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MORE NI COWS EXPORTED TO ROI FOR DIRECT SLAUGHTER

THE December 2015 Agricultural Survey completed by DARD indicated a three per cent recovery in suckler cow numbers on NI farms to 261,000 head. Meanwhile dairy cow numbers also recorded an increase, up by two per cent to 313,600 head, their highest ever level.

NI processors are reporting good supplies of cows coming forward for slaughter to meet the demands for cow beef. As expected with current pressures on milk and beef prices farmers are generating cash flow by culling less productive cows and this can be seen through an increase in the number of cows from both sectors coming forward for slaughter. During 2016 to date the NI cow kill has totalled 30,044 head, a 12 per cent increase from the corresponding period in 2015 when 26,304 cows were slaughtered.

This increase in cow throughput in NI in recent times has largely been driven by an increase in culling from the dairy herd as a consequence of reduced profitability in dairy production. During the first four months of 2016 62.1 per cent of price reported cows were of dairy origin, a slight reduction from 63.7 per cent in the corresponding period in 2015 but notably higher than the same period in 2014 when 52 per cent of the NI cow kill were of dairy origin.

Meanwhile suckler cows accounted for 37.9 per cent of the price reported kill in NI during the 2016 period, a slight increase from 36.3 per cent during the corresponding period in 2015 but notably lower than the 48 per cent of kill during the first four months of 2014.

The increase in cow availability in NI has also contributed to the increase in the number of cows being exported from NI to ROI for direct slaughter. During 2016 to date a total of 4,142 cows were exported from NI to ROI for direct slaughter compared to 3,737 cows during the corresponding period in 2015. As outlined in Figure 1 there has been a notable increase in cow exports to ROI during April 2016 as the differential in cow prices between ROI and NI widened.

During April 2016 1,739 cows were exported from NI to ROI for direct slaughter, a notable increase from the 982 cows exported during the corresponding period in 2015. The euro is currently trading relatively strongly against sterling with the average euro-sterling exchange rate from the European Central Bank at €1=77.69p during the week ending 30 April 2016. This compares to a low of €1=70.18p during November 2015. The strengthening in euro against sterling since November 2015 has resulted in an increased interest in NI origin cows from procurement staff in ROI plants in recent months.

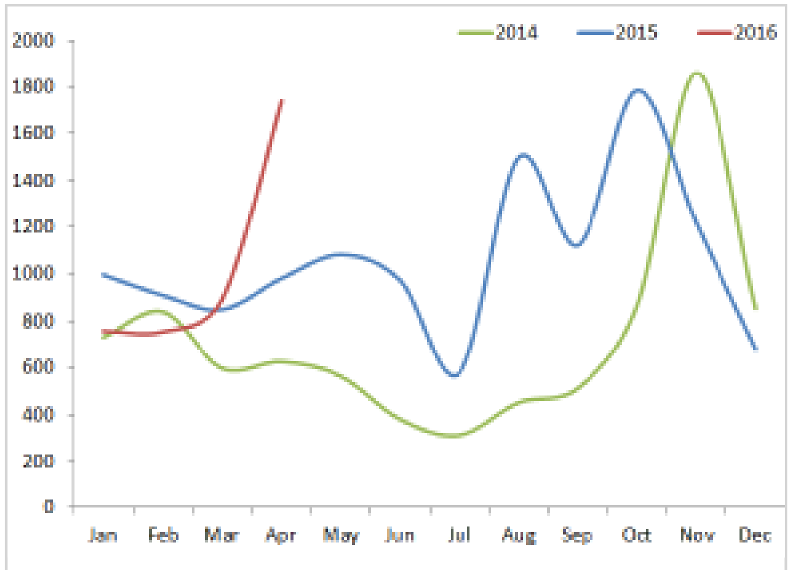
The stronger euro has resulted in deadweight cow prices in ROI increasing in sterling terms while the deadweight cow trade in NI has remained fairly steady. This has widened the differential in deadweight cow prices between NI and ROI and will have been a key factor behind the increased level of cow exports from NI to ROI in recent weeks.

The average O3 cow price in ROI last week was the equivalent of 245.3p/kg, 14p/kg higher than the 231.3p/kg paid in NI for O3 grade cows. Meanwhile the P3 cow price in ROI last week was the equivalent of 238.7p/kg while the P3 cow price in NI was 213.3p/kg, a differential of 25.4p/kg.

