LMC BULLETIN
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NI PRIME CATTLE SLAUGHTERINGS UPDATE

IN recent weeks reports from industry have indicated that the demand for prime cattle in NI has been outpacing the supplies coming forward for slaughter. This has been a key driver behind the upward movement in prime cattle quotes by the major processors over the past few weeks with quotes ranging from 320-326p/kg across the plants towards the end of this week. Reports have also indicated that there has been firm competition between some of the major plants for the prime cattle available, particularly for those that meet current in spec requirements.

Reports from industry have indicated tighter supplies of prime cattle during May and June this year and this is outlined in Figure 1 with throughput running below year earlier levels during much of this period. However prime cattle throughput in NI plants appears to have steadied with throughput last week remaining similar to the previous week with 5,873 head slaughtered. In the corresponding week in 2015 4,970 prime cattle were killed in NI plants although prime cattle supplies were also very tight in NI during this period in 2015.

Prime cattle throughput in NI during the six week period ending 11 June 2016 totalled 34,066 head, a 3.5 per cent reduction from the corresponding period in 2015 and a notable 15 per cent lower than the 40,309 prime cattle killed in NI plants during the corresponding period in 2014.

The volume of beef from prime cattle processed by the NI plants has recorded a similar decline year on year with the volume processed during the six week period ending 11 June 2016 running 3.5 per cent lower than the corresponding period in 2015 and 14.2 per cent lower than the corresponding period in 2014.

The average prime cattle carcase weight during the six week period ending 11 June 2016 was 338.6kg, almost unchanged from the corresponding period in 2015 when it was 338.3kg. While the average carcase weight has been almost unchanged between the 2015 and 2016 periods the average carcase weight of the individual categories have recorded some degree of change.

The average steer carcase weight in the 2016 period was 356.1kg, a 3.9kg increase from 2015 levels while the average heifer carcase weight increased by almost 1kg to 318.7kg in the 2016 period. The average carcase weight of young bulls declined from 336.9kg in the 2015 period to 328.1kg in the 2016 period. This decline by 8.8kg represents a 2.6 per cent decline year on year.

While prime cattle throughput in NI has come under some pressure in recent weeks there has also been a change in the types of prime cattle being presented for slaughter. During the six week period ending 11 June 2016 48.3 per cent of the prime cattle presented for slaughter in NI were steers compared to 52.1 per cent of the prime kill during the same period in 2015. Meanwhile the proportion of the prime cattle kill that were heifers has remained almost unchanged and accounted for 36.6 per cent of the kill during the 2016 period.

The most notable change has been the increase in the proportion of young bulls in the NI prime cattle kill year on year. During the six week period ending 11 June 2016 15.1 per cent of the NI prime cattle kill were young bulls, an increase of 4.1 percentage points from the corresponding period in 2015 when 11 per cent of the prime kill were young bulls.

Figure 1: Prime cattle slaughterings in NI Januarty 2014 to June 2016

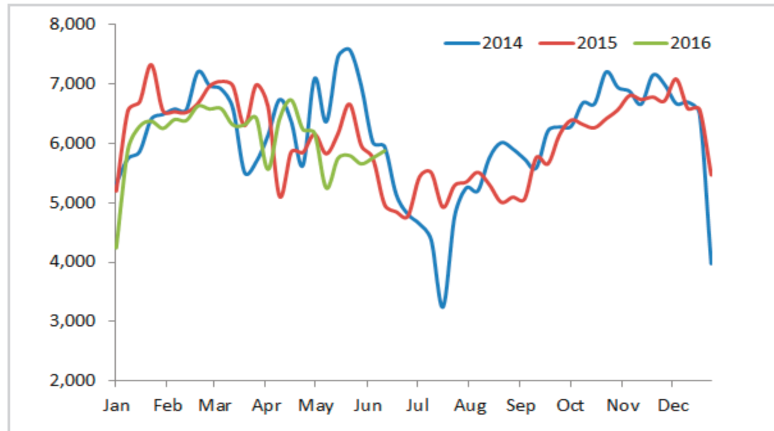
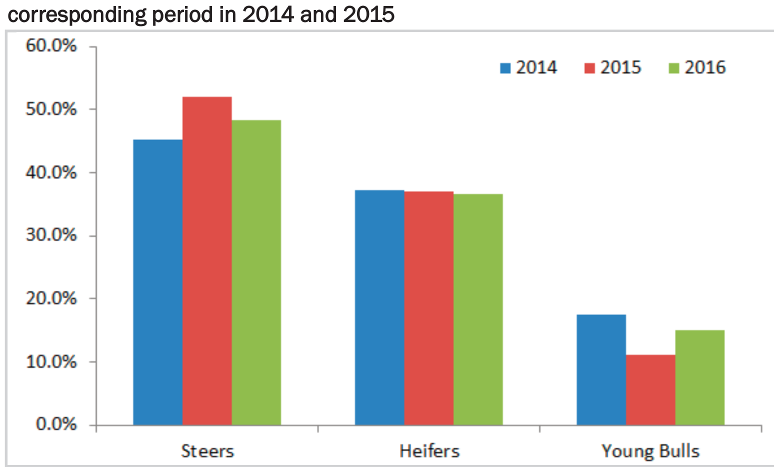


