LMC BULLETIN

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NI SHEEP INDUSTRY KEY PERFORMANCE INDICATORS DECEMBER 2015

DURING December 2015 the average deadweight lamb price in NI was 328.1p/kg. This was 55.2p/kg lower than the corresponding month in 2014 when the average price was 383.3p/kg and accounts for a 14.4 per cent decrease. This is the equivalent of £12 per head on a 22kg carcase.

Deadweight prices have also come under pressure in GB and ROI although not to the same extent as recorded in NI. During December 2015 the average deadweight lamb price in GB was 365.5p/kg which was 50.9p/kg lower than December 2014 when the average price was 416.4p/kg. This accounts for a 12.2 per cent decline year on year or £11 on a 22kg carcase.

In ROI during December 2015 the average deadweight lamb price was the equivalent of 337.9p/kg, 37.9p/kg lower than the corresponding month in 2014 when the average price was 375.8p/kg. This accounts for a 10.1 per cent decline in sterling terms. In euro terms the decline in lamb prices in NI was much less pronounced. During December 2015 the average lamb price was 467.3c/kg, 8.5c/kg lower than December 2014 when it was 475.8c/kg. This decline by 8.5c/kg accounts for a two per cent decline year on year.

Sterling has continued to trade strongly against euro with €1=72.6p during December 2015 compared to €1=78.8p in December 2014. The influence of the sterling euro exchange rate has been a key factor behind the decline in deadweight prices in NI in 2015 when compared to previous years.

A weakening in the value of euro against sterling has made NI origin lambs more expensive in euro terms and this has resulted in reduced demand for NI origin lambs from ROI processors and caused difficulties for NI processors when competing on the EU market.

There was a strong increase in lamb throughput in the NI plants during December 2015 with 33,359 head slaughtered. This was an increase of 6,549 head (24.4 per cent) from December 2014 levels when 26,810 lambs were killed in NI plants. It should be noted however that slaughter figures for December 2014 included the reduced slaughterings associated with Christmas week but figures for December 2015 do not. Meanwhile ewe and ram throughput in the NI plants during December 2015 totalled 2,347 head, a decrease of 441 head on December 2014 when 2,788 head were slaughtered in NI.

The average lamb carcase weight in NI during December 2015 was 21.8kg compared to 22.3kg during December 2014. This decrease in the average carcase weight by 0.5kg accounts for a 2.2 per cent decline year on year. Ewe and ram carcase weights followed a similar trend with an average carcase weight of 26.4kg in December 2015. This was a 0.6kg decline from 27kg in December 2014.

ROI continues to act as an important outlet for the NI sheep sector with 32,274 sheep exported from NI to ROI for direct slaughter during December 2015. This was a 6.1 per cent decrease from the 34,363 exported during December 2014. During December 2015 150 lambs were imported from GB for direct slaughter in NI plants. These were the first lambs imported from GB for direct slaughter since February 2015.

NI Sheep Industry Key Performance Indicators (December Snapshot)	Dec-14	Dec-15	% Change
Sheep Prices (p/kg)			
Average Deadweight Price **NI**	383.3	328.1	-14.4%
Average Liveweight Price **NI**	355.9	299.7	-15.8%
Average Weekly Price **GB** (D/W)	416.4	365.5	-12.2%
Average Weekly Price **ROI** (D/W)	375.8	337.9	-10.1%
Slaughterings			
Total Hoggets & Lambs Slaughterings (Head)	26,810	33,359	+24.4%
Total Ewes & Rams Slaughterings (Head)	2,788	2,347	-15.8%
Average Hogget & Lambs Carcase Weight (kg)	22.3	21.8	-2.2%
Average Ewe & Rams Carcase Weight (kg)	27.0	26.4	-2.4%
Trade (Head)			
Live Imports for Direct Slaughter	282	150	-46.8%
Live Exports for Direct Slaughter	34,363	32,274	-6.1%
Euro / Stg Exchange Rate (€ / £)	78.83	72.60	-7.9%
All NI Figures Unless Otherwise Stated			

LAMB CLASSIFICATION QUARTER 4 2015

THROUGHPUT of lambs by NI processors during the period October to December 2015 totalled 135,408 head, a strong increase from the corresponding period in 2014 when 115,976 lambs were killed in NI plants. Reports from industry have indicated that the quality of lambs presented for slaughter during the last quarter has generally been good however analysis of the price reporting statistics have indicated some key changes in the conformation and fat scores of lambs when compared to the same period in 2014.