While cow throughput has recorded an increase in NI during 2016 to date cow throughput in ROI has recorded a decline. During 2016 to date 99,779 cows have been slaughtered in ROI plants compared to 106,632 cows in the same period in 2015. This accounts for a six per cent decline year on year.

There has however been some recovery in cow throughput in ROI in recent weeks with 25,731 cows killed during April 2016, a 17 per cent increase from the 21,914 cows killed in ROI plants during the corresponding period in 2015.

Figure 1: Exports of cows from NI to ROI for direct slaughter from January 2014 to April 2016



DECREASE IN THE VALUE OF NI RED MEAT SALES

ACCORDING to the latest data from Kantar Worldpanel the total value of retail red meat sales in NI during the twelve week period ending 27 March 2016 was £32.7 million, a four per cent decline on the corresponding period in 2015.

Red meat sales accounted for 46 per cent of total meat sales by value in NI during the twelve week period under analysis which is unchanged from the corresponding period in 2015. LMC is committed to promoting the true nutritional value of red meat and cooking beef and lamb with confidence therefore it is encouraging to note that red meat is maintaining its market share of total meat sales year on year.

Beef

The latest Kantar figures have indicated that the value of beef sales in NI during the twelve week period ending 27 March 2016 totalled £27.9 million and accounted for 85 per cent of total red meat sales in terms of value. This was a seven per cent decline from the corresponding period in 2015 when NI beef sales were valued at £30 million and accounted for 88 per cent of total red meat sales in terms of value.

The volume of beef sales in NI during the 12 weeks ending 27 March 2016 totalled 3,691 tonnes, a 6 per cent decrease on the corresponding period in 2015 when beef sales totalled 3,935 tonnes. Beef sales accounted for 85 per cent of total red meat sales in terms of volume during the 2016 period, marginally lower than 86 per cent in the corresponding period in 2015.

The proportion of consumers purchasing beef has also decreased slightly with 83.3 per cent of shoppers purchasing beef during the 2016 period. This was a 0.7 percentage point decrease from the corresponding period in 2015 when 84 per cent of shoppers purchased beef.

The average retail price of beef in NI during the 12 weeks ending 27 March 2016 was almost unchanged at £7.56/kg, compared to the corresponding period in 2015 when the average retail price was £7.62/kg. However the total spend per buyer on beef has declined from £49.10 in the 2015 period to £45.60 in the 2016 period.

Lamb

The latest retail data from Kantar has indicated that lamb sales in NI during the twelve weeks ending 27 March 2016 were valued at £4.8 million and accounted for 15 per cent of total red meat sales in terms of value. In the corresponding period in 2015 the total value of lamb sales in NI was £4.1 million, accounting for an 18 per cent increase in the value of sales year on year.

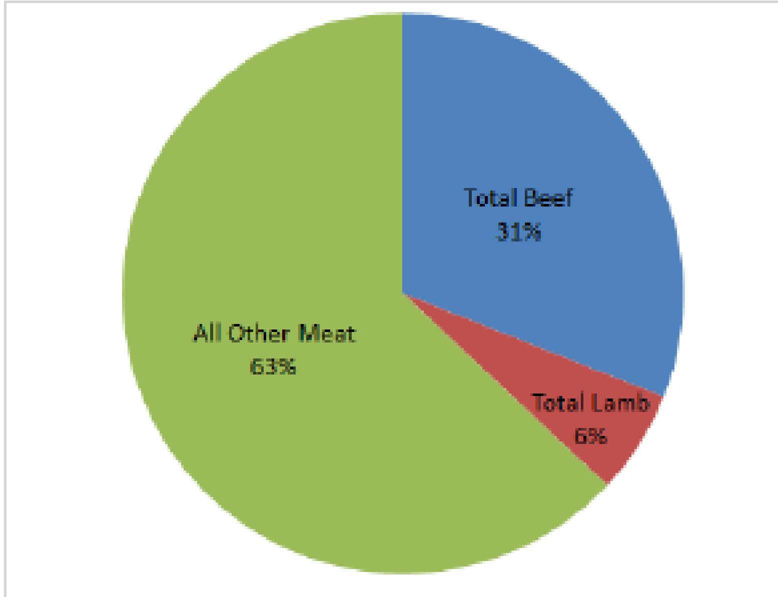
The total volume of lamb sold in NI during the twelve weeks ending 27 March 2016 was 658 tonnes, a 5 per cent increase from the 627 tonnes sold during the corresponding period in 2015. The average retail price of lamb in NI during the 12 weeks ending 27 March 2016 increased to £7.37 from the corresponding period in 2015 when the average retail price of lamb was £6.53.