Figure 2: Prime cattle kill by category six weeks ending 11 June 2016 and the corresponding period in 2014 and 2015



LMC GETTING BACK TO BUSINESS

FOLLOWING the extensive fire that destroyed the headquarters building of LMC on Thursday 9th June 2016 work is ongoing to restore normal business service as quickly as possible.

We have been working closely with our insurers, sponsor department and suppliers since the fire at Lissue House to implement business continuity arrangements. A temporary operational hub has been established at CAFRE's Greenmount Campus and we are grateful to DAERA and the staff at CAFRE for the generous support that has been provided to us.

Getting back to full business capacity after such a major disruption will inevitably take time but we are pleased to say that many business plan activities are going ahead as planned including our consumer promotion and educational activities, some are working on a limited basis including FQAS and market information services and some are temporarily suspended until our IT platform is up and running.

Our stakeholders have been tremendously supportive and the Board and staff at LMC are wholly focussed on returning to full operational capacity at the earliest opportunity. We will continue to inform stakeholders of our progress on the return of services over the coming days and weeks.

FAO FOOD PRICE INDEX MAY 2016

THE FAO Food Price Index is a measure of the change in international prices of a basket of food commodities and provides a useful guide to changes in the global food market. The Index is calculated using Food Price Indexes for Meat, Dairy, Cereals, Vegetable Oils and Sugar.

During May 2016 the FAO Food Price Index averaged 155.8 points, an increase of 3.3 points from April 2016 levels when it totalled 152.5 points. This increase in the value of the FAO Index during May 2016 continues the upward trend for the fourth consecutive month with all commodity group price indexes recording an increase except for vegetable oils. The FAO Index during May 2016 did however record a decline from May 2015 levels when it was 167.2 points and this decline of 11.4 points accounts for a 7 per cent decrease year on year.

The FAO Meat Price Index during May 2016 averaged 151.8 points, up by three points from April 2016 levels. International prices for all categories of meat recorded increases with the ovine meat and pig meat showing the largest rise compared to smaller increases in bovine and poultry meat prices. Ovine and bovine meat export prices have risen during May 2016 as a result of tighter supplies of sheep and beef meat from Oceania coming onto the market. Meanwhile EU pig meat prices have shown a notable increase as a result of rising internal prices and continued strong demand for imports from Asia. Poultry meat prices have also continued to rise moderately during May 2016 for the third consecutive month.

The FAO Dairy Price Index during May 2016 averaged 128 points, a small rise of 0.6 points from April 2016 levels and the first increase since October 2015. The FAO have attributed this increase in dairy prices to a variety of factors including improved EU internal prices and continued demand for international imports pushing up whole milk powder and butter prices, with cheese from Oceania also rising in price. During May 2016 international prices for skimmed milk powder however have remained similar to the EU intervention price.

The FAO Cereal Price Index averaged 152.3 points during May 2016, up by 2.5 points from April 2016 however back by 8.5 points compared to May 2015 when the Cereal Price Index averaged 160.8 points. Maize prices recorded the most notable increase during May 2016 primarily due to tighter export supplies prior to this year's harvest. The price of rice also firmed due to expectations of tighter availability in some of the main trade sources, combined with strong demand for imports. Wheat prices recorded smaller increases as a result of good production prospects and availabilities.

