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DECLINE IN UK RED MEAT IMPORTS

The latest available data from HMRC has indicated a decline in UK beef imports during the first eight months of 2020. The UK imported 152,775 tonnes during the 2020 period, an eight per cent decline from the 165,639 tonnes imported during the same period in 2019.

The EU continues to be the largest source of beef for the UK market with 150,019 tonnes imported between January and August 2020 which accounted for 98 per cent of all beef imported. Beef imports from the EU during the 2020 period were back 5 per cent from 2019 levels but were 15 per cent lower than the corresponding period in 2018 as outlined in Table 1.

Ireland continues to be the largest supplier of beef to the UK market with 120,902 tonnes imported during the first eight months of 2020. This was back by five per cent from the 127,902 tonnes imported during the same period in 2019 and nine per cent behind the same period in 2018 when 133,408 tonnes of beef were imported from Ireland.

The second biggest supplier of beef to the UK during the first eight months of 2020 was Poland with 10,345 tonnes supplied. While this was up 5 per cent from 2019 levels it was 13 per cent lower than the 11,927 tonnes imported during the same period in 2018.

The only other notable EU supplier to the UK market has been the Netherlands with 9,750 tonnes imported during the 2020 period. This was back 15 per cent from 2019 levels and back 23 per cent from 2018 levels. There are several other EU countries supplying the UK market but the volumes involved are very small as outlined in Table 1.

Non-EU imports

Imports of beef from non-EU countries totalled 2,755 tonnes during the first eight months of 2020 which accounted for just two per cent of total beef imports by the UK during that period.

The level of beef import from non-EU countries was well back from the 7,320 tonnes imported during the same period in 2019 and the 10,495 tonnes imported from non-EU sources during the same period in 2018.

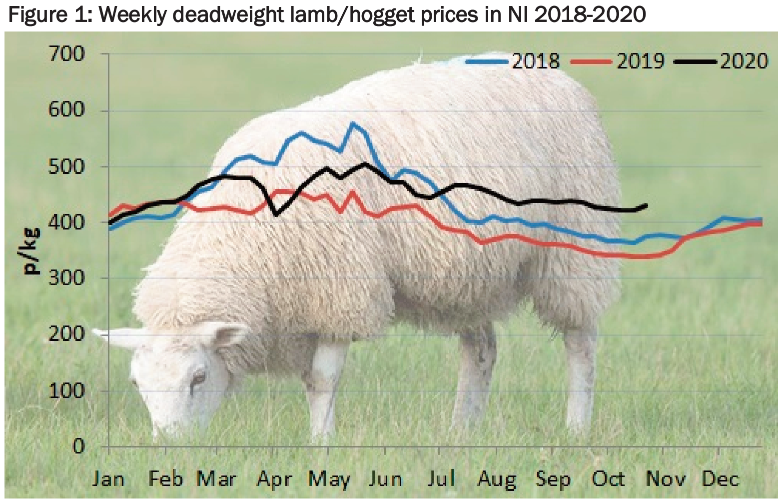
Table 1: UK imports of beef January-August 2018-2020 from the EU (tonnes). Source HMRC/AHDB

	2018	2019	2020	2018 vs 2020	2019 vs 2020
Ireland	133,408	127,145	120,902	-9%	-5%
Netherlands	12,656	11,485	9,750	-23%	-15%
Poland	11,927	9,836	10,345	-13%	+5%
Germany	6,468	3,458	3,021	-53%	-13%
Italy	3,006	1,966	1,259	-58%	-36%
Spain	1,811	1,197	1,346	-26%	+12%
Belgium	2,175	1,504	1,692	-22%	+13%
France	2,329	545	407	-83%	-25%
Denmark	582	307	88	-85%	-71%
Other	3,054	875	1,209	-60%	+38%
Total	177,416	158,319	150,019	-15%	-5%

LAMB PRICES TREND UPWARDS

The deadweight lamb trade in NI has remained firm with the plants quoting 440-450p/kg up to 21kg this week. Base quotes for next week have come back slightly to 435-445p/kg in response to additional Covid-19 restrictions in some key EU markets such as France however these quotes remain significantly ahead of the 345-350p/kg up to 21kg that was being quoted this week last year.

