

RETAIL BEEF AND LAMB SALES UPDATE

RETAIL expenditure on beef in the UK totalled £561.9 million during the 12 week period ending 29 January 2017 according to the latest available data from Kantar Worldpanel. This is a 0.7 per cent increase from the corresponding period in 2016 when retail beef sales were valued at £558 million. The volume of retail beef sales totalled 73,386 tonnes during the 12 week period ending 29 January 2017, a 3.2 per cent increase from the corresponding period in 2016 when volume sales totalled 71,110 tonnes.

The average retail price of beef during the 12 week period ending 29 January 2017 was £7.66/kg, back from £7.85/kg during the same 12 week period in 2016. This decline in the average retail price by 19p/kg will have helped to drive the 3.2 per cent increase in the total volume of retail sales. Household penetration for beef has remained strong with 73.8 per cent of households surveyed by Kantar purchasing beef during the 12 week period ending 29 January 2017, almost unchanged from the corresponding period in 2016.

With the total volume of beef sales increasing year on year the volume sales of individual cuts has generally recorded an improved performance. The most notable increase in volume sales recorded was for beef frying/grilling steaks, up by 10.3 per cent during the 12 weeks ending 29 January 2017 when compared to year earlier levels.

Mince sales also performed strongly during the 2017 period with volume

sales up by 5.6 per cent from year earlier levels. Meanwhile volume sales of stewing beef increased by 3.5 per cent year on year while sales of beef marinades recorded a marginal increase year on year. According to the latest Kantar data the only major beef cut that recorded a decline in terms of volume sales was roasting joints which were back by 4.6 per cent year on year.

Volume sales of processed beef products recorded a mixed performance with volume sales of chilled ready meals up by 7.3 per cent from year earlier levels during the 12 weeks ending 29 January 2017 however volume sales of frozen ready meals were back by 6.2 per cent during the 2017 period. Meanwhile volume sales of fresh pre-packed hot pies increased by 4.1 per cent from year earlier levels while volume sales of fresh pre-packed pastries and frozen pies/puddings declined by 5.6 and 2.5 per cent respectively.

Lamb

The latest Kantar retail sales data has indicated declines in both the value and volume of lamb sales in the UK during the 12 week period ending 29 January 2017. Total retail expenditure on lamb during the 12 week period ending 29 January 2017 totalled £147.9 million, a 7.3 per cent decline from the corresponding period in 2016 when retail lamb sales were valued at £159.5 million. Meanwhile the volume of retail lamb sales totalled 17,608 tonnes during the 12 weeks ending 29 January 2017, a 9.1 per cent decrease from 19,371 tonnes sold during the same period in 2016.

During the 12 weeks ending 29 January 2017 the average retail price of lamb was £8.40/kg, an increase of 17p/kg from the corresponding period in 2016 when the average retail price was £8.23/kg. This increase in the average retail price of lamb has helped to offset some of the decline recorded in volume sales year on year. With the decline in volume sales and increase in average retail price, household penetration for lamb decreased year on year with 33.7 per cent of households surveyed purchasing lamb during the 12 week period ending 29 January 2017.

With the value and volume of retail lamb sales recording a decline there was also a general decrease in the performance of individual lamb cuts during the 12 weeks ending 29 January 2017 when compared to year earlier levels. Sales of lamb marinades recorded a notable 23 per cent decrease year on year while volume sales of lamb shoulder roasting joint decreased by 16.1 per cent when compared to 2016 levels. Meanwhile volume sales of lamb leg roasting joint were back by 10.2 per cent and lamb frying/grilling chops/steaks decreased by 9.2 per cent during the 2017 period. The only lamb cut that recorded an increase in volume sales during the 12 week period ending 29 January 2017 was lamb mince which recorded a 5.2 per cent increase from year earlier levels.

Pork

Volume sales of pork through UK retailers during the 12 week period ending 29 January 2017 totalled 37,899 tonnes and were valued at £173.3 million. This is a decline in

Figure 1: Percentage change in the volume sales of individual beef cuts during the 12 weeks ending 29 January 2017 and the corresponding period in 2016

