

DEADWEIGHT CATTLE TRADE

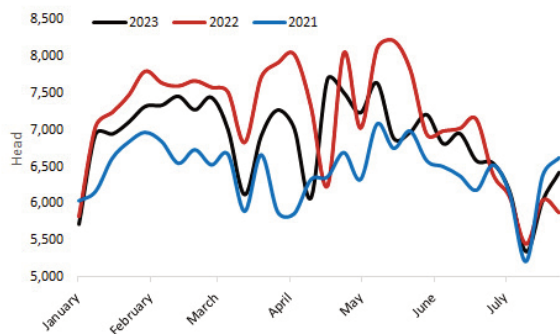
NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 31/07/23	Next Week 07/08/23
Prime		
U-3	438 - 450p	434 - 450p
R-3	432 - 444p	428 - 444p
O+3	426 - 438p	422 - 438p
P+3	370 - 382p	366 - 382p
Including bonus where applicable		
Cows		
O+3	334 - 345p	324 - 340p

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.

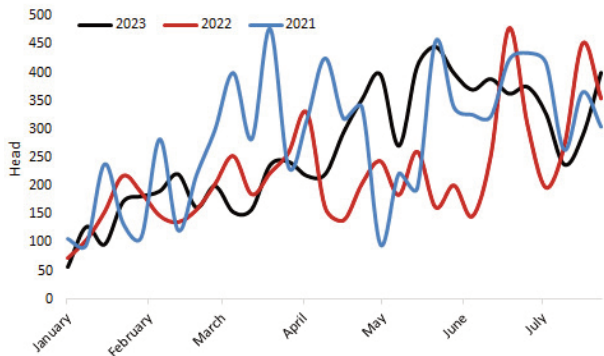
Prime Cattle Throughput to date 2021-2023

Source: DAERA



Prime Cattle Imports from ROI for direct slaughter to date 2021-2023

Source: DAERA



REPORTED NI CATTLE PRICES - P/KG

W/E 29/07/23	Steers	Heifers	Young Bulls
U3	469.0	470.3	458.2
R3	462.0	463.6	449.9
O+3	455.5	457.3	437.9

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 29/07/23	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	233.3	252.2	260.3	269.6
P2	271.3	300.1	313.3	320.6
P3	265.9	307.4	329.9	331.2
O3	-	335.7	341.2	351.6
O4	281.2	-	338.0	353.4
R3	-	-	-	365.1

Deadweight Cattle Trade

Base quotes for in-spec U-3 grading steers and heifers ended this week ranging from 438-450p/kg, with base quotes for O+3 grading cows ending the week ranging from 334-345p/kg. Next week softer quotes are expected for all types of cattle.

Last week in NI the average price paid for steers was 453.7p/kg back by 4.3p/kg from the previous week. An average R3 steer price of 466.6p/kg was reported which was back 2.2p/kg on the previous week. The average heifer price in NI last week was 455.8p/kg, back half a penny from the previous week, while the R3 heifer price was back 2.6p/kg to 464.4p/kg. The average cow price in NI last week back 13p/kg from the previous week to 318.5p/kg, while the O3 cow price reported a decline of 9.3p/kg bringing it to 349.9p/kg. A similar shift in prices was seen across the grades in ROI and GB last week.

Prime cattle throughput in NI plants last week totalled 6,421 head. This brings total throughput during the first seven months of 2023 to 205,968 head, a 4.1 per cent decline year on year. Compared to the corresponding period of 2021, this year's prime cattle slaughterings are up over 12,700 head or by 7 per cent. Meanwhile cow throughput in local plants last week totalled 2,103 cows, bringing total cow throughput to date during 2023 to 64,428 head. This equates to a 1.7 per cent decline in cow slaughterings on last years levels, and remains almost 9,000 head or 17 per cent ahead of cow throughput during the corresponding period of 2021.

