LMC

WEEKLY PUBLICATION OF THE LIVESTOCK AND MEAT COMMISSION FOR NORTHERN IRELAND

Saturday 21 April 2018 Issue No. 2516

STRONG RETAIL PERFORMANCE FOR BEEF WHILE LAMB SALES STRUGGLE

TOTAL red meat sales in NI were valued at £35.3 million during the 12 week period ending 25 March 2018 according to the latest available data from Kantar Worldpanel. This was a notable 7.2 per cent increase from the same period in 2017 when total red meat sales in the region were valued at £32.9 million. There was however a contrast in the performance of beef and lamb between the two periods.

Retail beef sales in NI during the 12 weeks ending 25 March 2018 were valued at £31.4 million, a ten per cent increase from the corresponding period in 2017 when beef sales were valued at £28.6 million. Beef's share of the total meat market in terms of volume sales increased by 2.1 percentage points to 42.2 per cent in the 2018 period. The volume of beef sold by NI retailers during the 2018 period totalled 3,948 tonnes, a 3.2 per cent increase from the corresponding period in 2017 when volume sales totalled 3,825 tonnes.

This increase in the volume of beef sales combined with an increase in the average retail price of beef will have contributed to the strong increase recorded in the total value of beef sales. During the 2018 period the average retail beef price was £7.96/kg, up from £7.47/kg in the same period in 2017. This increase by 49p/kg accounts for a 6.6 per cent increase in the average retail price year on year.

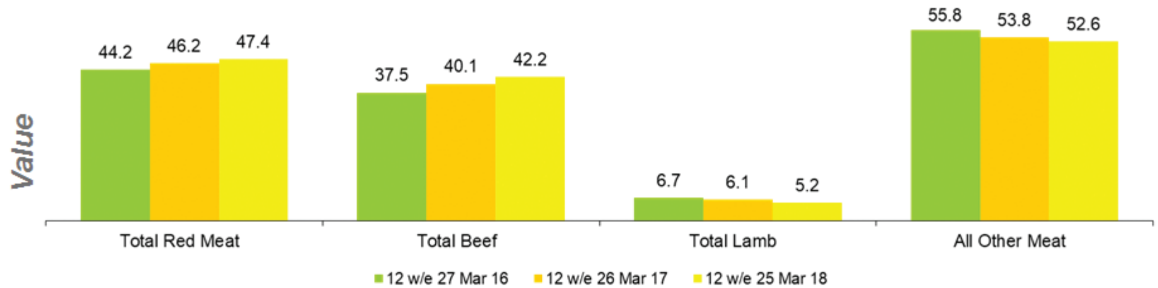
Beef sales penetration remained steady in NI year on year with 85.8 per cent of households purchasing beef within the 12 week period in 2018. The average spend per buyer on beef however increased during the same period with an average spend of £49.40. This was an increase of £4 from year earlier levels when the average spend per buyer on beef was £45.40.

While the retail beef market in NI has performed strongly in the first quarter of 2018 the lamb market has struggled in terms of both the value and volume of sales. Retail lamb sales in NI were valued at £3.9 million in the 12 week period ending 25 March 2018, back from £4.3 million in the corresponding period in 2017. This accounts for an 11 per cent decrease in the value of lamb sales year on year. Some of this decline can be attributed to a decline in the average retail price from £8.80/kg in the 2017 period to £8.50/kg in the 2018 period. This accounts for a 3.5 per cent decline year on year.

The decline in the total retail value of lamb sales in NI will also have been impacted by the decline in the volume of lamb sales. The volume of retail lamb sales in NI during the 12 week period ending 25 March 2018 totalled 454 tonnes, a 7.9 per cent decline from year earlier levels when the volume of lamb sales totalled 494 tonnes. Lamb's share of the total meat market in terms of value in the 12 weeks ending 25 March 2018 was 5.2 per cent, back from 6.2 per cent in the same period in 2017.

In terms of volume sales lamb declined from 4.1 per cent of the market in the 2017 period to 3.7 per cent in the 2018 period. The proportion of households in NI purchasing lamb continued to decline with 31.1 per cent of NI households buying lamb in the 12 weeks ending 25 March 2018. This was back from 33.6 per cent in the same period in 2017 and 35.3 per cent in the same period in 2016. The average spend per buyer has also declined from £17.60 in the 2017 period to £16.80 in the 2018 period.

