

UK RETAIL MARKET CONTINUES TO GROW

THE major supermarkets are valuable customers for local processors and provide an outlet for a range of high value cuts of both beef and lamb. The total UK retail market continues to grow with supermarket sales up 1.7% in terms of value during the 12 weeks ending 29 January 2017 when compared to year earlier levels. In addition to this seven of the nine major retailers recorded positive sales growth in terms of the value of sales during the 12 weeks ending 29 January 2017.

The latest grocery market share figures from Kantar Worldpanel for the 12 weeks ending 29 January 2017 have indicated that Tesco continues to hold the largest share of the UK grocery market at 28.1 per cent. However despite a slight increase in the overall value of sales to £7,790 million in the 12 weeks ending 29 January 2017 their share of the total retail market was back by 0.4 percentage points year on year.

Sainsbury's is the second biggest grocery retailer in the UK with 16.5 per cent of the total market in terms

of value. While the value of sales has been almost unchanged year on year at £4,583 million Sainsbury's market share was back by 0.3 percentage points during the 12 weeks ending 29 January 2017.

Asda controlled 15.6 per cent of the UK grocery market during the 12 weeks ending 29 January 2017 according to the latest data from Kantar, a decline of 0.6 percentage points from year earlier levels. Asda was also the only major retailer to record a decline in the value of its total sales, back 1.9 per cent or £84 million to £4,334 million during the period ending 29 January 2017.

Aldi is now the UK's fifth largest supermarket with the value of sales increasing by 12.4% to total £1,716 million during the 12 weeks ending 29 January 2017. This gives it a 6.2 per cent market share, an increase of 0.6 percentage points from year earlier levels. According to Kantar a decade ago Aldi was the UK's tenth largest food retailer, accounting for less than 2% of the grocery market. This growth has been driven by an extensive programme of store

openings, with Aldi attracting 826,000 more shoppers in the last quarter than during the same period last year.

Meanwhile Lidl has increased its share of the UK retail market to 4.5 per cent with sales valued at £1,239 million during the 12 weeks ending 29 January 2017. This is a 0.3 percentage point increase in the company's market share year on year. This growth in Lidl's market share can be attributed to a 9.4 per cent increase in the value of sales year on year. According to the latest available data from Kantar this makes it the eighth largest UK retailer in terms of the value of sales and second only to Aldi in terms of growth in the value of sales.

Increases in the value of retail sales have also been recorded in Morrisons (+1.9 per cent), Co-op (+2.0 per cent), Waitrose (+3.4 per cent), and Iceland (+8.6 per cent) during the 12 week period ending 29 January 2017 when compared to year earlier levels.

Table 1: Value of total retail sales in the UK by major retailer during the 12 week period ending 29 January 2017 and the corresponding period in 2015/16

	12 w/e 31/01/16	Share	12 w/e 29/01/17	Share	Change
	£M	%*	£M	%*	%
Total Grocers	27,284	100	27,759	100	+1.70%
Total Multiples	26,778	98.1	27,253	98.2	+1.80%
Tesco	7,768	28.5	7,790	28.1	+0.30%
Sainsbury's	4,585	16.8	4,583	16.5	0.00%
Asda	4,418	16.2	4,334	15.6	-1.90%
Morrisons	2,959	10.8	3,014	10.9	+1.90%
Aldi	1,527	5.6	1,716	6.2	+12.40%
Co-op	1,623	5.9	1,656	6.0	+2.00%
Waitrose	1,416	5.2	1,465	5.3	+3.40%
Lidl	1,132	4.2	1,239	4.5	+9.40%
Iceland	591	2.2	642	2.3	+8.60%
Other Multiples	758	2.8	812	2.9	+7.20%
Independents	505	1.9	506	1.8	+0.10%

UK BREXIT PLANS OUTLINED IN WHITE PAPER PUBLICATION

THE UK government released its much anticipated White Paper Report last week which outlined the key priorities for the UK's negotiations with the EU over the next two years. The paper confirms that the UK wishes to leave the EU's single market while retaining the 'freest and most frictionless trade possible' post Brexit.

