LMC
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LOCAL BEEF PLANTS APPROVED FOR EXPORT TO THE USA

This week WD Meats in Coleraine and Foyle Meats Campsie have both been successfully approved to export beef to the USA following a lengthy approval process. Meanwhile a third UK beef plant, Kepak Merthyr (Wales), was also granted access to the US market this week.

LMC's Chief Executive Ian Stevenson has welcomed the latest developments, 'It is great news that a number of UK establishments including WD Meats Coleraine and Foyle Camspie have now been officially listed by the USA authorities for the export of beef to the USA.

'The USA is one of the largest consumer markets for beef in the world and despite the impact of Covid-19 globally we have seen that exporters in the Republic of Ireland have more than doubled their beef exports to USA in the first six months of 2020 with exports worth over €21 million to the Irish beef industry.

'Achieving access to the valuable US beef market is testament to the hard work of government officials, industry and support bodies across the UK. Approved plants in Northern Ireland can now start to service new customers in the USA with our safe, traceable and excellent quality assured beef and we look forward to seeing this market opportunity develop and grow in the months and years ahead'.

The USA is a huge beef consumer and access to this market has been an important step forward for the NI beef industry. The latest available figures from GIRA forecast per capita beef consumption in the USA to be 37.3kg/head. This is the highest level of beef consumption in the world with the exception of South American countries. By comparison the per capita beef consumption in the EU is in the region of 15.3kg/head.

Total beef consumption in the US during 2019 was 12.3 million tonnes according to the latest available GIRA reports which accounts for 18 per cent of all beef consumed globally last year. This level of consumption is expected to hold relatively stable moving forward with robust demand for all types of meat from US consumers.

The USA is actually a net exporter of beef however it has an important role to play on the global beef market as a beef importer. During 2019 the US imported an estimated 1.2 million tonnes of beef which accounted for 11.3 per cent of all beef traded globally last year. The largest majority of beef imported by the US came from Mexico, South America,

Image 1: Three UK beef processing plants gained access to the USA this week

New Zealand and Australia however there are growing opportunities for other smaller exporters.

The figures outlined above serve to highlight the strong opportunities that access to this valuable market can bring. Given the ongoing uncertainties around Brexit and the future trading relationship between the UK and the EU it is important that all those involved in the beef industry continue to work closely in opening and developing new markets for the high quality beef being produced in Northern Ireland.

BREXIT NEGOTIATIONS: A VIEW FROM BRUSSELS

LMC has a long standing relationship with the AHDB office in Brussels and this week Export Policy Manager Tania Gesto-Casas has briefed LMC on the current progress on a range of Brexit related issues.

Market access for UK agri-food exports

In order for a non-EU country to get access into the EU market for their agri-food products, the third country in question needs to be included in the list of "approved non-EU countries" for that specific category of food.

The UK has applied to be included in those lists, but these applications have not been approved yet by the EU. In order to list the UK as a third country, the EU need to know the details of the sanitary and phytosanitary (SPS) regime that the UK will apply after 1 January 2021.

This refers not only to the food standard rules but also to the requirements for food imports into the UK (e.g. what will be the process for EU exporters to be approved to sell their food products in the UK). At the time of publication the UK has not provided this information hence the EU's refusal to list the UK.

If the UK does not provide the reassurances the EU is asking for by the end of the transition period, it would mean that the UK will lose access to the EU market for those agrifood products. In addition, given the provisions of the Northern Ireland Protocol, it would also mean food cannot go from GB to NI.

While the listing process is a purely technical issue, it's clearly being used by the EU as leverage in the negotiations. Hopefully we won't get to the point where UK exports to the EU are banned with the EU wanting the UK to provide the details of its future SPS rules by the end of next month. The UK has said the relevant UK legislation will be put before Parliament next month. The UK's intention seems to basically replicate the Official Controls Regulation and the EU rules on animal and plant health "with some modifications".

Brexit negotiations

Despite the controversy around the UK's intention to go back on some of the legal commitments in the Northern Ireland Protocol, trade negotiations continued last week.

Following last week's negotiations, both Barnier and Frost said they remain committed to reaching a deal, so meetings have continued this week. A full round of negotiations will take place at the end of the month. It is worth noting however that last week's round didn't seem very fruitful, with Barnier complaining the UK has not engaged on fundamental EU principles and interests, while Frost denied this saying they had engaged in all areas but divergences are still significant.

