

UK RETAIL BEEF SALES REMAIN FIRM

REPORTS from local processors in recent weeks have indicated that despite reduced prime cattle throughput the volume of beef being processed has met demand for beef from major retail and food service customers. The latest available date from Kantar has indicated steady retail demand for beef during the 12 weeks ending 20 May 2018 when compared to the same period in 2017.

The value of retail beef sales in the UK during the 12 week period ending 20 May 2018 totalled £510.9 million. This was up almost one per cent from the corresponding period in 2017 when retail beef sales in the region were valued at £506.8 million. In the same period in 2016 retail beef sales in the UK were valued at £486.6 million.

The volume of UK retail beef sales also recorded a slight improvement during the 12 weeks ending 20 May 2018 with retail sales totalling 65,786 tonnes.

This was up by almost one per cent from the same period in 2017. Meanwhile the average retail price of beef in the UK was £7.77/kg in the 12 weeks ending 20 May 2018, unchanged from the same period in 2017.

While the overall retail performance of beef has stayed relatively stable between the 2017 and 2018 periods there has been some positive movement in the volume sales of some individual cuts with the largest majority recording an increase as indicated in Figure 1.

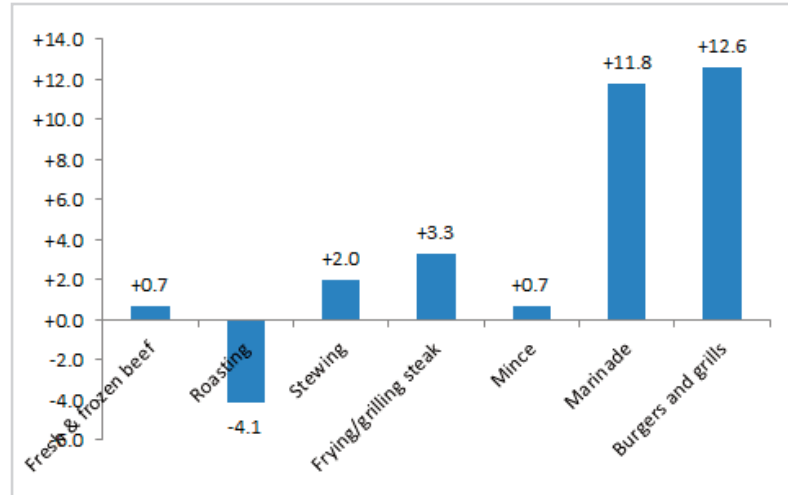
Volume sales of frying and grilling steaks increased by 3.3 per cent during the 12 weeks ending 20 May 2017 when compared to 2017 levels while volume sales of mince increased by almost one per cent during the same period. The latest Kantar data has indicated that sales of beef stewing pieces also performed strongly over the

same period with the volume of retail sales up two per cent from year earlier levels.

Sales of beef marinades and burgers/grills recorded the strongest volume growth in the 2018 period with sales up 11.8 and 12.6 per cent respectively from the same period in 2017. The strong growth in the sale of these two products highlights the growing importance of value added and convenience products in the UK retail market.

According to the latest Kantar data the only major beef cut to record a decline in volume sales during the 12 weeks ending 20 May 2018 was roasting joints. Volume sales were back by 4.1 per cent from 2017 levels during the 12 weeks ending 20 May 2018. Within this decline however the volume sales of mini roasting joints actually recorded a strong increase year on year.

Figure 1: Percentage change in the volume of retail sales of beef by cut during the 12 weeks ending 20 May 2018 and the corresponding period in 2017.



There was also a decline recorded in the volume of retail sales for the majority of processed beef products. The most notable declines were for volume sales of beef frozen ready

meals which were back by 3.5 per cent, fresh hot pies which were back by 9.4 per cent and frozen beef pies which were back by 7.9 per cent year on year.

FURTHER PROGRESS MADE IN ACCESSING VALUABLE CHINESE MARKET FOR UK BEEF

FOLLOWING a trade mission to China in February 2018 the British Prime Minister Theresa May announced that China was set to lift its embargo on UK beef imports later this year subject to a satisfactory China inspection of UK BSE Controls.