Conformation scores

Current market specifications are for R and U grading lambs and during the period October to December 2015, 98 per cent of price reported lambs fulfilled this requirement. This was the same as year earlier levels when 98 per cent of lambs were also awarded a U or R grade for conformation.

However while the proportion of lambs killed in NI plants meeting market specification for grade has remained steady there has been some notable changes in the proportion of lambs achieving each grade year on year.

The proportion of U grade lambs in the NI slaughter mix has increased during the 2015 period to account for 37 per cent of the price reported NI lamb kill. This was an increase by seven percentage points from the previous year when 30 per cent of the lamb kill achieved a U grade as outlined in Figure 1.

While the proportion of U grade lambs in the NI lamb kill has increased the proportion of lambs awarded an R grade has decreased. During the 2015 period 61 per cent of price reported lambs achieved an R grade, a decline of seven percentage points from the corresponding period in 2014 when 68 per cent of lamb carcases were awarded an R grade.

Fat scores

The current market specification is for lamb carcases with a fat score of 2 or 3 and during the 2015 period 88 per cent of price reported lambs fulfilled this requirement. While this was a similar proportion to the corresponding period in 2014 there were notable changes in the proportion of lambs within each fat score.

During quarter 4 of 2015, 21 per cent of price reported lambs achieved a fat score of 2 while 67 per cent were awarded a fat score of 3. This is notable change from the corresponding period in 2014 when 10 per cent of lamb carcases were awarded a fat score of 2 and 78 per cent achieved a fat score of 3 as outlined in Figure 2.

It is likely that the reduction in the overall fat scores achieved in the NI lamb kill is due to more challenging production conditions on NI farms this autumn/winter which will have negatively influenced lamb performance and thus fat cover. This may also be a factor in the reduction in average carcase weight from 22.1kg in the October to December period in 2014 to 21.7kg during the same period in 2015.

A small number of lambs continue to kill out at a fat class 4L and 4H. During 2015 11 per cent of the price reported lamb kill were awarded a 4L for fat cover and 1 per cent were awarded a 4H, both figures unchanged from the proportion awarded a 4L and 4H respectively during 2014.

In addition to meeting market specifications for conformation and fat score producers should also be aware that the current market requirements are for carcases under 22kg. Processors also have a strong preference for lambs/hoggets with FQ status. Bonuses are available in some plants while other plants will not handle non assured lambs.

Figure 1: Conformation scores of the NI lamb kill Oct-Dec 2014/2015

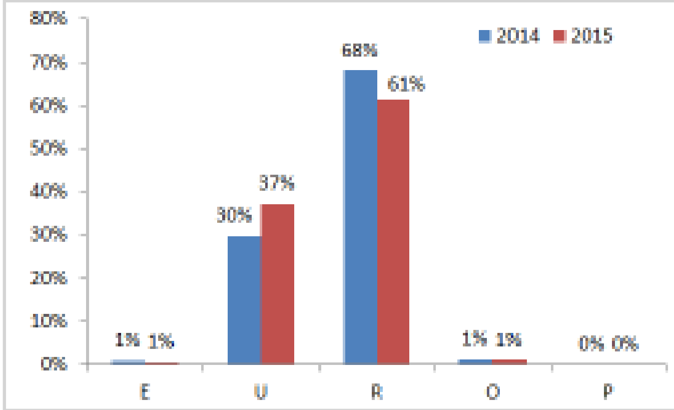
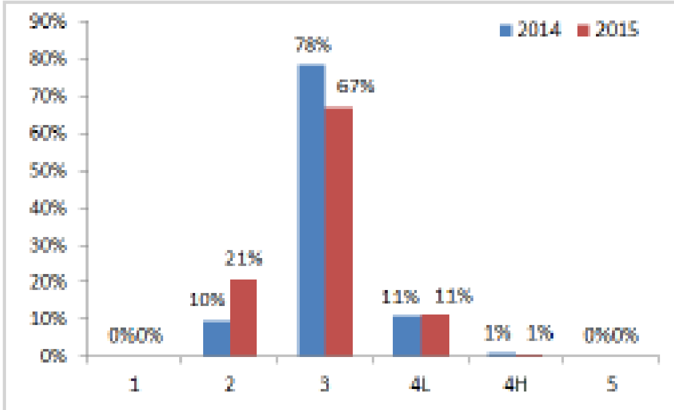


