LMC
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MIXED RETAIL PERFORMANCE FOR BEEF AND LAMB

RETAIL beef sales in the UK during the 12 week period ending 15 July 2018 were valued at £436.7 million according to the latest available data from Kantar Worldpanel. This is a 3.6 per cent decline from the corresponding period in 2017 when retail beef sales in the UK were valued at £452.4 million.

This decline in the value of retail beef sales was driven primarily by a decline in volume sales. During the 12 week period ending 15 July 2018 54,978 tonnes of beef were sold in the UK, a 3.2 per cent decline from the corresponding period in 2017. This decline in volume sales has occurred despite the average retail price of beef remaining fairly stable at £7.94/kg. In the same period last year the average retail price was £7.97/kg.

While total beef sales have come back in value year on year there has been a mix in the retail performance of individual beef cuts. Increased opportunity for barbeques will have contributed to the strong 11.8 per cent increase recorded in the sales of frying and grilling steaks while sales of burgers and grills increased by 19.1 per cent. Sales of beef marinades also performed strongly during the 12 weeks ending 15 July 2018 with volume sales nine per cent higher than the corresponding period in 2017.

Image 1: The warm summer has resulted in strong sales growth for burgers and grills in the UK

The prolonged period of good weather however had a negative effect on volume sales of some traditional beef cuts. Sales of beef roasting joints during the 12 week period ending 15 July 2018 were 22 per cent lower than the corresponding period in 2017 while sales of beef stewing pieces declined by 15.8 per cent over the same period.

Meanwhile sales of mince were back by 2.2 per cent during the 12 weeks ending 15 July 2018. There were also notable declines in the volume sales of pre packed pies and pasties while sales of chilled and frozen ready meals were similar to year earlier levels.

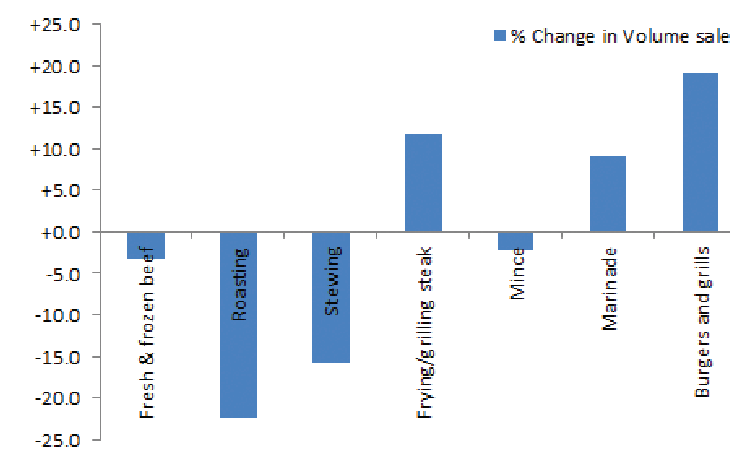
Retail lamb sales in the UK were valued at £105 million during the 12 week period ending 15 July 2018, a 5.9 per cent decline from the same period in 2017 when retail lamb sales were valued at £111.2 million. The decline in the value of lamb sales has been driven by a strong decline in volume sales year on year. During the 2018 period 11,054 tonnes of lamb were sold by UK retailers, a 9.2 per cent decline from the same period in 2017 when 12,071 tonnes of lamb were sold.

Lamb remains expensive when compared to other meats with an average retail price of £9.50/kg during the 12 week ending 15 July 2018 with a household penetration of 27.5 per cent. This was an increase of 29p/kg from the corresponding period in 2017 when the average retail price of lamb in the UK was £9.21/kg.

The majority of major lamb cuts have recorded declines in volume sales during the 12 week period ending July 2018 when compared to the same period in 2017. The strongest decline in volume sales was for lamb shoulder roasting joints which declined by 26.6 per cent year on year.

There were also notable double digit declines in volume sales of frying/grilling steaks, lamb mince and lamb marinades. The only major lamb cut to record an increase in volume sales was leg roasting joints which increased by 2.8 per cent year on year.

Figure 1: Changes in volume sales of a selection of major beef cuts during the 12 weeks ending 15 July 2018.

