LMC BULLETIN

WEEKLY PUBLICATION OF THE LIVESTOCK AND MEAT COMMISSION FOR NORTHERN IRELAND

Saturday 10 December 2016 Issue No. 2448

RETAIL BEEF AND LAMB SALES UPDATE

RETAIL expenditure on beef in the UK during the 12 week period ending 06 November 2016 totalled £490.6 million according to the latest data from Kantar Worldpanel. This is a two per cent decline from the corresponding period in 2015 when the retail value of beef sales totalled £500.4 million.

The volume of UK retail beef sales totalled 65,210 tonnes during the 12 week period ending 06 November 2016, a 2.5 per cent increase from year earlier levels when sales totalled 63,580 tonnes. This increase in volume sales occurred despite an increase in the average retail price to £7.87/kg in the 12 weeks ending 06 November 2016. This is an increase of 35p/kg in the average retail price year on year.

The volume sales of individual cuts recorded a mixed performance year on year although the majority of key products recorded an increase in volume sales. Sales of frying steaks and beef marinades performed very strongly with volume sales increasing by 7.3 per cent and 8.1 per cent respectively during the 12 weeks ending 06 November 2016. Stewing beef also performed well with volume sales up by 5.1 per cent year on year.

Meanwhile volume sales of beef roasting joints increased by 2.4 per cent during the 12 weeks ending 06 November 2016 when compared to year earlier levels while sales of beef mince recorded a marginal increase year on year.

Sales of processed beef recorded a mixed performance during the 12 weeks ending 06 November 2016 with sales of burgers and grills increasing by 2.9 per cent year on year while volume sales of ready meals, and frozen pies and puddings all recorded declines in volume sales.

Lamb

The value of UK retail lamb sales during the 12 week period ending 06 November 2016 totalled £128.4 million, back 9.3 per cent from year earlier levels. This has primarily been driven by a decline in volume sales which recorded a 10.7 per cent decline to total 14,699 tonnes in the 2016 period.

The average retail price of lamb during the 12 weeks ending 06 November 2016 was £8.74/kg, an increase of 11p/kg from the corresponding period in 2015 when the average retail price was £8.63/kg.

All of the major lamb cuts recorded declines in terms of the volume of retail sales. Sales of shoulder roasting joints recorded the most notable decline in terms of volume sales with sales back by 25.1 per cent year on year. There were also notable declines in volume sales of leg roasting joints and lamb marinades which were back by 14 per cent and 11.9 per cent respectively year on year.

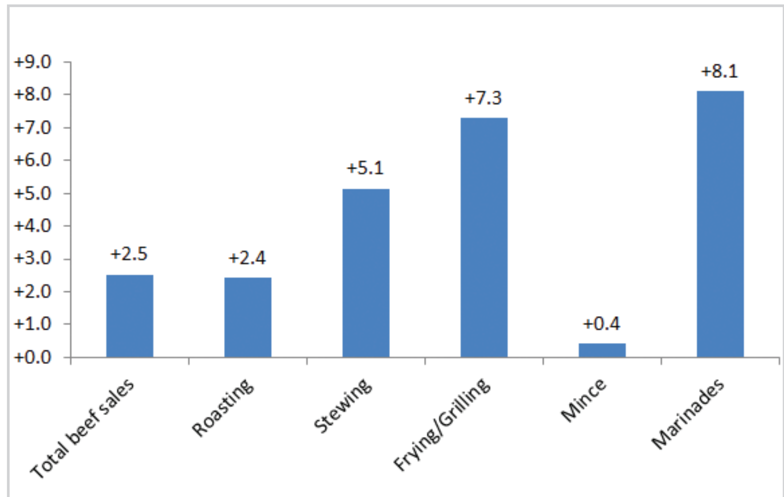
Meanwhile volume sales of lamb mince were back by 5.5 per cent year on year while sales of lamb chops recorded a 1.7 per cent decline. There was however a 19 per cent increase in the volume of lamb ready meals sold.

Pork

Volume sales of pork through UK retailers during the 12 week period ending 06 November 2016 totalled 35,558 tonnes and were valued at £156.8 million. This is a notable decline in terms of both volume and value from the corresponding period in 2015 when volume sales totalled 38,865 tonnes and were valued at £178.6 million. The average retail price of pork recorded a decrease of 19p/kg to total £4.41/kg in the 2016 period.

While volume sales of fresh pork products generally recorded a decline the same was not true for processed pork products. Volume sales of bacon increased by 2.6 per cent year on year, sales of pork sausages increased by 1.3 per cent while sales of sausage rolls also recorded a marginal increase.

Figure 1: Proportional changes in the volume of retail beef sales by cut during the 12 weeks ending 06 November 2016 and the same period in 2015



MORE BEEF SIRED CATTLE ON NI FARMS IN NOVEMBER

ACCORDING to the latest available data from APHIS there were 704,049 beef sired cattle on NI farms aged under 30 months at the end of November 2016. This is a six per cent increase from the 666,907 head recorded on NI farms at the end of November 2015.

