

UPDATE ON NI PRIME KILL CARCASS WEIGHTS

DURING the period March–May 2016 the average steer carcass weight in NI was 356kg, a 5kg increase from the corresponding period in 2015 when the average steer carcass weight was 351kg. Meanwhile the average heifer carcass weight during March – May 2016 was 320kg, a 3kg increase from the same period in 2015 when the average heifer carcass weight was 317kg.

A key requirement of most retail specifications is for prime cattle to have a carcass weight of between 280–380kg. During March – May 2016 63.2 per cent of price reported steers met this criteria as outlined in Figure 1. In

the same period in 2015 64.7 per cent of price reported steer carcasses were within the desired weight range which accounts for a 1.5 percentage point decrease year on year.

During the 2016 period 23.5 per cent of price reported steer carcasses were within the 380–420kg weight range, a 2.5 percentage point increase from the same period in 2015 when 21.7 per cent of steer carcasses were within this weight range. There has also been an increase in the proportion of steer carcasses over 420kg year on year. In the 2016 period 7.6 per cent of steer carcasses were over 420kg, compared to 6.7 per cent in the 2015 period.

Figure 1: Carcass weight of price reported steers by weight category during March-May 2016 and the corresponding period in 2015

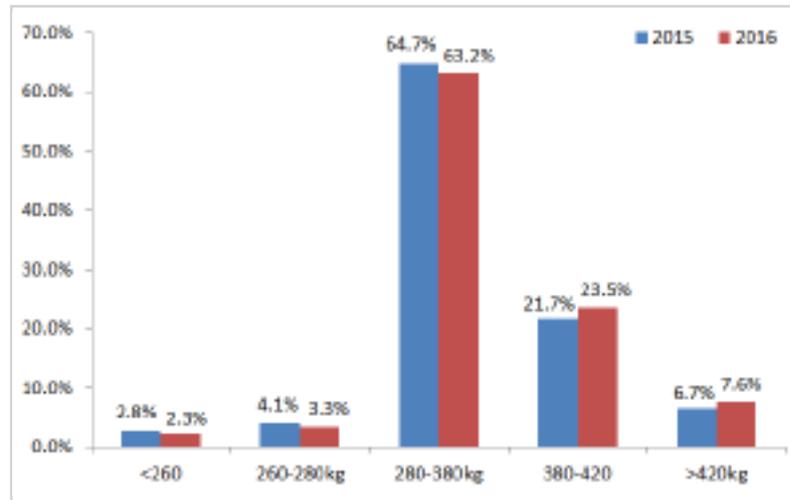


Figure 2 outlines the proportion of heifer carcasses within each weight range. The proportion of heifer carcasses within the desired weight range of 280–380kg remained steady year on year with 76.9 per cent of heifer carcasses meeting the criteria during March – May 2016.

Meanwhile the proportion of heifers over 380kg accounted for 8.2 per cent of the price reported heifer kill during the 2016 period, an increase from 6.8 per cent during the corresponding period in 2015. The proportion of heifers slaughtered under 280kg recorded a decline to account for 14.8 per cent of the price reported heifer kill

during 2016 to date. In the corresponding period in 2015 16.6 per cent of heifer carcasses were within this weight range.