These increases in the value and volume of lamb sales combined with the increase in retail price of lamb has resulted in a rise in the average spend per buyer from £17.10 in the 2015 period to £21.10 in the 2016 period. The number of households buying lamb was however almost unchanged at 31.2 per cent in the 12 weeks ending 27 March 2016.

Market Share

As outlined in Figure 2, the overall volume of beef and lamb sales in NI during the 12 weeks ending 27 March 2016 accounted for 37 per cent and 6 per cent respectively with all other meat accounting for 63 per cent of sales. This was relatively unchanged from year earlier levels.

Figure 2: Volume of meat sales in NI during the 12 weeks ending 27 March 2016 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 02/05/16	Next Week 09/05/16
Prime		
U-3	302 - 306p	302 - 308p
R-3	296 - 300p	296 - 302p
O+3	290 - 294p	290 - 296p
P+3	220 - 260p	220 - 262p
	Including bonus where applicable	
Cows		
O+3 & better	220 - 240p	220 - 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 30/04/16	Steers	Heifers	Young Bulls
U3	312.6	315.7	308.5
R3	307.6	310.0	302.0
O+3	297.4	300.3	296.0

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 30/04/16	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	144.7	153.1	160.9	175.4
P2	155.6	175.9	190.0	206.2
P3	180.8	194.8	207.1	216.7
O3	-	201.9	222.6	232.6
O4	-	196.0	223.1	236.2
R3	-	-	-	253.3

Deadweight Cattle Trade

QUOTES from the major NI processors this week for in spec U-3 grade prime cattle ranged from 302-308p/kg across the plants with the majority of plants quoting in the region of 308p/kg. Quotes for good quality O+3 grade cows this week remained steady and ranged from 220-240p/kg across the plants. Similar quotes are expected for all types of cattle early next week.

Prime cattle throughput in NI last week totalled 6,169 head, similar to the previous week when 6,232 prime cattle were slaughtered locally. In the corresponding week in 2015 a total of 6,151 prime cattle were killed in NI plants. Meanwhile cow throughput in has remained strong with a total of 1,716 cows slaughtered in NI last week, an increase of 612 head from the corresponding week in 2015 when 1,104 cows were killed in NI plants.

Imports of prime cattle from ROI for direct slaughter in NI last week totalled 187 head and accounted for three per cent of the total NI prime cattle kill. In the same week in 2015 a total of 607 prime cattle were imported from ROI for direct slaughter in NI plants accounting for ten per cent of the total NI prime cattle kill. Exports of prime cattle from NI to ROI for direct slaughter last week totalled 43 head with a further 31 prime cattle exported from NI to GB for direct slaughter. The previous week a total of 101 prime cattle were exported to ROI and 140 prime cattle exported to GB. The number of cows exported to ROI last week totalled 333 head with six cows exported to GB.

The average steer price in NI last week was up by 3p/kg to 301.1p/kg while the R3 steer price increased by 1.8p/kg 309.5p/kg. The average heifer price in NI last week was up by 2.4p/kg to 303.8p/kg while the R3 heifer price increased by 5.1p/kg to 311.7p/kg. The average steer price in GB last week was back by 1.1p/kg to 310.8p/kg while the R3 steer price remained steady at 318.5p/kg. This has narrowed the differential in R3 steer prices between NI and the GB to 9p/kg which is the equivalent of £30 on a 330kg carcase. The average heifer price in GB last week also remained steady at 312.7p/kg while the R3 heifer price was up by 0.4p/kg to 320.3p/kg. This puts the differential in R3 heifer prices between NI and GB at 8.6p/kg which is the equivalent of £28 on a 330kg carcase. The cow trade in GB recorded a slight increase last week with the average cow price up by 1.7p/kg to 198.1p/kg while the O3 cow price increased by 2.4p/kg to 224.2p/kg.