This increase in beef cattle numbers has been driven primarily by an increase in beef sired calf registrations on NI farms over the past two years as outlined in Figure 2. The DAERA June Agricultural Census recorded a four per cent increase in suckler cow numbers to 269,700 on NI farms and this growth in the suckler herd has contributed to the increase in beef calf numbers on farms this year.

However the biggest contributor to the increase in beef calf registrations has been the increase in beef sires being used on dairy cows. During 2016 to date 108,676 beef sired calves were registered to dairy cows, a 22 per cent increase from the corresponding period last year when 88,900 beef cross calves were registered. Beef sired registrations accounted for 40 per cent of all calf registrations to dairy cows during 2016 to date, up from 34 per cent in the corresponding period in 2015.

Figure 3 provides a breakdown of beef sired cattle on NI farms by age category at the end of November 2016. In the 0-6 month age category there were 102,361 beef cattle on NI farms, back marginally from year earlier levels. However in all of the older age cohorts there were notable increases.

In the 6-12 month age category there were 236,816 beef sired cattle on NI farms at the end of November 2016, a 9.7 per cent increase from November 2015 levels. Meanwhile there were 119,418 beef sired cattle in the 12-18 month age category, a nine per cent increase on year earlier levels. In the 18-24 month age category there were 181,988 beef sired cattle on NI farms, a 5.2 per cent increase from November 2015 levels. This increase in beef sired cattle numbers on NI farms should increase the availability of cattle for slaughter in the first half of 2017

Dairy sired male cattle also provide throughput for NI beef processors and at the end of November 2016 there were 85,319 of these animals on NI farms aged under 30 months. The number of dairy sired males in the 0-6 month and 6-12 month age categories were both back by 16 per cent and 17 per cent respectively. This notable decline in the number on farm can be attributed to a decrease in the number of dairy sired males registered and an increase in the number of dairy sired calves exported for further production. However the number of dairy sired males on NI farms in the 12-18 month age category totalled 21,318 head, up 2.4 per cent from year earlier levels, while in the 18-24 month age category there were 13,930 head, a 13 per cent increase on year earlier levels. While the numbers involved are relatively small when compared to the overall beef herd the increase in the number of these animals on farm in the older cohorts will contribute to the increase in supplies of prime cattle expected in the coming months.

Lower imports

While there will be an increase in the supplies of prime cattle from local farms for slaughter during 2017 some of this increase in availability may be offset by lower levels of imports for direct slaughter from ROI. During November 2016 353 prime cattle were imported from ROI for direct slaughter in NI plants, a notable decline from the corresponding period in 2015 when 2,443 prime cattle were imported.

With the euro trading relatively strongly against sterling and the preference of major UK retailers for beef from animals that have been born, reared and finished in the UK this lower level of import could continue into 2017. If it does continue then the impact of increased domestic supplies on throughput in NI plants will be much less pronounced.

Figure 2: Beef sired calf registrations in NI January 2014-November 2015

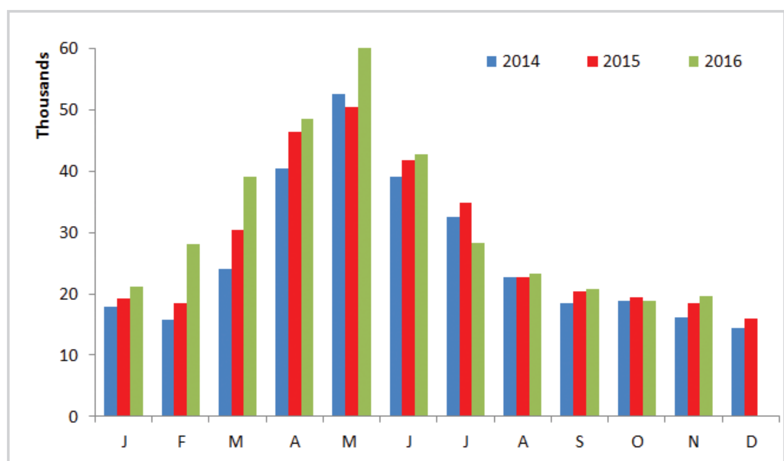
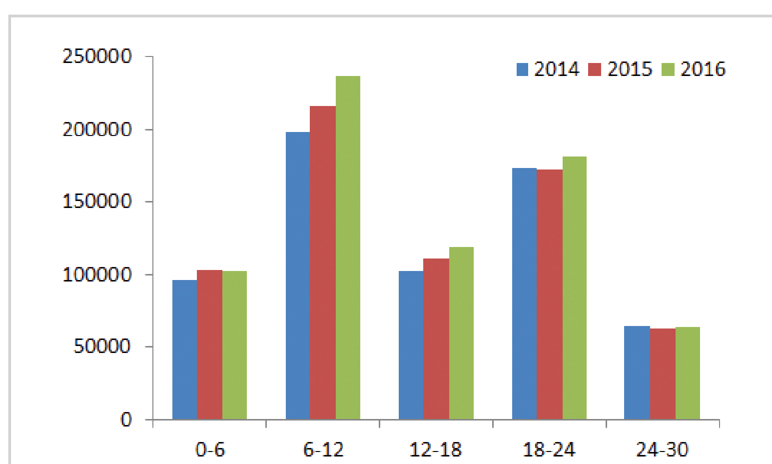