Officers from the General Administration for Quality Supervision, Inspection and Quarantine (AQSIQ) and Ministry of Agriculture of the People's Republic of China spent 12 days in the UK during April 2018 examining UK BSE controls. LMC helped to co-fund the cost of this inspection visit and are delighted that the formal lifting of the ban was confirmed this week, more than two decades after UK beef was banned in China following the BSE outbreak.

China has a population of 1.3 billion people with an average per capita beef consumption of 4-5kg. While this average consumption is relatively low in comparison to other proteins in China direct access to this market offers huge potential to the UK beef industry and is estimated to be worth £250 million in the first five years. China is currently the world's second largest beef importer and imported 700,000 tonnes of beef during 2017, estimated to be worth £2.5 billion.

This was a 20 per cent increase from the level of beef imports recorded in 2016 with a growing appetite for steak and ribs from the country's growing middle classes driving demand for beef. The latest available data from GIRA has indicated that beef consumption in

China will grow faster than production, with continued strong demand for a diverse range of beef imports. This will be driven by a growing urban population and average incomes continuing to rise as outlined in Figure 2.

However while the lifting of the BSE ban is positive progress there are still quite a few steps to go through before shipments will actually happen. The lifting of the ban will allow official market access negotiations to begin, a process which is expected to take about three years. Both sides will have to agree a protocol for the import of UK beef to China and plants that have applied to export beef have to be registered by the Certification and Accreditation Administration of the People's Republic of China (CNCA) before any shipments can begin.

Ireland had the same export ban lifted by China in 2015 and the first three beef processing plants were approved for export to China in April 2018 and a further three plants were awarded approval in May 2018. 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.

Getting access to third country markets for NI beef and lamb has become increasingly important in recent times following the decision by the UK to leave the EU and the uncertainty that

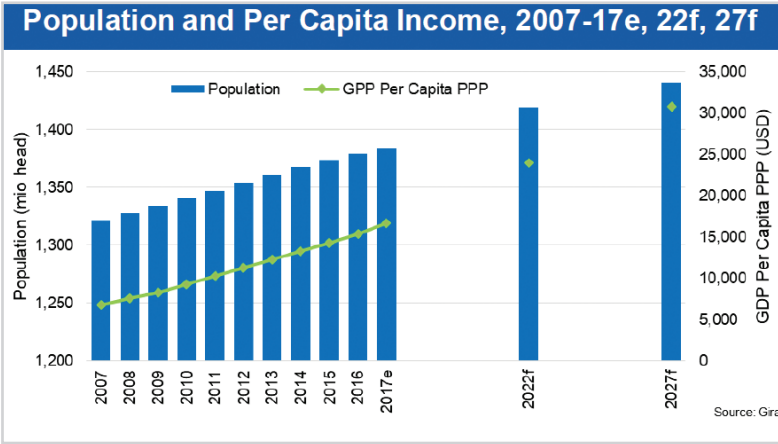
surrounds continued access to this important market outlet. Being able to trade in important markets beyond the EU in Asia, Northern America and the Middle East is a key priority for Northern Ireland's meat exporters.

LMC plays a strategic role facilitating the opening of new markets through its membership of the UKECP. LMC is a co-founder of this joint industry/government programme, the aim of which is to establish and maintain access for UK red meat

products into third country markets.

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 and LMC is actively supporting the work of UKECP to help ensure this important market opens up to UK exporters as soon as practically possible.

Figure 2: Population growth a rising per capita income will continue to drive demand for beef in China (Source: Gira)



FQAS MART CLINICS JULY 2018

LOCATION	DAY	DATE
Omagh	Monday	02/07/2018
Markethill	Tuesday	03/07/2018
Enniskillen	Thursday	05/07/2018
Saintfield	Wednesday	18/07/2018
Kilrea	Wednesday	25/07/2018
Ballymena	Friday	27/07/2018



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WEEKLY BEEF & LAMB MARKETS



CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 25/06/18	Next Week 02/07/18
Prime		
U-3	358 - 366p	354 - 360p
R-3	352 - 360p	348 - 354p
O+3	346 - 354p	342 - 348p
P+3	300 - 314p	296 - 308p
Including bonus where applicable		
Cows		
O+3 & better	255- 290p	255- 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.

