LMC
Livestock & Meat Commission

WEEKLY PUBLICATION OF THE
LIVESTOCK AND MEAT COMMISSION
FOR NORTHERN IRELAND

Saturday 08 December 2018 Issue No. 2548

UK CONTINUES TO BE A NET BEEF IMPORTER

THE UK is a net importer of beef with 212,337 tonnes imported during the first nine months of 2018 while 80,810 tonnes of beef products were exported. This is according to the latest available information from HMRC.

Beef imports during the 2018 period were 6.6 per cent higher than the same period in 2017 during which UK beef imports totalled 199,186 tonnes. This was the second consecutive year in which the level of beef imports in the UK recorded a strong increase and was the highest level of import recorded in the last decade.

The EU is the biggest source of beef imports for the UK market and accounted for 94 per cent of all beef imports during the first nine months of 2018. Beef imports from the EU totalled 200,095 tonnes during the 2018 period with imports from ROI accounting for 76 per cent of this at 151,469 tonnes as indicated in Figure 1. This is a similar proportion to previous years. ROI is also the biggest export destination for UK beef at 27,173 tonnes during the first nine months of 2018 and with some of the major plants having processing operations in both jurisdictions a proportion of this import/export trade is due to companies transferring product between sites.

The Netherlands and Poland are the next biggest suppliers of beef imports to the UK with each accounting for seven per cent of UK beef imports from the EU during the first nine months of 2018 while Germany accounted for a further four per cent. These proportions are similar to previous years. The UK also imports small volumes of beef from non-EU countries with 12,243 tonnes of beef imported during the first nine months of 2018.

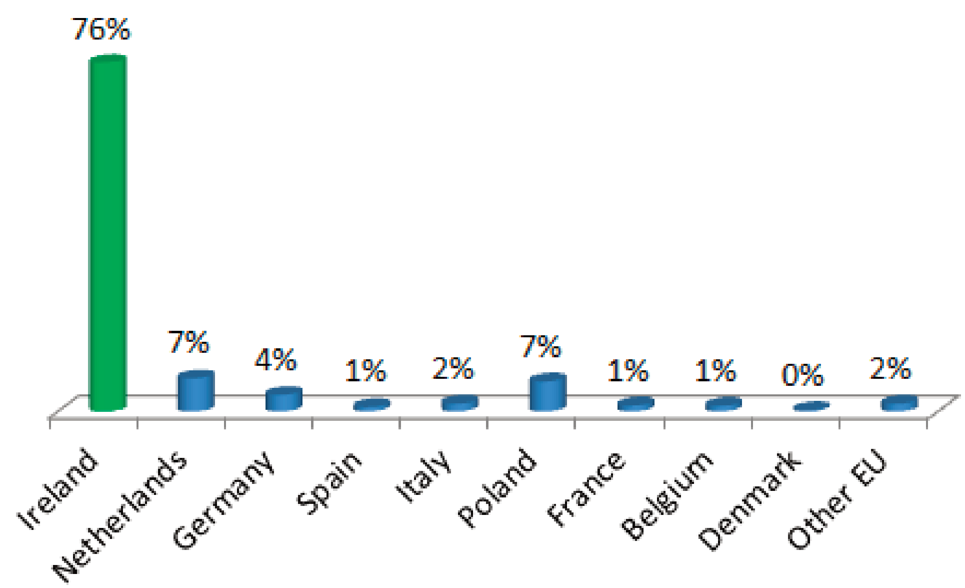
While this was a 24 per cent increase from the corresponding period in 2017 when 9,906 tonnes of beef were imported from non-EU sources it is well below the same period in 2016 when 16,567 tonnes of beef were imported. Imports from non EU sources accounted for 5.7 per cent of total beef imports during the first nine months of 2018.

During the 2018 period there were increases in the volume of beef imported by the UK from Uruguay, Brazil, New Zealand, Argentina and Botswana when compared to the same period in 2017. The volumes involved however remain very small. Meanwhile there have been declines in the volume of beef imported from Australia and Namibia during the 2018 period.

UK fresh/chilled beef imports totalled 140,156 tonnes during the first nine months of 2018 and these accounted for 66 per cent of total UK beef imports. The volume of fresh/chilled beef imported by the UK during the 2018 period was unchanged from year earlier levels. The largest majority of this fresh/chilled beef imported by the UK comes from the EU.

Frozen beef imports totalled 72,181 tonnes during the period January-September 2018 and this accounted for 34 per cent of total UK beef imports. In the same period in 2017 UK frozen beef imports totalled 57,318 tonnes which accounts for a 26 per cent increase year on year however the volumes involved remain relatively low. Most frozen beef products imported by the UK come from non-EU markets.