Figure 1: Weekly deadweight lamb/hogget prices in NI 2018-2020



The average deadweight lamb price in NI last week was 429.3p/kg compared to 340.1p/kg in the same week last year. This is an £18.70 increase in the value of 21kg lamb carcase year on year. Reports from the plants have indicated lambs are being marketed earlier and lighter this year. A strong deadweight trade, good performance of lambs at grass and some uncertainty around trading conditions with the EU next year have contributed to this trend.

There have been 219,909 lambs processed locally between June 2020 and last week with a further 113,114 lambs exported to ROI for direct slaughter. This puts total output during the 2020 period at 353,023 head, up 9,314 head or three per cent from the same period last year. Lambs processed in NI during the 2020 period had an average carcase weight of 21.1kg, back from 21.5kg in the same period last year.

Great Britain

The deadweight lamb price in GB last week was 441.1p/kg, back marginally from the previous week. The trade in GB is also running significantly ahead of this time last year when the average lamb price was 373.5p/kg. Reports have indicated lamb throughput in GB has followed a similar trend to NI with lambs being presented for slaughter lighter and earlier than would normally be expected.

Lamb throughput in GB has been very strong with 4.5 million lambs processed between June and September 2020 (latest available figures). This was up 6.4 per cent from the same period in 2019. However some reports have indicated a tightening in supplies of lambs for slaughter in GB in the last few weeks which has contributed to the firmness in the deadweight trade.

Republic of Ireland

In ROI the deadweight lamb price was the equivalent of 444.5p/kg last week compared to 364.6p/kg in the same week last year. This equates to an increase of £16.78 in the value of a 21kg lamb carcase. Lamb throughput in ROI from June 2020 until last week totalled 1.1 million head, 6.4 per cent higher than the same period in 2019.

Regional differences in deadweight sheep price reporting

Deadweight lamb prices in NI, GB and ROI are calculated by the relevant authority in each region (DAERA in NI, DEFRA in GB and DAFM in ROI). Slightly different calculation methods are used in each region due to a number of factors including EU Commission agreed distinctions for individual member states (and regions of member states).

Different regions report different weight ranges for example, so that lighter or extremely heavy lambs do not skew the data. Processors in each region are also using different carcase dressing specifications and make seasonal changes to maximum paid weight.

Due to variations in weight ranges reported, dressing specifications applied and calculations used it is not possible to make direct comparisons between the deadweight prices in the three regions. However while the data is not directly comparable it does provide an important insight into the direction of the trade in each of the three regions.

NEW ZEALAND FORECASTS A DECLINE IN EXPORTS

New Zealand is the largest sheepmeat exporter in the world however market disruption has resulted in a decline in sheep meat exports from the region in 2020 and this trend is forecast to continue through 2021.

A major cause of the market disruption has been the impact of COVID-19. Due to the pandemic there has been a significant decline in demand for sheep meat from the food service and catering sector in key markets which has ultimately contributed to a decline in exports from the country. In addition lamb is a high cost protein and weaker global economic conditions have resulted in lower consumer spending, and greater level of price sensitivity.

Availability of product for export has also been another key factor with reduced sheepmeat production in New Zealand as a result of the 2019-2020 drought. The drought impacted grass growth in New Zealand and resulted in many farmers reducing their flock size. A smaller ewe flock has impacted lamb production levels and this combined with greater ewe lamb retention to replenish the breeding flock has reduced the volume of sheepmeat available for exporting.

New Zealand sheep meat exports are forecast to be back 6.5 per cent in volume terms with the value of sales back by almost 10 per cent from year earlier levels according to The New Season Outlook 2020-21 Summary report.

However it is not all negative with a continuing huge demand for New Zealand sheep meat in China as a result of the ongong African Swine Fever outbreak in the region. Despite strong levels of meat import by China in recent years this has not been enough to offset the decline in domestic pork production. As a result there is still a protein deficit in China and New Zealand has benefitted from this by providing lamb as an alternative, high quality protein.

Strong growth in Asian markets in recent years has reduced the volume of sheepmeat that New Zealand exports to the EU, however it remains a very important market for New Zealand exporters. The UK imports just less than half of all the lamb imported by the EU from New Zealand however with Brexit negotiations ongoing it is as yet unclear how the existing EU quota will be split.

While the UK is more than self sufficient in terms of lamb production access to imported lamb is important due to the seasonality of domestic production and also to address carcase balancing issues. The seasonality of UK lamb production creates issues for retailers and food service companies to meet market demand at certain times of the year. In addition the UK has a strong demand for lamb leg joints which surpasses domestic production levels.

