambs in both the 2014 and 2015 periods however there have been some notable changes in the proportion of lambs achieving each grade year on year.

During the 2015 period 39 per cent of the price reported lamb kill in NI were awarded a U grade. This was a six percentage point increase from the corresponding period in 2014 when 33 per cent of the lamb kill were awarded a U grade.

While the proportion of U grade lambs in the NI lamb kill has increased the proportion awarded an R grade has recorded a decline. In the 2015 period 59 per cent of price reported lamb carcases were awarded an R grade, a six percentage point decrease from the 2014 period when 65 per cent of lambs were awarded an R grade.

Fat scores

Current market specifications for lambs are for those with a fat score of two or three. In the period June-September 2015 93 per cent of price reported lambs in NI met this specification requirement. This was similar to the 94 per cent of lambs who met the requirement in the corresponding period in 2014.

During the 2015 period 73 per cent of price reported lambs were awarded a 3 for fat cover, a five percentage point decrease from the 78 per cent of lambs awarded a 3 for fat cover in the 2014 period.

Meanwhile lambs awarded a 2 for fat cover during June-September 2015 accounted for 20 per cent of the price reported lamb kill, an increase from the same period in 2014 when 16 per cent of lambs were awarded a 2 for fat cover.

A small number of lambs continue to kill out at a fat class 4L. During the 2015 period 6 per cent of the price reported lamb kill were awarded a 4L, a figure unchanged from the corresponding period in 2014.

Carcase weights

During the period June-September 2015 the average lamb carcase weight in NI was 21.3kg, a slight decrease from the corresponding period in 2014 when the average carcase weight was 21.5kg. With the average carcase weight remaining fairly steady combined with the increase in lamb throughput the volume of lamb passing through the NI processors during June-September 2015 recorded a 3 per cent increase on year earlier levels.

Figure 1: Conformation scores of NI price reported lamb kill Q3 2014/2015

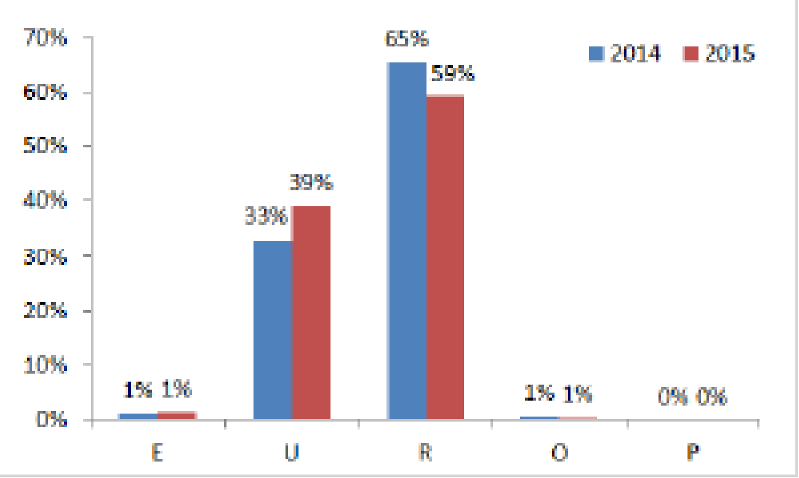
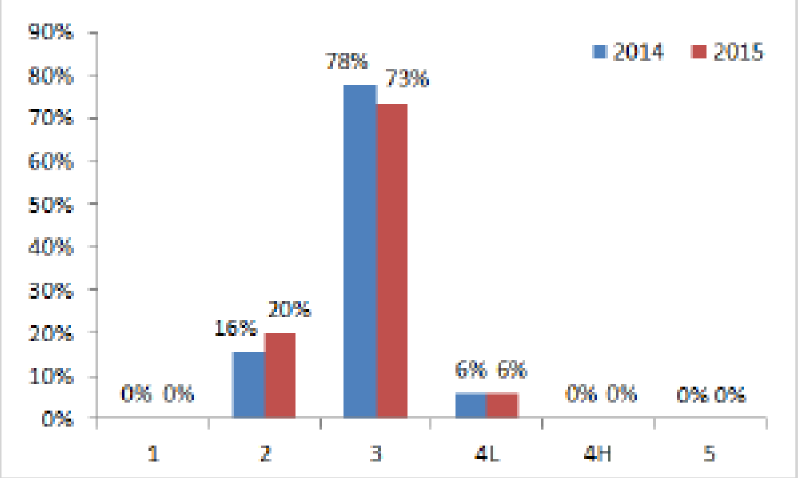


Figure 2: Fat scores of NI price reported lamb kill Q3 2014/2015



PROPORTION OF RED MEAT SALES INCREASES

ACCORDING to the latest data from Kantar Worldpanel the total value of red meat sales in NI during the twelve week period ending 13 September 2015 was £27.9 million, a one per cent decline on the corresponding period in 2015. Red meat sales accounted for 42.3 per cent of total meat sales in NI during the twelve week period under analysis, an increase from the corresponding period in 2014 when red meat sales accounted for 40.8 per cent of total meat sales.