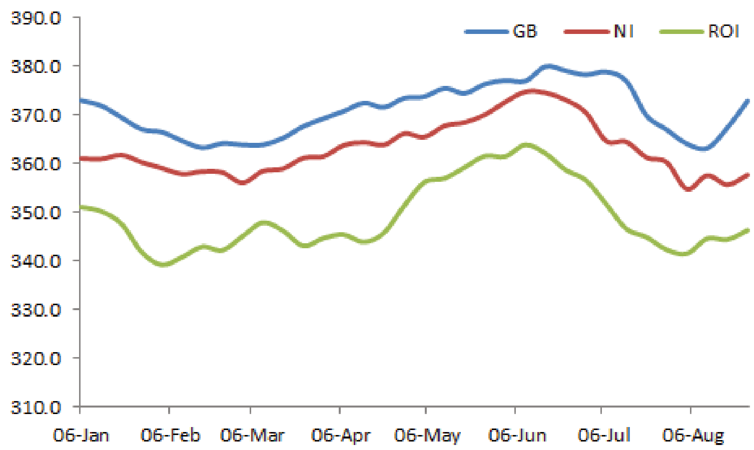


WIDENING PRICE DIFFERENTIAL BETWEEN NI AND GB

IN recent weeks there has been a slight improvement in deadweight cattle prices in NI. Base quotes from the major plants increased to 350-356p/kg for in spec U-3 grading steers and heifers. This increase in quotes has come after a prolonged period in which the deadweight prices in NI were coming under pressure.

Reports from industry have indicated that steady demand for beef combined with tighter supplies of prime cattle have contributed to the improvement in base quotes this week. In the last four weeks a total of 22,736 prime cattle have been slaughtered in NI plants compared to 23,107 head in the corresponding four weeks in 2017. Imports of prime cattle from ROI for direct slaughter in NI plants during the last four weeks have totalled 245 head and accounted for just one per cent of the total NI cattle kill. In the same period last year a total of 1,108 prime cattle were imported from ROI for direct slaughter in NI plants and these accounted for five per cent of prime cattle throughput in NI.

Figure 2: Price reported R3 steer prices in NI, ROI and GB during 2018 to date (p/kg)



Meanwhile in GB reports have indicated a tightening in prime cattle supplies with competition between the factories for throughput having a positive influence on deadweight prices. Figure 2 outlines the R3 steer price in GB, NI and ROI during 2018 to date in sterling terms.

The price differential between NI and GB has widened in the last few weeks as outlined in Figure 2. The R3 steer price in NI improved last week by 2p/kg to 357.7p/kg however the R3 steer price in GB increased by 5.5p/kg to 372.9p/kg. This widened the differential in R3 steer prices between the two regions to 15.2p/kg which is the widest recorded differential since December 2017. From January to May 2018 the average difference in R3 steer prices between NI and GB was 7.1p/kg but since early June this has been gradually widening.

A report commissioned by LMC and completed by Oxford Economics back in December 2013 explored the reasons behind the existence of a price differential in beef prices between NI and GB and several factors were identified as playing a role in this.

One key factor was the additional costs of transporting live cattle to GB processors for direct slaughter. The report estimated this cost at 10-12p/kg when measured as a carcase weight equivalent and this indicates that when the differential is wider than this it may trigger producers to consider exporting to GB. In addition to the costs associated with transporting cattle to GB for direct slaughter the report highlighted the complexities of building longer term cross channel relationships to facilitate the movement of cattle for direct slaughter. One factor impacting direct slaughter. One factor impacting this is the more seasonal nature of cattle supplies in NI relative to GB.

However as outlined in Figure 2 the differential in the deadweight prices for prime cattle between NI and GB has been relatively small for much of 2018 to date which has discouraged the export of cattle from NI for direct slaughter in GB. The price differential between the regions has only recently started to widen again as cattle supplies in GB have tightened and put upward pressure on the deadweight trade.

The level of export of prime cattle from NI for direct slaughter in GB plants has increased slightly in recent weeks in response to the widening price differential. A total of 71 prime cattle were exported last week taking the average for the last four weeks to 64 head. This compares to an average of 22 prime cattle per week for the period January to June 2018.

With prime cattle supplies remaining under pressure in GB and the recent widening in the price differential between NI and GB it remains to be seen what effect this will have on the NI deadweight trade and the level of exports for direct slaughter in the weeks ahead.

The differential in deadweight prime cattle prices has narrowed between NI and ROI in recent weeks. The R3 steer price in ROI last week was the equivalent of 357.7p/kg which places it 11.4p/kg behind the R3 steer price in NI. This puts the differential in monetary terms between the two regions at £40 on a 350kg carcase.

WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 27/08/18	Next Week 03/09/18
Prime		
U-3	350 - 354p	350 - 356p
R-3	344 - 348p	344 - 350p
O+3	338 - 342p	338 - 344p
P+3	292 - 302p	292 - 304p
	Including bonus where applicable	
Cows		
O+3 & better	254 - 275p	255 - 275p
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 25/08/18	Steers	Heifers	Young Bulls
U3	354.0	360.1	351.9
R3	353.2	355.1	347.0
O+3	345.6	348.5	338.9

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 25/08/18	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	166.0	179.3	188.4	206.7
P2	180.6	210.9	228.0	241.8
P3	195.0	230.7	242.4	252.6
O3	-	244.9	264.8	272.0
O4	217.2	262.5	264.7	276.4
R3	-	-	-	295.2

Deadweight Cattle Trade

BASE quotes from the major processing plants this week ranged from 350-356p/kg for U-3 grade prime cattle with the majority of plants quoting 352p/kg for steers and heifers. Similar quotes are expected for Monday in the majority of plants. The cow trade has remained firm with quotes ranging from 255-275p/kg for good quality O+3 grading cows.

The plants have reported good supplies of prime cattle available for slaughter with 5,804 head killed in local plants last week. This was similar to the previous week when 5,834 prime cattle were killed locally. Cow slaughterings have also remained firm with 1,836 cows slaughtered in NI last week..

Imports of cattle from ROI for direct slaughter last week consisted of 100 prime cattle and 31 cows with a further 16 prime cattle and 92 cows imported from GB. Exports of prime cattle from NI to ROI for direct slaughter last week consisted of 101 prime cattle and 222 cows. A further 71 prime cattle and 14 cows made the journey from NI to GB for direct slaughter last week.

The deadweight cattle trade remained steady in NI last week with the average steer price up by 0.7p/kg to 348p/kg and the R3 steer price up by 2p/kg to 357.7p/kg. The average heifer price in NI last week was 351.3p/kg, slightly back from the previous week while the R3 heifer price reported a slight increase to 358.9p/kg. The average young bull price was up by 2.9p/kg to 339p/kg while the R3 young bull price increased by 0.8p/kg to 347.9p/kg. The cow trade remained fairly steady with the average cow price marginally back to 247.1p/kg compared to the previous week while the O3 cow price increased by 3p/kg to 270.5p/kg.

Meanwhile in GB last week the deadweight prime cattle trade continued to firm which has widened the price differential between the two regions. The average steer price in GB last week was up 4.9p/kg to 363.6p/kg while the R3 steer price was up by 5.5p/kg to 372.9p/kg. The R3 steer price improved in all regions with the strongest increase in Scotland where it increased by 6.5p/kg to 384.2p/kg. The average heifer price in GB last week was up 2.6p/kg to 363.5p/kg while the R3 heifer price increased by 4p/kg to 371.9p/kg. As with the steers all of the regions reported increases in prices paid for R3 heifers with Scotland also reporting the strongest increase of 4.9p/kg to 381.9p/kg. The overall average cow price notably increased in GB last week by 6.6p/kg to 231.5p/kg.

In ROI last week the deadweight cattle trade has come under some pressure in euro terms however this has been offset to some degree by a strengthening in euro against sterling. The R3 steer price in ROI last week was the equivalent of 346.3p/kg, up 1.9p/kg from the previous week. The R3 heifer price in ROI last week was the equivalent of 356p/kg, up 1.4p/kg from the previous week. Prime cattle supplies remain steady in ROI with 27,065 prime cattle killed last week, back two per cent from the 27,682 prime cattle killed in the corresponding week in 2017.

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

W/E 25/08/2018		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	354.5	356.2	384.3	372.5	369.1	377.1	375.3
	R3	357.7	346.3	384.2	369.3	367.0	371.6	372.9
	R4	356.4	346.5	388.5	377.2	366.4	373.2	376.6
	O3	351.9	328.7	363.5	350.1	341.7	348.1	350.9
	AVG	348.0	-	381.7	363.6	353.0	354.3	363.6
Heifers	U3	361.2	367.0	389.5	375.1	379.2	382.5	381.3
	R3	358.9	356.0	381.9	368.9	366.0	370.6	371.9
	R4	359.4	355.8	385.7	369.8	370.1	375.6	374.8
	O3	354.9	339.5	359.2	347.1	337.1	348.9	348.4
	AVG	351.3	-	380.9	362.3	353.3	356.2	363.5
Young Bulls	U3	352.4	348.5	377.2	352.6	362.1	356.2	360.8
	R3	347.9	340.4	369.6	347.8	358.6	351.5	356.0
	O3	332.8	322.9	340.0	322.6	316.4	320.4	323.6
	AVG	339.0	-	368.6	336.0	345.1	338.7	346.3
Prime Cattle Price Reported		5076	-	6143	6629	6571	4250	23593
Cows	O3	270.5	277.7	271.7	270.8	263.5	265.9	266.7
	O4	275.3	279.8	271.2	269.7	264.4	262.6	266.0
	P2	229.0	247.6	234.5	226.6	215.9	231.9	224.0
	P3	248.6	265.7	242.0	245.5	236.7	248.2	241.5
	AVG	247.1	-	262.1	242.9	221.1	227.9	231.5

