LMC

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DECLINE IN UK BEEF EXPORTS IN 2017

ACCORDING to the latest available data from HMRC the UK exported 76,457 tonnes of beef during the first nine months of 2017. This was a five per cent decline from the 80,838 tonnes of beef exported during the same period in 2016.

The EU continues to be the major destination for UK beef exports with 65,229 tonnes exported to the region during the 2017 period. This accounted for 85 per cent of total UK beef exports. In the same period in 2016 the UK exported 72,599 tonnes of beef to the EU which accounted for 90 per cent of all UK beef exports.

Beef exports from the UK to Ireland totalled 24,608 tonnes during the first nine months of 2017, back 10 per cent from the same period in 2016 when 27,417 tonnes were exported to Ireland. Despite this decrease in the volume of beef exports year on year Ireland remained the primary destination for UK beef exports. It should be noted that beef exported from NI to plants in ROI for further processing and packaging are included in this total exports figure.

The UK's second biggest customer in terms of export volumes of beef is the Netherlands. During the 2017 period 15,605 tonnes of beef were exported from the UK to the Netherlands, a ten per cent decline from the same period in 2017. Beef exports to the Netherlands accounted for 20 per cent of total UK beef exports during the first nine months of 2017. This is back from 24 per cent in the same period in 2016.

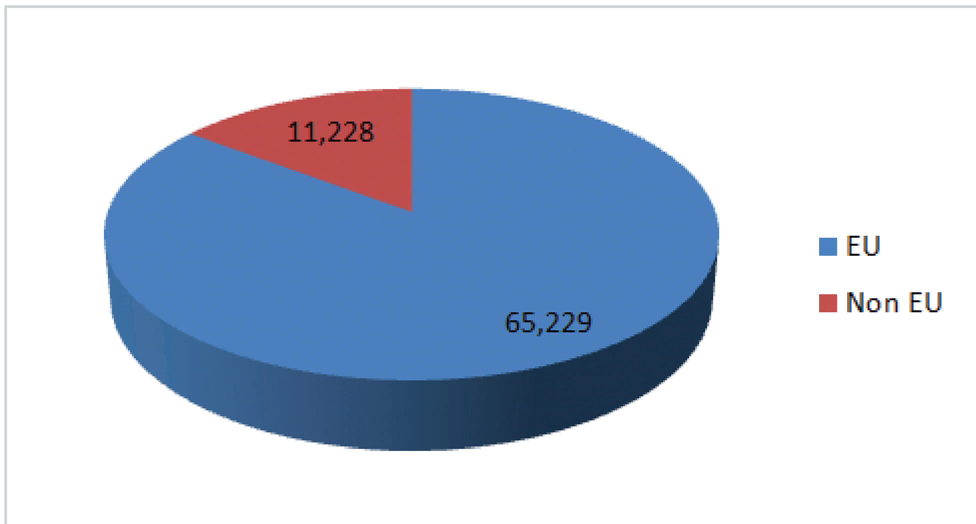
There have also been declines in the volume of beef exported from the UK during the 2017 period to France (-9 per cent), Italy (-3 per cent), Denmark (-33 per cent) and Spain (-4 per cent). Meanwhile there were increases in the volume of UK beef exported to Belgium (+1 per cent) and Germany (+20 per cent). Despite these changes year on year the total volume of beef being exported to all of these countries remains relatively small in comparison to the level of beef exports to Ireland and the Netherlands.

The volume of beef exported from the UK to non-EU destinations during January-September 2017 totalled 11,228 tonnes. This accounted for 15 per cent of total beef exports from the UK during this period. In the corresponding period in 2016 8,239 tonnes of beef were exported from the UK to non-EU destinations and accounted for 10 per cent of total beef exports. The volume of beef exported to non-EU destinations increased by 36 per cent between the 2016 and 2017 time periods. While this increase is to be welcomed the overall volume of beef being exported to non-EU markets remains small. Gaining access to important markets beyond the EU in Asia, Northern America and the Middle East is a key priority for Northern Ireland's meat exporters.

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.

The UK is currently a net importer of beef, i.e. it currently imports more beef than it exports. Despite this however the UK needs access to export markets to provide an outlet for parts of the carcase that are under utilised in the UK market. With the EU providing such an important outlet for UK beef exports every effort should be made to maintain access to this important market post Brexit. Current exports from the UK to the EU are primarily cheaper cuts of beef and access to this valuable export market allows processers to achieve carcase balance.