Image 1: Market share of red meat in NI in terms of value by category during Q1 2016-2018



IRISH ACCESS TO CHINESE BEEF MARKET CONFIRMED

THIS week Michael Creed, Minister for Agriculture, Food and the Marine in ROI confirmed that access to the valuable Chinese market for boneless frozen beef has been granted to three beef processing plants in ROI with a further five hoping to be approved in the coming weeks. These are the first processing plants in the EU to be granted access to this hugely significant market.

The three approved plants are ABP in Clones in Co. Monaghan, Slaney Meats in Co. Wexford and Donegal Meat Processors and following the recent approval they will be able to export frozen boneless beef, for which demand in China has risen by nine fold in the last five years. While beef consumption per capita in China is relatively small at 4kg per capita when compared to our local consumption it is slowly growing as a result of urbanisation and increasing levels of disposable income.

When this growth in beef consumption in China is combined with a population of 1.4 billion people it gives a sense of how valuable access to this market could be. Beef imports to China have risen from less than 100,000 tonnes in 2012 to around 600,000 tonnes in 2016, while demand for imported premium beef in the region is expected to rise significantly.

Gaining access to important markets such as China is a key priority for Northern Ireland's meat exporters and this has become increasingly important following the Brexit referendum. LMC plays a strategic role facilitating the opening of new export markets through its membership and funding of the UK Export Certification Partnership (UKECP). LMC is a long standing member of this joint industry/government programme, the aim of which is to establish and maintain access for UK red meat and pork products into third country markets.

An announcement by UK Prime Minister Theresa May in February 2017 that an agreement had been reached with China to make progress on the lifting of the BSE ban on British beef exports within six months, was hailed as a very positive step on the roadmap to securing market access to China for UK beef exporters. The UK has been closed out of the valuable Chinese market since the BSE crisis in the 1990's however February's announcement by the Prime Minister outlined that Chinese authorities had pledged to improve market access for the UK and remove barriers to trade.

A very positive development this week has been the arrival of a delegation of Chinese officials from the Ministry of Agriculture (MOA) and General Administration for Quality Supervision, Inspection and Quarantine (AQSIQ) in the UK for a 9 day inspection visit as part of the process to lift the BSE ban on UK beef exports. This visit is being hosted by DEFRA and working closely with devolved governments, levy bodies, FSA, APHA and UKECP the delegation will visit farms, abattoirs, rendering sites, laboratories and government facilities across the UK.

Once China formally issues a notice to lift the BSE ban on UK beef exports then both sides will have to agree a protocol for the import of UK beef to China and plants that have applied to export beef will have to be registered by the Certification and Accreditation Administration of the People's Republic of China (CNCA) before any shipments can begin. This part of the process can take some time and a lot of important work remains to be done before our ambitions to export our high quality product to the Chinese market can begin.

The roadmap that the UK and China has been working towards commenced in 2013 with the UK formally requesting China to lift the beef ban. The UKECP has been working tirelessly on access to China as its number one priority and access negotiations can only proceed as quickly as the third country is prepared to move but very good relations have been built up in recent years between UK and Chinese authorities. LMC continues to actively support the work of UKECP to help ensure this important market opens up to UK exporters as soon as possible.

FREE HEALTH & SAFETY WORKSHOPS

FARMERS, farm family members and farm employees can attend free workshops running through April to July at various farm venues across Northern Ireland. The workshops offer practical awareness raising which covers the everyday hazards faced by the farming industry. Workshops offer a mix of real life stories, up to date information and a practical understanding of on farm risks, how to identify them and how to manage them. Workshops also introduce farmers to the new construction requirements and raise awareness of the 'Making it Safer' tool, a key requirement for the new Farm Business Improvement Scheme (FBIS).

There is still an opportunity to attend a free Health and Safety Workshop at the following on-farm locations:

Thurs 26 April 2018, Armagh, 7pm
Thurs 24 May 2018, Ballymena, 7pm
Tues 19 June 2018, Omagh, 7pm
Thursday 05 July 2018, Newtownards 7pm

A further workshop will take place in Enniskillen Ulster farmers Mart on Tuesday 24 April 2018 at 1.30pm

Anyone interested in attending MUST register in advance by contacting the
Rural Development Council: 028 8676 6980
Or visit: www.cafre.ac.uk

Please note that each month there will be a draw for those who attend. You could receive a FREE bundle of goods – a hi vis, bodywarmer, head torch and pair of wellingtons.

WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 16/04/18	Next Week 23/04/18
Prime		
U-3	354 - 360p	356 - 360p
R-3	348 - 354p	350 - 354p
O+3	342 - 348p	344 - 348p
P+3	296 - 310p	298 - 310p
	Including bonus where applicable	
Cows		
O+3 & better	270 - 290p	270 - 290p
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 14/04/18	Steers	Heifers	Young Bulls
U3	366.1	368.0	354.9
R3	361.1	361.9	350.0
O+3	352.6	352.6	343.6

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 14/04/18	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	190.7	203.8	219.8	215.8
P2	203.9	234.0	253.0	264.4
P3	223.0	250.2	269.2	277.2
O3	240.0	267.1	284.1	293.4
O4	-	230.0	288.6	295.2
R3	-	-	-	315.3

Deadweight Cattle Trade

THE deadweight cattle trade firmed this week with base quotes from the major NI processors for in spec U-3 grade prime cattle ranging from 356-360p/kg. The trade for good quality O+3 cows remained steady with base quotes ranging from 270-290p/kg. Similar quotes are expected for all types of cattle early next week.

Prime cattle throughput in NI last week totalled 7,140 head bringing throughput for the year to date to 99,429 head, a 1.7 per cent increase from the corresponding period in 2017 when 97,774 prime cattle were slaughtered. Meanwhile cow throughput in NI last week totalled 2,113 head which brings cow throughput for 2018 to date to 30,720 head, a 10.8 per cent increase on the 27,735 cows killed during the same period last year.

Imports from ROI for direct slaughter in NI plants last week consisted of 37 prime cattle and 25 cows, compared to 281 prime cattle and 54 cows during the corresponding week in 2017. Imports from GB last week for direct slaughter consisted of 5 heifers and 91 cows compared to 5 heifers and 116 cows imported from GB during the same week last year. Exports from NI for direct slaughter in ROI last week consisted of 39 prime cattle and 143 cows while there were 20 prime cattle exported to GB for slaughter last week.

Deadweight cattle prices in NI last week generally strengthened with the average steer price back by 0.6p/kg to 354.9p/kg while the R3 steer price increased by 0.6p/kg to 364.4p/kg. The average heifer price in NI last week was up by 0.8p/kg to 356p/kg while the R3 heifer price increased by 1.2p/kg to 363.2p/kg. The average cow price in NI last week recorded an increase of 2.9p/kg to 273.7p/kg while the O3 cow price was back 1.1p/kg at 291.6p/kg.

In GB last week the deadweight trade for prime cattle also firmed with the average steer price up by 0.8p/kg to 361.9p/kg while the R3 steer price increased by 1.7p/kg to 372.5p/kg. The differential in R3 steer prices last week between NI and GB was 8.1p/kg or £28 on a 350kg carcase. The average heifer price in GB last week was up by 2.9p/kg to 364.1p/kg while the R3 heifer price increased by 2.5p/kg to 373p/kg. This puts the differential in R3 heifer prices last week between NI and GB at 9.8p/kg or £31 on a 320kg carcase.

In ROI last week deadweight cattle prices increased in euro terms however a weakening euro meant prices were generally back in sterling terms. The R3 steer price in ROI was the equivalent of 343.9p/kg, back by 1.5p/kg from the previous week this puts the differential between NI and ROI at 20.5p/kg or £72 on a 350kg carcase. The R3 heifer price was also back by 1.1p/kg to the equivalent of 355.3p/kg this puts the differential between NI and ROI at 7.9p/kg or £25 on a 320kg carcase. The O3 cow price in ROI last week remained unchanged in sterling terms at 291.6p/kg.

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

W/E 14/04/2018		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	367.2	354.4	379.6	376.8	372.1	377.4	376.0
	R3	364.4	343.9	380.2	367.9	370.0	371.6	372.5
	R4	362.2	344.6	380.4	374.1	366.8	371.8	373.6
	O3	351.0	327.9	354.6	342.2	337.2	347.1	345.1
	AVG	354.9	-	374.4	360.1	354.2	358.9	361.9
Heifers	U3	368.8	368.5	387.0	378.9	387.5	381.6	384.6
	R3	363.2	355.3	376.0	367.2	373.5	373.1	373.0
	R4	361.2	355.5	378.3	370.2	372.9	370.6	373.2
	O3	353.5	339.7	359.7	349.2	339.0	354.9	349.7
	AVG	356.0	-	374.8	361.2	358.9	361.5	364.1
Young Bulls	U3	354.8	348.5	373.0	365.8	372.7	377.5	370.6
	R3	350.2	339.0	368.8	358.2	356.2	363.0	360.2
	O3	334.1	322.9	327.2	315.0	328.7	315.1	322.8
	AVG	337.0	-	354.1	335.8	336.6	351.1	341.5
Prime Cattle Price Reported		6504	-	6527	7092	7522	5061	26202
Cows	O3	291.6	291.6	297.6	282.9	286.9	286.9	286.9
	O4	294.8	291.9	297.8	285.0	284.8	283.3	286.0
	P2	251.9	256.7	254.6	239.5	231.4	244.7	238.9
	P3	273.8	280.6	271.2	256.5	252.2	268.5	259.2
	AVG	273.7	-	285.1	263.4	250.1	254.6	257.8