Internal Markets Bill

The publication of the Internal Market Bill last week outlined how the UK intends to deviate from parts of the Withdrawal Agreement. This has raised concerns, as if adopted, it would break international law and undermine trust on the UK's reliability as a future trade partner.

In particular, the Internal Market Bill gives ministerial powers to 'disapply or modify';

- Any requirements for exit declarations on goods travelling from NI to GB;
- the effects of Article 10 of the Protocol, which covers application of EU state aid rules in NI. It also says this article should not to be interpreted in accordance with the European Court of Justice case law.

Under this scenario the UK government would be in violation of the good faith obligation under the Withdrawal Agreement (WA) as the draft Bill jeopardises the attainment of the objectives of the WA. There are obviously legal and political consequences to the issues outlined above that will have a huge impact on the ability of the UK and the EU being able to agree a trade deal but also on the UK's ability to negotiate trade agreements with other countries outside the EU.

BEEF CARCASE WEIGHTS SIMILAR TO 2019 LEVELS

The average prime cattle carcase weight in NI last week was 348kg, very similar to the corresponding week last year as outlined in **Figure 1** below. During July and early August this year average carcase weights had been trending slightly ahead of 2019 levels but in recent weeks they have been similar to 2019 levels.

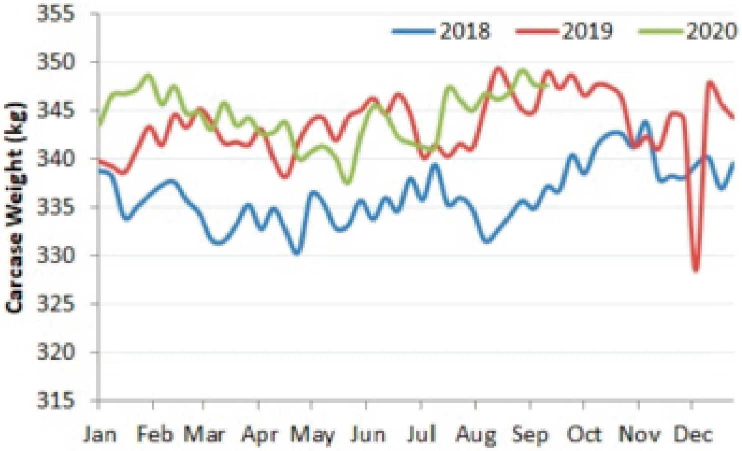
The average carcase weight of prime cattle has been operating well ahead of 2018 levels when average carcase weights of prime cattle passing through local plants were impacted by poorer cattle performance.

The biggest increase in average carcase weights has been recorded in the steers category. Last week the average steer carcase weight was 364kg, up from 349kg in the corresponding week in 2018.

The average heifer carcase weight last week was 325kg which was similar to the same week in 2019 but up from 320kg in the same week in 2018.

The average young bull carcase weight in NI last week was 341kg. This was back from 347kg in the same week in 2019 and similar to the same week in 2018. The number of young bulls in the local kill has continued to decline with only 529 killed locally last week.

Figure 1: Average prine cattle carcase weights in Northern Ireland 2018-2020
Source: DAERA



FQAS Helpline

If you have had a recent inspection and need help and advice to rectify any non-conformances, contact the FQAS helpline:
Tel: 028 9263 3024

Answerphone Service

Factory Quotes & Mart Results
Updated 5pm Daily
Tel: 028 9263 3011

Text Service

Free weekly price quotes sent to your mobile phone
Email - bulletin@lmcni.com
Tel: 028 9263 3000

WEEKLY BEEF & LAMB MARKETS

LMC Livestock & Meat Commission

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 14/09/20	Next Week 21/09/20
Prime		
U-3	350 - 358p	350 - 358p
R-3	344 - 352p	344 - 352p
O+3	338 - 346p	338 - 346p
P+3	288 - 300p	288 - 300p
	Including bonus where applicable	
Cows		
O+3 & better	260 - 270p	254 - 270p
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 12/09/20	Steers	Heifers	Young Bulls
U3	363.8	367.7	358.3
R3	361.2	363.4	356.5
O+3	353.2	357.6	347.2

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 12/09/20	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	165.6	178.9	192.8	197.9
P2	191.5	211.1	232.1	246.8
P3	213.2	223.5	252.7	259.0
O3	202.0	251.4	266.5	275.8
O4	-	-	278.0	279.4
R3	-	-	-	290.2

Deadweight Cattle Trade

Base quotes from the major NI processing plants continued to hold steady this week with the plants quoting from 350-358p/kg for in spec U-3 grade prime cattle. These quotes should be used as a starting point for negotiation with similar quotes expected for Monday. Quotes for good quality O+3 grade cows this week ranged from 260-270p/kg across the plants with quotes expected to range from 254-270p/kg early next week.

