LMC
Livestock & Meat Commission

WEEKLY PUBLICATION OF THE LIVESTOCK AND MEAT COMMISSION FOR NORTHERN IRELAND

Saturday 27 October 2018 Issue No. 2542

ACCESS TO EU EXPORT MARKETS VITAL FOR UK SHEEP SECTOR

UK sheepmeat exports totalled 48,762 tonnes during the first eight months of 2018 according to the latest available figures from HMRC. This is a notable 12 per cent reduction from the corresponding period in 2017. During August 2018 the UK exported 7,156 tonnes of sheepmeat which was a six per cent reduction from August 2017 levels.

Much of the overall decline in sheepmeat exports during 2018 to date has been attributed to tighter supplies of sheepmeat in the UK which has reduced the availability of product for export. During the period January to August 2018 sheepmeat production in the UK totalled 181,391 tonnes compared to 188,823 tonnes in the same period in 2017. This is a decline of 7,432 tonnes year on year which is very similar to the decline in the volume of sheepmeat exported.

The EU continues to be the most important market for UK sheepmeat exports with 46,514 tonnes exported to the region during January to August 2018. This accounted for 95 per cent of all sheepmeat exports during this period as outlined in Chart 1. The remaining five per cent of lamb exports were destined for non-EU markets with the largest share of these exported to Hong Kong.

France contines to be the largest market outlet for UK sheepmeat exports with 20,744 tonnes exported to the region during the 2018 period. This is an 18 per cent reduction from the 25,151 tonnes of sheepmeat exported from the UK to France in the corresponding period in 2017. There have also been declines recorded in the volume of sheepmeat exported from the UK to Belgium, Italy and the Netherlands during the 2018 period.

Meanwhile sheepmeat exports from the UK to ROI totalled 6,435 tonnes during the first eight months of 2018, a six per cent increase from the corresponding period in 2017. There was also an increase in the level of sheepmeat exports to Germany to 8,976 tonnes in the 2018 period. This was a two per cent increase from 2017 levels.

The UK sheep market is heavily reliant on market access to the high value EU market for sheepmeat products and it is therefore vitally important for the sector that tariff free access is maintained post Brexit. Some reports have indicated a slight weakening in demand for sheepmeat in the EU however with a weaker sterling UK exporters are well placed to compete in this valuable market.

Some recently pubished reports have identified that the UK actually consumes more sheepmeat than it produces and that losing access to the valuable EU market could be managed post-Brexit. During the first eight months of 2018 the UK imported 58,205 tonnes of sheepmeat while exports totalled 48,762 tonnes as outlined previously.

The reality is somewhat more complicated. While the UK market is technically self-sufficient in terms of its sheepmeat production it is not functionally self-sufficient. The UK market demands a larger volume of higher end cuts such as legs and chops, while UK exports consist mainly of carcases to the EU and low value cuts to emerging markets.

The largest proportion of UK lamb imports are frozen (60 per cent during the first eight months of 2018), particularly those coming from Australia and New Zealand, which means they are generally cheaper and aimed at providing a wider range of choice and availability for consumers. Meanwhile the vast majority of UK exports are chilled and include products the UK market does not usually consume, highlighting the need for access to export markets.

The seasonal nature of sheepmeat production in the UK is another factor that needs to be considered. The largest majority of UK sheepmeat production takes place in the second part of the year and this does not necessarily coincide with domestic demand. By contrast there is peak demand for lamb in the UK at Easter when domestic production is low and production is peaking in the Southern Hemisphere.

The balance of sheepmeat imports and exports helps iron out demand and supply peaks in the UK sheep industry and is therefore beneficial to the sector. By using a combination of domestically produced and imported product retailers can ensure grass-finished lamb and new season lamb to be available all year round.

It should also be noted that without imported product UK sheepmeat consumption could potentially decline rather than shift towards domestically produced product. There are several reasons for this including the surplus of sheep meat being the wrong type of product, lack of availability at the right time of the year and being priced above the reach of some consumers.

Domestic consumption of locally produced sheepmeat is very important to the UK sheep industry and should be strongly encouraged however access to a valuable export market is also a necessity. It is important to strike the right balance between imports and exports to satisfy domestic and global demand, while maximising returns for UK producers through full carcase utilisation.

