LMC

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UK RETAIL BEEF SALES RECORD A DECLINE IN SUMMER 2017

ACCORDING to the latest available data from Kantar the total value of retail beef sales in the UK was £435.5 million during the 12 week period ending 13 August 2017. This was back by 0.5 per cent from the corresponding 12 week period in 2016 when retail beef sales were valued at £437.6 million

The volume of beef purchased by UK consumers totalled 54,365 tonnes during the 12 week period ending 13 August 2017, a 3.6 per cent decrease from the corresponding period in 2016 when 56,395 tonnes of beef were purchased by UK consumers.

This decrease in the volume of beef purchased by UK consumers will have been partly driven by the increase in the average retail price from £7.76/kg in the 2016 period to £8.01/kg in the 2017 period. This increase by 25p/kg accounts for a 3.2 per cent increase in the average retail price of beef year on year. There has also been a reduction in the number of promotions on beef products in major retail outlets which will have contributed to the decline in volume sales.

Household penetration for beef in the UK was also back slightly from 68 per cent in the 2016 period to 67.3 per cent in the 2017 period. The higher average retail price and less promotional activity will have contributed to this decline.

Volume sales of prime beef cuts generally recorded a decline during the 12 week period ending 13 August 2017 with the most notable reduction recorded for roasting joints. Volume sales for these cuts were back by 7.2 per cent from the same period in 2016. Volume sales of beef stewing pieces recorded a 4.4 per cent decline in the 2017 period while the volume of mince purchased by UK consumers during the 12 weeks ending 13 August 2017 was back 4 per cent from 2016 levels.

Table 1: Retail beef consumption in the UK during the 12 w/e 13 August 2017 and the corresponding period in 2016

	12 w/e 14 August 2016	12 w/e 13 August 2017	% Change
Expenditure (£ Million)	437.6	435.5	-0.5%
Volume (Tonnes)	56,395	54,365	-3.6%
Average price (£/kg)	7.76	8.01	+3.2%
Penetration (%)	68	67.3	-1.0%

Volume sales of frying/grilling steaks were back 1.2 per cent in the 12 weeks ending 13 August 2017 when compared to year earlier levels while sales of burgers and grills were back by 2.9 per cent. It is likely that the relatively wet and cool summer this year has reduced opportunities for barbeques which has impacted the sales of these products.

There was however some positivity with volume sale of beef marinades increasing by 7.2 per cent during the 2017 period with sales of both frozen and chilled ready meals containing beef increasing in the region of 4 per cent year on year. Meanwhile volume sales of pre-packed hot pies and pasties containing beef increased by 11.5 and 17.8 per cent respectively between the 2016 and 2017 periods.

UK LAMB EXPORTS SURGE IN 2017

UK lamb exports during the first half of 2017 totalled 40,436 tonnes according to the latest available data from HMRC. This is an 18 per cent increase from the corresponding period in 2016 when UK lamb exports totalled 34,313 tonnes.

A weaker sterling has made UK lamb much more competitive on key EU markets and this will have been a key driver behind the strong increase in export sales during the first half of 2017. In the first half of 2017 €1 = £0.86 compared to €1 = £0.78 in the corresponding period in 2016.

The EU continues to be the most important export market outlet for UK lamb with 37,904 tonnes destined for the region during the first six months of 2017. This accounted for 94 per cent of all lamb exports from the UK. In the same period in 2016 UK lamb exports to the EU totalled 32,997 tonnes and accounted for 96 per cent of all UK lamb exports.

The volume of lamb exported from the UK to the EU recorded a 15 per cent increase between the 2016 and 2017 periods. France is the biggest customer for UK lamb within the EU with 17,817 tonnes exported there during the first half of 2017. This was a five per cent increase from the same period in 2016 when 16,964 tonnes of lamb were exported to the region.

There has however been strong growth in UK lamb exports to other EU countries during the first half of 2017. Exports of lamb to Germany increased by 29 per cent to total 6,877 tonnes in the first half of 2017. This accounts for 18 per cent of UK lamb exports to the EU, up from 16 per cent in the same period in 2016. There has also been strong volume growth in UK lamb exports to Ireland, Belgium, Italy and the Netherlands during the first half of 2017 when compared to year earlier levels.