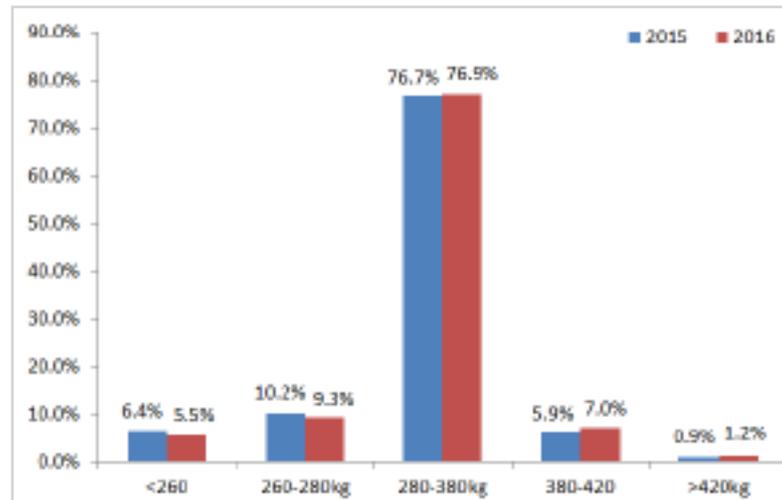
Prices and Penalties

Reports have indicated that supplies of prime cattle coming forward for slaughter have been tight in recent weeks with throughput for the month of May 2016 totalling 22,439 head. This was a nine per cent reduction from May 2015 levels when 24,604 prime cattle were killed in local plants and 21 per cent lower than the 28,349 prime cattle killed locally in May 2014. This reduced availability of prime cattle may be one factor behind an easier application of

penalties on some otherwise desirable carcasses not meeting ideal market specifications for weight.

The average reported price in NI for 280–380kg R3 grade steer carcasses that also met other in spec requirements during the period May 2016 was 314.1p/kg while the average price paid for R3 steers between 380–420kg that fulfilled all other in spec requirements was 315.4p/kg. The current quoted penalties from the major processors for prime cattle over 420kg are in the region of 20p/kg. During May 2016 the average penalty on R3 grade steers over 420kg that were otherwise in spec was 8.9p/kg.

Figure 2: Carcass weight of price reported heifers by weight category during March-May 2016 and the corresponding period in 2015



While taking cattle to higher carcass weights to maximise returns is understandable it is important that producers aim to present prime cattle for slaughter within current market specifications. However it is equally important that processors send the correct market signals to NI producers to encourage them to do so.

NI beef producers are encouraged to liaise directly with the procurement staff of the individual plants before finishing cattle. This will help ensure that the cattle being presented for slaughter will meet current market specifications and maximise returns for the entire supply chain.

DIFFERENTIAL IN QUOTES AND REPORTED PRICES

QUOTES from the major NI processors have firmed in recent weeks with quotes ranging from 312-318p/kg this week for in spec U-3 grade steers and heifers. Prime cattle slaughtered in NI are usually paid for on a pricing grid which uses the U-3 quote as a base price to work out a value of other individual grades. However it should be noted that the pricing grid is only there as a guide and there may be some variation in its application between the individual plants.

In reality the deadweight prices available for prime cattle are primarily driven by supply and demand and the price paid is open to negotiation between producers and processors. With this degree of flexibility in the current pricing system there is often notable differences between what the plants are quoting for prime cattle and what is actually being paid.

Analysis of price reporting data allows a comparison to be drawn between the

prices being quoted by the plants and the prices they actually paid. For the purposes of analysis we have used the deadweight prices paid for 1,913 R-3 grade steers during 2016 to date as this is the most popular price reported grade in NI and therefore provides the most robust indicator of changes in the deadweight cattle trade.

Only steers that are in spec for age, weight, grade, number of farms resided on and FQ status have been included in the dataset. Aberdeen Angus, Hereford and Organic cattle have also been removed as any bonuses paid for these cattle are not included in base quotes from the major processors.

The blue band on Figure 3 outlines the range in quotes from the major NI processors for in spec R-3 grade steers during 2016 to date and as indicated in the chart there is a range in the quoted prices across the plants within any given week. As indicated in the chart there is a slight lag in the trends shown between the quoted prices and

the prices paid. Prime cattle may be bought at an agreed price a week, or in some cases several weeks, before they are actually slaughtered and price reported by which stage there may have been changes in the deadweight cattle trade.

The red line on Figure 3 indicates the prices paid for in spec R-3 grade steers during 2016 to date. As indicated in the chart there has been a notable differential in quoted prices for in spec R-3 grade steers and the prices paid and this differential has widened in recent weeks.