The FAO Sugar Price Index during May 2016 averaged 240.4 points, a notable increase of 25.1 points from April 2016 levels which brings the Sugar Index to its highest level during the previous year. The increase in prices was largely due to deteriorating production prospects in India, the world's second largest sugar producer, combined with an increase in imports by China.

WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 13/06/16	Next Week 20/06/16
Prime		
U-3	320 - 326p	320 - 326p
R-3	314 - 320p	314 - 320p
O+3	310 - 316p	310 - 316p
P+3	228 - 266p	228 - 266p
	Including bonus where applicable	
Cows		
O+3 & better	238 - 250p	238 - 250p
Steakers	140 - 170p	140 - 170p
Blues	120 - 130p	120 - 130p

FQAS NOTICE ONLINE PAYMENTS

LMC has launched an online payment system for the Farm Quality Assurance Scheme. This allows producers to pay annual membership renewal and initial registration fees through the LMC website.

www.lmcni.com

FARM QUALITY ASSURED NORTHERN IRELAND

Deadweight Cattle Trade

QUOTES from the major NI processing plants for prime cattle continued to strengthen this week with 320-326p/kg available for in spec U-3 grade prime cattle. Quotes for good quality O+3 grade cows this week also firmed ranging from 238-250p/kg across the plants. Similar quotes are expected for all types of cattle early next week.

Prime cattle throughput in NI last week totalled 5,873 head, an increase of 119 head from the previous week when 5,754 prime cattle were killed in NI plants. In the corresponding week in 2015 a total of 4,970 prime cattle were slaughtered locally. Meanwhile cow throughput in NI last week totalled 1,431 head, a decrease of 96 head from the previous week however an increase of 175 head from the corresponding week in 2015 when a total of 1,256 cows were killed in NI plants.

Imports of prime cattle from ROI for direct slaughter in NI last week totalled 103 head, an increase of 45 head from the previous week and accounting for two per cent of the total NI prime cattle kill. The number of cows imported from ROI for direct slaughter in NI plants totalled 74 head, an increase of 42 head from the previous week. Meanwhile exports from NI for direct slaughter in ROI plants last week consisted of 31 prime cattle and 82 cows while exports from NI for direct slaughter in GB last week consisted of 31 prime cattle and 4 cows.

In GB last week the deadweight trade for prime cattle continued to strengthen with the average steer price up by almost a penny to 320.8p/kg while the R3 steer price increased by 1.6p/kg to 330p/kg. The average heifer price in GB last week was up by 3.5p/kg to 325.1p/kg while the R3 heifer price increased by 1.8p/kg to 332.3p/kg. The average cow price in GB last week was up by 2p/kg to 210.2p/kg while the O3 cow price remained steady at 236.2p/kg.

In ROI last week a strengthening in euro against sterling meant deadweight prices increased in sterling terms. The R3 steer price in ROI last week was the equivalent of 315.5p/kg while the R3 heifer price was the equivalent of 326p/kg. Meanwhile the O3 cow price in ROI last week was the equivalent of 252.5p/kg.

FQAS DOCUMENTARY EVIDENCE

Due to an extensive fire at our office premises, we are currently unable to provide our full services to our customers and stakeholders. However FQAS participants can continue to send documentary evidence to our existing postal address, 31 Ballinderry Road, Lisburn, BT28 2SL or via email to info@nifcc.co.uk. See www.nifcc.co.uk and www.lmcni.com for further updates