Exports to non-EU countries also recorded strong volume growth in the 2017 period although the volumes involved remain relatively small. During the 2017 period 2,532 tonnes of lamb were exported from the UK to non-EU destinations, a 92.3 per cent increase from 1,317 tonnes during the same period in 2016. Lamb exports to Hong Kong almost doubled to total 1,542 tonnes during the first half of 2017 while exports to Ghana increased from 42 tonnes in the 2016 period to 246 tonnes in the 2017 period.

RED TRACTOR WEEK 2017

THE GB retail and food service markets continue to be the primary outlet for beef and lamb produced and processed in NI. Through a mutual recognition agreement with Red Tractor our FQAS beef and lamb can carry the Red Tractor Logo provided that it has been born, reared and slaughtered in NI. LMC helps to support and promote the Red Tractor Assurance Scheme in the UK through the marketing and development activities of the Assured Food Standards Agency.

The aim of these promotional activities is to drive awareness and demand amongst consumers for Red Tractor Assured Beef and Lamb. Like the NI Farm Quality Assurance Scheme the Red Tractor provides assurances regarding the quality of the production methods used on farms, the quality of care for animals which is practiced, the quality of the farm environment, and above all the quality of concern for the customer in producing beef and lamb which is wholesome, safe and free from unnatural substances.

NI Farm Quality Assured beef and lamb feature heavily on retail shelves and in food service outlets across the UK under the Red Tractor Logo. It is therefore very important that efforts are made to ensure consumers in GB are aware of and understand what the Red Tractor Logo stands for.

Red Tractor is running a 7- day campaign to raise awareness and understanding of the Red Tractor Logo starting on the 11 September 2017. Through this week long campaign consumers will be encouraged to cook and eat Red Tractor products.

The campaign involves support from prominent food bloggers and retailers as well as competitions, recipes and meet the farmer videos. At the core of this will be information about Red Tractor Standards across the supply chain.

UK MUST FIND SOLUTION TO NI TRADE ISSUE

THE EU Commission has released a paper setting out 'guiding principles' regarding the future relationship between the UK/Northern Ireland and the Republic of Ireland. The Commission's Chief Negotiator Michel Barnier has declined to make proposals in this paper regarding how the Irish border issue should be addressed and instead has stated that the UK is responsible for finding a solution that allows the maintenance of free and frictionless trade between the two regions if the UK is no longer part of the Single Market or the Customs Union.

The maintenance of free and frictionless trade is particularly important for the agri-food sector in both NI and ROI. Farmers and processors on both sides of the border are concerned that a 'hard border' could disrupt deeply integrated supply chains and trade flows between Ireland and the UK, while the rest of the EU is concerned that an excessively open border could compromise the integrity of the EU's external border. This will be particularly relevant if the UK adopts third country tariffs and product standards that differ from those being implemented in the EU.

Barnier has outlined that "As it was the UK's decision to leave the EU, it is the UK's responsibility to come forward with solutions to overcome the challenges for the island of Ireland". He believes there needs to be a two stage approach to dealing with this issue, the first of which is for the EU and the UK to reach a common understanding on the implication of Brexit on the Good Friday Agreement and the maintenance of the Common Travel Area between the UK and Ireland.

He believes that only when sufficient progress has been made in these areas can the second phase of Brexit negotiations begin. This second phase will focus on finding flexible and imaginative solutions to avoid a hard border between NI and ROI. These solutions however must respect the functioning of the internal market and the Customs Union, as well as the integrity and effectiveness of the EU's legal order.

A decision regarding whether or not sufficient progress has been made in the first stage of Brexit talks will be made at the EU Summit on October 19-20 and it is only then that talks between the EU and the UK can move to the second stage and focus on trade and other issues.