From an NI perspective access to an export market for sheepmeat is even more important. Approximately half of NI's lambs are exported live to processors in ROI for direct slaughter each year while our local processing plants export a larger proportion of the sheepmeat they process to EU markets than their counterparts in GB. Any changes to current market access arrangements could be hugely detrimental to the NI sheep sector as outlined in a report commissioned by LMC earlier this year which considered the impact of WTO trading on the NI beef and sheepmeat industry.

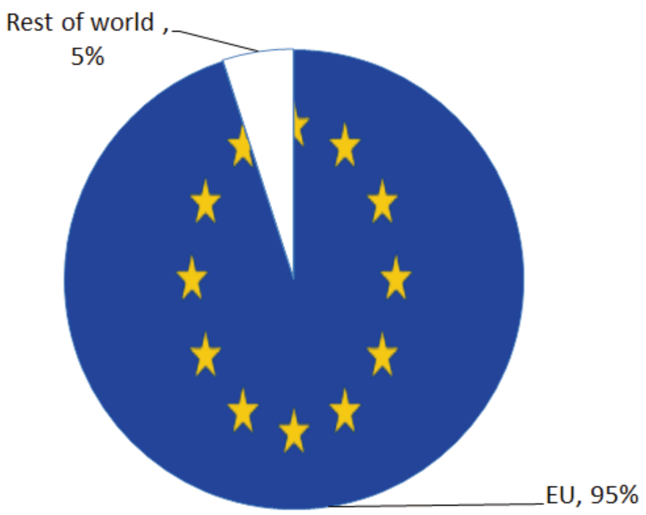
LMC continues to promote and encourage increased lamb consumption on our domestic market and also works closely with our counterparts in GB to do the same through alignment to the Red Tractor Assurance Scheme. LMC has recently launched the second year of its advertising campaign which showcases a number of LMC's beef and lamb recipes.

The campaign aims to increase awareness of NIFQA beef and lamb products with advertisements featuring on television, radio, outdoor digital screens, online and in the press until March 2019. Consumer research carried out after the initial burst of the advertising campaign showed 'promising results', something which LMC is aiming to build on.

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. This access to third country markets has become increasingly important in recent times following the Brexit decision and the uncertainty that surrounds continued access to this market outlet.

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 access for UK red meat products into third country markets.

Chart 1: Proportion of UK sheepmeat exports destined for EU and non-EU markets during the first eight months of 2018



FQAS MART CLINICS NOVEMBER 2018

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 in the table. For further information call (028) 9263 3024.

LOCATION	DAY	DATE
Fivemiletown	Friday	02/11/2018
Downpatrick	Saturday	03/11/2018
Omagh	Monday	05/11/2018
Markethill	Tuesday	06/11/2018
Saintfield	Wednesday	14/11/2018
Enniskillen	Thursday	15/11/2018
Keady	Friday	16/11/2018
Clogher	Saturday	17/11/2018
Kilrea	Wednesday	28/11/2018
Ballymena	Friday	30/11/2018

FARM QUALITY ASSURED NORTHERN IRELAND

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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

Answerphone Service
Factory Quotes &
Mart Results
Updated 5pm Daily

Tel: 028 9263 3011

Text Service
Free Price Quotes sent to your mobile phone weekly

Email - bulletin@lmcni.com
Tel: 028 9263 3000

WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 22/10/18	Next Week 29/10/18
Prime		
U-3	346 - 354p	346 - 354p
R-3	340 - 348p	340 - 348p
O+3	334 - 342p	334 - 342p
P+3	288- 302p	288- 302p
	Including bonus where applicable	
Cows		
O+3 & better	240 - 270p	236 - 270p
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 20/10/18	Steers	Heifers	Young Bulls
U3	354.8	364.3	347.7
R3	353.1	356.3	345.6
O+3	345.0	347.5	338.3

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 20/10/18	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	157.7	168.5	178.9	193.7
P2	175.4	200.5	214.3	233.7
P3	210.0	215.4	234.8	243.0
O3	284.8	228.4	246.2	264.7
O4	-	269.5	264.2	264.2
R3	-	-	-	284.9

Deadweight Cattle Trade

THE deadweight trade for prime cattle has held steady in NI with base quotes from the major processing plants for U-3 grade steers and heifers ranging from 346-354p/kg with the majority of plants quoting 350-354p/kg. Quotes for O+3 grading cows ranged from 236-270p/kg across the plants towards the end of this week with most plants quoting in the region of 260p/kg. Similar quotes are expected for all types of cattle for early next week.

