LMC BULLETIN

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BEEF IMPORTS DECLINE DURING OCTOBER

IMPORTS of beef into the UK totalled 20,976 tonnes during October 2015 according to the latest available data from HMRC. This was a 13 per cent reduction from the corresponding month in 2014 when 24,160 tonnes of beef were imported as indicated in Figure 1.

Beef imports from EU countries

Beef imports into the UK during October 2015 from other EU countries accounted for 91 per cent of all beef imports, similar to year earlier levels when 89 per cent of UK beef imports were from EU destinations. The largest majority of EU beef imported into the UK is sourced from ROI although there has been a reduction in volume of beef imported during October 2015 when compared to October 2014 levels as indicated in Figure 2.

Imports of beef from ROI totalled 13,706 tonnes during October 2015 and accounted for 72 per cent of total beef imports from the EU. This was a reduction from October 2014 levels when 16,634 tonnes of beef were imported from ROI accounting for 78 per cent of total EU beef imports. This decline in imports from ROI by 2,928 tonnes accounts for an 18 per cent decline between the two periods.

While there was a decline in the volume of beef imported from ROI during October 2015 there was an increase in imports from some other EU countries, although the volumes involved remain very small.

Beef imports from Poland increased from 1,057 tonnes during October 2014 to 1,308 tonnes in October 2015. This increase by 251 tonnes between the two periods accounts for a 24 per cent increase. However beef imports from Poland accounted for just seven per cent of total beef imports from the EU during October 2015.

Imports of beef by the UK from Spain during October 2015 totalled 273 tonnes, an increase of 116 tonnes from the 157 tonnes imported during October 2014. Imports from Italy recorded a nine per cent increase to 397 tonnes during October 2015 while imports from Germany increased by four per cent to 985 tonnes during the same period.

Meanwhile the volume of beef imported from some EU countries including France, Belgium and Denmark recorded a decline between October 2014 and October 2015. The volume of beef imported from the Netherlands was almost unchanged with 1,619 tonnes imported during October 2015.

The Netherlands is the second biggest source of beef imports for the UK after Ireland and accounted for 8.5 per cent of beef imports from the EU during October 2015. This was a slight increase from October 2014 when imports from the Netherlands accounted for 7.5 per cent of total UK imports of EU origin beef.

Beef imports from non-EU countries

During October 2015 beef imports to the UK from non-EU countries totalled 1,973 tonnes and accounted for nine per cent of total beef imports. In the corresponding month in 2014 beef imports from non-EU countries totalled 2,717 which represents a 27 per cent decline year on year.

Beef imports from Australia during October 2015 totalled 616 tonnes and accounted for almost a third of UK beef imports from non-EU countries. This makes Australia the biggest non-EU supplier of beef to the UK market. In October 2014 imports from Australia totalled 683 tonnes which accounts for a 10 per cent decline year on year.

There were also declines recorded in the volume of beef imported by the UK from Uruguay, Namibia, New Zealand and Botswana during October 2015 when compared to October 2014 levels although the volumes involved are very small.

Figure 1: Volume of UK beef imports from EU and non-EU countries during October 2014 and October 2015.

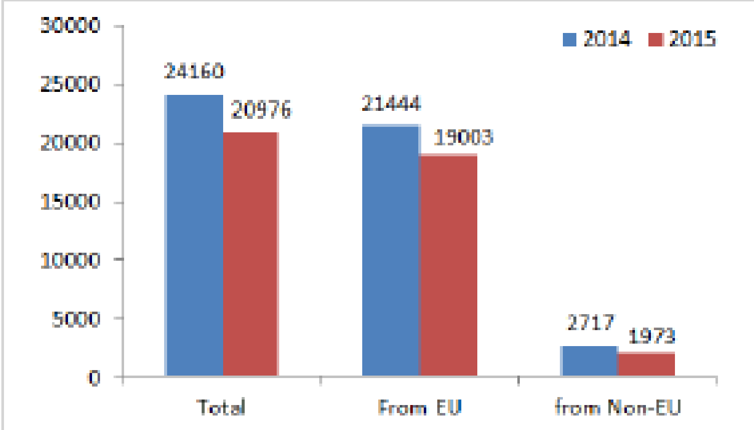
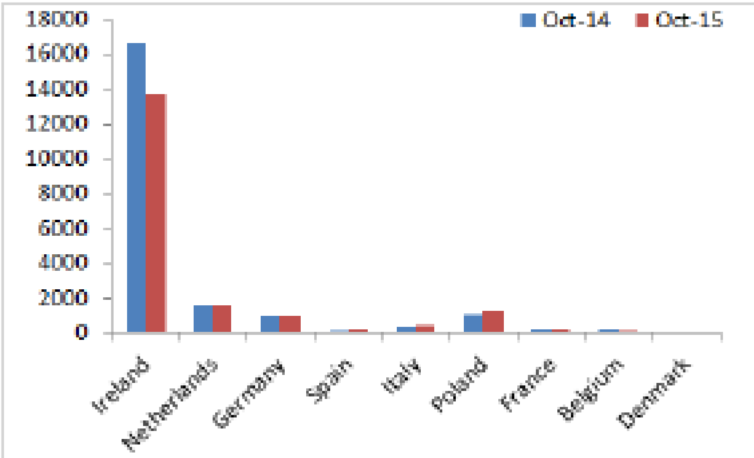


Figure 2: Volume of UK beef imports by EU country during October 2014 and October 2015.



