LMC BULLETIN

WEEKLY PUBLICATION OF THE LIVESTOCK AND MEAT COMMISSION FOR NORTHERN IRELAND

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DECLINE IN THROUGHPUT DURING NOVEMBER

PRIME cattle slaughterings during November 2016 totalled 32,852 head, a two per cent decline from November 2015 levels when 33,589 head were killed in local plants. There has also been key changes in the make-up of the NI prime cattle kill as outlined in Table 1. The NI steer kill totalled 17,345 head during November 2016, back 11 per cent from year earlier levels. Meanwhile the NI heifer kill recorded a six per cent increase year on year to total 12,494 head in November 2016.

The most notable change however has been in the young bull kill in local plants. During November 2016 3,013 young bulls were killed in local plants, a notable 29 per cent increase from the 2,329 young bulls killed locally in November 2015. In percentage terms the young bull increased from seven per cent of the prime kill to nine per cent of the kill in the 2016 period.

The decline in prime cattle throughput in NI plants has coincided with a decline in average carcase weights for all categories of prime cattle. Steer carcase weights were back 11kg to 348kg in November 2016, heifer carcases were back by 10kg to 313kg while average young bull carcase weights were back by 19kg year on year to 323kg in November 2016. The combination of these declines has been a six per cent decline in the volume of beef from prime cattle handled by local processors during November 2016 when compared to November 2015 levels as outlined in Table 2.

The cow kill in NI totalled 13,342 head during November 2016, a 12 per cent increase from 11,945 cows killed locally during November 2015. This increase in the cow kill can be attributed to a reduction in the number of cows exported to ROI for direct slaughter. There has also been an increase in the number of cows in both the dairy and suckler herds on NI farms in recent years and this will also have contributed to the availability of cull cows for slaughter.

During the period under analysis the average carcase weights of cows have also declined year on year. During November 2016 the average cow carcase weight was 289kg, a decrease of 17kg from an average carcase weight of 306kg during November 2016. However the increase in NI cow throughput between the 2015 and 2016 periods has helped somewhat to offset this decline and as a result there has been an increase in the volume of cow beef processed in NI plants. In November 2016 a total of 3,863 tonnes of beef from cows was processed locally compared to a total of 3,655 tonnes during November 2015, accounting for an increase of 6 per cent year on year.

Lamb slaughterings in local plants totalled 48,369 head during November 2016, a ten per cent decline from the 53,558 lambs killed locally during November 2015. Lambs killed locally during November 2016 accounted for 53 per cent of total lamb output from NI with the remaining 47 per cent exported to ROI for direct slaughter. By comparison lambs killed locally in NI during November 2015 accounted for 60 per cent of output from the NI sheep flock with the remaining 40 per cent of lambs exported to ROI for direct slaughter.

The average carcase weights of lambs have remained steady year on year at 22kg. This trend combined with the ten per cent decline in throughput has resulted in a ten per cent decline in the volume of lamb handled by local processors year on year.

Table 1: NI CATTLE AND SHEEP SLAUGHTERINGS

	November (5 weeks ended 03/12/16)			Year to Date (35 weeks ended 03/12/16)		
	Nov-15	Nov-16	% Change	2015	2016	Change
CATTLE FOODCHAIN						
Steers	19,527	17,345	-11%	108,696	107,834	-1%
Heifers	11,733	12,494	6%	73,832	73,881	0%
Young Bulls	2,329	3,013	29%	21,000	26,048	24%
Total Prime Cattle	33,589	32,852	-2%	203,528	207,763	2%
Calves	664	845	27%	4,271	5,088	
Cows	11,945	13,342	12%	59,438	68,728	16%
Mature Bulls	567	467	-18%	2,822	3,047	8%
Total Cattle	**46,765**	**47,506**	**2%**	**270,059**	**284,626**	**5%**
SHEEP						
Lambs & Hoggets	53,558	48,369	-10%	359,242	318,426	-11%
	3,461	4,199	21%	22,635	18,660	-18%
Total Sheep	**57,019**	**52,568**	**-8%**	**381,877**	**337,086**	**-12%**