Figure 3: Beef sired cattle on NI farms by age category November 2016



WEEKLY BEEF & LAMB MARKETS

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 05/12/16	Next Week 12/12/16
Prime		
U-3	344 - 350p	342 - 350p
R-3	338 - 344p	336 - 344p
O+3	332 - 338p	330 - 338p
P+3	278 - 298p	276 - 298p
	Including bonus where applicable	
Cows		
O+3 & better	240 - 250p	240 - 250p
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 03/12/16	Steers	Heifers	Young Bulls
U3	355.7	358.5	349.9
R3	351.1	351.1	346.0
O+3	343.8	341.1	338.0

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 03/12/16	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	158.1	170.4	180.0	195.8
P2	177.8	192.5	218.5	230.0
P3	174.5	211.0	225.5	238.1
O3	215.0	220.6	244.4	255.7
O4	-	260.0	249.7	256.0
R3	-	-	-	270.8

Deadweight Cattle Trade

BASE quotes from the major NI processors for in spec U-3 grade prime cattle ranged from 344-350p/kg this week with similar quotes expected for early next week in the majority of plants. The trade for good quality O+3 grade cows remained steady across the plants ranging from 240-250p/kg.

A total of 6,566 prime cattle were slaughtered in NI plants last week, very similar to the previous week when 6,583 prime cattle were killed locally. In the corresponding week in 2015 a total of 7,080 prime cattle were killed locally accounting for a seven per cent decrease year on year. Cow throughput recorded a decline last week with a total of 2,555 cows slaughtered in NI compared to 2,828 cows the previous week however in the same week last year 2,177 cows were killed in NI plants which accounts for 17 per cent increase year on year.

Imports of prime cattle from ROI for direct slaughter in NI plants last week totalled 105 head, an increase from the 33 head imported the previous week, however markedly lower than the 380 prime cattle imported during the corresponding week in 2015. The number of cows imported from ROI for direct slaughter in NI last week totalled 36 head, similar to the 29 cows imported the previous week and lower than the 75 cows in the same week last year. Meanwhile 108 cows were exported from NI for direct slaughter in ROI last week compared to 175 cows exported during the corresponding week in 2015. Exports of prime cattle from NI to GB for direct slaughter last week consisted of 54 prime cattle and 59 cows, the highest number of cows exported to GB this year to date.

The average steer price in NI last week was up by 3.8p/kg to 347.1p/kg while the R3 steer price increased by 2.3p/kg to 355.7p/kg. The average heifer price in NI last week was up by almost three pence to 348p/kg while the R3 heifer price increased by two pence to 353.7p/kg. The average cow price in NI last week recorded a decrease of half a penny to 229.7p/kg while the O3 cow price was unchanged at 254.3p/kg.

In GB last week the average steer price was back by half a penny to 352.7p/kg while the average R3 steer price was unchanged at 362.8p/kg. The differential in R3 steer prices between NI and the GB average continued to decline to 7.1p/kg this week, the equivalent of £25 on a 350kg carcase and the narrowest differential since early July this year. The average heifer price in GB last week was back by 1.7p/kg to 353.8p/kg while the average R3 heifer price increased by 0.8p/kg to 363.3p/kg. The differential in R3 heifer prices last week between NI and the GB average was 9.6p/kg, the equivalent of £34 on a 350kg carcase.

In ROI last week the deadweight prices for prime cattle held steady in euro terms however declined in sterling terms. The R3 steer price in ROI last week was the equivalent of 306.9p/kg, back by 0.8p/kg from the previous week while the R3 heifer price decreased by the equivalent of 1.5p/kg to 318.5p/kg. The O3 cow price recorded a decrease of 0.8p/kg to 243.4p/kg which was 10.9p/kg lower than the equivalent price in NI.