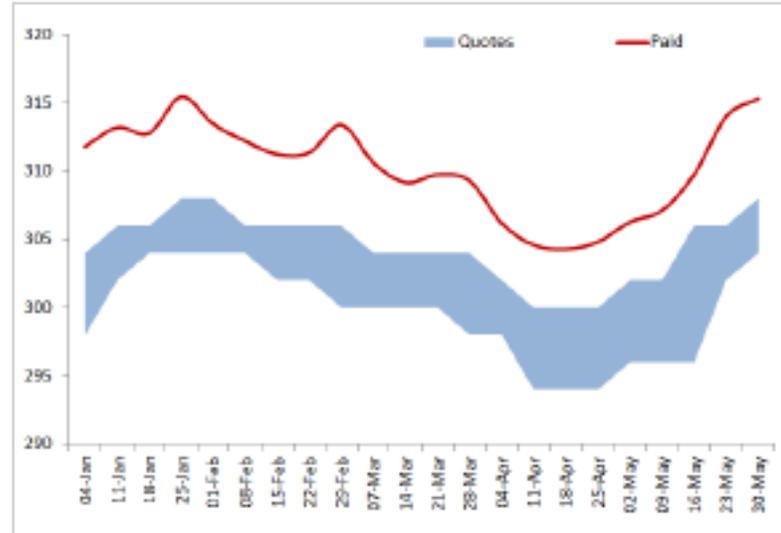
The differential between top quotes from the processors and prices recorded in any given week during the period under analysis ranged from 4p/kg to 8p/kg. The average differential between the top quoted price and the price paid over the five month period was 6p/kg.

It is however worth noting that while there is a differential between the

quoted prices and the average price paid for in spec R-3 grade steers some price reported cattle were bought at the quoted prices during the period under analysis while other cattle were

paid significantly more. With a range in the prices paid for in-spec R-3 grade steers producers are encouraged to use base quotes as a starting point for negotiation.

Figure 3: Quotes for R-3 steer prices from major NI processors and prices paid during 2016 to date



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WEEKLY BEEF & LAMB MARKETS



CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 30/05/16	Next Week 06/06/16
Prime		
U-3	312 - 318p	312 - 318p
R-3	306 - 312p	306 - 312p
O+3	300 - 306p	300 - 306p
P+3	222 - 260p	222 - 260p
	Including bonus where applicable	
Cows		
O+3 & better	230 - 245p	230 - 245p
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 28/05/16	Steers	Heifers	Young Bulls
U3	321.0	320.8	309.9
R3	316.9	317.0	311.0
O+3	308.9	309.2	295.7

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 28/05/16	Wgt <220kg	Wgt 220- 250kg	Wgt 250- 280kg	Wgt >280kg
P1	140.5	158.8	162.5	160.4
P2	160.6	181.3	198.7	213.9
P3	177.0	192.7	221.4	225.5
O3	-	221.3	238.9	241.3
O4	-	212.0	244.1	244.4
R3	-	-	-	258.4

Deadweight Cattle Trade

QUOTES from the major NI processing plants for prime cattle have continued to firm this week with 312-318p/kg available for U-3 in spec steers and heifers. Quotes for good quality O+3 grade cows this week ranged from 230-245p/kg across the plants. Similar quotes are expected for all types of cattle early next week.

Prime cattle throughput in NI last week totalled 5,654 head, back slightly from the previous week when 5,793 prime cattle were killed in NI plants. In the corresponding week in 2015 a total of 5,965 prime cattle were slaughtered in NI. Meanwhile cow throughput in NI last week totalled 1,488 head, an increase of 149 head from the previous week. In the corresponding week in 2015 a total of 1,237 cows were killed in NI plants.

Imports of prime cattle from ROI for direct slaughter in NI last week totalled 119 head, accounting for two per cent of the total NI prime cattle kill. In the corresponding week in 2015 269 prime cattle were imported from ROI accounting for five per cent of the total NI prime cattle kill. The number of cows imported from ROI for direct slaughter in NI plants totalled 22 head, almost unchanged from the corresponding week in 2015 when 28 cows were imported from ROI. Exports from NI for direct slaughter in ROI plants last week were similar to the corresponding week in 2015 with 87 prime cattle and 250 cows exported. Exports from NI for direct slaughter in GB last week consisted of 30 prime cattle and 5 cows compared to 26 prime cattle and 10 cows exported to GB in the corresponding week in 2015.

The deadweight trade for prime cattle has continued to firm with the average steer price in NI last week up by 1.2p/kg to 310.3p/kg while the R3 steer price was up by 1.9p/kg to 318.9p/kg. The average heifer price in NI last week increased by 2.2p/kg to 311.5p/kg while the R3 heifer price increased by 1.8p/kg to 318.3p/kg. The trade for young bulls also improved last week with the R3 young bull price up by 2.1p/kg to 309.9p/kg while the trade for cows also firmed with the average cow price up by a notable 5p/kg to 223.5p/kg.