The report also outlines the UK's intention to seek a new Customs Union arrangement with the EU which will also allow it to make the most of opportunities to trade with other countries. Trade between the UK and the EU is currently highly beneficial for both parties; particularly in terms of agri-food imports and every effort should be made to retain this important market access. The White Paper report identifies that 70 per cent of the UK's agri-food imports are sourced in the EU with total agri-food imports from the EU during 2015 valued at £28bn (€32.5bn). During the same period UK agri-food exports to the EU were valued at £11 billion (€12.8bn).

The White Paper report claims that the UK's decision to leave the single market will provide the UK Government

with an opportunity "to design, new, better and more efficient policies for delivering sustainable and productive farming, land management and rural communities". "This will enable us to deliver our vision for a world-leading food and farming industry".

However despite this aim it is worth noting that prior to the Brexit referendum vote EU Farm Commissioner Phil Hogan warned British farmers could end up with fewer subsidies, less influence over trade deals, face cheaper imports & still have to meet EU requirements with no say over them if the UK left the EU. It is therefore vitally important that every effort is made to support and protect the UK's agri-food sector post Brexit.

Since the decision to leave the single market the UK government has committed to maintain farm subsidy levels (under the CAP) at least until the end of 2020 and honour commitments to agri-environment schemes. UK Environment Secretary Andrea Leadsom will deliver the keynote address at the annual National Farmers' Union (NFU) conference in Birmingham on February 21-22, where she is expected to outline her view of

future domestic agriculture policy. It is anticipated that each of the devolved bodies will be given the opportunity to shape their own agricultural policy however their ability to take a different approach to farm policy from England may be constrained by funding.

The report also outlines the plan to keep the border between NI and ROI "as seamless & frictionless as possible" which is to be welcomed by all parties involved. Total annual trade between the UK and Ireland is estimated at £43 billion with recent statistics indicating that total agri-food exports from NI to ROI were valued at €524 million during the 2015/16 financial year while exports from ROI to NI were valued at €658 million during the same period.

This significant movement of agri-food produce between the two regions highlights that it is in the interest of both regions that trade remains as free as possible post-Brexit. This is of particular importance to beef and lamb producers on both sides of the border as well as the major NI processors, some of who have business interests in both jurisdictions.

BVD SCHEME OPEN FOR APPLICATIONS

DAERA have announced that the BVD PI Removal Incentivisation Scheme is now open for applications. The scheme aims to reduce the incidence of Bovine Viral Diarrhoea (BVD) in Northern Ireland through encouraging the early removal and disposal of calves that have a positive test result for the BVD virus.

The scheme will be delivered in partnership between AHWNI and LMC and opened for claims on 8 February 2017. Farmers who may have an eligible animal will receive a claim form by AHWNI, which must be completed and returned to LMC. All details as to eligibility and how to claim will be included in the accompanying guidance.

The rate of financial assistance which will be available is

- £160 for a beef calf;
- £130 for a dairy heifer calf;
- £50 for a dairy male calf

Payments will be limited to six animals per farm business. To be eligible for payment herd keepers must ensure that each animal, meets the following criteria:

- notification of its birth recorded on APHIS;

- fully complied with the requirements of the BVD Eradication Scheme Order;
- tested positive for the presence of BVD virus;
- not been moved from the farm on which it was born;
- been humanely destroyed; and
- had its death recorded on APHIS

For the purposes of the scheme death notification is considered received by recording the death via APHIS online or an MC1 document having been received by the Department. The record must be made on or after 1 February 2017 and no later than 30 September 2017 and;

- not later than 4 weeks from the date the keeper received notification of an initial test positive or
- not later than 6 weeks from the date the keeper received notification of an initial test positive result when a re-test has been undertaken.

DAERA is keen to emphasise that Herd Keepers are responsible for ensuring the death of the animal is confirmed via APHIS online or by MC1 submitted to DAERA. Herd Keepers are reminded that they should not assume that the death will be recorded by the disposal agent or rendering plant.