Figure 1: Breakdown of UK beef imports from EU countries January-September 2018.



LOW LEVELS OF IMPORTS FOR FURTHER PRODUCTION

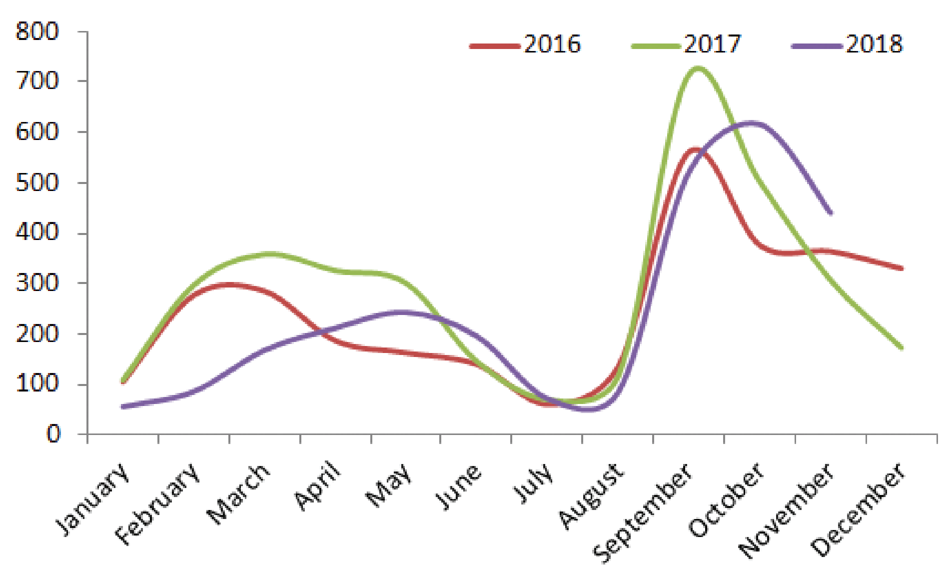
DURING November 2018 there were 440 male store cattle imported from ROI for further production on NI farms which takes the total for the year to date to 2,696 head. The largest majority of these male cattle will undergo a period of finishing on NI farms before being slaughtered in local plants. This is a reduction from the 3,248 head imported during the corresponding period in 2017 and represents a 17 per cent reduction year on year.

The level of trade for breeding and production has declined steadily over the last number of years from a record 25,115 male cattle imported during the first 11 months of 2010. Changes to retailer specifications for prime cattle that have been born, reared and slaughtered in the UK has made marketing beef from mixed origin cattle much more difficult. It is for this reason that some processors in NI have significant penalties in place for non UK origin cattle.

Figure 2 displays monthly imports of male cattle for further production from ROI from January 2016-November 2017. As indicated in the chart imports of male cattle for further production follow a seasonal pattern with levels of import tending to increase in the autumn months.

While imports of male cattle have been under pressure in 2018 the number of female cattle imported from ROI has increased. During November 2018 1,441 female cattle were imported taking the total for the year to date to 11,582 head. This is a 17 per cent increase from the 9,843 female cattle imported during the same period in 2017 and the highest level of import recorded since 2015. A large proportion of these female cattle imported from ROI are likely to be dairy heifers and thus their mixed origin status is not an issue in the short term.

Figure 2: Monthly imports of male store cattle from ROI for further production on NI beef farms.



GIRA FORECAST STRONG GLOBAL DEMAND FOR MEAT

A growing global population and increasing incomes are expected to be key drivers behind the continued growth in global demand for meat according to global meat market specialists GIRA.

Gira

While per capita meat consumption is generally increasing in all parts of the world the strongest increases have been recorded in developing regions. Growing urban populations are becoming increasingly affluent in these regions and increases in per capita meat consumption are being recorded. The improved availability and affordability of meat products have been aided by improvements in supply chain productivity, upscaling of production and investments in technology at all levels of the supply chain at a global level.

These trends have contributed to a sustained period of increase in both production and consumption of meat. Global meat consumption is forecast to reach 318 million tonnes during 2018 and is expected to grow to 321 million tonnes by 2019 and 343 million tonnes by 2023. Global consumption of fish is also expected to grow over the same period to reach 168 million tonnes by 2023 however the rate of growth is expected to be lower than growth in demand for meat.