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 26/10/20	Next Week 02/11/20
Prime		
U-3	354 - 360p	356 - 362p
R-3	348 - 354p	350 - 356p
O+3	342 - 348p	344 - 350p
P+3	292 - 302p	294 - 304p
	Including bonus where applicable	
Cows		
O+3 & better	262 - 280p	245 - 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 24/10/20	Steers	Heifers	Young Bulls
U3	370.7	372.4	358.7
R3	364.7	366.9	357.9
O+3	357.0	358.9	348.8

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 24/10/20	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	169.8	180.6	190.1	200.9
P2	194.9	215.4	235.0	248.8
P3	212.1	233.1	248.6	261.6
O3	200.0	239.3	268.9	277.1
O4	-	-	271.5	279.7
R3	-	-	-	295.0

Deadweight Cattle Trade

Base quotes from the major beef processing plants in NI for in spec U-3 grading cattle have edged up slightly this week to 356-362p/kg with the majority of plants quoting in the region of 358-360p/kg. Quotes for cows started this week at 262-280p/kg but came back to 245-270p/kg as the week progressed.

Prime cattle throughput in NI last week totalled 7,418 head. This was up by almost 300 head from the previous week and was very similar to the throughput recorded in the same week last year. Cow throughput also increased slightly last week to 2,681 head which was the highest weekly cow throughput for the year to date. There was also an increase recorded in the average prime cattle carcase weight last week to 352kg while the average cow carcase weight increased to 311kg.

Cattle imports from ROI for direct slaughter in local plants last week consisted of 205 prime cattle and 111 cows. This was an increase from the previous week but well below the strong levels of import recorded during much of the summer/autumn 2020. Exports from NI to ROI for direct slaughter last week consisted of 4 prime cattle, 79 cows and 1 mature bull. There were no cattle exported from NI to GB for direct slaughter last week with no cattle moving in the opposite direction either.

The average steer price in NI last week was almost unchanged at 359.1p/kg while the R3 steer price was up marginally to 367.3p/kg. In the same week last year the R3 steer price in NI was 324.9p/kg which puts the increase in the value of a 350kg carcase at £148 year on year. The average heifer price was back by a penny last week to 360.6p/kg while the R3 heifer price increased by 1.8p/kg to 369.6p/kg. In the corresponding week last year the R3 heifer price in NI was 327.5p/kg which is 42.1p/kg behind current levels. On a 330kg carcase this is the equivalent of £139. Young bull prices came under pressure in NI last week with the U3 price back by 5p/kg to 357.7p/kg and the R3 price back by 2.4p/kg to 357.5p/kg. The deadweight cow trade in NI also came under pressure with the. average cow price back by 2.1p/kg to 247.1p/kg. The O3 cow price came back by 2.8p/kg to 275.8p/kg last week however despite this decline the NI O3 cow price is still the strongest in the UK.

The deadweight cattle trade generally came under some pressure in GB last week with the majority of reported prices back from the previous week. The R3 steer price was back by 1.8p/kg last week with declines of 2-3p/kg recorded in Scotland, Northern England and the Midlands while the R3 steer price in Southern England increased by 1.7p/kg to 369.6p/kg. The R3 heifer price was back marginally in GB last week to 374.4p/kg with decreases of 1.5p/kg in Southern England and Scotland. In Northern England the R3 heifer price was back marginally to 374p/kg while in the Midlands the R3 heifer price increased by 1.6p/kg to 374.1p/kg.

In R3 steer price in ROI last week was almost unchanged in sterling terms at 328.7p/kg while the R3 heifer price also held steady at 332.1p/kg. The O3 cow price was back by 1.5p/kg to 265.4p/kg in ROI last week placing it 10.4p/kg behind the equivalent NI price.