Table 2: NI BEEF AND SHEEPMEAT PRODUCTION

	November (5 weeks ended 03/12/16)			Year to Date (35 weeks ended 03/12/16)		
	Nov-15	Nov-16	% Change	2015	2016	% Change
BEEF						
Steers	7,008	6,032	-14%	38,544	37,982	-1%
Heifers	3,793	3,917	3%	23,635	23,330	-1%
Young Bulls	797	972	22%	7,164	8,580	20%
Total Prime Cattle	**11,598**	**10,922**	**-6%**	**69,344**	**69,892**	**1%**
Calves	139	172	24%	912	1,069	17%
Cows	3,655	3,863	6%	18,221	20,486	12%
Mature Bulls	259	221	-15%	1,280	1,403	10%
Total Beef	**15,651**	**15,177**	**-3%**	**89,758**	**92,852**	**3%**
SHEEP						
Lambs & Hoggets	1,167	1,046	-10%	7,731	6,721	-13%
Ewes & Rams	93	111	19%	648	528	-19%
Total Sheep	**1,260**	**1,156**	**-8%**	**8,379**	**7,249**	**-13%**

FAO FOOD PRICE INDEX NOVEMBER 2016

THE FAO Food Price Index is a measure of the monthly 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 average Food Price Indexes for Meat, Dairy, Cereals, Vegetable Oils and Sugar and is weighted with the average export shares of each of the groups.

During November 2016 the FAO Food Price Index averaged 171.3 points, a decrease of only 0.7 points from October 2016 levels. This marginal decline comes after a steady increase in the FAO Index since the start of this year and is primarily the result of a notable drop in sugar prices during November 2016. The FAO Index during November 2016 did however record an increase of 16.1 points from November 2015 levels when it totalled 155.2 points and this accounts for a ten per cent increase year on year.

The FAO Meat Price Index during November 2016 averaged 161.5 points, almost unchanged from October 2016 levels when it totalled 161.8 points. During November 2015 the Meat Index was 154.6 points accounting for a 7.2 point increase year on year. International bovine prices recorded an increase during November 2016 with tighter domestic supplies in Australia pushing up export prices. However the rise in the price of bovine meat globally was offset by lower prices for ovine meat, chicken meat and pig meat. The downward trend in prices for ovine meat has been recorded ahead of the peak season for sheepmeat production in Oceania. There has also been a downward trend in chicken prices across the globe as supplies improve while the pig price has come under pressure due to ample supplies of pig meat in the EU

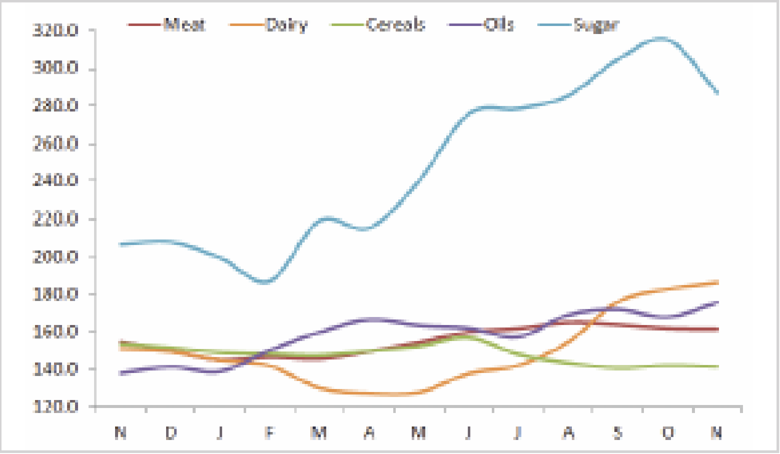
The FAO Dairy Price Index during November 2016 averaged 186.4 points which is an increase of 3.6 points from the previous month and continues a rising trend since April this year. During November 2015 the FAO Dairy Index was 151.1 points accounting for an increase of 35.3 points year on year. The FAO have attributed this increase to a rise in prices for whole milk powder, up by 9 per cent from October due to steady import demand from the Middle East, North Africa and China combined with limited availability from New Zealand. Butter quotations also firmed with increased domestic usage in the EU and Unites States and strong import demand elsewhere. According to the FAO prices for cheese and skimmed milk powder remained steady with availability meeting demand.

The FAO Cereal Price Index during November 2016 averaged 141.4 points, back by 0.9 points from October 2016 and a decrease of 12.2 points from November 2015 when the Cereal Price Index averaged 153.6 points. Wheat quotations were negatively affected by good harvest prospects in Argentina and Australia while international rice prices remained seasonally low. A strengthening in the US dollar and plentiful supplies also contributed to the general decline in cereal prices.

The FAO Vegetable Oil Price Index averaged 175.6 points in November 2016, an increase of 7.7 points from October 2016 levels and is the highest Vegetable Oil Price Index since July 2014. This rebound was primarily driven by a strengthening in palm oil prices due to low production in Southeast Asia, along with rising soyoil quotations from strong global import demand and prospects of increased vegetable oil demand from the biodiesel sector.