In GB last week the deadweight trade for prime cattle also continued to improve with the average R3 steer price up by 0.6p/kg to 318.4p/kg while the R3 steer price increased by 3.6p/kg to 327.8p/kg. The average heifer price in GB last week was up by 2p/kg to 321.4p/kg while the R3 heifer also increased by 2p/kg to 328.7p/kg. The trade for young bulls remained steady in GB last week with the R3 young bull price almost unchanged at 317p/kg while the trade for cows firmed with the average cow price up by 4p/kg to 208.2p/kg.

The deadweight cattle trade in ROI recorded increases in euro terms however a weakening in euro against sterling has meant deadweight prices were back in sterling terms. The R3 steer price in ROI last week was back by 3.7p/kg to 304.5p/kg while the R3 heifer price was back by 2.7p/kg to 315p/kg. The O3 cow price was back by 3.1p/kg to 245.1p/kg last week which is 4.5p/kg above the equivalent price in NI and 12.2p/kg above the average O3 cow price in GB.

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

W/E 28/05/2016	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB	
Steers	U3	321.8	312.3	338.2	329.4	330.7	331.7	332.5
	R3	318.9	304.5	334.8	322.9	324.8	327.5	327.8
	R4	316.7	305.8	336.4	332.8	322.0	325.1	330.2
	O3	304.5	293.1	311.4	293.3	292.9	300.4	299.7
	AVG	310.3	-	331.3	318.9	310.2	311.4	318.4
Heifers	U3	320.8	325.9	348.9	338.2	337.4	338.4	340.8
	R3	318.3	315.0	335.8	323.2	325.8	328.7	328.7
	R4	316.3	314.6	337.9	327.1	323.9	324.4	328.6
	O3	307.7	302.1	313.1	295.5	301.1	301.6	303.1
Young Bulls	AVG	311.5	-	335.8	318.6	316.1	312.0	321.4
	U3	310.1	307.8	332.9	323.3	329.1	330.5	328.3
	R3	309.9	300.6	327.1	308.3	316.8	318.3	317.0
	O3	292.2	285.4	291.2	267.7	287.4	287.0	282.4
Cows	AVG	296.5	-	319.0	297.1	304.8	303.6	304.9
	Prime Cattle Price Reported	4971	-	7024	6783	7111	4516	25434
	O3	240.6	245.1	238.3	231.6	233.1	231.4	232.9
	O4	244.2	246.1	248.9	232.8	232.8	230.7	234.4
Cows	P2	197.2	221.8	185.8	190.8	188.6	184.9	187.8
	P3	220.9	240.1	218.0	207.4	200.0	205.9	205.1
	AVG	223.5	-	237.1	209.6	202.9	201.4	208.2

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=76.42p 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

W/E 28/05/16	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	178	187	182	160	177	170
Friesians	137	160	150	120	130	124
Heifers	182	208	191	160	181	170
Beef Cows	139	173	149	105	138	120
Dairy Cows	102	132	106	60	101	82
Store Cattle (p/kg)						
Bullocks up to 400kg	200	226	213	160	198	180
Bullocks 400kg - 500kg	185	212	198	160	184	172
Bullocks over 500kg	180	196	188	150	179	165
Heifers up to 450kg	200	224	212	160	199	180
Heifers over 450kg	185	210	198	155	184	170
Dropped Calves (£/head)						
Continental Bulls	225	330	280	150	220	185
Continental Heifers	200	350	235	100	198	150
Friesian Bulls	100	215	135	50	98	75
Holstein Bulls	70	140	100	10	68	45

SHEEP TRADE

SHEEP QUOTES

(P/Kg DW)	This Week 30/05/16	Next Week 06/06/16
Lambs	385 - 395 > 21kg	390 - 400 > 21kg

REPORTED SHEEP PRICES

(P/KG)	W/E 14/05/16	W/E 21/05/16	W/E 28/05/16
NI Lambs L/W	409.8	385.7	369.8
NI Lambs D/W	423.6	415.3	387.7
GB Lambs D/W	462.5	443.4	429.6
ROI D/W	410.5	400.7	-