LMC has been running a high profile beef and lamb advertising campaign in NI focused on looking for the NIFQA logo and cooking beef and lamb with confidence. During the latest period analysed by Kantar the LMC campaign was active on TV, radio, outdoor press and online and it is encouraging to note that red meat increased its market share of total meat sales during this period.

Beef

The value of beef sales in NI during the twelve week period ending 13 September 2015 was valued at £24.9 million and accounted for 89 per cent of total red meat sales in terms of value. This was a 2.3 per cent increase from the corresponding period in 2014 when NI beef sales were valued at £24.4 million and accounted for 87 per cent of total red meat sales in terms of value.

The volume of beef sales in NI during the 12 weeks ending 13 September 2015 totalled 3,143 tonnes, a 3.9 per cent increase on the corresponding period in 2014 when beef sales totalled 3,025 tonnes. Beef sales accounted for 91 per cent of total red meat sales in terms of volume during the 2015 period compared to 88 per cent in the corresponding period in 2014.

The latest Kantar data has indicated that the proportion of NI consumers buying red meat increased from 84.2 per cent in the twelve weeks ending 14 September 2014 to 87.9 per cent in the 12 weeks ending 13 September 2015. The proportion of consumers purchasing beef has increased with 86.1 per cent of shoppers purchasing beef during the 2015 period. This was a 4.1 percentage point increase from the corresponding period in 2014 when 82 per cent of shoppers purchased beef.

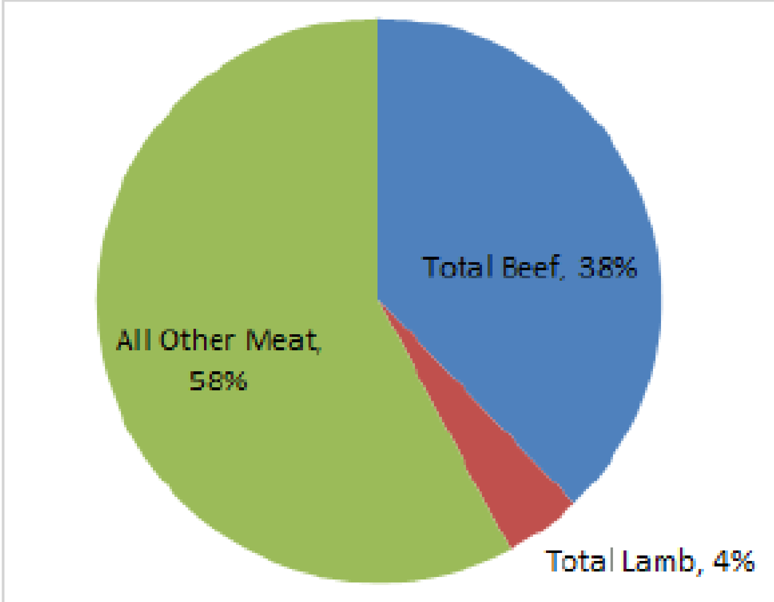
The average retail price of beef in NI during the 12 weeks ending 13 September 2015 was £7.93/kg, a decline by 12p/kg from the corresponding period in 2014 when the average retail price was £8.05/kg. This accounts for a 1.5 per cent decline year on year. With the decline in the average retail price the total spend per buyer on beef has declined from £41.10 in the 2014 period to £39.80 in the 2015 period.

Lamb

The latest data from Kantar has indicated that lamb sales in NI during the twelve weeks ending 13 September 2015 were valued at £2.9 million and accounted for 11 per cent of total red meat sales in terms of value and 4.5 per cent of total meat sales. In the corresponding period in 2014 the total value of lamb sales was £3.7 million. This accounts for a 20 per cent decline year on year.