Supplies of prime cattle for processing in NI increased by 170 head to total 6,806 head in local plants last week. However this is back 581 head when compared to the 7,387 prime cattle processed in the same week last year. Cow throughput in NI last week increased by 155 head to 1,978 cows although again throughput was behind the 2,334 cows processed during the corresponding week in 2019. Imports from ROI for direct slaughter in local plants last week increased to 317 prime cattle and 222 cows while no cattle were imported from GB for direct slaughter in NI. Exports from NI to ROI for direct slaughter consisted of 13 prime cattle and 87 cows last week with 30 prime cattle and nine cows exported to GB for direct slaughter.

The NI deadweight trade for all categories of cattle continued to come under pressure last week. A decrease of 2.4p/kg was reported in the average steer price to 355.5p/kg with the R3 steer price back by 3.3p/kg to 364.3p/kg. In the same week in 2019 the R3 steer price was 325.1p/kg. Last week the NI average heifer price and R3 heifer price both decreased by 2.4p/kg to 359.1p/kg and 365.9p/kg respectively. In the corresponding week last year the R3 heifer price was 327.2p/kg. The average young bull price in NI last week decreased by 8.2p/kg to 340.3p/kg with the R3 young bull price back by 6p/kg to 353.8p/kg. Meanwhile the NI average cow price last week decreased by 6.8p/kg to 241.5p/kg with the O3 cow price back by 3.3p/kg to 274.5p/kg.

The deadweight trade for prime cattle also came under pressure in GB last week. The average steer price in GB last week was back by 3.2p/kg to 369.7p/kg with the R3 steer price back by 2.7p/kg to 376.6p/kg. This has widened the differential between NI and GB R3 steer prices to 12.3p/kg last week. The average GB heifer price reported a decrease of 2.3p/kg to 370.7p/kg last week while the R3 heifer price was back by 2.7p/kg to 376.1p/kg. This has slightly narrowed the differential between NI and GB R3 heifer prices last week to 10.2p/kg. The average cow price in GB last week came back by 5.3p/kg to 247.7p/kg with the O3 price back by 2.4p/kg to 275.5p/kg. This places it a penny above the equivalent cow price in NI last week.

Deadweight prices for prime cattle in ROI generally held steady last week however a firming euro against sterling has resulted in a strong improvement in deadweight cattle prices in sterling terms. The R3 steer and R3 heifer prices both increased by just over 7p/kg to the equivalent of 333p/kg and 334.9p/kg respectively. This places both the ROI R3 steer and heifer price at 31p/kg below the corresponding prices in NI last week. The O3 cow price in ROI last week increased by just over 7p/kg to the equivalent of 268.9p/kg.

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

W/E 12/09/20		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	365.2	343.4	386.4	378.3	378.4	379.0	380.6
	R3	364.3	333.0	389.7	376.7	372.9	372.7	376.6
	R4	364.6	333.4	394.8	385.0	372.9	371.1	385.8
	O3	353.8	314.2	373.2	355.8	349.9	354.8	355.1
	AVG	355.5	-	387.9	369.3	361.5	362.0	369.7
Heifers	U3	368.1	345.8	396.7	386.2	387.9	377.2	387.2
	R3	365.9	334.9	390.7	373.8	375.3	372.1	376.1
	R4	363.4	335.3	392.5	378.0	377.0	369.4	382.1
	O3	359.3	320.0	362.1	356.4	348.8	356.0	354.0
	AVG	359.1	-	389.3	369.1	363.8	361.6	370.7
Young Bulls	U3	356.5	324.7	379.9	364.9	375.0	371.6	374.8
	R3	353.8	316.8	376.8	362.9	365.9	362.8	368.4
	O3	342.0	301.4	341.1	330.1	334.1	354.3	337.0
	AVG	340.3	-	367.2	352.9	354.2	350.8	357.0
Prime Cattle Price Reported		5,620	-	5,533	6,814	7,138	4,831	24,316
Cows	O3	274.5	268.9	284.4	272.8	274.3	276.2	275.5
	O4	279.4	269.2	285.9	274.4	271.7	268.4	274.2
	P2	235.7	243.8	245.3	226.0	233.6	243.9	236.2
	P3	256.1	257.6	255.5	245.6	249.1	254.0	250.4
	AVG	241.5	-	274.4	251.2	240.6	243.0	247.7