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=89.85p 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 25/08/18	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	204	226	211	180	203	195
Friesians	148	158	153	120	145	139
Heifers	207	229	213	180	206	192
Beef Cows	160	240	175	130	159	142
Dairy Cows	110	132	117	80	109	96
Store Cattle (p/kg)						
Bullocks up to 400kg	220	259	234	185	219	202
Bullocks 400kg - 500kg	220	251	235	190	219	200
Bullocks over 500kg	200	221	208	170	199	185
Heifers up to 450kg	205	247	228	170	204	190
Heifers over 450kg	200	245	210	165	199	182
Dropped Calves (£/head)						
Continental Bulls	325	475	365	200	320	260
Continental Heifers	240	350	300	130	238	185
Friesian Bulls	85	150	118	50	82	65
Holstein Bulls	60	130	95	32	58	45

SHEEP TRADE

SHEEP BASE QUOTES		
(P/Kg DW)	This Week 27/08/18	Next Week 03/09/18
Lambs >21kg	385-390p	385-390p

REPORTED SHEEP PRICES			
(P/KG)	W/E 11/08/18	W/E 18/08/18	W/E 25/08/18
NI L/W Lambs	365.8	363.6	342.0
NI D/W Lambs	403.5	404.5	394.6
GB D/W Lambs	423.6	434.9	425.7
ROI D/W	424.3	425.3	417.6

Deadweight Sheep Trade

QUOTES from the local plants for R3 grading lambs ended this week at 385-390p/kg up to 21kg with similar quotes expected for early next week. The availability of lambs for slaughter has continued to remain strong in line with normal seasonal trends with 11,607 lambs killed locally last week. This is an increase of 1,365 lambs when compared to the previous week. Lamb exports to ROI for direct slaughter last week totalled 4,948 head, back considerably compared to the 7,331 head exported to ROI in the same week in 2017. The average deadweight lamb price in NI last week was 394.6p/kg, back 9.9p/kg from the previous week. The deadweight sheep price in ROI last week was the equivalent of 417.6p/kg, back 7.7p/kg from the previous week.

This week's marts

GOOD numbers of lambs passed through the marts this week with a similar trade reported to previous weeks. In Swatragh last Saturday 800 lambs sold from 337-373p/kg compared to 1,000 lambs the previous Saturday selling from 311-384p/kg. In Kilrea on Monday 300 lambs sold from 340-354p/kg compared to 500 lambs the previous week selling from 350-386p/kg. In Saintfield this week 502 lambs sold from 340-370p/kg compared to 633 lambs the previous week selling from 340-375p/kg. In Ballymena on Wednesday 1,172 lambs sold from 330-373p/kg compared to 1,680 lambs last week selling from 320-372p/kg. In Markethill this week 825 lambs sold from 340-358p/kg compared to 1,000 lambs last week selling from 325-351p/kg. Strong numbers of cull ewes passed through the marts this week with a top reported price of £108 in Rathfriland on Tuesday.

LATEST SHEEP MARTS					
From: 24/08/18		Lambs (P/KG LW)			
To: 30/08/18		No	From	To	Avg
Friday	Newtownstewart	461	330	343	-
Saturday	Omagh	1144	358	439	-
	Swatragh	800	337	373	-
Monday	Massereene	865	340	364	-
	Kilrea	300	340	354	-
Tuesday	Saintfield	502	340	370	-
	Rathfriland	700	334	416	357
Wednesday	Ballymena	1172	330	373	345
	Enniskillen	557	340	372	-
	Armoy	249	328	368	-
	Markethill	825	340	358	-

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LMC Livestock & Meat Commission

MONTHLY NEWS

Saturday 01 September 2018 Issue No. 0030

LMC SUPPORTING LOCAL LAMB

THIS Love Lamb Week, which is running from today (September 01) until September 07, the Livestock and Meat Commission for Northern Ireland (LMC) is encouraging everyone to support locally produced Northern Ireland Farm Quality Assured (NIFQA) lamb.

