LMC

WEEKLY PUBLICATION OF THE LIVESTOCK AND MEAT COMMISSION FOR NORTHERN IRELAND

Saturday 10 June 2017 Issue No. 2473

INCREASE IN VALUE OF UK GROCERY MARKET

THE latest grocery market share report released by Kantar for the 12 weeks ending 21 May 2017 has indicated a 3.8 per cent increase in the value of UK grocery sales to £26,446 million when compared to the same period in 2016. This increase in the value of grocery sales can be partly attributed to the continuing rise in inflation which increased by 2.9 per cent during the 2017 period.

Multiple retailers continue to dominate the grocery market and accounted for 98 per cent of grocery sales in terms of value during the 2017 period. This was unchanged from year earlier levels.

There has however been a shift in the market share between the major retailers. Tesco continues to be the biggest retailer in the UK and accounted for 27.8 per cent of retail sales during the 12 weeks ending 21 May 2017 with a total value of £7,341 million. This was half a percentage point lower than the corresponding period in 2016 when Tesco accounted for 28.3 per cent of total retail sales.

Sainsbury's accounted for 15.9 per cent of total grocery sales during the 2017 period to a value of £4,206 million. While the total value of sales was 1.7 per cent higher than the same period in 2016 Sainsbury's total market share was back slightly from 16.2 per cent in the 2016 period.

Asda accounted for 15.4 per cent of grocery sales during the 2017 period to a value of £4,060 million. In the corresponding period in 2016 sales were valued at £4,023 million and accounted for 15.8 per cent of the total grocery market.

According to the latest report from Kantar Lidl and Aldi have grown at their fastest rate since January 2015. Aldi continued to increase its market share to 7 per cent with sales increasing by 19.8 per cent to total £1,847 in the 12 weeks ending 21 May 2017. Meanwhile the value of sales in LIDL increased by 18.3 per cent to total £1,326 million in the 2017 period. This increased its market share from 4.4 per cent in the 2016 period to 5 per cent in the 2017 period.

This gives Lidl and Aldi a combined market share of 12 per cent. The recent Kantar report has also indicated that an extra 1.1 million customers visited either of these stores during the 12 weeks ending 21 May 2017 when compared to year earlier levels.

Table 1: Breakdown of UK grocery sales by value and market share for the major retailers during the 12 week period ending 21 May 2017 (Source: Kantar)

	12 wks - 22/05/16	Share	12 wks - 21/05/17	Share	Change
	£M	%*	£M	%*	%
Total Grocers	25,486	100	26,446	100	+3.80%
Total Multiples	25,003	98.1	25,928	98	+3.70%
Tesco	7,211	28.3	7,341	27.8	+1.80%
Sainsbury's	4,136	16.2	4,206	15.9	+1.70%
Asda	4,023	15.8	4,060	15.4	+0.90%
Morrisons	2,724	10.7	2,776	10.5	+1.90%
Aldi	1,542	6	1,847	7	+19.80%
Co-op	1,575	6.2	1,598	6	+1.50%
Waitrose	1,341	5.3	1,385	5.2	+3.30%
Lidl	1,121	4.4	1,326	5	+18.30%
Iceland	529	2.1	575	2.2	+8.60%
Ocado	320	1.3	349	1.3	+9.40%
Other Multiples	481	1.9	465	1.8	-3.40%
Symbols & Independents	483	1.9	517	2	+7.10%