Figure 1: Tonnage of UK beef exports by destination January to September 2017 (Source HMRC)



URBANISATION DRIVING CHANGES IN CONSUMER HABITS

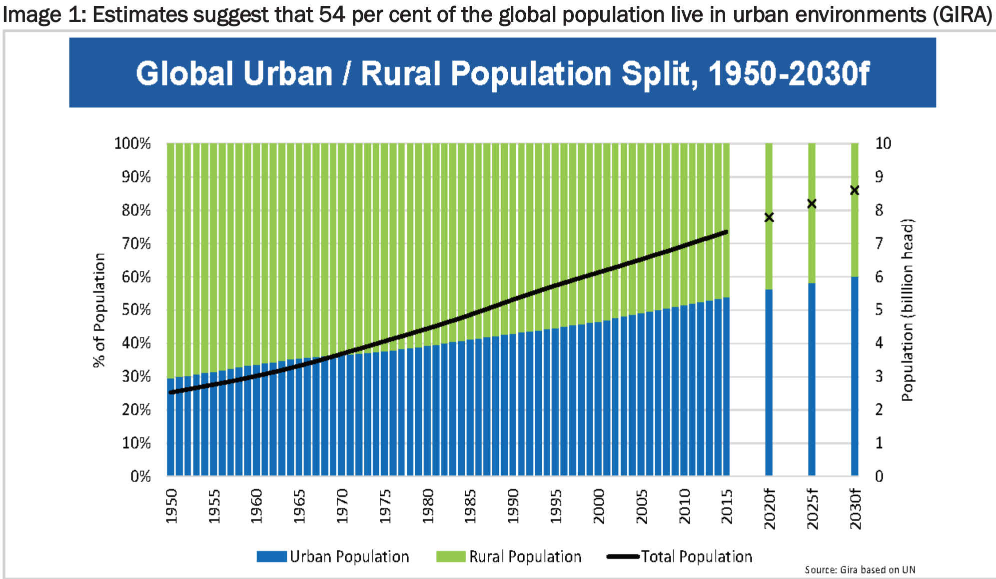
With more than half of global consumers now living in urban areas this is expected to be a key factor behind the future of global meat demand. According to the latest reports from Gira the global urban population is estimated to be 4.03 billion head which is 54 per cent of the total world population. It is in these cities and towns across the globe where the largest majority of meat consumption occurs.

Urban dwellers often have higher incomes than their rural counterparts and also lack access to meat from their own backyards. This is most notable in developing regions of the world. It is thought that more than 90 per cent of the growth in global meat consumption between 2015 and 2030 will come from urban dwellers.

Expanding urban centres and their increasing demand for meat will have an ever increasing influence on supply and demand for meat moving forward. Modern retail is more developed in urban areas due to the higher population densities which makes it more cost effective to invest in infrastructure. The higher population density in urban areas also means that retailers must provide a wider range of products in terms of quality, price, specification and species.

There is a strong increase expected in the global urban population, particularly in developing markets in Africa, Asia and South America. In these regions many people aspire to become urban inhabitants as they will see an improvement in quality of life. This increasing urbanisation will lead to more investment in supply chain infrastructure, increased levels of disposable income, increased meat consumption and an increased expenditure on meat.

Image 1: Estimates suggest that 54 per cent of the global population live in urban environments (GIRA)



FQAS MART CLINICS DECEMBER 2017

LMC's Farm Liaison Officer, Terry White, runs Farm Quality Assurance Scheme (FQAS) mart clinics at a range of Livestock Marts across Northern Ireland. Terry is present to assist members of FQAS with non-conformances, general scheme queries and any issues prior to or following an inspection.

Any farmers who wish to join the scheme can also do so through their local FQAS mart clinic. Terry will be available at the livestock marts listed above. For further information call (028) 9263 3024.