Deadweight Cattle Trade

BASE quotes from the plants this week for U-3 grading steers and heifers were back slightly from previous weeks and are expected to come back again to 354-360p/kg early next week. The cow trade has also come under pressure in some plants with quotes for good quality O+3 grading cows ranging from 255-280p/kg. Similar quotes for cows are expected for early next week.

Prime cattle throughput in local plants last week totalled 5,451 head, a decline of 318 head from the previous week. In the same week last year prime cattle throughput in NI totalled 5,654 head. Meanwhile a total of 1,811 cows were slaughtered in NI last week, an increase of 314 head from the previous week.

Cattle imports from ROI for direct slaughter last week were similar to the previous week and included 49 prime cattle and 14 cows. Meanwhile 43 prime cattle, 121 cows and 10 bulls were exported from NI for direct slaughter in ROI processing plants. No cattle were exported from NI to GB last week for direct slaughter while 2 prime cattle and 113 cows were imported from GB for slaughter in local plants.

The deadweight cattle trade came under pressure in NI last week with average prices for all classes of cattle back from the previous week. The average steer price in NI last week was 365.5p/kg, back 2.1p/kg from the previous week. Meanwhile the R3 steer price in NI was back for the second week running to 373.1p/kg last week. The average heifer price in NI last week was 365.3p/kg, back 1.6p/kg from the previous week while the R3 heifer price was back marginally to 372p/kg. The young bull trade also came under pressure with the average price back by 2.3p/kg to 350.5p/kg while the R3 young bull price was back by 1.3p/kg to 361.7p/kg. There was a strong decline in the cow trade in NI last week with the O3 cow price back by 7p/kg to 296.5p/kg.

In GB last week a general decline in the deadweight trade was also recorded for all types of cattle. The average steer price was back by half a penny to 371p/kg while the average R3 steer price was back by almost a penny to 379.1p/kg. There was a mixed trade across GB however with the R3 steer price in Northern England increasing by 2.5p/kg while R3 steer prices declined in all other regions. The average heifer price in GB last week was back marginally to 373.1p/kg while the average R3 heifer price increased by 1.4p/kg to 379.4p/kg. There was a mixed heifer trade across the regions with price improvements in Scotland and Northern England, prices in the Midlands holding steady and prices in Southern England recording a decline.

The trade also came under some pressure in ROI last week with the R3 steer price back the equivalent of 3.4p/kg to 358.7p/kg while the R3 heifer price was back by 2.8p/kg to 369.7p/kg. The O3 cow price in ROI last week was back by 5.8p/kg to 296.3p/kg, just below the equivalent price in NI.

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

W/E 23/06/2018	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	372.7	366.6	387.0	378.3	377.9	383.9
	R3	373.1	358.7	386.3	377.3	375.4	378.2
	R4	370.8	358.9	392.2	385.1	374.7	377.8
	AVG	365.8	344.3	372.6	350.6	350.4	358.2
Heifers	U3	375.0	382.1	394.3	382.4	386.4	387.1
	R3	372.0	369.7	390.6	374.8	376.3	374.7
	R4	369.6	370.3	392.4	379.7	378.6	377.4
	AVG	365.8	355.5	370.8	358.9	350.0	356.9
Young Bulls	U3	367.4	365.6	383.5	368.5	374.4	368.7
	R3	361.7	355.1	377.5	362.5	365.7	366.3
	O3	341.2	334.3	342.2	330.2	332.7	337.2
	AVG	350.5	-	375.8	353.6	350.4	355.8
Prime Cattle Price Reported	4847	-	6677	7060	7192	4831	25760
Cows	O3	296.5	296.3	303.4	288.3	294.0	295.7
	O4	300.7	297.0	303.3	288.5	292.8	292.9
	P2	259.3	265.2	256.1	243.9	245.1	254.7
	P3	277.2	285.7	267.7	258.3	263.7	270.1
AVG	283.4	-	295.2	262.7	259.4	261.7	264.8

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=87.65p 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