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

W/E 29/07/23	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	468.9	421.4	473.5	482.0	474.4	475.8
	R3	466.6	413.7	473.0	474.7	467.7	470.3
	R4	465.7	414.9	473.1	478.8	465.5	473.3
	O3	453.3	401.6	460.9	458.8	448.4	451.5
AVG	453.7	-	470.3	468.6	455.4	455.5	462.3
Heifers	U3	470.2	429.5	481.5	474.7	483.8	479.4
	R3	464.4	416.4	476.0	471.1	470.8	469.4
	R4	463.2	419.3	478.3	476.4	468.8	474.0
	O3	451.6	408.0	460.5	451.2	442.9	446.8
AVG	455.8	-	475.3	466.1	452.4	450.5	461.1
Young Bulls	U3	458.5	416.2	465.8	467.2	472.0	467.7
	R3	449.6	404.4	460.2	459.8	463.0	460.3
	O3	436.4	387.8	439.7	430.4	430.0	432.3
	AVG	441.6	-	459.9	455.0	452.7	453.6
Prime Cattle Price Reported	4,960	-	5,460	6,664	6,919	5,009	24,052
Cows	O3	349.9	340.3	368.1	361.3	370.3	366.3
	O4	350.9	340.7	370.6	362.3	371.7	366.2
	P2	312.9	310.6	325.5	316.3	331.5	326.7
	P3	328.3	329.9	341.5	338.7	344.2	344.7
AVG	318.5	-	362.9	339.7	336.8	322.1	336.6

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=85.93p 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

LIVEWEIGHT CATTLE TRADE

LATEST LIVEWEIGHT CATTLE MART PRICES NI

W/E 29/07/23	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	250	294	275	200	249	225
Friesians	185	212	195	158	180	170
Heifers	245	293	256	190	244	225
Beef Cows	202	260	224	150	199	172
Dairy Cows	130	177	150	50	129	100
Store Cattle (p/kg)						
Bullocks up to 400kg	260	374	280	200	259	225
Bullocks 400kg - 500kg	235	298	260	180	234	210
Bullocks over 500kg	230	297	245	190	229	205
Heifers up to 450kg	235	313	265	175	234	200
Heifers over 450kg	200	253	230	150	199	180
Dropped Calves (£/head)						
Continental Bulls	400	700	500	250	395	325
Continental Heifers	350	680	420	200	345	275
Friesian Bulls	130	180	150	15	100	60
Holstein Bulls	130	220	175	1	70	30

DEADWEIGHT SHEEP TRADE

NI SHEEP BASE QUOTES

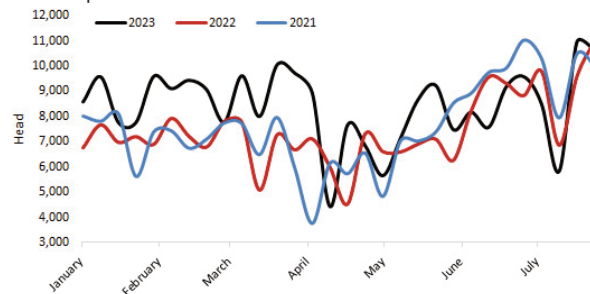
(P/Kg DW)	This Week 31/07/23	Next Week 07/08/23
R3 Lambs up to 21kg	510 - 520p	510p

REPORTED SHEEP PRICES

(P/KG)	W/E 15/07/23	W/E 22/07/23	W/E 29/07/23
NI L/W Lambs	514.5	507.3	470.9
NI D/W Lambs	579.7	559.8	527.3
GB D/W Lambs	631.0	592.2	581.5
ROI D/W	607.7	593.6	561.0

Sheep Trade

Quotes for R3 grade lambs ended this week in the region of 510p/kg with the major plants paying up to 21kg. Similar quotes are expected early next week. Last week 10,620 lambs were slaughtered locally with exports to ROI for direct slaughter totalled 6,537 head. Total lamb output from the NI sheep sector last week was up 812 head from the previous week and ahead of the 16,773 head supplied during the corresponding week last year. The average NI deadweight lamb price last week was 527.3p/kg last week with an average liveweight price in NI reported at 470.9p/kg. In ROI last week the average deadweight lamb price was the equivalent of 561p/kg, a decline of 32.6p/kg from the previous week.



LIVEWEIGHT SHEEP TRADE

LATEST SHEEP MARTS (P/KG LW)

From: 29/07/23		Lambs			
To: 03/08/23		No	From	To	Avg
Saturday	Omagh	697	476	507	-
	Swatragh	1100	476	515	-
Monday	Kilrea	650	476	500	-
	Markethill	800	450	502	-
Tuesday	Saintfield	770	470	505	-
	Rathfriland	600	445	517	475
Wednesday	Ballymena	1906	460	500	478
	Enniskillen	602	543	510	-
	Armoyle	442	455	502	-

VOLATILE AND UNCERTAIN OUTLOOK FOR GLOBAL MEAT MARKETS

While global meat markets remained stronger than many analysts had predicted during the first half of 2023, there is now a growing expectation that international beef and lamb prices could come under further pressure during the period ahead.