For this year's campaign, LMC has teamed up with the Ulster Farmers' Union (UFU), and over the next seven days will be showcasing all there is to love about local lamb as well as sharing some delicious NIFQA lamb recipes on social media using the hashtag #LoveLambWeek. LMC has also joined forces with some well-known social media influencers who will be experimenting with recipes of their choice.

Additionally, LMC's experienced demonstrators will be hosting live cookery demonstrations in Asda Antrim's store and in Tesco Newtownbreda. Consumers will get the chance to pick up some culinary tips during the demonstrations and will get to sample the delicious final product.

Speaking about the campaign, LMC's Education Services Manager, Cherrie Kenny said: "Love Lamb Week is all about celebrating the fantastic NIFQA lamb that our country has to offer".

"Throughout the week we'll be finding out more about the work that our local sheep farmers do to produce Northern Ireland's world class lamb. We want to show local consumers just how versatile and easy it is to cook with lamb. Through our demonstrations, consumers will be able to pick up some cookery tips and we'll also be sharing recipes on our social media pages to inspire people to incorporate more lamb into their diet. Lamb can be enjoyed in many different ways- a stir fry, a traditional roast or even a spaghetti bolognese. We have great quality locally produced lamb and we want to encourage consumers to purchase and enjoy it more often."

The live cookery demonstrations will be taking place from 12pm until 4pm in Asda Antrim on Saturday, September 01 and in Tesco Newtownbreda on Thursday, September 06. Follow us on Twitter at: LMCNI or on Facebook at: Livestock and Meat Commission NI to keep up-to-date with all that is happening during Love Lamb Week and to see LMC's latest news.

Image 1: LMC's student placement Sarah Toland and Education Services Manager Cherrie Kenny at the launch of Love Lamb Week 2018

Image 2: LMC cookery demonstrators will be highlighting how versatile and easy lamb is to cook with at several events during Love Lamb Week 2018

LMC EXTENDS FARM LIAISON SERVICE

LMC is extending its Farm Liaison Service to include all quality assured marts in Northern Ireland to further assist members of the Northern Ireland Beef and Lamb Farm Quality Assurance Scheme (NIBL FQAS).

Up until now LMC's Farm Liaison Officer, Terry White has operated FQAS mart clinics once a month in each county. These have been in- Ballymena, Kilrea, Omagh, Markethill, Enniskillen and Saintfield and these will continue to be provided. The latest addition to the service will see Terry visiting each of the other quality assured marts at least once over the course of the year.

Commenting on the service extension, FQAS Manager, Gillian Davis said: "Our FQAS Mart Clinics have been operating since 2012 and we've decided to extend it to every quality assured mart in Northern Ireland over the course of the year to make sure every FQAS producer is getting the assistance they need."

"With this new service extension, producers who live far away from the main marts we visit on a monthly basis or those who are unable to travel long distances will hopefully be better catered for. We understand that some farmers can find a number of the scheme requirements, such as the completion of records, a little daunting. The Liaison Service is in place to assist farmers in a face-to-face manner and to ensure that as many producers as possible can continue to benefit from being a member of the scheme.

Image 3: LMC's Farm Liaison Officer Terry White will be available to deal with FQAS queries at local marts.

"Terry will be present at a mixture of cattle and sheep sales and will be on hand 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 do so through their local FQAS mart clinic or at any time by contacting the office."

The daily FQAS helpline that LMC also currently provides is still available alongside the mart clinics. The marts that Terry will be attending will be published in the LMC Bulletin in Farming Life and a text message will be sent to FQAS participants who have provided a valid mobile number. Details will also be available on LMC's website, Twitter and Facebook page.

Mart	Day	Date
Lisahally	Tuesday (Evening)	04/09/2018
Saintfield	Wednesday (Day)	05/09/2018
Draperstown O'Kane	Friday (Day)	07/09/2018
Draperstown Beattie	Friday (Day)	07/09/2018
Donemana	Saturday (Day)	08/09/2018
Omagh	Monday (Day)	10/09/2018
Gortin	Monday (Evening)	10/09/2018
Markethill	Tuesday (Day)	11/09/2018
Rathfriland	Tuesday (Evening)	11/09/2018
Enniskillen	Thursday (Day)	13/09/2018
Lisnaskea	Tuesday (Day)	18/09/2018
Kilrea	Wednesday	19/09/2018
Plumbridge	Thursday (Day)	20/09/2018
Pomeroy	Thursday (Evening)	20/09/2018
Ballymena	Friday (Day)	28/09/2018

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