LOCATION	DAY	DATE
Omagh	Monday	04/12/2017
Saintfield	Wednesday	06/12/2017
Markethill	Tuesday	12/12/2017
Enniskillen	Thursday	14/12/2017
Kilrea	Wednesday	20/12/2017
Ballymena	Friday	22/12/2017

FARM QUALITY ASSURED NORTHERN IRELAND

WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 27/11/17	Next Week 04/12/17
Prime		
U-3	352 - 356p	350 - 356p
R-3	346 - 350p	344 - 350p
O+3	340 - 344p	338 - 344p
P+3	290 - 306p	288 - 306p
	Including bonus where applicable	
Cows		
O+3 & better	260 - 280p	260 - 280p
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 25/11/17	Steers	Heifers	Young Bulls
U3	361.3	364.4	353.3
R3	356.2	358.4	348.8
O+3	347.4	350.6	338.5

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 25/11/17	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	172.4	183.6	193.1	209.1
P2	184.5	214.0	234.1	243.5
P3	187.5	233.7	249.2	255.4
O3	-	238.0	262.3	274.5
O4	230.0	241.3	270.4	278.7
R3	-	-	-	292.4

Deadweight Cattle Trade

BASE quotes from the major processors held steady this week at 352-356p/kg for in-spec U-3 grade prime cattle. With good demand for prime cattle and deals being made at higher prices producers should use these quotes as a starting point for negotiation. The cow trade has also held steady with quotes for O+3 grading cows ranging from 260-280p/kg across the plants.

Prime cattle throughput has remained strong in local plants with 7,396 prime cattle killed last week. This was up slightly from the previous week and is the highest weekly throughput of prime cattle during 2017 to date. In the same week last year prime cattle throughput in NI was 6,583 head. Cow throughput in NI has also remained firm with throughput last week totalling 2,684 head. In the same week last year 2,828 cows were killed in local plants.

Prime cattle imports from ROI for direct slaughter last week totalled 95 head with a further 11 prime cattle imported from GB. These imported prime cattle accounted for one per cent of total prime cattle throughput in NI last week. Meanwhile cow imports for direct slaughter from ROI totalled 64 head last week with a further 210 cows imported from GB. These imported cows accounted for ten per cent of total cow throughput in NI last week. Exports of cattle out of NI for direct slaughter to ROI last week consisted of 7 prime cattle and 195 cows with a further 49 prime cattle and 26 cows exported to GB.

The average steer price in NI last week was unchanged at 349.4p/kg while the R3 steer price was back marginally to 358.9p/kg. Meanwhile the average heifer price recorded a strong increase, up 5.2p/kg to 355p/kg. The R3 heifer price in NI last week was up by 4.5p/kg to 361.8p/kg. The young bull trade held steady in NI last week with the average price unchanged at 337.4p/kg while the R3 young bull price increased by 2.7p/kg to 348.2p/kg.

The deadweight trade for prime cattle also generally improved in GB last week with the average steer price up 2.3p/kg to 366.5p/kg. The R3 steer price in GB last week was up by 1.7p/kg to 377.5p/kg with increases recorded in all the GB regions. The differential in R3 steer prices between NI and GB last week was 18.6p/kg or £65 on a 350kg carcase. The average heifer price in GB last week was unchanged at 368.1p/kg while the R3 heifer price increased by 1.5p/kg to 379.2p/kg. The R3 heifer price recorded an increase in all of the GB regions with the biggest increase recorded in Southern England where it was up by 2.5p/kg to 374.8p/kg. The differential in R3 heifer prices between NI and GB last week was 17.4p/kg or £61 on a 350kg carcase.

In ROI last week reported deadweight prices generally increased in euro terms however a weaker euro meant prices held fairly steady in sterling terms. The R3 steer price was the equivalent of 334.1p/kg while the R3 heifer price was the equivalent of 345.3p/kg.