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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

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WEEKLY BEEF & LAMB MARKETS

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 11/09/17	Next Week 18/09/17
Prime		
U-3	340 - 354p	344 - 354p
R-3	334 - 348p	338 - 348p
O+3	328 - 342p	332 - 342p
P+3	288 - 306p	292 - 306p
	Including bonus where applicable	
Cows		
O+3 & better	250 - 270p	250 - 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 09/09/17	Steers	Heifers	Young Bulls
U3	361.7	361.8	356.3
R3	357.0	356.9	352.9
O+3	347.5	349.9	343.0

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 09/09/17	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	182.2	191.4	203.0	210.5
P2	198.5	220.0	236.6	246.8
P3	230.0	242.0	255.1	259.9
O3	216.8	257.7	267.3	277.3
O4	-	258.0	273.9	278.5
R3	-	-	-	296.6

Deadweight Cattle Trade

THE deadweight trade for prime cattle has held relatively steady this week with quotes ranging from 344-354p/kg for U-3 grade prime cattle. The majority of plants are quoting 352p/kg for steers and 354p/kg for heifers. Quotes from the plants for O+3 grading cows ranged from 250-270p/kg across the plants this week. Similar quotes for all types of cattle are expected early next week.

Prime cattle throughput in NI plants totalled 6,091 head last week, an increase of 141 head from the previous week. In the same week last year prime cattle throughput totalled 5,727 head which represents an increase of 364 head or 6 per cent year on year. Cow throughput in NI last week totalled 1,861 head. This is an increase of 99 head from the previous week and is just below the 1,900 cows killed in the corresponding week in 2016. Imports of cattle from ROI for direct slaughter in local plants last week included 210 prime cattle and 49 cows with a further 7 prime cattle and 71 cows imported from GB for direct slaughter. Exports from NI to ROI for direct slaughter last week consisted of 50 prime cattle and 223 cows with 60 prime cattle and 68 cows exported for direct slaughter in GB plants.

Deadweight prices for prime cattle in NI continued to come under pressure with the average steer price back by half a penny to 351.7p/kg while the R3 steer price was back by almost a penny to 361.1p/kg. The average heifer price in NI last week was 352p/kg, back 4.5p/kg from the previous week. The R3 heifer price in NI last week was back by 3.7p/kg to 359.8p/kg. The average young bull price was back by 2.9p/kg to 339.8p/kg however the R3 young bull price increased by almost a penny to 353.2p/kg.

There was a mixed deadweight trade for prime cattle across the GB regions last week however there was generally a downward movement in reported prices. The average GB steer price was back by half a penny to 374.4p/kg while the R3 steer price was up marginally to 384p/kg. R3 steer prices recorded an increase in Scotland and Northern England last week while they declined in the Midlands and Southern England. The average heifer price in GB last week was unchanged at 376.9p/kg while the R3 heifer price increased by half a penny to 385.1p/kg. The R3 heifer price increased in Scotland and Southern England while it recorded a decline in Northern England and the Midlands.

The cow trade in GB has remained steady with an average price of 251.3p/kg. Cow prices came under pressure in Northern England last week while the trade improved in Scotland, the Midlands and Southern England. Meanwhile in NI the cow trade came under notable pressure with the average cow price back 10.7p/kg to 249.4p/kg. This takes it just below the equivalent price in GB.

The deadweight trade for prime cattle in ROI has continued to come under pressure with the R3 steer price back the equivalent of 4.4p/kg to 342.8p/kg last week. The R3 heifer price was back by 4.8p/kg to 352.2p/kg in ROI last week.

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

W/E 09/09/2017		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	363.3	352.4	398.6	379.5	382.7	386.1	386.4
	R3	361.1	342.8	397.1	380.9	377.6	380.6	384.0
	R4	360.8	342.4	398.8	391.0	376.2	380.6	388.3
	O3	351.7	325.6	371.1	350.5	345.8	358.1	356.5
	AVG	351.7	-	392.7	373.3	362.7	366.9	374.4
Heifers	U3	362.1	364.4	404.0	388.2	390.5	393.2	393.8
	R3	359.8	352.2	399.3	375.4	381.1	381.4	385.1
	R4	356.8	352.1	398.3	382.8	382.2	378.3	386.1
	O3	356.0	338.2	386.4	340.0	351.6	361.6	361.5
	AVG	352.0	-	395.9	373.3	367.5	368.2	376.9
Young Bulls	U3	356.4	348.9	384.2	367.6	370.2	381.3	372.3
	R3	353.2	338.9	380.9	360.8	365.2	369.4	366.8
	O3	333.1	321.0	341.5	314.6	324.6	352.9	325.6
	AVG	339.8	-	361.5	344.2	349.9	351.4	350.4
Prime Cattle Price Reported		5555	-	6269	7104	6562	4516	24451
Cows	O3	275.6	288.6	292.7	276.5	282.5	287.2	283.3
	O4	277.8	290.1	292.7	278.1	286.4	280.4	284.3
	P2	237.1	262.6	249.7	230.9	239.2	246.9	241.5
	P3	257.2	280.9	249.6	252.9	249.3	262.2	253.0
	AVG	249.4	-	282.1	250.1	246.4	246.8	251.3