Meanwhile the FAO Sugar Price Index averaged 287.1 points in November 2016, a marked decrease of 28.2 points from October 2016. The decrease in sugar prices is the first decline after six consecutive monthly increases and is mainly due to a weakening of the Brazilian Real along with a large harvest in Brazil's main sugar producing region.

Figure 1: Monthly food commodity price indexes Nov 2015 - Nov 2016



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.

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WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 05/12/16	Next Week 12/12/16
Prime		
U-3	342 - 350p	342 - 350p
R-3	336 - 344p	336 - 344p
O+3	330 - 338p	330 - 338p
P+3	276 - 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 10/12/16	Steers	Heifers	Young Bulls
U3	358.1	358.4	349.1
R3	351.8	351.9	348.1
O+3	346.0	343.2	333.8

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 10/12/16	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	154.9	163.9	176.1	183.8
P2	169.8	194.3	213.6	229.2
P3	173.0	212.6	228.8	236.7
O3	210.0	235.9	242.9	253.3
O4	-	214.0	246.0	256.4
R3	-	-	-	271.8

Deadweight Cattle Trade

BASE quotes for prime cattle held relatively steady in NI this week with quotes for in spec U-3 grade prime cattle ranging from 342-350p/kg. The majority of plants are quoting 348-350p/kg for in spec steers and heifers with similar quotes expected for early next week. The trade for good quality O+3 grade cows also remained steady ranging from 240-250p/kg across the plants.

Prime cattle throughput in NI plants last week totalled 6,716 head, a slight increase from 6,566 head killed the previous week. In the corresponding week in 2015 a total of 6,582 prime cattle were slaughtered in NI plants accounting for a two per cent increase year on year. Cow throughput in NI decreased slightly to 2,382 head last week compared to 2,555 cows the previous week. In the same week last year a total of 2,166 cows were slaughtered locally accounting for a 10 per cent increase year on year.

Prime cattle imports from ROI for direct slaughter in NI plants last week totalled 92 head, accounting for one per cent of the total NI prime cattle kill. In the same week last year 368 prime cattle imported from ROI for slaughter in NI plants which accounted for six per cent of the total NI prime cattle kill. Meanwhile 115 cows were exported from NI for direct slaughter in ROI last week, a decrease from 226 cows in the corresponding week last year. Exports from NI to GB for direct slaughter last week consisted of 23 prime cattle and 9 cows, a notable decline from the corresponding week in 2015 when 347 prime cattle and 118 cows were exported.

The deadweight trade for prime cattle generally remained steady in NI last week with the average steer price up marginally to 347.7p/kg while the R3 steer price was almost unchanged at 355.5p/kg. The average heifer price in NI last week was also up marginally to 348.7p/kg while the R3 heifer price increased by almost a penny to 354.6p/kg. The average cow price in NI last week recorded an increase of 1.2p/kg to 230.9p/kg while the O3 cow price was back by 2.4p/kg to 251.9p/kg.

The average steer price in GB last week was almost unchanged at 352.9p/kg while the average R3 steer price was almost unchanged at 362.9p/kg. The differential in R3 steer prices between NI and GB last week was 7.4p/kg, the equivalent of £26 on a 350kg carcase. In the same week last year the differential was 32.2p/kg which equated to £113 on a 350kg carcase. This significant narrowing in the differential is a key factor behind the low levels of export of prime cattle to GB for direct slaughter in recent months. The average heifer price in GB last week was up by a penny to 354.8p/kg while the average R3 heifer price decreased marginally to 362.4p/kg. The differential in R3 heifer prices last week between NI and GB was 7.8p/kg or £27 on a 350kg carcase.

The deadweight cattle trade in ROI last week also remained steady in both euro and sterling terms. The R3 steer price in ROI last week was the equivalent of 306.7p/kg, back marginally from the previous week while the R3 heifer price was up by half a penny to the equivalent of 319p/kg. The O3 cow price recorded an increase of almost a penny to 244.3p/kg.