NI R3 STEER PRICES BACK TO 2011 LEVELS

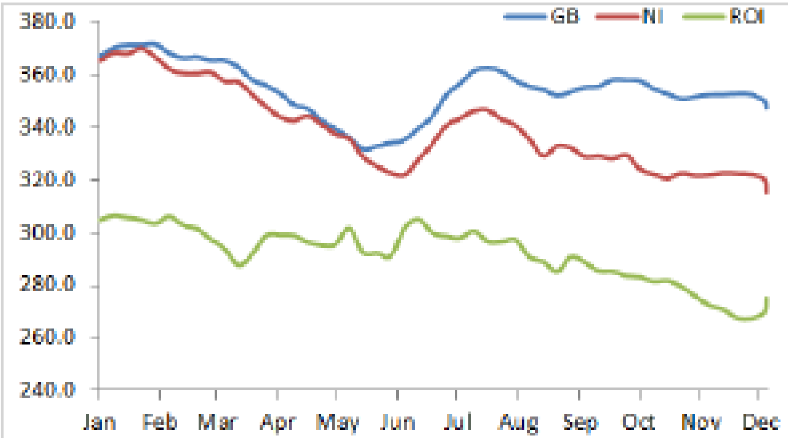
THE deadweight trade for prime cattle continued to come under pressure in NI last week with an average R3 steer price of 315.1p/kg. This was a notable decline from the 320p/kg paid for R3 steers the previous week and is the lowest R3 steer price in NI since October 2011.

The major NI processors have reported steady supplies of prime cattle coming forward for slaughter in recent weeks combined with weaker demand for beef from their major retail customers as key factors behind the drop in deadweight prices for prime cattle.

As discussed in last week's Bulletin (Issue 2398) there has been a notable increase in the carcase weights of prime cattle being presented for slaughter as well as an increase in cow throughput in recent weeks when compared to the corresponding period in 2014. The combination of these factors has helped maintain beef throughput in NI plants and put pressure on the deadweight trade for prime cattle.

Reports from GB have also indicated steady supplies of prime cattle coming forward to meet demands for beef with reports of adequate supplies of beef being held in storage to meet any increase in retail demand. This has resulted in the deadweight trade for prime cattle coming under pressure in GB over the last few weeks, although the decline in deadweight prices has been less notable than the decline in NI.

Figure 3: Price reported R3 steer prices in NI, GB and ROI during 2015 to date.



In GB last week the average R3 steer price was 347.3p/kg, back by 2.4p/kg from 349.7p/kg paid the previous week. This put the differential in R3 steer prices between NI and the GB average R3 steer price last week at 32.2p/kg or £106 on a 330kg carcase. For the period January to May 2015 R3 steer prices in NI were close to the average R3 steer price in GB but since early June 2015 the price differential has gradually widened as indicated in Figure 3.

Deadweight cattle prices in NI are much more exposed to fluctuations in the euro/sterling exchange rate as we export a greater proportion of our manufacturing beef and cheaper cuts to European markets than our GB counterparts. The average euro/sterling exchange rate last week was €1 = 72p compared to €1 = 79p in the same week last year which makes the marketing of NI origin beef on EU markets much more challenging.

As outlined in Figure 3 R3 steer prices in ROI increased in sterling terms in recent weeks with an equivalent R3 steer price of 275.2p/kg last week. This was up by 5.4p/kg from the previous week and can be attributed to an improvement in the value of euro against sterling with prices holding steady in euro terms. Although this narrowed the gap in R3 steer prices between ROI and NI to 40p/kg the differential remains significant and makes ROI beef very competitive against NI product in retail markets that don't demand UK origin beef.

Market Access

Gaining access to important markets beyond the EU in Asia, Northern America and the Middle East have been identified as a key priority by NI meat exporters and strenuous efforts are being made to open these markets. LMC plays a strategic role facilitating the opening of new markets through its membership of the UK Export Certification Partnership (UKECP). LMC is a co-founder of this joint industry/government programme, the aim of which is to establish access for UK red meat products into third country markets.