REPORTED NI CATTLE PRICES - P/KG

W/E 23/06/18	Steers	Heifers	Young Bulls
U3	372.2	374.6	367.5
R3	368.5	369.8	362.9
O+3	359.3	364.9	349.9

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 23/06/18	Wgt <220kg	Wgt 220- 250kg	Wgt 250- 280kg	Wgt >280kg
P1	183.9	205.1	217.4	238.1
P2	211.1	236.3	257.5	270.0
P3	250.0	257.1	274.7	279.2
O3	200.0	268.7	288.5	297.9
O4	-	248.6	288.5	301.3
R3	-	-	-	314.8

LATEST LIVEWEIGHT CATTLE MART PRICES NI

W/E 23/06/18	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	205	215	210	180	203	192
Friesians	155	156	155	-	-	-
Heifers	214	227	217	180	204	190
Beef Cows	160	199	180	135	159	145
Dairy Cows	125	146	135	90	124	110
Store Cattle (p/kg)						
Bullocks up to 400kg	250	305	265	215	249	228
Bullocks 400kg - 500kg	230	260	240	205	229	215
Bullocks over 500kg	205	220	215	165	204	190
Heifers up to 450kg	240	306	255	195	238	215
Heifers over 450kg	210	224	215	175	209	195
Dropped Calves (£/head)						
Continental Bulls	300	415	330	200	298	250
Continental Heifers	230	335	275	120	228	175
Friesian Bulls	90	160	125	50	88	70
Holstein Bulls	70	145	100	5	68	35

SHEEP TRADE

SHEEP BASE QUOTES

(P/Kg DW)	This Week 25/06/18	Next Week 02/07/18
Lambs >21kg	460-475p	440-455p

REPORTED SHEEP PRICES

(P/KG)	W/E 09/06/18	W/E 16/06/18	W/E 23/06/18
NI L/W Lambs	485.4	494.4	440.1
NI D/W Lambs	473.9	495.2	487.3
GB D/W Lambs	549.3	542.0	524.6
ROI D/W	483.4	488.6	486.5

Deadweight Sheep Trade

QUOTES from the plants for R3 grade lambs came back early this week to 460-475p/kg with plants paying up to 21kg and these weakened as the week progressed. Quotes for Monday are 440-455p/kg up to 21kg. The plants have reported good supplies of lambs coming forward to meet demand with lamb throughput continuing to increase as more lambs come fit for slaughter. A total of 7,822 lambs were killed locally last week with a further 6,722 lambs exported from NI to ROI for direct slaughter. Exports to ROI for direct slaughter during the last six weeks totalled 26,110 lambs compared to 28,099 lambs exported during the same period in 2017. The deadweight lamb price in NI last week was 487.3p/kg, back 7.9p/kg from the previous week.

This week's marts

REPORTS from the marts this week indicated the trade was generally back from previous weeks with smaller numbers of lambs passing through the sale rings. In Omagh last Saturday 498 lambs sold from 416-441p/kg compared to 592 lambs the previous week selling from 457-505p/kg. In Massereene on Monday 626 lambs sold from 430-475p/kg compared to 762 lambs last week selling from 440-485p/kg. In Rathfriland this week 491 lambs sold to an average of 430p/kg compared to 881 lambs last week selling to an average of 446p/kg. In Enniskillen on Wednesday 235 lambs sold from 409-435p/kg compared to 302 lambs last week selling from 407-455p/kg. Top reported prices for well fleshed cull ewes ranged from £88-125 and the highest recorded price was £125 in Omagh last Saturday.

LATEST SHEEP MARTS

From: 22/06/18		Lambs (P/KG LW)			
To: 28/06/18		No	From	To	Avg
Friday	Newtownstewart	217	400	435	-
Saturday	Omagh	498	416	441	-
	Swatragh	450	403	463	-
Monday	Massereene	626	430	475	-
	Kilrea	250	423	447	-
Tuesday	Saintfield	384	420	465	-
	Rathfriland	491	418	440	430
Wednesday	Ballymena	1152	415	485	435
	Enniskillen	235	409	435	-
	Armoyn	326	415	467	-
	Markethill	600	430	466	-

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