Deadweight Sheep Trade

QUOTES from the major NI processors for R3 grade lambs this week ranged from 385-395p/kg with plants paying up to 21kg. The plants have reported an increase in the number of lambs coming forward for slaughter with throughput last week totalling 6,607 head. This was an increase of 871 head from the previous week however a decrease of 1,340 head from the corresponding week in 2015. Exports of sheep to ROI for direct slaughter last week totalled 4,356 head, similar to the previous week when 4,446 sheep were exported and notably higher than the same week in 2015 when 2,438 sheep were exported to ROI. The deadweight lamb price in NI last week was back by 27.6p/kg to 387.7p/kg.

This week's marts

A relatively steady trade was reported across the marts this week with larger numbers of lambs passing through all of the marts reported on when compared to the previous week. In Massereene on Monday 460 lambs sold from 380-411p/kg compared to 426 lambs last week selling from 370-398p/kg. In Saintfield on Tuesday 377 lambs sold from 375-404p/kg compared to 301 lambs last week selling from 370-400p/kg. In Rathfriland this week 726 lambs sold from 367-401p/kg compared to 450 lambs last week selling from 371-404p/kg. In Ballymena this week 602 lambs sold to an average of 379p/kg compared to 365 lambs last week selling to an average of 360p/kg. Top reported prices for cull ewes generally ranged from £94-104 with a top reported price of £115 in Saintfield this week.

LATEST SHEEP MARTS

From: 27/05/16		Lambs (P/KG LW)			
To: 02/06/16		No	From	To	Avg
Friday	Newtownstewart	220	368	385	-
Saturday	Omagh	171	368	386	-
	Swatragh	525	358	382	-
Monday	Massereene	460	380	411	-
	Kilrea	300	378	400	-
Tuesday	Saintfield	377	375	404	-
	Rathfriland	726	367	401	380
Wednesday	Ballymena	602	370	419	379
	Enniskillen	392	376	402	385
	Armoyle	312	380	412	387

Contact us:

Website: www.lmcni.com

Telephone: 028 9263 3000

Fax: 028 9263 3001

FQAS Helpline: 028 9263 3024

Answerphone: 028 9263 3011

Comments: bulletin@lmcni.com

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LMC LAUNCHES NEW ADVERTISING CAMPAIGN

LMC is soon to launch a new advertising campaign which will target television, newspapers, a range of outdoor promotion sites, online and social media platforms over the coming months. Themed: 'Flavour Your Life', the promotion has been designed to reflect the versatility and taste of Northern Irish beef and lamb in a family setting. The campaign will run for three months, commencing the first week of June

It responds to the results of recent research, confirming that beef and lamb can be at the heart of meal solutions, which kids want to eat. The campaign also highlights the fact that beef and, particularly, lamb are valuable sources of lean meat. The current promotion represents the latest phase in a campaign, started three years ago, which has been developed to show that beef and lamb from Northern Ireland

are at the very centre of an active family life.

And the good news for levy payers is that the themes encapsulated within the Commission's advertising initiatives are making the right impact with consumers. For example, the organisation's 2014 campaign increased the recognition of the Northern Ireland Farm Quality Assurance (NIFQA) quality mark amongst Northern Ireland's consumers to over 80% for NIFQA Lamb and 82%

for NIFQA Beef. In turn, this ensured that more retail outlets stocked these products and more people bought these products more often. And let's not forget that beef and lamb produced in Northern Ireland is competing against other meats, many of which have a very strongly branded presence.

In addition, the Commission's Northern Ireland Farm Quality Assured Beef and Lamb website, also launched in 2014, has added further to consumer engagement with a range of delicious recipe ideas, information about NIFQA farmers, a retail stock check, competitions and email updates for subscribers.

All of this work ties in with the growing demand of consumers to have total trust in the provenance and quality of the foods they are eating. Consumer research on the impact made by the

current advertising campaign will follow over the coming months. But if previous trends are anything to go by, these should be more than positive. The complete range of the new Flavour Your

Life 'ads' is now featuring on the Farm Quality Assured Beef and Lamb website (www.beefandlambni.com). Check them out: they are well worth a view!