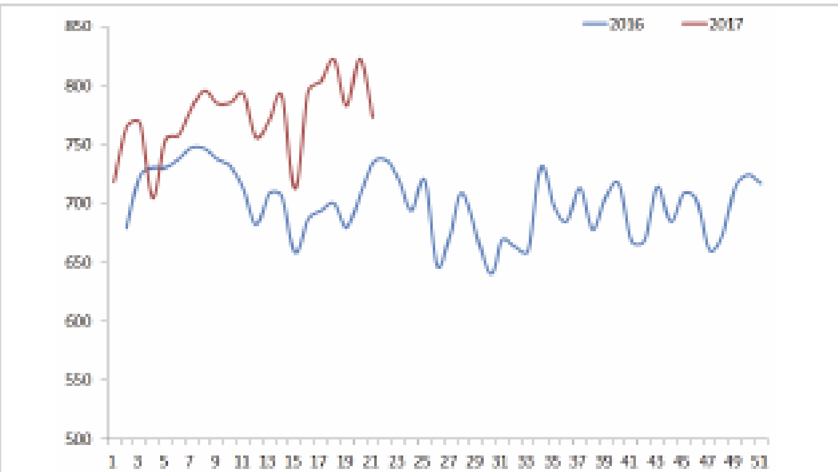
STORE CATTLE PRICES REMAIN FIRM

REPORTS from the marts have indicated a firm trade for store cattle passing through the sale rings across NI in recent weeks and months. Analysis of APHIS data indicates that there are more young cattle on NI farms this year when compared to previous years however with deadweight beef prices remaining firm there is competition around the ring for good quality store cattle and liveweight prices are running ahead of previous years.

Figure 1 below displays the average price per head for 300-400kg steers passing through marts in NI. As indicated in the chart the average price per head in recent weeks is notably higher than the corresponding period in 2016. Producers should aim to buy store cattle that suit their production system and consider the economics of keeping these cattle to sell for further finishing or to take them right through to slaughter.

Producers who intend to take cattle right through to finish should try to maximise market returns by producing the type of cattle that the market wants and altering their productions systems accordingly. Producers are encouraged to liaise with the individual processors regarding market specifications and the types of cattle that they can find a market for.

Figure 1: Average liveweight price for steers 300-400kg (£/head) in NI during 2016 and 2017 to date (Source: DAERA)



LMC THINKS 'HEALTH AND SAFETY' AT BALMORAL SHOW

ONE of the outstanding success stories associated with this year's Balmoral Show was the Livestock and Meat Commission's free distribution of high vis Farm Quality Assurance Scheme vests to young people coming on to the organisation's stand.

"This was part of our ongoing commitment to enhance safety standards on local farms, particularly where young people are concerned," said LMC Chief Executive Ian Stevenson. "We are actively involved with the Northern Ireland Farm Safety Partnership. The Commission fully supports the work of the Farm Safety Partnership in helping to make our farms safer places to live and work on and young people are particularly vulnerable in this regard."

Hundreds of the high vis vests were given out by Commission staff over the four days of Balmoral Show 2017. The Farm Safety Partnership (FSP) is made up of key stakeholders with an interest in farm safety here in Northern Ireland. The grouping aims to increase awareness of farm safety and to reduce work-related fatalities and injuries on local farms.

Ian Stevenson added: "Farm accidents are not inevitable: they are avoidable. A single accident is one too many. LMC is totally committed to playing an active role in making farmers fully aware of the need to think safe at all times."

The Farm Quality Assurance Scheme provides Commission staff with a continuous communication channel with farmers the length and breadth of Northern Ireland. In this context alone every effort is taken to promote the attainment of the highest possible health and safety standards within every farm business. "This activity is fully backed up with the health and safety promotional work undertaken at events, such as Balmoral Show."

Image 1: Thinking 'health and safety' at this year's Balmoral Show:
Back L to R: Maurice Watson, Agrisearch; Ian Stevenson, Chief Executive LMC; Gerard McGivern, Chairman LMC; Harry Sinclair, Member of the Farm Safety Partnership; Daryl McLaughlin, LMC.
Front L to R: Gary Fitzpatrick, Aghalee; Adrian Bradley, Knockloughrim; James Sinclair, Draperstown and Keith Morrison, Chairman of the Farm Safety Partnership

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WEEKLY BEEF & LAMB MARKETS

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 05/06/17	Next Week 12/06/17
Prime		
U-3	360 - 366p	358 - 366p
R-3	354 - 360p	352 - 360p
O+3	348 - 354p	346 - 354p
P+3	296 - 314p	294 - 314p
	Including bonus where applicable	
Cows		
O+3 & better	270 - 280p	270 - 300p
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 03/06/17	Steers	Heifers	Young Bulls
U3	369.5	369.9	364.4
R3	364.7	363.6	359.4
O+3	356.6	356.6	350.9

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 03/06/17	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	181.3	198.9	209.3	221.8
P2	201.7	229.0	246.2	259.0
P3	200.0	244.9	264.5	267.1
O3	-	264.2	283.1	284.1
O4	246.2	278.8	283.7	286.3
R3	-	-	-	300.7

Deadweight Cattle Trade

THE deadweight trade for prime cattle in NI remained firm this week with base quotes for in spec U-3 grade prime cattle ranging from 360-366p/kg across the major plants. Similar quotes are expected for early next week. The cow trade has also remained firm in NI with base quotes for good quality O+3 grade cows starting this week at 270-280p/kg and strengthening as the week progressed to 270-300p/kg.