The plants have reported strong supplies of prime cattle coming forward for slaughter. Last week prime cattle throughput in NI plants totalled 7,432 head. This was an increase of 378 head from the previous week and was 452 head higher than the corresponding week in 2017. Cow throughput in local plants has remained steady with 2,094 head killed last week. In the same week last year 2,511 cows were killed in local plants.

Imports of prime cattle from ROI for slaughter in local plants last week totalled 183 head with 1 steer also imported from GB. Meanwhile 35 cows were imported from ROI for direct slaughter in local plants with a further 69 cows imported from GB. Exports of prime cattle out of NI for direct slaughter in ROI plants consisted of 4 prime cattle and 208 cows with a further 29 prime cattle and 12 cows making the journey to GB for direct slaughter.

The average steer price in NI last week was 348.2p/kg, back 2.1p/kg from the previous week. The R3 steer price in NI last week was back by 0.7p/kg to 357.6p/kg. The average heifer price in NI last week was up 1.1p/kg to 353.5p/kg while the R3 heifer price increased by 1.6p/kg to 359.2p/kg. The average young bull price in NI last week was back 1.1p/kg to 336.8p/kg while the R3 young bull price was back by a similar margin to 345.9p/kg. The average cow price in NI last week came back by 4.4p/kg to 239p/kg, while the O3 cow price decreased by 0.8p/kg to 263.2p/kg.

The deadweight trade for prime cattle in GB has continued to come under pressure with the average steer price back by 2.4p/kg to 365.4p/kg and the R3 steer price back by 1.7p/kg to 375.1p/kg. This has narrowed the differential in R3 steer prices between NI and GB to 17.5p/kg. The average heifer price in GB last week was 366p/kg, back 2p/kg from the previous week with the R3 heifer price decreasing by a similar margin to 374.1p/kg. This has narrowed the differential in R3 heifer prices between NI and GB to 14.9p/kg. The young bull trade improved in GB last week with the average price up 4.7p/kg to 345.2p/kg while the R3 young bull price was up by 2.1p/kg to 363.1p/kg.

The deadweight prices for the majority of grades improved in ROI last week and firming in the value of the euro against sterling. The R3 steer price increased by 1.8p/kg to 324.7p/kg while the R3 heifer price was up by a similar margin to 333.8p/kg. This puts the differential between ROI and NI at 32.9p/kg for R3 steers and 25.4p/kg for R3 heifers. Prime cattle throughput in ROI last week totalled 29,559 head, an increase of 1,249 when compared to the same week in 2017.

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

W/E 20/10/2018		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	356.2	334.5	385.5	376.2	375.2	381.2	378.9
	R3	357.6	324.7	384.5	372.0	370.8	373.7	375.1
	R4	355.1	323.7	387.7	385.1	372.5	370.8	380.8
	O3	350.6	305.8	365.2	351.0	338.0	350.2	351.3
	AVG	348.2	-	382.0	366.0	355.8	357.1	365.4
Heifers	U3	364.5	345.2	390.1	379.8	381.4	383.4	383.5
	R3	359.2	333.8	380.4	372.5	371.9	371.2	374.1
	R4	357.3	333.1	385.4	376.1	372.5	372.7	376.8
	O3	353.1	318.2	365.5	358.1	334.2	348.9	352.3
	AVG	353.5	-	382.6	366.8	357.1	356.1	366.0
Young Bulls	U3	348.0	332.3	377.0	356.3	367.0	374.9	365.0
	R3	345.9	323.5	374.1	359.4	361.5	358.9	363.1
	O3	330.6	307.5	334.4	323.5	319.8	337.9	325.7
	AVG	336.8	-	360.8	341.3	341.4	342.1	345.2
Prime Cattle Price Reported		6562	-	6995	7053	7757	5025	26830
Cows	O3	263.2	261.9	256.4	254.7	254.2	248.1	253.3
	O4	264.3	263.1	261.1	253.7	255.6	241.0	252.6
	P2	221.5	228.4	210.8	206.5	210.5	207.1	209.0
	P3	239.9	249.4	223.3	228.0	220.8	220.9	222.2
	AVG	239.0	-	249.2	223.4	216.3	208.7	219.8