Image 1: LMC's new promotional campaign has been launched this week



COOKING THE PERFECT STEAK

LATER this year LMC will join forces with U105 to find out how the perfect steak should be prepared and cooked. "It should be a lot of fun," confirmed the Commission's Education Services Manager Cherrie Kenny. "It all kicks off at the beginning of August with listeners to the Carloyn Stewart programme being asked to submit their ideas on what constitutes the perfect steak."



"One prize-winning listener's recipe will be chosen on a daily basis during the week in question. On the Saturday all of the daily winners will take part in a cook-off in Belfast's St George's Market. A judging panel will then select the overall winner, with taste being the key determinant as they arrive at their final decision."

"A host of valuable prizes is available throughout the week. So the competition should prove popular with listeners. Full details of the competition

should be hitting the air waves over the coming weeks."

Cherrie confirmed that the competition is part of LMC's commitment to the Northern Ireland Year of Food and Drink campaign. "August is the month dedicated to beef and lamb," she commented. "But this is far from a one-off project, from an LMC perspective. As an organisation we are totally committed to communicating the quality and the provenance of the beef and lamb produced here in Northern Ireland on an ongoing basis."

"Legacy is a key theme, linked to the Year of Food and Drink. And it is one which we fully endorse. In our own case we have built up a strong working relationship with schools, both in our own right and working closely with organisations such as the British Nutrition Foundation."

"Today's children are tomorrow's consumers, shoppers and opinion formers. And we believe passionately that the work which we are currently engaged in with the schools is helping to deliver a balanced 'red meat' message to young people. And, what's more it is a theme that should resonate with them for many years to come."

LMC CALLS ON FARMERS TO CULL PI CALVES IDENTIFIED BY BVD TESTING PROGRAMME

THE new BVD statutory eradication scheme is on track to meet its target in full," according to LMC's Colin Smith. "There is already strong evidence to confirm that the new scheme is working well," he added. "But these are still early days. The fact that the programme here in Northern Ireland fully complements the scheme that has been operating in the Republic for the past three years means that the eradication of the disease on an all-island basis is a very achievable target."

"I wouldn't like to predict the actual time scale within which this will be achieved however we are talking about a relatively short number of years. The incidence of BVD has already dropped in the Republic of Ireland by almost 80%."

"The pay pack for livestock farmers will be considerable in terms of the production-related benefits that are generated." One specific area of concern for Colin and his LMC colleagues is the management of Persistently Infected (PI) calves, identified courtesy of the BVD testing programme. "Legislation introduced in March 2016 now prevents the movement of any animal borne after 1st March that hasn't tested negative for BVD virus," Colin added.

"PI calves represent the most important source of the BVD virus to other animals in the herd and in neighbouring herds. In the majority of cases these animals will die before reaching productive age. As a consequence, veterinary advice recommends that all PIs should be humanely put down as soon as they are identified. Feeding them on is a false economy. LMC will shortly circulate an information leaflet to livestock farmers, strongly advising them to take this course of action, where PI calves are concerned."

Colin also believes that there could be other uses for tissue samples generated courtesy of the BVD testing programme that, if viable, could result in another positive step forward for the industry. "The critical issue is getting a high quality DNA sample from the tissue submitted by farmers," he explained. "If this can be achieved on a consistent basis, then it opens the door for performance related genetic improvements to be secured at both herd and national level within a much shorter period of time than is currently the case. Genomic testing is now an extremely cost effective technology

that can be widely availed of. If farmers are submitting the all-important tissue samples, then it makes sense to secure the best possible return from this commitment."

LMC is represented on the Implementation Group, established by Animal Health and Welfare NI, to plan and co-ordinate the ongoing BVD eradication programme. Looking further down the track Colin views Johne's Disease as the next animal health challenge, which the livestock sectors must address. "A voluntary control programme has already been initiated by Animal Health and Welfare NI," he said.

"The eradication of Johne's may not be as clear cut and straightforward as should be the case with BVD. For one thing the testing procedures are not as accurate, when compared with the diagnostic options available for other diseases. However this should not deter the dairy and beef sectors from committing to control a disease that has a significant production-related impact across both sectors."



Contact us:

Website: www.lmcni.com

Telephone: 028 9263 3000

Fax: 028 9263 3001

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