Throughput of prime cattle in NI last week totalled 6,541 head, almost unchanged from the previous week when 6,579 head were killed locally. In the corresponding week in 2016 a total of 5,754 prime cattle were killed in NI plants accounting for an increase of 14 per cent year on year. Meanwhile a total of 1,613 cows were slaughtered in NI last week, a decrease of 235 head from the previous week and slightly higher than the 1,527 cows killed in the same week last year.

Imports of cattle from ROI for direct slaughter in NI last week consisted of 166 prime cattle and 111 cows with a further 14 prime cattle and 83 cows imported from GB. Meanwhile exports from NI for direct slaughter in ROI plants last week consisted of 25 prime cattle and 146 cows with no cattle making the journey to GB for direct slaughter.

Deadweight prices for prime cattle continued to improve in NI with the average steer price up by 4.2p/kg to 358.5p/kg last week. The R3 steer price last week similarly increased by a notable 4.4p/kg to 368.9p/kg which is the highest weekly R3 steer price in NI since January 2015. The average heifer price in NI last week increased by 3.8p/kg to 359.2p/kg while the R3 heifer price was up by 3.6p/kg to 366p/kg. The R3 young bull price last week was 359.5p/kg, up 2.1p/kg from the previous week. Deadweight prices for cows also strengthened in NI last week with the average cow price up by 2.5p/kg to 268.2p/kg while the O3 cow price recorded an increase of 3.8p/kg to 283.9p/kg.

In GB last week the deadweight cattle trade generally firmed with the average steer price up by 1.1p/kg to 358.1p/kg while the average R3 steer price increased by 2.1p/kg to 367.5p/kg. This puts the R3 steer price in GB lower than the R3 steer price in NI for the first time since June 2011, with the R3 steer price in NI also higher than all the GB regions with the exception of Scotland. The average heifer price in GB last week was up by 1.8p/kg to 362.2p/kg while the R3 heifer price increased 3.7p/kg to 369.6p/kg. The R3 heifer price in GB was 3.6p/kg higher than the R3 heifer price in NI last week.

In ROI last week deadweight prices for prime cattle also improved in both euro and sterling terms with a strengthening in euro against sterling. The R3 steer price in ROI last week was the equivalent of 356.6p/kg, up by 3.3p/kg from the previous week while the R3 heifer price was up by 3.5p/kg to the equivalent of 366.3p/kg. This puts the R3 heifer price in ROI marginally higher than the R3 heifer price in NI. The cow trade in ROI remained steady last week with the O3 cow price at the equivalent of 294.1p/kg which is 10.2p/kg higher than the equivalent price in NI.

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

W/E 03/06/2017		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	369.9	366.8	378.9	365.3	368.6	369.5	370.4
	R3	368.9	356.6	377.5	364.1	365.1	362.2	367.5
	R4	367.8	357.8	380.8	368.9	362.7	361.5	369.6
	O3	355.7	342.9	353.8	337.8	337.1	335.5	341.3
	AVG	358.5	-	375.9	354.3	352.3	346.9	358.1
Heifers	U3	370.2	379.9	384.2	370.6	381.6	372.3	378.6
	R3	366.0	366.3	376.5	363.0	369.5	367.0	369.6
	R4	365.0	367.7	379.9	364.9	369.9	361.5	370.0
	O3	355.8	350.3	351.5	343.2	349.6	341.6	346.7
	AVG	359.2	-	377.6	356.4	361.6	348.2	362.2
Young Bulls	U3	364.3	361.2	374.9	355.9	359.6	366.7	362.5
	R3	359.5	352.3	367.9	349.2	349.2	356.6	353.6
	O3	344.2	336.1	330.1	310.3	317.1	316.2	317.9
	AVG	348.4	-	362.6	336.7	338.9	345.0	343.5
Prime Cattle Price Reported		5751	-	6424	6866	6378	3803	23471
Cows	O3	283.9	294.1	284.5	272.8	277.8	277.2	276.9
	O4	285.8	294.3	286.9	275.3	279.7	273.9	278.6
	P2	248.0	272.1	241.4	229.5	229.4	233.1	231.8
	P3	265.5	286.7	262.8	245.3	242.2	248.1	246.4
	AVG	268.2	-	279.4	251.8	245.7	242.9	250.3