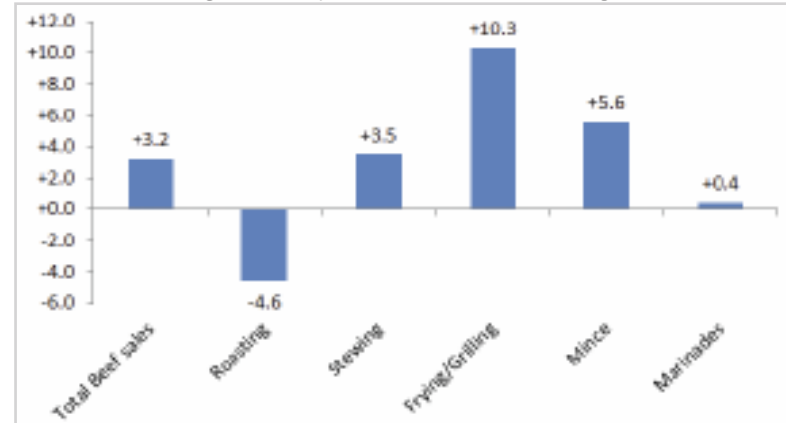
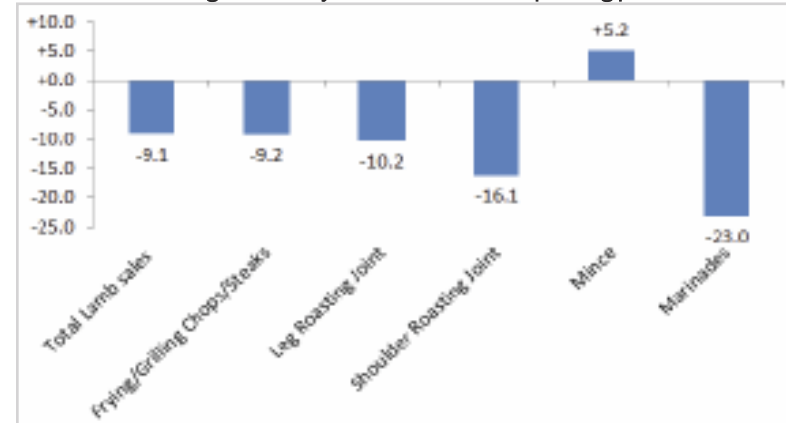


Figure 2: Percentage change in the volume sales of individual lamb cuts during the 12 weeks ending 29 January 2017 and the corresponding period in 2016



terms of both volume and value from the corresponding period in 2016 when volume sales totalled 39,111 tonnes and were valued at £180.1 million. The average retail price of pork recorded a decrease of 3p/kg to total £4.57/kg in the 2017 period. While volume sales of fresh pork products generally recorded

a decline the same was not true for processed pork products. Volume sales of bacon increased by 3.9 per cent year on year, sales of pork sausages increased by 3.4 per cent, while sales of sausage rolls and pork sliced cooked meats recorded increases of 4.3 per cent and 0.9 per cent respectively.

FQAS NOTICE ONLINE PAYMENTS

LMC has launched an online payment system for the Farm Quality Assurance Scheme. This allows producers to pay annual membership renewal and initial registration fees through the LMC website.

www.lmcni.com



EURO TRADING STRONGLY AGAINST STERLING

FOLLOWING a sharp rise in the value of euro against sterling during the second half of 2016, the euro has remained strong against sterling during 2017 to date which has continued to make UK agricultural produce more competitive on the EU market. Whilst a strong euro against sterling can increase input costs for UK producers such as costs for feed, fuel and fertilisers to farm businesses, it does make NI and UK beef and lamb less expensive in euro terms which can make trading on the EU and wider global market much easier.

In addition a strong euro against sterling generally leads to lower imports of cattle into Northern Ireland from ROI for direct slaughter and during 2017 to date imports of cattle from ROI have totalled 1,974 head which is less than half of 2016 levels. During the corresponding period in

2016 imports of cattle from ROI totalled 4,490 head, accounting for a 56 per cent decrease year on year.

Figure 3 displays the euro/sterling exchange rate from 2014-2017 to date. The average euro/sterling exchange rate from the European Central Bank during the week ending 04 March 2017 was €1 = 85.61p. As indicated in Figure 3 the value of the euro against sterling for the duration of 2017 to date has been above 2014, 2015 and 2016 levels.

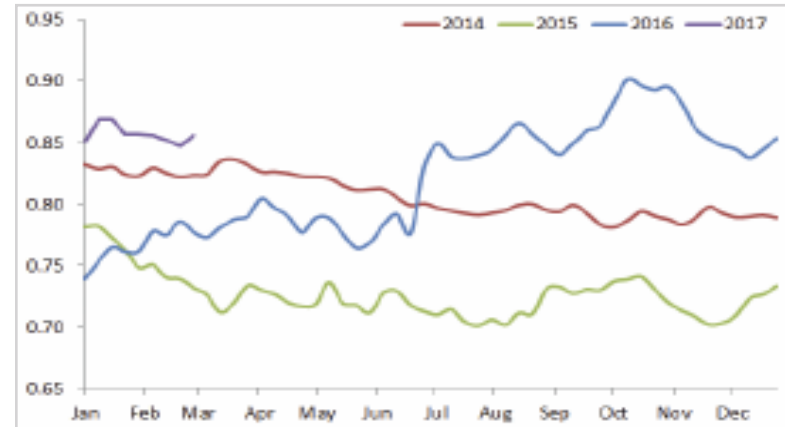
The upward trend of the euro/sterling exchange rate during 2016 brought the average exchange rate during 2016 to €1=81.94p, which was above the 2015 average of €1=72.67p and close to the 2014 average of €1=80.68p. This continued trend of the euro/sterling exchange rate during 2017 has brought the average

exchange rate during 2017 to date to €1=85.72p.