The total volume of lamb sold in NI during the twelve weeks ending 13 September 2015 was 322 tonnes, a notable decline from 405 tonnes sold during the corresponding period in 2013. This decline in both the value and volume of lamb sales has resulted in a drop in the average spend per buyer from £21.60 in the 2014 period to £16.70 in the 2015 period. There has however been a slight increase in the number of households buying lamb to 24.3 per cent in the 12 weeks ending 13 September 2015.

Figure 3: Volume of meat sales in NI during the 12 weeks ending 13 September 2015 broken down by beef, lamb and other meats



WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 12/10/15	Next Week 19/10/15
Prime		
U-3	316 - 320p	316 - 320p
R-3	310 - 314p	310 - 314p
O+3	304 - 308p	304 - 308p
P+3	264 - 292p	264 - 292p
	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 10/10/15	Steers	Heifers	Young Bulls
U3	320.9	326.1	317.0
R3	319.0	321.1	313.9
O+3	311.8	311.6	304.5

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 10/10/15	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	129.3	135.3	149.2	160.7
P2	150.2	177.3	193.3	212.0
P3	169.2	200.3	216.5	223.3
O3	172.0	209.0	226.0	239.0
O4	-	219.7	236.5	242.9
R3	-	-	247.7	258.3

Deadweight Cattle Trade

QUOTES from the major NI processors this week for in spec U-3 grade steers and heifers generally ranged from 316-320p/kg. Similar base quotes 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 in the region of 240p/kg. Reports from the plants have indicated steady supplies of prime cattle to meet demand with prime cattle throughput last week similar to the previous week at 6,315 head. This was a five per cent reduction from the 6,680 head of prime cattle slaughtered in NI plants in the corresponding week last year. Cow throughput in NI last week was similar to the previous week at 1,992 head.

Imports of prime cattle from ROI for direct slaughter in NI plants totalled 483 head last week, a reduction from the 565 head imported the previous week and markedly lower than the 896 prime cattle imported during the corresponding week in 2014. Prime cattle imports for direct slaughter from ROI totalled 3,312 head during the six weeks ending 10 October 2015, a 37 per cent reduction from the 5,264 prime cattle imported during the corresponding period in 2014. A total of 191 cows were imported from ROI for direct slaughter in NI last week while 64 cows were imported from GB. Meanwhile exports of cows from NI to ROI for direct slaughter last week increased to 474 head, the highest weekly export for the year to date, with a further 43 cows exported to GB for direct slaughter. Exports of prime cattle for direct slaughter to GB last week totalled 177 head, notably lower than the 313 head exported during the corresponding week in 2014.

The average steer price in NI last week was back by 3.8p/kg to 312p/kg while the R3 steer price was back by 2p/kg to 322p/kg. This brings it to its lowest level since early June this year. Deadweight heifer prices followed a similar trend with the average heifer price back by 2.6p/kg to 318p/kg and the R3 heifer price back by 3.6p/kg to 322.9p/kg.

The deadweight trade for prime cattle has also come under some pressure in GB with reports that cattle supplies are surpassing demand for beef. The average steer price in GB last week was back by 2.4p/kg to 349.4p/kg while the average R3 steer price was back by 3p/kg to 354.4p/kg. The R3 steer price was back in all the GB regions but the most notable declines were in Northern England and Scotland where reported prices were back by 5p/kg and 7.3p/kg respectively. The deadweight heifer trade also came under pressure in GB last week with the average heifer price back by 1.4p/kg to 350p/kg and the R3 heifer price back by 2.2p/kg to 356.4.

Deadweight prices have continued to come under pressure in ROI with R3 steer and heifer prices both back in the region of 3c/kg. An improvement in the value of euro against sterling meant that R3 steer and heifer prices were back in the region of 1.5p/kg to 281.4p/kg and 290p/kg respectively. The cow trade in ROI remains fairly steady with the O3 cow price last week the equivalent of 245.5p/kg, 8.4p/kg higher than the equivalent price in NI.