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=87.15p 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 03/06/17	1st QUALITY From	1st QUALITY To	1st QUALITY Avg	2nd QUALITY From	2nd QUALITY To	2nd QUALITY Avg
Finished Cattle (p/kg)						
Steers	210	230	221	182	209	196
Friesians	159	182	166	130	158	144
Heifers	204	226	212	170	199	188
Beef Cows	160	215	175	125	159	143
Dairy Cows	116	135	122	70	115	95
Store Cattle (p/kg)						
Bullocks up to 400kg	225	270	240	200	222	210
Bullocks 400kg - 500kg	210	244	227	185	208	198
Bullocks over 500kg	200	224	212	175	199	187
Heifers up to 450kg	210	254	225	175	209	192
Heifers over 450kg	200	225	212	170	199	185
Dropped Calves (£/head)						
Continental Bulls	300	495	370	200	298	250
Continental Heifers	250	435	300	130	248	185
Friesian Bulls	100	175	140	60	98	80
Holstein Bulls	80	160	110	35	78	56

SHEEP TRADE

SHEEP BASE QUOTES

(P/Kg DW)	This Week 05/06/17	Next Week 12/06/17
Lambs >21kg	450-475p	460-470p

REPORTED SHEEP PRICES

(P/KG)	W/E 20/05/17	W/E 27/05/17	W/E 03/06/17
NI Lambs L/W	434.4	463.3	442.1
NI Lambs D/W	448.8	465.5	471.5
GB Lambs D/W	480.6	498.3	504.4
ROI D/W	458.4	479.3	484.9

Deadweight Sheep Trade

QUOTES from the major NI processors for R3 grade lambs this week ranged from 450-475p/kg with plants paying up to 21kg. The plants have reported an increase in the number of lambs coming forward for slaughter with throughput last week totalling 7,879 head. This was an increase of 1,830 head from the previous week when 6,049 lambs were killed locally. In the corresponding week in 2016 a total of 7,112 lambs were killed locally accounting for an 11 per cent increase year on year. Exports of sheep to ROI for direct slaughter last week totalled 5,746 head, similar to the previous week and higher than the same week in 2016 when 4,798 sheep were exported to ROI. The average deadweight lamb price in NI last week was up by six pence to 471.5p/kg while in ROI the deadweight lamb price increased by the equivalent of 5.6p/kg to 484.9p/kg.

This week's marts

A quieter trade was reported across most of the marts this week with smaller numbers of lambs passing through the sale rings compared to the previous week. In Swatragh on Saturday 220 lambs sold from 415-441p/kg compared to 250 lambs the previous week selling from 452-500p/kg. In Massereene on Monday 612 lambs sold from 420-454p/kg compared to 782 lambs the previous week selling from 460-510p/kg. In Ballymena on Wednesday 655 lambs sold to an average of 436p/kg compared to 1,101 lambs the previous week selling to an average of 441p/kg. In Enniskillen this week 385 lambs sold from 428-452p/kg compared to 402 lambs the previous week selling from 428-455p/kg. The trade for well fleshed cull ewes has weakened with top reported prices generally ranging from £90-100.

LATEST SHEEP MARTS

From: 02/06/17		Lambs (P/KG LW)			
To: 08/06/17		No	From	To	Avg
Friday	Newtownstewart	254	406	454	-
Saturday	Omagh	450	417	455	-
	Swatragh	220	415	441	-
Monday	Kilrea	345	427	450	-
	Massereene	612	420	454	-
Tuesday	Saintfield	452	420	460	-
	Rathfriland	553	410	456	432
Wednesday	Ballymena	655	420	504	436
	Enniskillen	385	428	452	-
	Armoy	212	445	495	-

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