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

W/E 11/06/2016		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	-	323.6	340.3	331.9	335.0	337.2	335.9
	R3		315.5	338.5	325.5	326.9	328.5	330.0
	R4	-	315.8	339.9	335.1	326.6	325.9	333.2
	O3	-	303.9	313.9	298.2	299.7	301.6	303.5
	AVG	-	-	334.5	321.0	314.5	310.0	320.8
Heifers	U3	-	337.7	351.4	337.8	341.2	339.0	342.8
	R3	-	326.0	341.5	325.8	330.1	329.5	332.3
	R4	-	326.1	341.6	329.5	329.5	325.5	332.2
	O3	-	313.8	315.7	302.8	302.3	302.3	306.1
	AVG	-	-	339.4	323.5	320.1	312.2	325.1
Young Bulls	U3	-	318.1	339.4	327.5	331.8	332.1	332.2
	R3	-	310.2	331.9	313.5	320.2	322.6	321.0
	O3	-	296.2	291.2	270.8	287.8	296.2	286.5
	AVG	-	-	329.0	329.0	329.0	329.0	329.0
Prime Cattle Price Reported		-	-	6998	6998	6998	6998	6998
Cows	O3	-	252.5	249.2	229.6	238.8	235.0	236.2
	O4	-	253.8	253.4	234.5	239.8	235.5	239.3
	P2	-	235.9	202.9	189.3	189.2	198.5	194.0
	P3	-	248.0	208.2	204.2	206.5	216.8	209.4
	AVG	-	-	240.3	209.4	204.9	205.2	210.2

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro 78.31 =p 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

LMC MARKET INFORMATION UPDATE

DUE TO AN EXTENSIVE FIRE AT LMC HEADQUARTERS LAST WEEK WE HAVE BEEN EXPERIENCING SOME DIFFICULTIES IN ACCESSING NI DEADWEIGHT CATTLE PRICE REPORTING DATA AND OTHER RELATED INFORMATION WHICH IS USUALLY PUBLISHED IN THE LMC WEEKLY BULLETIN.

WE THANK OUR STAKEHOLDERS AND THE WIDER AGRICULTURAL INDUSTRY FOR THEIR UNDERSTANDING AT THIS TIME AND WE ARE WORKING TOWARDS RETURNING TO NORMAL SERVICE AS SOON AS POSSIBLE.

SHEEP TRADE

SHEEP QUOTES

(P/Kg DW)	This Week 13/06/16	Next Week 20/06/16
Lambs	390-395 > 21kg	360 > 21kg

REPORTED SHEEP PRICES

(P/KG)	W/E 28/05/16	W/E 04/06/16	W/E 11/06/16
NI Lambs L/W	369.8	383.9	369.7
NI Lambs D/W	387.7	388.8	392.7
GB Lambs D/W	429.6	432.8	433.8
ROI D/W	388.6	407.9	-

Deadweight Sheep Trade

THE deadweight sheep trade has come under some pressure this week with quotes from the major processors for R3 grade lambs in the region of 360p/kg up to 21kg for Monday. Quotes early this week ranged from 390-395p/kg but came under pressure as the week progressed. The plants have reported strong supplies of lambs coming forward for slaughter with throughput last week totalling 8,441 head. This was an increase of 1,329 head from the previous week however a decrease of 529 head from the corresponding week in 2015. Exports of sheep to ROI for direct slaughter last week totalled 5,149 head, an increase from the previous week when 4,798 sheep were exported. The deadweight lamb price in NI last week was up by 3.9p/kg to 392.7p/kg.

This week's marts

REPORTS from the marts this week have indicated a weakening in the trade for lambs with a notable increase in the number of lambs passing through many of the sale rings. In Swatragh last Saturday 525 lambs sold from 346-364p/kg. In Massereene on Monday 716 lambs sold from 350-386p/kg. In Saintfield on Tuesday 466 lambs sold from 348-383p/kg. In Rathfriland this week a good entry of 1,007 lambs sold from 330-360p/kg to an average of 345p/kg. In Ballymena this week 887 lambs sold from 320-400p/kg to an average of 334p/kg. The ewe trade has also come back with top prices generally ranged from £80-100 this week with a top reported price of £100 in Omagh last Saturday.

LATEST SHEEP MARTS

From: 11/06/16		Lambs (P/KG LW)			
To: 16/06/16		No	From	To	Avg
Friday	Newtownstewart	311	344	368	-
Saturday	Omagh	404	355	412	-
	Swatragh	525	346	364	-
Monday	Massereene	716	350	386	-
	Kilrea	470	353	391	-
Tuesday	Saintfield	466	348	383	-
	Rathfriland	1,007	330	360	345
Wednesday	Ballymena	887	320	400	334
	Enniskillen	380	348	373	-
	Markethill	680	330	352	340
	Armoy	246	340	375	345

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