In addition to competition on the EU market, competition on the UK retail market should also be considered with some retailers stocking both UK and

ROI origin beef on their shelves. A strong euro against sterling means UK origin beef will be comparatively less expensive against ROI origin beef therefore encouraging retailers to stock increasing volumes of UK origin produce.

Figure 3: Euro/sterling exchange rate from January 2014 - 2017 to date



FQAS Helpline

If you have had a recent inspection and need help and advice to rectify any non-conformances, contact the

FQAS helpline:
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WEEKLY BEEF & LAMB MARKETS



CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 06/03/17	Next Week 13/03/17
Prime		
U-3	336 - 346p	336 - 346p
R-3	330 - 340p	330 - 340p
O+3	324 - 334p	324 - 334p
P+3	274 - 294p	274 - 294p
Including bonus where applicable		
Cows		
O+3 & better	240 - 254p	240 - 254p
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 04/03/17	Steers	Heifers	Young Bulls
U3	352.0	353.7	341.6
R3	346.6	347.2	339.2
O+3	337.9	338.2	332.4

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 04/03/17	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	153.3	168.6	177.0	188.3
P2	177.0	201.1	220.7	231.3
P3	210.0	220.9	238.2	240.1
O3	237.0	229.0	250.5	257.3
O4	-	-	251.6	260.8
R3	-	-	-	271.6

Deadweight Cattle Trade

THE deadweight cattle trade remained steady this week with base quotes from the major NI plants for in spec U-3 grade prime cattle ranging from 336-346p/kg. Quotes for good quality O+3 grade cows this week ranged from 240-254p/kg across the plants. Similar quotes are expected for all types of cattle early next week.

Reports from the local plants have indicated steady supplies of prime cattle with throughput in NI last week at 6,762 head. This was higher than the 6,581 head of prime cattle slaughtered in NI plants in the corresponding week in 2016. A total of 1,796 cows were killed in NI plants last week, similar to the previous week and higher than the 1,634 cows slaughtered in the same week last year.

Imports of prime cattle from ROI for direct slaughter in NI plants totalled 225 head last week, almost unchanged from the previous week and lower than the 295 prime cattle imported during the corresponding week in 2016. A total of 73 cows were imported from ROI for direct slaughter last week compared to 6 cows during the same week last year. Meanwhile 53 cows were exported from NI for direct slaughter in ROI plants last week, a decrease from the 246 cows exported during the same week in 2016. During the last week there were no exports of cattle from NI to GB for direct slaughter.

The average steer price in NI last week was back by a penny to 340.8p/kg while the R3 steer price decreased by 0.6p/kg to 351.1p/kg. The average heifer price in NI last week was up by 2.8p/kg to 345p/kg while the R3 heifer price increased by 1.4p/kg to 351p/kg. The average cow price in NI last week recorded a decrease of 2.6p/kg to 237.4p/kg while the O3 cow price was back by almost a penny to 256.2p/kg.

In GB last week the average steer price was up by 0.8p/kg to 348p/kg while the average R3 steer price was almost unchanged at 357.2p/kg. This puts the differential in R3 steer prices last week between NI and GB at 6.1p/kg or £21 on a 350kg carcass. The average heifer price in GB last week was back by a penny to 351.2/kg while the average R3 heifer price increased slightly to 358p/kg. The differential in R3 heifer prices last week between NI and the GB average was 7p/kg or £22 on a 320kg carcass.

In ROI last week deadweight cattle prices held steady in euro terms and a strengthening in euro against sterling has increased deadweight prices in ROI in sterling terms. The R3 steer price in ROI last week was the equivalent of 320.8p/kg, up by 3.7p/kg from the previous week while the R3 heifer price was up by 2.9p/kg to the equivalent of 330.8p/kg. The O3 cow price in ROI last week recorded an increase of 4.4p/kg to the equivalent of 261.5p/kg which put it 5.3p/kg above the equivalent price in NI.