One of the key factors contributing to the relatively strong market conditions in the first half of the year, was the decision taken by governments around the world to subsidise energy prices, coupled with tighter supplies of beef in both USA and Europe. In addition, the winter of 2022/23 was milder than had been predicted. As a consequence, one of the key contributors of consumers' regular household outlays was kept very much in check. However, this scenario is now fast changing. Governments are stepping away from the energy supports previously made available. Consequently, consumers have no option but to face-up to the full cost of expensive energy bills. And the knock-on impact of this and the other factors that contribute to the continuing cost-of-living crisis, will factor into their food buying decisions during the second half of 2023.

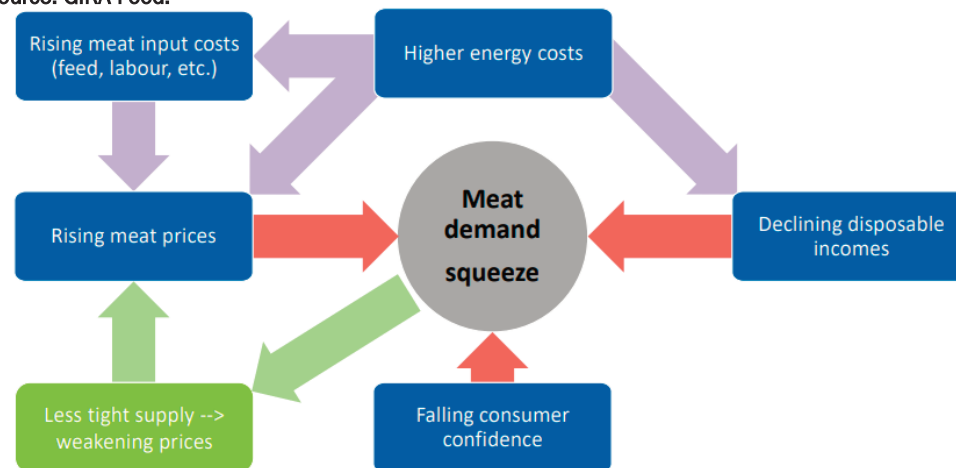
"Volatility across many international beef and lamb markets may well be the major factor coming into play over the next few months," confirmed Livestock and Meat Commission (LMC) Chief Executive, Ian Stevenson. "This was certainly the view expressed by representatives of the international beef and lamb sectors, who participated in a recent global meat market outlook presentation, delivered by specialist market research firm Gira."

Based in France, Gira is an international market consultancy and forecasting agency, operating at every level of the food supply chain. LMC uses its membership of international organisations, such as the Gira Meat Club, in ways that allow Northern Ireland's red meat industry to actively engage in global discussions about beef and lamb, analysing and communicating the facts about ruminant livestock production.

Ian Stevenson comments, "There are a number of factors currently in play that will impact on both the production and demand side of the red meat market equation. These include the cost-of-living crisis, impacting at consumer level, and the continuing developments in Ukraine. The reality is that inflation is now impacting significantly on consumer buying habits. That consumer pressure is almost certainly, coming on to market prices." He continued, "From a production point of view, there has been some welcome cost reductions, from both a feed and fertiliser perspective."

LMC's Chief Executive continues, "However, political uncertainty remains a major issue with the ongoing war involving Russia and Ukraine being the most obvious example of this. Instabilities of this nature serve only to add to production costs, from a farming and food perspective. It all adds up to growing levels of volatility and uncertainty impacting on global meat markets."

Image 1 : The increased cost of living is directly impacting on the global meat market.
Source: GIRA Food.



According to the LMC representative, labour availability is also a key factor impacting negatively across many farming and food economies around the world. "Having to pay more for labour, where it is available, adds to the cost of producing beef and lamb," he further explained. "Meeting the sustainability challenge that now confronts the international livestock sector will also come with major investment needs. Farmers know that they will have to invest in more efficient production systems and technology if they want to meet their climate change targets." Ian Stevenson concludes, "Whilst much of the commitment comes at additional cost it is essential that sustainability improvement delivers a win: win scenario for farmers, supply chains, governments and the environment."

Ian Stevenson is also aware that livestock producers need to invest in climate-friendly production practices if they wish to have their products stocked by the best paying markets into the future. It's a case of working out the sweet spot which allows farmers to meet this requirement while also remaining economically sustainable.