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

W/E 25/11/2017		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	362.9	344.2	396.4	378.8	378.4	383.3	384.0
	R3	358.9	334.1	387.8	371.3	374.1	376.5	377.5
	R4	358.2	333.5	386.6	380.9	371.3	377.1	379.6
	O3	349.9	318.0	366.3	344.8	339.5	347.2	349.6
	AVG	349.4	-	384.7	362.9	356.6	360.4	366.5
Heifers	U3	364.9	356.7	398.0	383.4	385.9	386.9	388.6
	R3	361.8	345.3	388.1	371.3	378.9	374.8	379.2
	R4	358.9	344.7	386.4	374.9	373.8	371.2	377.0
	O3	356.0	333.3	367.9	345.6	347.3	347.6	352.6
	AVG	355.0	-	385.6	364.7	360.9	358.6	368.1
Young Bulls	U3	353.9	341.6	382.6	367.8	371.0	379.4	372.8
	R3	348.2	333.7	375.0	359.4	364.6	365.4	364.7
	O3	331.6	321.3	337.3	313.2	320.2	335.1	321.9
	AVG	337.4	-	360.2	334.1	342.1	350.8	344.3
Prime Cattle Price Reported		6499	-	7179	7675	7294	4778	26926
Cows	O3	272.7	282.0	267.9	257.1	272.4	257.1	265.0
	O4	277.8	283.0	270.4	257.7	269.3	257.0	264.5
	P2	232.1	250.9	225.5	219.9	216.6	215.7	218.0
	P3	251.5	269.8	230.6	236.1	232.3	228.4	231.5
	AVG	250.1	-	258.0	230.1	229.7	223.1	231.6

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=88.87p 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 25/11/17	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	200	214	209	168	193	180
Friesians	146	172	159	121	140	131
Heifers	190	206	197	160	187	175
Beef Cows	141	178	150	112	140	128
Dairy Cows	107	132	114	70	104	87
Store Cattle (p/kg)						
Bullocks up to 400kg	220	249	232	190	219	205
Bullocks 400kg - 500kg	210	221	215	170	209	190
Bullocks over 500kg	200	216	208	160	199	180
Heifers up to 450kg	210	263	225	170	209	190
Heifers over 450kg	180	191	185	160	179	170
Dropped Calves (£/head)						
Continental Bulls	285	385	335	160	282	225
Continental Heifers	260	360	300	130	258	200
Friesian Bulls	100	180	120	35	98	60
Holstein Bulls	65	95	75	2	62	30

SHEEP TRADE

SHEEP BASE QUOTES

(P/Kg DW)	This Week 27/11/17	Next Week 04/12/17
Lambs >22kg	390-400p	390-395p

REPORTED SHEEP PRICES

(P/KG)	W/E 11/11/17	W/E 18/11/17	W/E 25/11/17
NI Lambs L/W	347.7	354.0	358.2
NI Lambs D/W	367.4	375.2	386.5
GB Lambs D/W	389.1	396.2	397.1
ROI D/W	394.8	398.9	-

Deadweight Sheep Trade

BASE quotes from the plants this week for R3 grading lambs remained firm at 390-400p/kg with plants paying up to 22kg. The plants have reported steady supplies of lamb to meet demand with the lambs coming forward for slaughter generally of very good quality. Lamb throughput in local plants last week was similar to the previous week at 8,023 head but well below the 10,134 lambs killed locally in the same week last year. A stronger euro has made NI lambs attractive to plants in ROI with 9,528 lambs exported for direct slaughter last week. In the same week last year 9,010 lambs were exported to ROI for direct slaughter. The deadweight lamb price in NI last week was up 11.3p/kg to 386.5p/kg in response to an improved deadweight trade.

This week's marts

A steady trade has been reported across the marts this week for good quality lambs. In Kilrea on Monday a slightly sharper trade saw 500 lambs sold from 346-362p/kg compared to 450 lambs last week selling from 355-369p/kg. In Saintfield this week 820 lambs sold from 319-376p/kg compared to 972 lambs last Tuesday selling from 338-407p/kg. In Rathfriland this week a good entry of 906 lambs sold to an average of 350p/kg compared to 900 lambs last week selling to an average of 358p/kg. A large entry of 2,520 lambs in Ballymena this week sold from 330-365p/kg (avg 347p/kg) compared to 1,901 lambs last week selling from 335-373p/kg (avg 348p/kg). In Armoy this week 214 lambs sold from 325-385p/kg compared to 284 lambs last week selling from 340-395p/kg.

LATEST SHEEP MARTS

From: 24/11/17		Lambs (P/KG LW)			
To: 30/11/17		No	From	To	Avg
Friday	Newtownstewart	268	336	374	-
Saturday	Omagh	974	359	383	-
	Swatragh	687	316	370	-
Monday	Kilrea	500	346	362	-
	Massereene	1179	350	391	-
Tuesday	Saintfield	820	319	376	-
	Rathfriland	906	330	373	350
Wednesday	Ballymena	2520	330	365	347
	Enniskillen	389	340	374	-
	Markethill	1550	330	381	-
	Armoy	214	325	385	-

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