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

W/E 10/10/2015		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	321.7	289.7	376.4	358.9	357.1	358.3	363.4
	R3	322.0	281.4	369.9	347.7	349.6	345.9	354.4
	R4	319.5	280.5	372.3	362.2	349.8	351.7	361.0
	O3	307.9	266.1	348.3	330.3	323.8	324.5	332.2
	AVG	312.0	-	367.1	350.9	337.7	335.9	349.4
Heifers	U3	326.3	299.4	382.7	365.4	362.3	360.4	369.2
	R3	322.9	290.0	372.2	351.8	348.7	348.2	356.4
	R4	320.8	289.4	371.9	358.3	349.0	348.0	359.1
	O3	313.7	278.4	344.5	323.2	319.4	324.6	329.3
	AVG	318.0	-	369.6	350.1	331.7	335.9	350.0
Young Bulls	U3	316.1	288.1	371.0	341.4	354.4	352.1	353.3
	R3	312.7	281.3	361.6	331.2	337.4	340.3	339.7
	O3	291.0	267.4	319.4	287.8	312.9	332.2	312.6
	AVG	297.5	-	338.0	317.7	330.7	329.3	328.1
Prime Cattle Price Reported		5407	-	6369	6864	6088	4703	24024
Cows	O3	237.1	245.5	240.8	227.7	231.9	223.4	232.1
	O4	242.4	246.7	253.0	232.3	235.0	228.0	238.4
	P2	199.9	215.8	185.1	196.1	188.8	176.0	187.0
	P3	220.3	239.9	199.9	209.8	200.9	195.9	202.3
	AVG	214.2	-	231.2	207.8	191.4	193.1	207.5

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=73.86p 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 10/10/15	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	190	206	197	170	189	180
Friesians	130	141	133	108	129	119
Heifers	190	214	196	165	189	178
Beef Cows	127	168	138	100	126	113
Dairy Cows	93	107	102	60	92	75
Store Cattle (p/kg)						
Bullocks up to 400kg	218	239	225	165	217	195
Bullocks 400kg - 500kg	212	236	219	165	210	190
Bullocks over 500kg	196	214	203	160	195	180
Heifers up to 450kg	195	219	203	167	194	180
Heifers over 450kg	192	207	198	147	191	170
Dropped Calves (£/head)						
Continental Bulls	300	415	345	200	298	250
Continental Heifers	235	350	280	100	232	165
Friesian Bulls	95	170	128	20	92	55
Holstein Bulls	75	160	100	10	72	40

SHEEP TRADE

SHEEP QUOTES

(P/Kg DW)	This Week 12/10/15	Next Week 19/10/15
Lambs	305-315>21kg	315>21kg

REPORTED SHEEP PRICES

(P/KG)	W/E 26/09/15	W/E 03/10/15	W/E 10/10/15
NI Lambs L/W	277.8	277.6	281.0
NI Lambs D/W	308.6	305.9	305.8
GB Lambs D/W	351.7	343.3	338.7
ROI D/W	323.3	321.6	320.4

Deadweight Sheep Trade

QUOTES from the major NI processors firmed this week to a top of 315p/kg with plants continuing to pay to 21kg. Lamb supplies have remained strong with 12,657 lambs killed last week. This was an increase of 566 head from the previous week and 1,168 head higher than throughput in the corresponding week in 2014. Lamb throughput in NI during the six week period ending 10 October 2015 totalled 77,132 head, a six per cent increase from the 72,503 lambs killed in the same period in 2014. Exports of lambs to ROI for direct slaughter have remained steady with 8,077 head exported last week. The deadweight lamb price in NI last week was unchanged from the previous week at 305.8p/kg while the average price in ROI was back the equivalent of 1.2p/kg to 320.4p/kg.

This week's marts

THE marts have reported a steady trade this week with good numbers passing through many of the sale rings. Reports have indicated however that in some cases the lambs being presented are of mixed quality. In Massereene on Monday a sharper trade saw 1,162 lambs sold from 270-306p/kg compared to 912 lambs last week selling from 265-296p/kg. In Saintfield this week 989 lambs sold from 265-320p/kg compared to 696 lambs last week selling from 272-330p/kg. A similar trade to last week in Rathfriland saw 1,400 lambs sell to an average of 288p/kg this week. Good numbers of cull ewes have passed through the marts this week with top reported prices generally ranging from £70-90. The top reported price was £108 in Omagh last Saturday.

LATEST SHEEP MARTS

From: 09/10/15		Lambs (P/KG LW)			
To: 15/10/15		No	From	To	Avg
Friday	Newtownstewart	676	260	304	-
Saturday	Omagh	1613	292	372	-
	Swatragh	926	258	313	-
Monday	Massereene	1162	270	306	-
	Kilrea	622	268	313	-
Tuesday	Saintfield	989	265	320	-
	Rathfriland	1400	275	318	288
Wednesday	Ballymena	2158	260	304	271
	Markethill	1400	270	311	287

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