The European Union

All markets are fundamentally driven by two factors: supply and demand. Last year saw total beef production in the European Union fall by 1.9%. The figure is accounted for by the lower-than-normal carcass weights recorded in the fourth quarter of 2022. This is a direct result of the drought conditions that existed, leading to lower levels of forage availability.

Looking ahead, Gira is projecting a further 1.7% fall in EU beef output during 2023. One caveat coming into play here is the possibility of enhanced dairy cow culling rates – a possible consequence of falling milk prices.

The beginning of this year saw European beef prices defy the cost-of-living crisis impacting on consumers. The first quarter of 2023 was also marked by a strong demand for beef within the food service sector. This was reflected in stronger than anticipated imports during the period. However, from the second quarter of the year to

now, the growing pressure on consumer incomes has been impacting on the EU beef market in a more meaningful way.

Ian Stevenson commented, "Beef is not as price sensitive a product as is the case with lamb. However, when spending power tightens, consumers tend to eat less beef or opt for cheaper cuts. But the market is still driven by core supply: demand factors. At the moment, it seems the tightness of supply across Europe has been outweighing a weakening consumer demand." He added, "But food service remains a key determinant of EU beef markets. The cooling off in demand within this sector was significant in reducing local cattle prices from April through to now."

Meanwhile, 2023 has seen a shift in the peak month for EU sheep slaughtering, moving from March into April. This can be attributed to the end of Ramadan taking place in early April. Gira is projecting that EU sheep meat production levels in 2023 will further contract. This is a direct result of the decline in breeding ewe numbers.

Sheep meat imports into the EU have risen by 10% during the first part of 2023. Both the UK and Australia have been major players in this increased supply into the EU. The level of imports has been such that European market sheep prices have started to weaken. Ian Stevenson again adds, "Demand for lamb is extremely price sensitive. When market prices to consumers start to strengthen, they tend to cut back markedly on eating the meat and will often seek out other cheaper meat options."

China

China remains the biggest single factor, impacting on global meat markets. And the current state of uncertainty within that market is being reflected on an international basis.

Ian Stevenson explained, "China is slowly recovering from the decision to move away from a zero tolerance Covid policy. The country's economy is currently in a state of stasis. This is reflected in the fact that almost 30% of its 2023 university graduates cannot find employment. In

addition, consumers across China are now spending less and putting a very strong focus on saving money and the paying back of debt. As a consequence, beef and lamb retail prices have softened. Cheaper pork prices for consumers in China is also impacting negatively on the country's red meat market."

Currency is also coming into play with China's beef and lamb import scenario. Recent months have been marked by a weakening of the Yuan. In theory, this should make China less attractive as an export destination. However, the most recent figures confirm that beef imports into the country actually increased during the first months of 2023 by a factor of 8%. However, the actual value of these imports fell by 11%. Australia and Brazil remain key suppliers of beef to the Chinese market.

Similar trends can be seen within China's sheep meat market. The ending of Covid restrictions has boosted consumption levels: sheep meat is very much a driver of social occasion in China with hotpot and other out of home eating accounting for 50% of consumption. However, additional supply available in key exporting countries have seen imports into China rising by 33% over the first half of 2023, but at prices 20% lower than the same period in 2022.

Ian Stevenson commented, "We are also seeing signs of the grey market for beef reemerging in China. This entails the likes of frozen buffalo meat from India coming into the country through Hong Kong and Vietnam. In addition, steps taken to boost levels of indigenous production in China are now bearing fruit in some sectors. The end result is a softening in overall demand for imported meats coming into the country which is not expected to reach levels recorded in 2022."

Ian Stevenson highlighted the main conclusions from the Gira mid-year update. "Widespread inflation is squeezing margins across international beef and lamb sectors. There will be difficulties in passing-on significant additional costs to consumers during the current cost of living crisis. The increasing inflation rate of retail meat prices has probably peaked but consumer spending remains under significant pressure."

He continues, "There has been some relief for farmers of late on the back of falling feed cost. But threatening socio-political developments taking place around the world add cost and complexity along the entire food chain. Chronic labour shortages in economies around the world is adding significantly to food production costs."

Ian Stevenson concludes, "Beef production in the USA, which is the biggest consumer market for beef in the world, is expected to be down over 5% in 2023, meaning that import levels will remain high to meet a strong domestic demand. The message from China is a mixed one, generally positive with relaxation of the zero covid policy but recovery is slower than anticipated and growth in demand for meat imports has paused relative to recent trends."



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