CHRISTMAS HOLIDAYS

LMC would like to wish all of our levy-payers and stakeholders a very Happy Christmas and prosperous New Year

Holiday Arrangements
LMC's offices will be closing early on Christmas eve and will be closed for the Christmas and New Year Period (25 December - 1 January). We will reopen on Monday 4 January.

Answerphone & Text Service
There will be no answerphone or text message service during Christmas Week

NIFCC

Please note that NIFCC offices will be be closed for business on 25-28 December and on January 1

LMC

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

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

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Tel: 028 9263 3000

WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 14/12/15	Next Week 21/12/15
Prime		
U-3	308 - 312p	304 - 310p
R-3	302 - 306p	298 - 304p
O+3	296 - 300p	294 - 296p
P+3	222 - 260p	218 - 258p
	Including bonus where applicable	
Cows		
O+3 & better	214 - 230p	214 - 230p
Steakers	140 - 160p	140 - 160p
Blues	110 - 120p	110 - 120p

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 12/12/15	Steers	Heifers	Young Bulls
U3	316.2	318.7	305.7
R3	312.9	315.4	308.8
O+3	306.0	307.9	300.1

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 12/12/15	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	124.0	130.5	137.4	149.1
P2	148.3	156.3	174.0	189.5
P3	152.6	174.0	195.9	207.2
O3	-	217.5	215.1	224.8
O4	109.6	-	222.5	228.1
R3	-	-	260.0	245.4

Deadweight Cattle Trade

BASE quotes this week for in spec U-3 grade prime cattle ranged from 308-312p/kg however the deadweight trade remains under pressure with quotes of 304-310p/kg for early next week. The majority of plants are quoting 308-310p/kg. Quotes for good quality O+3 grade cows this week have remained steady at 214-230p/kg across the plants. Reports have indicated good supplies of prime cattle to meet demand for beef with a total of 6,582 prime cattle slaughtered in NI plants last week, similar to the 6,691 prime cattle killed in NI during the corresponding week in 2014. Cow throughput in NI has remained strong with 2,166 cows killed in NI last week.

Cattle imports from ROI for direct slaughter in NI plants last week were fairly similar to the previous week with 368 prime cattle and 81 cows imported. In the corresponding week in 2014, 628 prime cattle and 134 cows were imported from ROI for direct slaughter. Meanwhile exports from NI to ROI for direct slaughter last week consisted of 19 prime cattle and 226 cows. This was a decrease from the 54 prime cattle and 311 cows exported during the previous week. Exports from NI for direct slaughter in GB last week consisted of 309 prime cattle and 116 cows which is the highest weekly export of cows to GB this year.

The average steer price in NI last week was back by 5.2p/kg to 306.5p/kg while the R3 steer price decreased by 4.9p/kg to 315.1p/kg. The average heifer price in NI last week decreased by 5.3p/kg to 310.4p/kg while the R3 heifer price decreased by 3.5p/kg to 316.8p/kg. The average cow price in NI last week was back by 5.5p/kg to 202.8p/kg however remains above the average GB price of 192.1p/kg. The O3 cow price in NI last week was back by 7.2p/kg to 223.8p/kg, the lowest O3 cow price for the year to date.

Deadweight prices for prime cattle have also come under pressure in GB with the average steer price back by 4.7p/kg to 339.3p/kg and the R3 steer price back by 2.4p/kg to 347.3p/kg. This puts the differential in R3 steer prices last week between NI and the GB average for R3 steers at 32.2p/kg which is the equivalent of £106 on a 330kg carcase. R3 steer prices decreased by 4.7p/kg in Scotland, 2.0p/kg in Southern England and 4.5p/kg in the Midlands and Wales while the R3 steer price increased by 2.4p/kg in Northern England. Meanwhile the average heifer price in GB last week decreased by 3.4p/kg to 340.4p/kg with the R3 heifer price back by 1p/kg to 348.2p/kg. This puts the differential between NI and GB at 31.4/kg for R3 heifers which is the equivalent of £104 on a 330kg carcase.

Reports from ROI have indicated good supplies of prime cattle with throughput totalling 26,405 head last week. A strengthening in euro against sterling has increased deadweight prices in ROI in sterling terms with prices relatively steady in euro terms. The R3 steer price in ROI last week was the equivalent of 275.2p/kg, up by 5.4p/kg from the previous week while the R3 heifer price was the equivalent of 287.0p/kg, up by 5.3p/kg from the previous week. Reported cow prices in ROI increased last week with the O3 cow price up by 1.6p/kg to 213.3p/kg however this was 10.5p/kg lower than the equivalent price in NI.