Reports from ROI have indicated a tightening in the supplies of prime cattle with throughput last week totalling 21,470 head compared to 22,374 prime cattle killed in ROI the previous week. Deadweight prices for prime cattle in ROI held steady in euro terms last week but were back in sterling terms. The R3 steer price in ROI last week was the equivalent of 304.5p/kg, back by 3p/kg from the previous week while the R3 heifer price was the equivalent of 314.4p/kg, back 5.3p/kg from the previous week. The O3 cow price in ROI last week recorded a decrease of 3.1p/kg to 245.3p/kg which is 14p/kg higher than the equivalent price in NI.

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

W/E 30/04/2016		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	314.0	311.6	326.9	324.4	320.7	322.4	323.5
	R3	309.5	304.5	326.7	318.0	315.3	313.5	318.5
	R4	308.4	304.9	327.1	330.2	314.1	306.2	322.0
	O3	296.7	289.6	300.8	288.0	283.9	286.6	290.1
	AVG	301.1	-	323.1	313.9	303.3	297.9	310.8
Heifers	U3	316.8	326.3	337.6	330.2	329.3	326.3	331.4
	R3	311.7	314.4	328.9	317.9	316.9	316.6	320.3
	R4	307.8	313.7	328.0	322.8	316.3	310.2	320.2
	O3	298.4	299.8	300.0	288.5	282.6	289.4	290.4
	AVG	303.8	-	325.6	315.0	305.6	298.9	312.7
Young Bulls	U3	307.7	306.1	322.9	316.9	317.0	317.7	318.1
	R3	301.8	296.7	316.9	304.4	309.3	306.0	308.6
	O3	287.2	282.1	285.6	262.6	270.4	280.5	273.5
	AVG	289.7	-	306.8	291.5	286.0	295.2	292.6
Prime Cattle Price Reported		5429	-	6856	7113	6821	4223	25013
Cows	O3	231.3	245.3	235.9	224.3	226.5	213.6	224.2
	O4	235.6	245.9	238.9	224.8	227.0	212.0	224.8
	P2	192.2	219.4	175.4	179.4	178.2	163.3	174.7
	P3	213.3	238.7	196.5	196.0	193.3	191.5	193.9
	AVG	214.5	-	223.2	202.2	195.7	184.1	198.1

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=77.69p 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 30/04/16	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	180	195	187	160	179	170
Friesians	140	163	150	118	136	129
Heifers	186	202	191	164	179	171
Beef Cows	130	197	147	105	129	117
Dairy Cows	102	118	108	65	101	83
Store Cattle (p/kg)						
Bullocks up to 400kg	200	239	216	170	199	186
Bullocks 400kg - 500kg	190	211	200	170	189	180
Bullocks over 500kg	185	198	190	160	184	175
Heifers up to 450kg	195	225	210	165	194	180
Heifers over 450kg	180	190	185	160	179	170
Dropped Calves (£/head)						
Continental Bulls	275	375	305	180	272	225
Continental Heifers	200	300	245	120	198	160
Friesian Bulls	80	110	95	20	78	50
Holstein Bulls	50	80	70	14	48	30

SHEEP TRADE

SHEEP QUOTES

(P/Kg DW)	This Week 02/05/16	Next Week 09/05/16
Hoggets	350 - 380 > 22kg	350 - 360 > 22kg
Lambs	400 - 420 > 21kg	400 - 415 > 21kg

REPORTED SHEEP PRICES

(P/KG)	W/E 16/04/16	W/E 23/04/16	W/E 30/04/16
NI Hoggets L/W	368.5	342.7	317.9
NI Hoggets D/W	425.5	410.2	388.3
GB Hoggets D/W	414.2	409.8	403.2
ROI D/W	428.1	414.1	388.9
NI Lambs L/W	415.2	397.6	372.2
NI Lambs D/W	450.6	432.9	414.7
GB Lambs D/W	507.1	500.5	481.1

Deadweight Sheep Trade

QUOTES for spring lambs towards the end of this week ranged from 400-415p/kg across the major NI plants with reports of steady supplies of lambs coming forward for slaughter. Spring lambs accounted for 55 per cent of price reported sheep slaughtered in NI plants last week. The number of hoggets has started to decline in line with normal seasonal trends with quotes ranging from 350-360p/kg to 22kg across the plants towards the end of this week. Deadweight prices have continued to come under pressure with an average deadweight lamb price in NI last week of 414.7p/kg, back 18.2p/kg from the previous week while the average hogget price was back by 21.9p/kg to 388.3p/kg. In ROI the average deadweight price (lambs and hoggets combined) was back by 25.2p/kg to 388.9p/kg last week.