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=91.54p 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 09/09/17	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	210	227	217	180	205	192
Friesians	148	161	154	126	147	140
Heifers	202	215	207	170	200	185
Beef Cows	145	202	160	120	144	133
Dairy Cows	115	146	120	70	114	92
Store Cattle (p/kg)						
Bullocks up to 400kg	215	243	228	180	214	195
Bullocks 400kg - 500kg	210	238	225	175	208	190
Bullocks over 500kg	200	235	210	170	199	185
Heifers up to 450kg	210	237	223	170	209	190
Heifers over 450kg	215	240	225	170	214	192
Dropped Calves (£/head)						
Continental Bulls	285	400	320	185	282	235
Continental Heifers	250	355	290	135	248	185
Friesian Bulls	150	210	175	100	170	125
Holstein Bulls	100	180	135	20	98	60

SHEEP TRADE

SHEEP BASE QUOTES

(P/Kg DW)	This Week 11/09/17	Next Week 18/09/17
Lambs >21kg	380-390p	375-385p

REPORTED SHEEP PRICES

(P/KG)	W/E 26/08/17	W/E 02/09/17	W/E 09/09/17
NI Lambs L/W	352.1	345.2	343.7
NI Lambs D/W	400.7	389.9	381.7
GB Lambs D/W	431.1	423.9	416.5
ROI D/W	437.1	430.0	413.0

Deadweight Sheep Trade

QUOTES from the plants for R3 grading lambs ranged from 380-390p/kg up to 21kg this week with 375-385p/kg being quoted for early next week. Throughput of lambs in local plants has remained firm with 11,728 lambs slaughtered locally last week. This is an increase of 861 head from the previous week however it remains lower than the corresponding week last year when 12,484 lambs were killed locally. A further 7,797 lambs were exported from NI to ROI for direct slaughter last week which accounted for 40 per cent of total NI lamb output. The deadweight lamb price in NI last week was 381.7p/kg, back 8.2p/kg from the previous week. The deadweight lamb price in ROI last week was the equivalent of 413p/kg, back 17p/kg from the previous week.

This week's marts

STRONG numbers of lambs continue to pass through the local marts with a steady trade reported for good quality lambs. In Kilrea on Monday 520 lambs sold from 346-360p/kg compared to 450 lambs last week selling within the same price range. In Saintfield this week 495 lambs sold from 330-368p/kg, very similar to last week when 533 lambs sold from 330-370p/kg. In Rathfriland this week a good entry of 1,002 lambs sold to an average of 350p/kg compared to 955 lambs last week selling to an average of 352p/kg. A large entry of 2,401 lambs in Ballymena on Wednesday sold from 325-375p/kg (avg 338p/kg) compared to 1,266 lambs last week selling from 290-390p/kg (avg 338p/kg). Top prices for ewes generally ranged from £80-90 across the marts with a top reported price of £115 in Swatragh last Saturday.

LATEST SHEEP MARTS

From: 08/09/17		Lambs (P/KG LW)			
To: 14/09/17		No	From	To	Avg
Friday	Newtownstewart	331	335	357	-
Saturday	Omagh	1549	386	415	-
	Swatragh	1400	355	409	-
Monday	Kilrea	520	346	360	-
	Massereene	1326	335	367	-
Tuesday	Saintfield	495	330	368	-
	Rathfriland	1002	325	393	350
Wednesday	Ballymena	2401	325	375	338
	Enniskillen	622	328	359	-
	Markethill	1150	340	368	-
	Armoy	474	335	400	-

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