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

W/E 12/12/2015		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	316.6	280.9	367.3	352.2	347.1	349.4	354.9
	R3	315.1	275.2	360.2	349.3	338.4	337.8	347.3
	R4	315.6	274.6	360.8	358.2	336.9	337.9	351.6
	O3	302.4	263.1	335.9	322.5	308.7	314.7	321.0
	AVG	306.5	-	357.4	345.3	322.9	324.0	339.3
Heifers	U3	319.3	296.4	372.1	358.1	352.1	353.2	360.3
	R3	316.8	287.0	360.8	348.0	340.2	339.6	348.2
	R4	312.4	287.2	361.7	351.1	339.1	337.8	349.6
	O3	307.8	277.1	339.9	317.1	310.0	309.6	321.0
	AVG	310.4	-	360.6	340.1	325.1	323.1	340.4
Young Bulls	U3	305.8	274.2	361.9	332.0	337.5	332.2	338.3
	R3	308.5	269.7	355.2	321.3	326.8	326.3	328.6
	O3	288.8	259.2	316.0	286.8	300.2	305.1	300.4
	AVG	293.0	-	324.7	310.8	313.8	312.5	314.2
Prime Cattle Price Reported		5609	-	6990	7071	5782	4582	24425
Cows	O3	223.8	213.3	222.4	215.1	216.1	203.7	215.7
	O4	227.1	214.6	229.6	216.1	215.3	206.4	218.4
	P2	178.6	191.1	173.1	170.1	173.6	153.6	169.0
	P3	202.0	204.6	191.9	180.8	189.0	180.9	186.8
	AVG	202.8	-	218.1	188.3	182.3	171.1	192.1

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=72.32p 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 12/12/15	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	180	195	187	160	178	168
Friesians	-	-	-	-	-	-
Heifers	172	193	183	152	168	161
Beef Cows	120	171	130	100	119	110
Dairy Cows	90	102	95	60	89	75
Store Cattle (p/kg)						
Bullocks up to 400kg	-	-	-	-	-	-
Bullocks 400kg - 500kg	162	182	172	149	157	154
Bullocks over 500kg	182	196	188	153	173	161
Heifers up to 450kg	-	-	-	-	-	-
Heifers over 450kg	-	-	-	-	-	-
Dropped Calves (£/head)						
Continental Bulls	300	410	340	200	298	250
Continental Heifers	280	420	320	150	278	215
Friesian Bulls	150	275	185	50	148	95
Holstein Bulls	80	150	100	1	78	40

SHEEP TRADE

SHEEP QUOTES

(P/Kg DW)	This Week 14/12/15	Next Week 21/12/15
Lambs	330p > 22kg	330p > 22kg

REPORTED SHEEP PRICES

(P/KG)	W/E 28/11/15	W/E 05/12/15	W/E 12/12/15
NI Lambs L/W	299.7	296.4	296.8
NI Lambs D/W	326.4	327.1	327.4
GB Lambs D/W	355.9	363.0	371.0
ROI D/W	324.9	329.5	338.8

Deadweight Sheep Trade

THE deadweight sheep trade has remained firm this week with quotes from the NI plants for R3 grade lambs of 330p/kg up to 22kg. Similar quotes are expected for next week. An increase in supplies of lambs coming forward for slaughter has been reported with 10,053 lambs killed in NI last week. This was an increase of 391 head from the 9,662 lambs killed in NI during the previous week. A total of 9,063 sheep were exported from NI to ROI for direct slaughter last week, compared to 7,440 sheep the previous week. The deadweight lamb price in NI last week remained steady at 327.4p/kg while the deadweight lamb price in ROI last week increased by an equivalent of 9.3p/kg to 338.8p/kg.

This week's marts

A steady trade was reported across the marts this week with reports of good quality lambs passing through many of the sale rings. In Massereene on Monday 718 lambs sold from 290-316p/kg compared to 1,102 lambs last Monday selling from 290-318p/kg. In Saintfield this week 824 lambs sold from 267-330p/kg compared to 606 lambs last week selling from 275-325p/kg. In Rathfriland this week 1,054 lambs sold to an average of 298p/kg compared to 970 lambs last week selling to an average of 289p/kg. In Ballymena this week a smaller entry of 1,455 lambs sold from 270-317p/kg compared to 2,210 lambs last week selling from 278-343p/kg. Prices for cull ewes generally ranged from £70-85 with a top reported price of £100 in Rathfriland on Tuesday.

LATEST SHEEP MARTS

From: 11/12/15		Lambs (P/KG LW)			
To: 17/12/15		No	From	To	Avg
Friday	Newtownstewart	385	280	320	-
Saturday	Omagh	903	293	326	-
	Swatragh	625	266	306	-
Monday	Massereene	718	290	316	-
	Kilrea	385	293	326	-
Tuesday	Saintfield	824	267	330	-
	Rathfriland	1054	276	337	298
Wednesday	Ballymena	1455	270	317	289
	Enniskillen	823	282	313	-
	Markethill	1450	280	314	294

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