This week's marts

THE trade in the marts this week came under some pressure in response to the drop in deadweight quotes for both lambs and hoggets. The number of lambs and hoggets passing through the sale rings has generally remained small in line with normal seasonal trends. In Kilrea this week 250 spring lambs sold from 400-426p/kg compared to 230 spring lambs last week selling from 400-444p/kg. In Rathfriland this week 207 hoggets sold to an average of 330p/kg while 235 spring lambs sold to an average of 383p/kg. In Ballymena on Wednesday 150 hoggets sold to an average of 290p/kg while 315 spring lambs sold to an average of 390p/kg. The cull ewe trade has remained fairly steady with top reported prices generally ranging from £90-105.

LATEST SHEEP MARTS

From: 29/04/16		Hoggets (P/KG LW)				Lambs (P/KG LW)			
To: 05/05/16		No	From	To	Avg	No	From	To	Avg
Friday	Newtownstewart	50	336	346	-	75	390	406	-
Saturday	Omagh	199	316	352	-	49	366	408	-
	Swatragh	375	331	385	-	100	375	425	-
Monday	Kilrea	-	-	-	-	250	400	426	-
	Massereene	-	-	-	-	224	380	400	-
Tuesday	Rathfriland	207	274	347	330	235	365	407	383
Wednesday	Ballymena	150	220	314	290	315	380	418	390
	Enniskillen	-	-	-	-	324	372	410	-
	Markethill	-	-	-	-	350	370	405	-
	Armoy	-	-	-	-	144	400	430	-

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LMC MONTHLY NEWS

Saturday 07 May 2016 Issue No. 0002

LMC WELCOMES YOU TO BALMORAL SHOW 2016

BALMORAL Show 2016 will see the LMC putting its best foot forward in terms of profiling the myriad of activities which the organisation undertakes on behalf of Northern Ireland's redmeat industry. Yes, the Commission does tremendous work in collating and interpreting the facts and figures pertaining to the beef and sheep industries. But, in many ways, this is only the tip of the iceberg.

As one of the most important stakeholder groups within local agriculture, LMC is active at every level within the beef and sheep meat production and processing sectors – from its role as a body that is promoting the development of new animal breeding technologies through to its active participation in the work of the Agri-Food Strategy Board. Strategically, the Commission has a key role to play in the outworking of the Going for Growth strategy and how this will impact on the NI beef and sheep meat industries.

In addition, LMC is working to secure new Third Country markets for the beef and lamb produced here in Northern Ireland. This work is undertaken, primarily, through the Commission's support of the United Kingdom Export Certification Partnership, or UKECP. This is an industry / government partnership, which works to develop export health certification to third countries.

Communicating a strong message to consumers about the quality of locally produced beef and lamb is another important aspect of the work undertaken by the Commission. This entails a two pronged approach, targeting consumers of today and educating the consumers of the future. LMC has been delivering a co-ordinated advertising campaign for over 3 years on TV, outdoor, print and online. The most recent TV production 'Flavour Your Life' can be viewed on the LMC stand at Balmoral. LMC delivers its education programme through ongoing liaison with schools and in a proactive manner. For the record, a total of 327 cookery demonstrations have been undertaken by LMC in schools right across Northern Ireland since the beginning of September last year.

Up to date information on all of these activities will be available from the LMC stand at this year's Balmoral Show. 'The LMC stand at Balmoral enjoys a very high level of visitor footfall' said Commission Chief Executive Ian Stevenson, 'LMC Board members and staff will be on hand throughout the three days of the show to welcome and engage with stakeholders and the general public on all matters relating to the beef and sheepmeat industries'.

Visitors to the stand, which is adjacent to Balmoral's main arena (B15), will also have the opportunity to sample the delights of locally produced beef and lamb between 12 noon and 2pm during all three days of the show. These can be washed down with a cup of tea or coffee which will be served from the stand.

Image 1: Visitors to the LMC stand enjoying some refreshments during Balmoral Show 2015.