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

W/E 10/12/2016		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	358.9	315.7	373.5	360.9	363.9	368.0	366.5
	R3	355.5	306.7	372.9	358.6	358.3	361.4	362.9
	R4	353.4	306.5	372.7	367.3	356.5	360.0	365.8
	O3	347.7	293.9	350.2	332.9	328.1	332.1	336.2
	AVG	347.7	-	369.1	351.9	344.1	342.7	352.9
Heifers	U3	359.1	330.2	380.7	364.3	371.3	370.0	371.7
	R3	354.6	319.0	373.2	354.8	359.4	359.9	362.4
	R4	354.4	318.5	370.4	361.2	360.9	361.3	363.7
	O3	346.1	307.0	355.7	339.7	335.7	333.3	341.3
	AVG	348.7	-	369.9	354.3	347.1	343.1	354.8
Young Bulls	U3	349.1	313.2	364.5	343.1	353.9	350.6	351.6
	R3	348.4	304.6	359.9	339.9	342.5	345.6	344.7
	O3	327.2	293.1	325.3	294.8	310.0	314.3	310.0
	AVG	330.6	-	348.0	313.8	321.4	315.6	323.0
Prime Cattle Price Reported		5802	-	7038	7414	6410	4184	25046
Cows	O3	251.9	244.3	233.6	231.2	233.4	223.5	230.4
	O4	255.8	246.4	238.0	229.7	231.3	226.6	230.8
	P2	216.3	217.8	182.8	187.5	185.0	182.6	184.4
	P3	232.9	232.4	203.9	201.2	200.7	205.5	202.5
	AVG	230.9	-	221.4	204.5	196.5	188.0	198.8

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=84.48p 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 10/12/16	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	204	227	211	165	203	185
Friesians	155	166	158	148	154	151
Heifers	190	200	196	161	189	175
Beef Cows	138	202	155	105	137	122
Dairy Cows	101	127	112	60	100	80
Store Cattle (p/kg)						
Bullocks up to 400kg	210	240	225	170	208	190
Bullocks 400kg - 500kg	200	217	208	160	199	178
Bullocks over 500kg	200	213	206	160	199	175
Heifers up to 450kg	195	215	208	150	194	175
Heifers over 450kg	195	208	200	155	194	175
Dropped Calves (£/head)						
Continental Bulls	300	400	345	200	298	235
Continental Heifers	210	335	265	110	208	160
Friesian Bulls	120	180	140	40	118	80
Holstein Bulls	80	150	100	5	78	35

SHEEP TRADE

SHEEP BASE QUOTES

(P/Kg DW)	This Week 12/12/16	Next Week 19/12/16
Lambs	375-380 > 22kg	375 > 22kg

REPORTED SHEEP PRICES

(P/KG)	W/E 26/11/16	W/E 03/12/16	W/E 10/12/16
NI Lambs L/W	340.5	339.0	337.9
NI Lambs D/W	372.6	374.8	374.8
GB Lambs D/W	382.9	390.1	387.5
ROI D/W	372.7	375.5	374.4

Deadweight Sheep Trade

QUOTES from the major NI processors this week for R3 grade lambs ranged from 375-380p/kg with plants paying up to 22kg. Similar quotes are expected for early next week. Reports have indicated an increase in the number of lambs coming forward for slaughter with throughput last week totalling 9,104 head, up by 674 head from the previous week when 8,430 lambs were slaughtered in NI plants. In the corresponding week in 2015 lamb throughput totalled 10,053 head accounting for a nine per cent decrease year on year. Exports of sheep to ROI for direct slaughter last week totalled 8,462 head, a decrease from 10,283 head exported to ROI the previous week and less than the 9,174 sheep exported to ROI in the same week last year. The deadweight lamb price in NI last week was unchanged from the previous week at 374.8p/kg and in ROI the deadweight lamb price was back by 1.1p/kg to 374.4p/kg.

This week's marts

THE live lamb trade remained steady in NI this week with some marts reporting smaller numbers of lambs passing through the sale rings. In Swatragh on Saturday 800 lambs sold from 309-397p/kg compared to 700 lambs the previous week selling from 310-388p/kg. In Kilrea on Monday 400 lambs sold from 336-356p/kg compared to 500 lambs the previous week selling from 346-366p/kg. In Rathfriland on Tuesday 660 lambs sold to an average of 340p/kg compared to 800 lambs the previous week selling to an average of 342p/kg. In Ballymena on Wednesday 1,859 lambs sold to an average of 332p/kg compared to 851 lambs the previous week selling to an average of 332p/kg. The ewe trade was back slightly with a top price of £117 in Saintfield on Tuesday.

LATEST SHEEP MARTS

From: 09/12/16		Lambs (P/KG LW)			
To: 15/12/16		No	From	To	Avg
Friday	Newtownstewart	305	315	337	-
Saturday	Omagh	1391	341	379	-
	Swatragh	800	309	397	-
Monday	Kilrea	400	336	356	-
	Massereene	1267	325	360	-
Tuesday	Saintfield	577	320	376	-
	Rathfriland	660	325	375	340
Wednesday	Ballymena	1859	320	362	332
	Enniskillen	156	330	348	-
	Markethill	1220	325	361	-
	Armoy	364	325	370	332

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