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=87.89p 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 20/10/18	1st QUALITY From	1st QUALITY To	1st QUALITY Avg	2nd QUALITY From	2nd QUALITY To	2nd QUALITY Avg
Finished Cattle (p/kg)						
Steers	190	207	195	165	189	187
Friesians	148	156	151	122	145	134
Heifers	204	217	210	175	199	187
Beef Cows	147	195	160	114	146	130
Dairy Cows	106	122	113	60	105	80
Store Cattle (p/kg)						
Bullocks up to 400kg	215	237	225	175	212	195
Bullocks 400kg - 500kg	210	239	222	165	209	187
Bullocks over 500kg	208	223	212	165	207	185
Heifers up to 450kg	200	214	210	160	199	175
Heifers over 450kg	200	225	210	165	198	180
Dropped Calves (£/head)						
Continental Bulls	310	370	345	210	295	250
Continental Heifers	260	330	290	145	255	200
Friesian Bulls	125	175	142	45	110	70
Holstein Bulls	60	150	105	1	50	30

SHEEP TRADE

SHEEP BASE QUOTES

(P/Kg DW)	This Week 22/10/18	Next Week 29/10/18
Lambs >21kg	375-380p	375-380p

REPORTED SHEEP PRICES

(P/KG)	W/E 06/10/18	W/E 13/10/18	W/E 20/10/18
NI L/W Lambs	338.5	338.7	347.5
NI D/W Lambs	368.5	366.5	365.2
GB D/W Lambs	391.9	389.4	388.9
ROI D/W	389.5	384.2	388.0

Deadweight Sheep Trade

THE deadweight sheep trade remained steady this week with quotes ranging from 375-380p/kg for R3 grading lambs across the plants. Reports from the plants have indicated that the lambs being presented for slaughter are generally of very good quality with 9,674 lambs killed locally last week. This was a decline from 9,920 lambs killed during the previous week however it was an increase of 259 lambs when compared to the corresponding week last year. Exports of lambs to ROI last week for direct slaughter totalled 9,683 head with 521 ewes/rams also exported. This compares to 9,014 lambs and 1,028 ewes/rams exported to ROI for direct slaughter the previous week. The deadweight lamb price in NI last week decreased by 1.3p/kg to 365.2p/kg while the liveweight lamb price increased by 8.8p/kg to 347.5p/kg.

This week's marts

A sharper trade was reported across the marts this week with a steady demand for good quality lambs. In Massereene on Monday 908 lambs sold from 340-372p/kg compared to 968 lambs last week selling from 330-368p/kg. In Saintfield this week 822 lambs sold from 340-382p/kg compared to 450 lambs last week selling from 330-400p/kg. In Rathfriland this week 673 lambs sold to an average of 350p/kg compared to 655 lambs last week selling to an average of 340p/kg. In Ballymena this week 1,905 lambs sold from 330-400p/kg (avg 340p/kg) compared to 1,620 lambs last week selling from 315-364p/kg (avg 330p/kg). Top reported prices for cull ewes generally ranged from £80-90 across the marts.

LATEST SHEEP MARTS

From: 19/10/18		Lambs (P/KG LW)			
To: 25/10/18		No	From	To	Avg
Friday	Newtownstewart	254	324	373	-
Saturday	Omagh	1343	371	426	-
	Swatragh	1100	334	373	-
Monday	Massereene	908	340	372	-
	Kilrea	300	332	348	-
Tuesday	Saintfield	822	340	382	-
	Rathfriland	673	325	427	350
Wednesday	Ballymena	1905	330	400	340
	Enniskillen	312	338	372	-
	Markethill	1300	340	374	-
	Armoy	377	328	370	-

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