LMC HOME ECONOMICS' CONFERENCE AN EYE OPENING EVENT

I am not sure what the collective noun for a collection of home economics' teachers is. But, based on my experience of the recent Home Economics' conference, hosted by the LMC in Belfast, the term enthusiasts comes immediately to mind. Given that the event had been planned for a Saturday morning, I was expecting a poor enough attendance: so imagine my shock when I walked into a large conference room that was chock a block with teachers, all engrossed in conversation and debating issues that have a direct bearing on their students.

Truth be told, the vast majority of the attending delegates were ladies. And I don't mind owning up to the fact that I felt considerably more relaxed when I got to within three feet of LMC's Colin Smith, who was chairing the event. But all attempts at humour aside, it soon dawned on me, as I listened to the engagement between the delegates and the various speakers that home economics' teachers are very professional in the way they go about their business.

But that's far from the end of the story. The fact that teachers turned out in such numbers, on a day when they may well have had other things to do, surely reflects the respect that they have for the Commission and the work Education Services Manager Cherrie Kenny and her team of Home Economists do in communicating the dietary and nutritional facts concerning home produced beef and lamb. And this, in turn, is good news for beef and sheep farmers and processors, who pay the Commission levy.

The keynote address was given by leading dietitian Dr Carrie Ruxton, a member of the Meat Advisory Panel, who gave a wholly objective presentation on the role that red meat can play within a healthy diet. She made it quite clear that the messages relating to beef and lamb within the recently published Eat Well Guide for the UK are extremely confusing. That, in a way, had not come as much of a surprise to me. But what did genuinely enthuse me was the standard of the subsequent discussion, involving a large cross section of the delegates in the room.

All of this was a facet of the LMC's work that I had been totally unaware of, up to that point. So it is very reassuring to know that the organisation is making a real difference when it comes to communicating the real facts concerning red meat to teachers and, thereafter, to the students under their tutelage.

NORTHERN IRELAND'S LIVESTOCK INDUSTRY MUST HAVE A STRONG REGIONAL VOICE

ONE of the most interesting facets to the LMC's new three-year business plan, currently with DARD for full ratification, is the Commission's commitment to the current Farm Quality Assurance Scheme (FQAS) and, moreover, the necessity to ensure its full and continuing recognition by the UK supermarkets within the context of the Red Tractor Scheme.

Specifically, LMC is pledging to provide a strong voice on behalf of local cattle and sheep producers when it comes to Assured Food Standards, the organisation with overall UK control of Red Tractor, recognising the uniquely regional challenges that confront livestock farmers here in Northern Ireland.

And the Commission has a strong sense of what is coming down the track in this regard. There are already indications that quality assurance from birth to slaughter may be proposed as a requirement for Red Tractor certification in the not too distant future. Such a development would take no account, whatsoever, of the fragmented structure that epitomises our redmeat sector, when compared with the situation that prevails in Great Britain. The Commission, on the industry's behalf, continues to question whether the introduction of lifetime assurance will add value to our existing extremely robust scheme.

After all, we here in Northern Ireland have a tremendous story to tell where our beef and lamb industries are concerned. And this goes well beyond the much hackneyed use of 'our reliance on grazed grass' argument. Our high welfare livestock and meat is traced by one of the most sophisticated traceability systems in the world in the Animal and Public Health Information System (APHIS), while the compound feed for our livestock is supplied through the world leading Food Fortress Initiative.

In addition to this NI has some of the most professional and knowledgeable farmers and processing companies in the world and we have passionate and forward thinking people in industry, government, research and support sectors who work effectively together to lead our sustainable growth ambitions. NI also has an abundant water and forage supply to play an active part in feeding a growing global demand for animal protein.

These are the important core principles of assurance.

On a further note, where beef is concerned, the recent introduction of the statutory BVD eradication scheme is a case in point. We are now the only region of the UK with a total commitment to relegating this problem to the history books. Vets have argued for years that this insidious disease is one of the greatest contributors to poor animal welfare standards on livestock farms.

So, it is only right and proper that Assured Food Standards should take ground breaking initiatives of this kind into full consideration, when assessing the Red Tractor standards relevant to Northern Ireland, rather than labouring the issues pertaining to the traditional rearing and finishing practices that have been followed in this part of the world for generations.

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