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

W/E 04/03/2017	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB	
Steers	U3	352.8	329.4	360.5	360.0	361.8	364.7	361.5
	R3	351.1	320.8	358.3	353.6	356.7	359.6	357.2
	R4	349.9	322.7	361.6	369.1	354.7	358.2	362.2
	O3	338.5	306.7	333.8	323.9	324.8	327.7	327.6
	AVG	340.8	-	355.6	350.3	342.5	341.5	348.0
Heifers	U3	354.3	343.7	365.7	367.5	371.4	368.6	368.4
	R3	351.0	330.8	361.4	352.5	358.5	356.8	358.0
	R4	349.3	331.4	361.7	357.2	360.2	356.2	359.1
	O3	343.9	316.7	345.2	326.2	337.9	335.0	336.6
	AVG	345.0	-	360.3	349.3	349.4	343.6	351.2
Young Bulls	U3	342.6	322.1	349.4	340.0	346.5	354.7	346.5
	R3	339.5	312.1	339.4	327.2	335.3	346.1	334.3
	O3	322.6	299.8	307.6	302.4	301.0	306.5	303.2
	AVG	322.7	-	320.9	308.3	312.9	322.4	314.1
	Prime Cattle Price Reported	5224	-	6989	7250	6939	4789	25967
Cows	O3	256.2	261.5	257.5	257.1	253.4	248.2	253.9
	O4	260.6	262.6	256.4	257.1	257.1	246.8	255.3
	P2	219.0	236.8	201.9	214.5	199.9	208.3	204.6
	P3	238.2	252.8	219.7	238.6	218.5	226.0	224.7
	AVG	237.4	-	242.9	236.1	222.8	214.0	226.2

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=85.61p 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 LIVELINE CATTLE MART PRICES NI

W/E 04/03/17	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Steers	202	216	207	173	200	186
Friesians	158	173	162	123	154	143
Heifers	204	216	207	165	200	184
Beef Cows	134	182	150	110	133	122
Dairy Cows	103	128	110	65	102	83
Bullocks up to 400kg	230	271	245	200	229	215
Bullocks 400kg - 500kg	210	241	225	180	209	195
Bullocks over 500kg	200	211	207	165	199	185
Heifers up to 450kg	220	265	240	180	219	200
Heifers over 450kg	205	220	212	165	204	188
Continental Bulls	270	370	310	150	268	210
Continental Heifers	250	350	280	135	248	190
Friesian Bulls	110	190	150	50	108	80
Holstein Bulls	100	185	120	2	98	50

SHEEP TRADE

SHEEP BASE QUOTES

(P/Kg DW)	This Week 06/03/17	Next Week 13/03/17
Hoggets	400-405 > 22kg	400-410 > 22kg

REPORTED SHEEP PRICES

(P/KG)	W/E 18/02/17	W/E 25/02/17	W/E 04/03/17
NI Hoggets L/W	347.9	359.8	368.7
NI Hoggets D/W	369.3	389.2	396.7
GB Hoggets D/W	382.3	384.2	384.1
ROI D/W	381.9	390.2	405.4

Deadweight Sheep Trade

THE deadweight hogget trade in NI this week continued to firm with quotes for R3 grade hoggets ranging from 400-405p/kg with plants paying up to 22kg. Quotes for Monday are expected to be in the region of 400-410p/kg. A decline in supplies of hoggets coming forward for slaughter has been reported with 6,024 hoggets killed in NI last week. This was a decrease of 794 head from the 6,818 hoggets killed in NI during the previous week however an increase from the 5,095 hoggets killed during the corresponding week in 2016. A total of 8,474 sheep were exported from NI to ROI for direct slaughter last week, compared to 8,046 sheep the previous week. A total of 7,150 sheep were exported to ROI during the same week last year. The average deadweight hogget price in NI last week recorded an increase of 7.5p/kg to 396.7p/kg while the average deadweight hogget price in ROI last week increased by the equivalent of 15.2p/kg to 405.4p/kg.

This week's marts

THE number of hoggets passing through the sale rings this week has generally increased with reports from the marts indicating a firm trade although this tightened as the week progressed. In Omagh on Saturday 1,338 hoggets sold from 379-421p/kg compared to 971 hoggets the previous week selling from 363-408p/kg. In Massereene on Monday 1,156 hoggets sold from 355-392p/kg compared to 904 hoggets the previous week selling from 350-390p/kg. In Rathfriland on Tuesday 601 hoggets sold to an average of 347p/kg compared to 482 hoggets the previous week selling to an average of 367p/kg. In Ballymena on Wednesday 1,901 hoggets sold to an average of 346p/kg compared to 1,662 hoggets the previous week selling to an average of 356p/kg. The trade for first quality fat ewes firmed this week with top reported prices generally ranging from £90-115.

LATEST SHEEP MARTS

From: 03/03/17		Hoggets (P/KG LW)			
To: 09/03/17		No	From	To	Avg
Friday	Newtownstewart	231	338	377	-
Saturday	Omagh	1338	379	421	-
	Swatragh	840	339	423	-
Monday	Kilrea	500	348	378	-
	Massereene	1156	355	392	-
Tuesday	Saintfield	614	335	372	-
	Rathfriland	601	333	371	347
Wednesday	Ballymena	1901	340	414	346
	Enniskillen	475	364	401	-
	Markethill	1300	340	377	-
	Armoyn	346	368	408	380

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