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 06/02/17	Next Week 13/02/17
Prime		
U-3	340 - 346p	340 - 346p
R-3	334 - 340p	334 - 340p
O+3	328 - 334p	328 - 334p
P+3	274 - 294p	274 - 294p
	Including bonus where applicable	
Cows		
O+3 & better	240 - 250p	240 - 250p
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 COW PRICES NI - P/KG

W/E 04/02/17	Wgt <220kg	Wgt 220- 250kg	Wgt 250- 280kg	Wgt >280kg
P1	158.4	167.9	182.8	194.8
P2	171.4	200.2	218.9	230.3
P3	169.5	219.2	232.5	238.2
O3	214.0	233.1	244.0	255.7
O4	-	255.0	247.4	259.4
R3	-	-	-	271.2

Deadweight Cattle Trade

THE deadweight cattle trade remained steady this week with base quotes from the major NI processors for in spec U-3 grade prime cattle ranging from 340-346p/kg. Quotes for good quality O+3 grade cows also remained steady ranging from 240-250p/kg across the plants. Similar quotes are expected for all types of cattle early next week.

Prime cattle throughput in NI plants last week totalled 6,775 head, a decrease of 284 head from the 7,059 prime cattle killed the previous week. In the corresponding week in 2016 a total of 6,399 prime cattle were killed in NI plants. Meanwhile cow throughput increased slightly last week with a total of 2,166 cows coming forward for slaughter compared to 2,097 cows the previous week and 1,757 cows during the same week in 2016.

Imports of cattle from ROI for direct slaughter in NI continued at relatively low levels last week with 119 prime cattle and 47 cows imported. In the corresponding week in 2016 imports of cattle from ROI were higher with 350 prime cattle and 76 cows imported for direct slaughter. A total of 109 cows were exported from NI for direct slaughter in ROI last week, notably lower than the same week in 2016 when 220 cows were exported to ROI. A further 50 prime cattle and 25 cows were exported from NI to GB for direct slaughter last week compared to 182 prime cattle and 43 cows during the same week last year.

The deadweight trade for prime cattle in NI last week generally weakened with the average steer price back by a penny to 344p/kg while the R3 steer price decreased by 1.7p/kg to 351.8p/kg. The average heifer price in NI last week was back by 1.5p/kg to 344.2p/kg while the R3 heifer price decreased by a penny to 350.9p/kg. The average cow price in NI last week recorded a marginal decrease to 238.8p/kg while the O3 cow price also declined marginally to 254.5p/kg.

Deadweight prices for prime cattle in GB also weakened last week although not to the same extent as recorded in NI. The average steer price in GB last week was back by half a penny to 350.5p/kg while the average R3 steer price was back by 0.9p/kg to 359.8p/kg. This puts the differential in R3 steer prices last week between NI and GB at 8p/kg or £28 on a 350kg carcass. The average heifer price in GB last week was back by 0.4p/kg to 354.1p/kg while the average R3 heifer price decreased by half a penny to 361.3p/kg. The differential in R3 heifer prices last week between NI and the GB average was 10.4p/kg or £33 on a 320kg carcass.

In ROI last week the deadweight cattle trade held relatively steady in both euro and sterling terms. The R3 steer price in ROI was the equivalent of 319.8p/kg, an increase of 0.7p/kg from the previous week while the R3 heifer price was the equivalent of 330.7p/kg, back by half a penny from the previous week. The O3 cow price in ROI last week was unchanged at the equivalent of 259.1p/kg.

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

W/E 04/02/2017	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB	
Steers	U3	353.4	329.5	362.6	358.5	364.1	369.3	363.0
	R3	351.8	319.8	363.0	356.4	357.7	362.4	359.8
	R4	353.2	321.2	365.4	368.2	356.9	362.6	364.0
	O3	342.3	305.5	340.5	328.4	321.3	332.9	330.8
	AVG	344.0	-	360.7	350.3	342.5	347.5	350.5
Heifers	U3	355.8	341.9	371.5	366.6	371.8	381.0	371.7
	R3	350.9	330.7	364.4	353.6	360.7	364.8	361.3
	R4	348.2	331.1	365.8	359.0	359.6	360.0	361.1
	O3	343.5	317.2	340.5	333.7	338.4	340.1	338.4
	AVG	344.2	-	363.6	353.5	349.5	347.8	354.1
Young Bulls	U3	343.9	322.3	360.5	342.6	356.9	358.5	354.1
	R3	344.1	312.0	348.8	330.5	334.4	351.9	338.6
	O3	322.9	299.5	314.3	296.9	308.2	323.5	308.0
	AVG	321.7	-	320.7	310.4	314.6	336.4	317.6
Prime Cattle Price Reported	6142	-	6834	7314	6703	4433	25284	
Cows	O3	254.5	259.1	249.2	243.5	247.1	243.0	245.7
	O4	258.9	260.9	250.8	246.3	248.8	241.6	247.2
	P2	216.3	235.2	191.7	201.6	192.9	193.9	194.6
	P3	235.4	250.5	211.2	224.5	212.8	215.1	215.1
	AVG	238.8	-	239.7	221.9	216.0	206.4	218.0