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

W/E 24/10/20		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	371.0	338.2	386.4	376.5	375.7	377.7	380.0
	R3	367.3	328.7	386.3	374.8	370.1	369.6	374.9
	R4	362.9	329.0	386.8	381.4	371.0	368.5	380.1
	O3	358.3	310.5	369.6	361.0	349.8	350.6	355.6
	AVG	359.1	-	382.4	370.0	360.2	359.0	368.2
Heifers	U3	372.8	343.0	389.7	380.1	386.3	378.3	384.0
	R3	369.6	332.1	383.1	374.0	374.1	367.1	374.4
	R4	364.9	331.8	384.3	373.3	373.6	368.5	377.8
	O3	360.2	322.0	369.1	358.2	342.2	345.1	349.5
	AVG	360.6	-	381.5	369.7	361.7	353.3	367.8
Young Bulls	U3	357.7	322.5	378.3	368.7	370.6	370.9	374.0
	R3	357.5	314.5	370.3	354.4	361.1	364.3	362.6
	O3	342.1	299.5	337.0	334.2	338.1	346.3	337.4
	AVG	347.7	-	359.6	342.9	355.2	353.1	354.2
Prime Cattle Price Reported		6,277	-	6,792	6,912	7,726	4,697	26,127
Cows	O3	275.8	265.4	269.8	265.9	268.2	259.7	266.0
	O4	279.5	266.1	271.3	265.1	267.3	257.9	265.2
	P2	238.7	236.1	233.1	222.4	226.4	224.7	225.7
	P3	258.6	254.4	243.3	237.1	236.8	234.1	236.5
	AVG	247.1	-	262.4	246.1	236.3	229.0	239.7

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=90.60p 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 24/10/20	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	223	242	228	200	222	211
Friesians	180	192	186	168	173	170
Heifers	206	222	213	185	204	198
Beef Cows	168	191	178	130	167	142
Dairy Cows	119	145	129	100	118	108
Store Cattle (p/kg)						
Bullocks up to 400kg	235	285	250	205	234	220
Bullocks 400kg - 500kg	230	276	245	200	229	215
Bullocks over 500kg	210	226	220	175	209	195
Heifers up to 450kg	225	250	235	185	224	205
Heifers over 450kg	210	232	220	180	209	195
Dropped Calves (£/head)						
Continental Bulls	380	500	430	240	370	300
Continental Heifers	340	475	385	225	335	275
Friesian Bulls	185	280	225	100	175	130
Holstein Bulls	100	165	130	2	95	50

SHEEP TRADE

NI SHEEP BASE QUOTES		
(P/Kg DW)	This Week 26/10/20	Next Week 02/11/20
Lambs up to 21kg	440-450p	435-445p

REPORTED SHEEP PRICES			
(P/KG)	W/E 10/10/20	W/E 17/10/20	W/E 24/10/20
NI L/W Lambs	395.4	399.2	398.2
NI D/W Lambs	422.4	423.2	429.3
GB D/W Lambs	435.6	441.6	441.1
ROI D/W	443.9	444.4	444.5

Deadweight Sheep Trade

Base quotes from the major lamb processing plants in NI this week ranged from 440-450/kg for R3 grading lambs up to 21kg with quotes for next week back slightly to 435-445p/kg up to 21kg. The plants have reported strong supplies of lambs to meet demand with reports also indicating that the lambs on offer are generally of very good quality. There were 10,783 lambs processed in NI plants last week was similar to previous weeks while a further 7,386 lambs were exported to ROI for direct slaughter. The average lamb price in NI last week was 429.3p/kg, up 6.1p/kg from the previous week and significantly higher than the 340.1p/kg paid during the same week last year. The deadweight lamb trade has held steady in ROI with an average reported price last week of 444.5p/kg.

Liveweight Sheep Trade

Steady numbers of lambs have continued to pass through the local marts this week with the trade holding similar to previous weeks. In Swatragh last Saturday a good entry of 1,150 lambs sold from 380-409p/kg compared to 1,000 lambs the previous Saturday selling from 380-435p/kg. In Enniskillen this week 742 lambs sold from 400-447p/kg compared to 680 lambs last week selling from 400-481p/kg. In Armoy on Wednesday an entry of 498 fat lambs sold from 397-419p/kg which was a similar trade to the previous week. There was also a similar trade reported in Markethill this week where a slightly larger entry of lambs than last week sold from 400-431p/kg.

LATEST SHEEP MARTS (P/KG LW)					
From: 23/10/20		Lambs			
To: 29/10/20		No	From	To	Avg
Saturday	Omagh	862	409	476	-
	Swatragh	1,150	380	409	-
Monday	Massereene	755	395	418	-
	Kilrea	570	397	445	-
Tuesday	Saintfield	606	396	493	-
	Rathfriland	724	384	481	415
Wednesday	Ballymena	2100	380	426	395
	Enniskillen	742	400	447	-
	Armoy	498	397	419	-
	Markethill	960	400	431	-

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

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