Figure 2: Fat scores of the NI lamb kill Oct-Dec 2014/2015



WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 11/01/16	Next Week 18/01/16
Prime		
U-3	310 - 312p	310 - 312p
R-3	304 - 306p	304 - 306p
O+3	296 - 300p	296 - 300p
P+3	226 - 260p	226 - 260p
	Including bonus where applicable	
Cows		
O+3 & better	214 - 240p	214 - 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 09/01/16	Steers	Heifers	Young Bulls
U3	314.4	319.4	304.4
R3	311.7	314.8	302.8
O+3	303.4	305.6	290.9

REPORTED COW PRICES NI - P/KG

w/e 09/01/16	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	125.6	132.2	147.8	164.2
P2	145.2	156.5	175.9	194.9
P3	151.9	186.3	195.5	209.2
O3	144.5	219.3	221.3	230.0
O4	200.0	-	203.5	233.3
R3	-	-	-	247.7

Deadweight Cattle Trade

QUOTES from the major NI processors this week for in spec U-3 grade prime cattle ranged from 310-312p/kg with the majority of plants quoting in the region of 310p/kg. Similar quotes are expected for early next week. Quotes for good quality O+3 grade cows this week have remained fairly steady at 214-240p/kg with similar quotes expected for early next week.

A total of 5,888 prime cattle were slaughtered in NI plants last week which was an increase of 1,647 head from the previous week. Meanwhile cow throughput in NI last week totalled 1,837 head and this was an increase of 940 head from the previous week. In the corresponding week in 2015 a total of 6,543 prime cattle and 2,014 cows were slaughtered in NI.

Imports of prime cattle from ROI for direct slaughter in NI plants last week totalled 554 head, accounting for nine per cent of the total prime cattle throughput in NI. In the corresponding week in 2015, 395 prime cattle were imported from ROI for direct slaughter in NI and accounted for six per cent of the total prime cattle throughput. The number of cows imported from ROI for direct slaughter in NI plants last week totalled 71 head compared to 32 head in the corresponding week in 2015. Meanwhile 51 cows were exported from NI for direct slaughter in ROI plants last week, a decrease from the previous week when 94 cows were exported to ROI. Exports from NI for direct slaughter in GB last week consisted of 161 prime cattle and 41 cows compared to 25 prime cattle and 13 cows in the corresponding week in 2015.

The average steer price in NI last week decreased by 2.5p/kg to 304.2p/kg while the R3 steer price was back by 4.0p/kg to 314.2p/kg. The average heifer price in NI last week was up by 0.9p/kg to 312p/kg while the R3 heifer price decreased by 1.4p/kg to 315.5p/kg. The average cow price in NI last week recorded a strong increase of 5.6p/kg to 206.6p/kg while the O3 cow price increased by 4.5p/kg to 228.5p/kg. The O3 cow price in NI last week was the highest in the UK and was 10.3p/kg higher than the average GB price which was 218.2p/kg last week.

The average steer price in GB last week was back by 3.1p/kg to 332.4p/kg while the average R3 steer price was back by 3p/kg to 338.7p/kg. This puts the differential in R3 steer prices last week between NI and GB at 24.5p/kg which is the equivalent of £81 on a 330kg carcase. Meanwhile the average heifer price in GB last week decreased by 1.8p/kg to 334.3p/kg and the R3 heifer price was back by 2.1p/kg to 339.6p/kg. The differential in R3 heifer prices last week was 24.1p/kg which is the equivalent of £80 on a 330kg carcase.

In ROI last week deadweight prices for prime cattle held fairly steady in euro terms but firmed in sterling terms. The R3 steer price in ROI was the equivalent of 283.8p/kg, up 1.5p/kg from the previous week while the R3 heifer price was up by almost a penny to 296.4p/kg. The O3 cow price in ROI last week recorded an increase of 2.0p/kg to 224.5p/kg which puts it 4p/kg lower than the equivalent price in NI.