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

W/E 03/12/2016		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	356.9	316.9	376.6	361.6	365.5	362.5	366.8
	R3	355.7	306.9	376.9	359.4	356.7	357.5	362.8
	R4	354.0	306.7	376.2	372.8	354.7	358.4	368.4
	O3	346.4	292.1	352.7	330.8	330.1	330.5	336.4
	AVG	347.1	-	371.9	352.7	342.2	338.1	352.7
Heifers	U3	359.4	329.4	381.5	366.1	368.2	367.2	371.2
	R3	353.7	318.5	375.6	356.4	360.8	357.1	363.3
	R4	352.0	318.9	374.4	363.0	359.0	356.9	364.4
	O3	344.9	306.7	348.6	332.5	335.6	327.6	336.5
	AVG	348.0	-	372.8	353.1	345.9	336.7	353.8
Young Bulls	U3	349.6	313.9	370.6	348.1	335.5	353.9	350.9
	R3	345.5	305.3	362.0	337.8	339.6	344.1	342.9
	O3	327.5	294.4	314.6	297.0	303.2	319.7	307.0
	AVG	331.5	-	336.4	314.6	309.7	322.0	317.9
Prime Cattle Price Reported		5802	-	7058	7623	6496	4292	25469
Cows	O3	254.3	243.4	232.4	222.6	232.1	228.3	229.3
	O4	255.8	244.7	234.0	228.7	232.6	226.3	230.5
	P2	216.5	216.4	183.9	189.2	184.9	184.2	185.2
	P3	233.5	233.3	197.0	204.4	200.2	199.3	200.4
	AVG	229.7	-	219.4	199.3	196.7	191.5	198.5

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=84.75p 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 03/12/16	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	200	216	208	160	197	178
Friesians	156	165	161	134	153	146
Heifers	200	215	208	162	195	180
Beef Cows	135	206	144	100	134	120
Dairy Cows	102	133	114	60	101	80
Store Cattle (p/kg)						
Bullocks up to 400kg	210	240	225	170	208	190
Bullocks 400kg - 500kg	200	220	210	165	199	182
Bullocks over 500kg	200	216	206	165	199	180
Heifers up to 450kg	205	229	217	160	204	185
Heifers over 450kg	190	205	200	150	189	170
Dropped Calves (£/head)						
Continental Bulls	270	380	320	180	268	222
Continental Heifers	190	300	245	100	188	145
Friesian Bulls	100	150	125	30	98	65
Holstein Bulls	70	145	100	5	68	35

SHEEP TRADE

SHEEP BASE QUOTES

(P/Kg DW)	This Week 05/12/16	Next Week 12/12/16
Lambs	375-380 > 22kg	375 > 22kg

REPORTED SHEEP PRICES

(P/KG)	W/E 19/11/16	W/E 26/11/16	W/E 03/12/16
NI Lambs L/W	340.6	340.5	339.0
NI Lambs D/W	372.6	372.6	374.8
GB Lambs D/W	379.8	382.9	390.1
ROI D/W	370.8	372.7	375.5

Deadweight Sheep Trade

QUOTES for R3 grade lambs this week ranged from 375-380p/kg with plants paying up to 22kg. Similar quotes are expected for early next week. The processors have reported a reduction in the number of lambs coming forward for slaughter with throughput last week totalling 8,430 head, a decline of 1,704 head from the 10,134 lambs killed in NI plants the previous week. In the corresponding week in 2015 a total of 9,662 lambs were killed locally. Exports of sheep to ROI for direct slaughter last week remained relatively steady at 10,283 head, compared to 7,440 head during the same week last year. The average deadweight lamb price in NI last week recorded an increase of 2.2p/kg to 374.8p/kg while in ROI the deadweight lamb price increased by 2.8p/kg to 375.5p/kg.

This week's marts

A relatively steady trade was reported across the marts this week while the number of lambs passing through the sale rings increased in some marts however decreased in others. In Omagh on Saturday 1,303 lambs sold from 346-398p/kg compared to 1,144 lambs the previous week selling from 344-379p/kg. In Kilrea on Monday 500 lambs sold from 346-366p/kg compared to 300 lambs the previous week selling from 336-362p/kg. In Rathfriland on Tuesday 800 lambs sold from 325-378p/kg compared to 1,110 lambs the previous week selling from 328-379p/kg. In Ballymena on Wednesday 851 lambs sold to an average of 332p/kg compared to 1,804 lambs the previous week selling to an average of 333p/kg. The trade for first quality fat ewes remained firm this week with top reported prices generally ranging from £75-100.

LATEST SHEEP MARTS

From: 02/12/16		Lambs (P/KG LW)			
To: 08/12/16		No	From	To	Avg
Friday	Newtownstewart	565	323	348	-
Saturday	Omagh	1303	346	398	-
	Swatragh	700	310	388	-
Monday	Kilrea	500	346	366	-
	Massereene	1296	330	358	-
Tuesday	Saintfield	546	325	371	-
	Rathfriland	800	325	378	342
Wednesday	Ballymena	851	320	360	332
	Enniskillen	498	332	352	-
	Markethill	1550	325	361	-
	Armoy	312	320	350	338

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