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=86.96p 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 14/04/18	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	208	222	213	182	207	195
Friesians	144	165	153	123	142	131
Heifers	212	229	220	180	209	196
Beef Cows	145	193	170	115	144	130
Dairy Cows	115	137	128	70	114	95
Store Cattle (p/kg)						
Bullocks up to 400kg	225	268	245	180	224	210
Bullocks 400kg - 500kg	205	234	220	175	204	190
Bullocks over 500kg	205	223	214	170	204	188
Heifers up to 450kg	210	250	225	170	209	195
Heifers over 450kg	200	234	215	165	199	185
Dropped Calves (£/head)						
Continental Bulls	300	445	350	200	298	250
Continental Heifers	240	340	285	120	238	180
Friesian Bulls	115	185	145	65	112	90
Holstein Bulls	90	150	115	10	88	50

SHEEP TRADE

SHEEP BASE QUOTES

(P/Kg DW)	This Week 16/04/18	Next Week 23/04/18
Hoggets >22kg	530-560p	520-530p
Spring Lambs >21kg	-	560-580p

REPORTED SHEEP PRICES

(P/KG)	W/E 31/03/18	W/E 07/04/18	W/E 14/04/18
NI L/W Hoggets	429.5	452.3	477.9
NI D/W Hoggets	508.2	506.0	546.5
GB D/W Hoggets	536.7	547.2	601.9
ROI D/W	500.2	496.1	515.7
NI L/W Spr Lambs	503.9	547.9	561.3
NI D/W Spr Lambs	563.0	569.4	580.6
GB D/W Spr Lambs	-	569.0	615.5

Deadweight Sheep Trade

THE deadweight hogget trade remained strong in NI this week with quotes for R3 grade hoggets ranging from 520-560p/kg with plants paying up to 22kg. Quotes early next week are expected to be 520-530p/kg up to 22kg. Quotes for R3 grade spring lambs next week range from 560-580p/kg with plants paying up to 21kg. Throughput last week of hoggets/lambs totalled 4,795 head an increase of 1,061 head from the previous week when 3,734 hoggets/lambs were killed locally. Exports of sheep from NI to ROI for direct slaughter last week totalled 6,920 head, a 17.8 per cent increase on the 5,876 sheep exported to ROI during the same week in 2017. The average deadweight hogget price in NI increased 40.5p/kg from the previous week to 546.5p/kg. The average deadweight spring lamb price in NI was also up by 11.2p/kg to 580.6p/kg.

This week's marts

THERE was a slightly quieter trade across some of the marts this week with smaller numbers of hoggets passing through the sale rings compared to last week. In Omagh last Saturday 525 hoggets sold from 495-561p/kg compared to 420 hoggets selling from 472-575p the previous Saturday. In Masserene on Monday 1,012 Hoggets sold from 460-532p/kg compared to 1,151 hoggets last week selling from 470-540p/kg. In Ballymena on Wednesday 1,004 hoggets sold from 425-513p/kg to an average of 450p/kg compared to 708 hoggets last week selling from 430-552p/kg to an average of 475p/kg. Increasing numbers of spring lambs passed through the marts this week with reported prices ranging from 500-607p/kg. The ewe trade remained firm this week with top reported prices generally ranging from £105-138.

LATEST SHEEP MARTS

From: 13/04/18		Hoggets (P/KG LW)				Spring Lambs (P/KG LW)			
To: 19/04/18		No	From	To	Avg	No	From	To	Avg
Friday	Newtownstewart	50	450	495	-	80	540	584	-
Saturday	Omagh	525	495	561	-	56	537	601	-
Monday	Massereene	1012	460	532	-	46	550	596	-
	Kilrea	290	488	577	-	-	-	-	-
Tuesday	Saintfield	392	460	547	-	130	530	571	-
	Rathfriland	316	428	496	475	179	555	607	570
Wednesday	Ballymena	1004	425	513	450	213	500	586	530
	Enniskillen	389	470	512	-	68	522	562	-
	Markethill	800	435	492	-	250	520	575	-
	Armoy	140	470	525	-	30	540	555	-

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