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

W/E 09/01/2016		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	315.0	290.8	357.1	343.6	341.6	342.5	346.5
	R3	314.2	283.8	350.4	336.4	332.9	334.5	338.7
	R4	311.7	285.0	351.5	351.3	329.6	333.5	344.3
	O3	298.9	269.5	326.8	308.2	300.5	305.1	310.6
	AVG	304.2	-	348.6	336.6	318.8	318.4	332.4
Heifers	U3	320.2	306.1	364.6	352.7	346.2	345.7	353.8
	R3	315.5	296.4	352.7	337.2	334.6	331.8	339.6
	R4	317.0	296.2	352.6	342.9	334.5	332.7	342.1
	O3	306.6	284.0	327.9	302.6	303.1	302.3	309.5
	AVG	312.0	-	351.5	334.2	322.4	321.4	334.3
Young Bulls	U3	305.1	276.7	349.7	332.0	333.4	342.5	336.7
	R3	302.6	271.3	339.8	320.7	317.3	328.4	322.5
	O3	284.5	260.3	315.3	284.5	285.4	300.4	293.7
	AVG	287.0	-	323.5	301.8	300.7	298.1	304.1
Prime Cattle Price Reported		4734	-	6014	6836	4908	3687	21445
Cows	O3	228.5	224.5	217.8	213.8	227.2	209.0	218.2
	O4	232.1	225.3	222.6	220.4	226.1	214.0	221.9
	P2	180.2	201.6	171.2	168.9	179.7	161.8	172.2
	P3	205.2	217.4	185.7	189.3	192.5	186.0	189.6
	AVG	206.6	-	213.9	195.1	198.6	181.1	196.2

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=73.91p 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 09/01/16	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	184	196	188	162	183	174
Friesians	130	133	132	118	128	123
Heifers	181	192	185	167	178	173
Beef Cows	128	171	140	100	127	112
Dairy Cows	91	113	96	60	90	75
Store Cattle (p/kg)						
Bullocks up to 400kg	-	-	-	-	-	-
Bullocks 400kg - 500kg	191	202	197	160	190	175
Bullocks over 500kg	180	191	186	160	179	170
Heifers up to 450kg	-	-	-	-	-	-
Heifers over 450kg	164	167	166	141	157	149
Dropped Calves (£/head)						
Continental Bulls	270	375	320	170	268	220
Continental Heifers	220	320	270	100	218	165
Friesian Bulls	75	105	90	20	72	45
Holstein Bulls	50	100	70	5	48	25

SHEEP TRADE

SHEEP QUOTES

(P/Kg DW)	This Week 11/01/16	Next Week 18/01/16
Hoggets	345-355p > 22kg	355-370p > 22kg

REPORTED SHEEP PRICES

(P/KG)	W/E 26/12/15	W/E 02/01/16	W/E 09/01/16
NI Lambs L/W	307.8	308.2	312.2
NI Lambs D/W	329.6	332.6	341.4
GB Lambs D/W	367.6	374.5	380.5
ROI D/W	342.8	356.0	360.8

Deadweight Sheep Trade

QUOTES from the major NI processors for R3 grade hoggets this week strengthened to 345-355p/kg with plants paying up to 22kg. Quotes for early next week range from 355-370p/kg up to 22kg. The plants have reported steady supplies of hoggets coming forward for slaughter with throughput last week totalling 7,908 head. This was a difference of 692 head from the corresponding week in 2015 when 8,600 hoggets were killed in NI plants. Exports of sheep from NI to ROI for direct slaughter last week also strengthened with 8,645 head compared to 6,154 head the previous week. The deadweight hogget price in NI last week increased by 8.8p/kg to 341.4p/kg while the hogget price in ROI last week increased by an equivalent of 4.8p/kg to 360.8p/kg.

This week's marts

A firm trade was reported across the marts this week with steady supplies of hoggets passing through many of the sale rings. In Omagh last Saturday a good entry of 1,575 hoggets sold from 312-357p/kg compared to 768 hoggets the previous week selling from 307-337p/kg. In Massereene on Monday 709 hoggets sold from 305-340p/kg compared to 802 hoggets last Monday selling from 305-338p/kg. In Saintfield on Tuesday 612 hoggets sold from 302-360p/kg compared to 771 hoggets last week selling from 295-332p/kg. In Ballymena on Wednesday 1,714 hoggets sold from 300-372p/kg at an average of 330p/kg compared to 1,623 hoggets last week selling from 290-337p/kg. Reported prices for well fleshed cull ewes last week ranged from £82-106 across the marts.

LATEST SHEEP MARTS

From: 08/01/16		Hoggets (P/KG LW)			
To: 14/01/16		No	From	To	Avg
Friday	Newtownstewart	250	298	323	-
Saturday	Omagh	1575	312	357	-
	Swatragh	625	303	351	310
Monday	Kilrea	420	304	337	-
	Massereene	709	305	340	-
Tuesday	Saintfield	612	302	360	-
	Rathfriland	851	322	365	344
Wednesday	Ballymena	1714	300	372	330
	Enniskillen	547	320	358	335
	Markethill	750	330	363	350
	Armoy	454	325	375	340

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