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=91.10p 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 12/09/20	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	217	226	220	190	216	205
Friesians	167	181	174	135	158	150
Heifers	203	226	210	185	201	193
Beef Cows	143	215	155	110	142	126
Dairy Cows	116	135	120	100	115	107
Store Cattle (p/kg)						
Bullocks up to 400kg	230	280	255	200	229	215
Bullocks 400kg - 500kg	220	249	235	195	219	208
Bullocks over 500kg	215	234	222	180	214	198
Heifers up to 450kg	225	269	240	195	224	208
Heifers over 450kg	200	250	220	170	199	185
Dropped Calves (£/head)						
Continental Bulls	400	550	440	275	395	320
Continental Heifers	330	460	370	220	325	270
Friesian Bulls	155	240	200	80	150	115
Holstein Bulls	125	205	165	5	120	60

SHEEP TRADE

NI SHEEP BASE QUOTES

(P/Kg DW)	This Week 14/09/20	Next Week 21/09/20
Lambs up to 21kg	445-450p	435-450p

REPORTED SHEEP PRICES

(P/KG)	W/E 29/08/20	W/E 05/09/20	W/E 12/09/20
NI L/W Lambs	418.6	415.3	416.4
NI D/W Lambs	437.7	437.4	439.8
GB D/W Lambs	444.5	457.5	464.3
ROI D/W	449.2	450.1	467.1

Deadweight Sheep Trade

Quotes from the local plants for R3 grading lambs remained steady this week at 445-450p/kg with plants paying up to 21kg. Quotes for early next week are expected to range from 435-450p/kg up to 21kg. Lamb throughput in NI last week totalled 10,171 head, up 928 head from the previous week. Exports of lambs to ROI for direct slaughter last week decreased by almost 1,000 head from the previous week to total 7,284 head. In the same week last year 7,481 lambs were exported from NI for direct slaughter in ROI plants. The deadweight lamb price in NI last week was up by 2.4p/kg from the previous week to 439.8p/kg. Deadweight lamb prices in NI are significantly ahead of 2019 levels, in the same week last year the deadweight lamb price in the region was 357.7p/kg.

Liveweight Sheep Trade

The liveweight trade has come under some pressure this week with numbers generally back from last week. In Massereene on Monday 1,067 lambs sold from 405-440p/kg, a slightly quieter trade from last week when 1,073 lambs sold from 410-452p/kg. In Saintfield this week 724 lambs sold from 400-450p/kg compared to 577 lambs last week selling from 410-480p/kg. On Wednesday in Ballymena 2,308 lambs sold from 380-426p/kg (avg 396p/kg) compared to 2,804 lambs last week selling from 390-439p/kg (avg 413p/kg). In Enniskillen this week 1,434 lambs sold from 400-454p/kg compared to 1,985 lambs last week selling from 400-462p/kg. Top reported prices for cull ewes ranged from £105-£146 across the marts this week with a top price of £146 reported in both Swatragh and Saintfield.

LATEST SHEEP MARTS (P/KG LW)

From: 12/09/20		Lambs			
To: 17/09/20		No	From	To	Avg
Saturday	Omagh	1126	449	537	-
	Swatragh	1800	380	457	-
Monday	Massereene	1067	405	440	-
	Kilrea	520	402	413	-
Tuesday	Saintfield	724	400	450	-
	Rathfriland	700	390	492	423
Wednesday	Ballymena	2308	380	426	396
	Enniskillen	1434	400	454	-
	Armoy	572	395	435	-
	Markethill	1050	400	418	-

Strict Covid - 19 restrictions are in place across all of the livestock marts

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