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=85.71p 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 04/02/17	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Steers	200	215	206	170	197	185
Friesians	-	-	-	-	-	-
Heifers	192	202	197	160	189	178
Beef Cows	146	180	160	112	145	126
Dairy Cows	105	122	110	60	104	85
Bullocks up to 400kg	215	267	227	180	214	200
Bullocks 400kg - 500kg	205	235	215	180	204	190
Bullocks over 500kg	200	222	210	170	199	182
Heifers up to 450kg	210	255	225	180	209	195
Heifers over 450kg	200	220	210	165	199	182
Continental Bulls	300	380	335	175	298	240
Continental Heifers	250	340	285	140	248	185
Friesian Bulls	70	100	85	30	68	50
Holstein Bulls	50	80	70	28	48	38

SHEEP TRADE

SHEEP BASE QUOTES

(P/Kg DW)	This Week 06/02/17	Next Week 13/02/17
Hoggets	370-375 > 22kg	370-375 > 22kg

REPORTED SHEEP PRICES

(P/KG)	W/E 21/01/17	W/E 28/01/17	W/E 04/02/17
NI Hoggets L/W	343.0	345.3	343.5
NI Hoggets D/W	364.1	367.4	368.1
GB Hoggets D/W	378.9	378.2	377.9
ROI D/W	380.3	375.9	375.3

Deadweight Sheep Trade

THE deadweight sheep trade strengthened slightly in NI this week with quotes for R3 grade hoggets ranging from 370-375p/kg with plants paying up to 22kg. Similar quotes are expected for early next week. The processors have reported an increase in the number of hoggets coming forward for slaughter with throughput last week totalling 7,874 head. In the corresponding week in 2016 total of 5,175 hoggets were killed locally accounting for a 52 per cent increase year on year. Exports of sheep to ROI for direct slaughter last week totalled 7,605 head, a decrease from the previous week and notably less than the 10,920 sheep exported to ROI in the same week last year. The average deadweight hogget price in NI last week was up by 0.7p/kg to 368.1p/kg while the average deadweight hogget price in ROI last week decreased by 0.6p/kg to 375.3p/kg.

This week's marts

STEADY numbers of hoggets have been passing through the sale rings this week when compared to the previous week with reports from the marts indicating a firmer trade. In Swatragh on Saturday 750 hoggets sold from 320-393p/kg compared to 825 hoggets the previous week selling from 329-348p/kg. In Massereene on Monday 1,026 hoggets sold from 335-368p/kg compared to 1,206 hoggets the previous week selling from 330-365p/kg. In Rathfriland on Tuesday 500 hoggets sold to an average of 345p/kg compared to 570 hoggets the previous week selling to an average of 335p/kg. In Ballymena on Wednesday 1,139 hoggets sold to an average of 338p/kg compared to 1,005 hoggets the previous week selling to an average of 336p/kg. The ewe trade also improved with top prices generally ranging from £80-105 with a top reported price of £123 in Ballymena on Wednesday.

LATEST SHEEP MARTS

From: 03/02/17		Hoggets (P/KG LW)			
To: 09/02/17		No	From	To	Avg
Friday	Newtownstewart	268	319	373	-
Saturday	Omagh	747	343	381	-
	Swatragh	750	320	393	-
Monday	Kilrea	500	333	349	-
	Massereene	1026	335	368	-
Tuesday	Saintfield	473	335	375	-
	Rathfriland	500	324	370	345
Wednesday	Ballymena	1139	320	365	338
	Enniskillen	598	334	359	-
	Markethill	1100	330	368	-
	Armooy	412	324	363	334

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