While the outlook for meat demand is positive there are brakes that will impact demand and these need to be acknowledged. Key challenges include social pressures such as negativity around meat production, increases in regulatory costs and growing competition from alternative meat products.

There is also a growing vegetarianism and flexitarianism movement that could impact meat consumption, particularly in the developed world. However despite these numerous challenges facing the industry GIRA have forecast that the strong demand drivers are expected to counterbalance these brakes with continues growth in demand.

WEEKLY BEEF & LAMB MARKETS

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CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 03/12/18	Next Week 10/12/18
Prime		
U-3	340 - 346p	340 - 346p
R-3	334 - 340p	334 - 340p
O+3	328 - 334p	328 - 334p
P+3	282 - 294p	282 - 294p
	Including bonus where applicable	
Cows		
O+3 & better	218 - 240p	218 - 240p
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 01/12/18	Steers	Heifers	Young Bulls
U3	350.2	356.9	340.8
R3	347.8	349.0	340.0
O+3	339.9	338.6	329.3

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 01/12/18	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	134.0	146.0	157.7	169.4
P2	158.7	177.3	192.7	209.0
P3	202.6	194.5	208.1	217.5
O3	205.0	224.1	225.7	238.9
O4	-	217.5	226.0	240.6
R3	-	-	-	262.5

Deadweight Cattle Trade

BASE quotes from the plants for in spec U-3 grade prime cattle came under pressure early this week to 340-346p/kg with the majority of plants quoting 342-344p/kg for steers and heifers. Base quotes for O+3 grade cows came back this week to 218-240p/kg across the plants. Similar quotes are expected for early next week.

The plants have reported strong supplies of prime cattle coming forward for slaughter with a total of 7,429 head killed locally last week. This brings total throughput of prime cattle for 2018 to date to 311,595 head, a 1.4 per cent increase when compared to the 307,329 prime cattle killed in the same period in 2017. Cow throughput in NI recorded an increase last week to 2,270 cows. This brings the total cow throughput in local plants to 96,729 head during 2018 to date, a 1.3 per cent increase when compared to the same period in 2017 when 95,458 cows were killed.

Imports of prime cattle for direct slaughter last week consisted of 260 prime cattle and 56 cows from ROI with two steers and 70 cows imported from GB for direct slaughter in NI plants. Exports of cattle out of NI for direct slaughter to ROI last week continued at relatively similar levels to previous weeks with nine prime cattle and 173 cows exported. No cattle made the journey to GB for direct slaughter last week.

The average steer price in NI last week was back by 1.7p/kg to 343.8p/kg while the R3 steer price decreased by 2.4p/kg to 353.4p/kg when compared to the previous week. Meanwhile the average heifer price recorded a strong increase of 5.2p/kg to 345.4p/kg while the R3 heifer price was back by 3.9p/kg to 351.4p/kg. The average young bull price last week decreased by 1.7p/kg to 327.1p/kg while the R3 young bull price was back 0.6p/kg to 339.3p/kg. The average cow price in NI last week decreased by 2p/kg to 215.3p/kg with the O3 cow price back by 3.6p/kg to 236.8p/kg.

In GB last week prime cattle prices also continued to come under pressure. The average steer price in GB was back by 2.4p/kg to 356.5p/kg last week with the R3 steer price back by 0.9p/kg to 366.6p/kg. The R3 steer price came back in Scotland (-0.9p/kg), the Midlands and Wales (-2.2p/kg) and Southern England (-2p/kg) with an improved price in Northern England (+2.6p/kg). The average heifer price in GB last week decreased by 1.6p/kg to 357p/kg with the R3 heifer price decreasing by 2.5p/kg to 366.4p/kg last week. The R3 heifer price came back in all of the GB regions but most notably in Scotland (-6.5p/kg).

The deadweight trade in ROI for prime cattle last week came under slight pressure in euro terms and with a marginal weakening in the euro the majority of prices were back in sterling terms. The R3 steer price decreased last week by the equivalent of 0.3p/kg to 326.1p/kg, while the R3 heifer price decreased by the equivalent of 1.2p/kg to 337.1p/kg. The cow trade continued to come under pressure in ROI last week with the O3 price back by 4.4p/kg to 243.8p/kg.

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

W/E 01/12/2018		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	351.2	333.6	378.1	367.1	369.5	372.7	371.7
	R3	353.4	326.1	374.4	368.3	362.5	362.3	366.6
	R4	352.2	324.8	377.9	376.1	363.6	362.7	371.5
	O3	343.7	310.5	354.9	344.9	333.5	335.4	342.4
	AVG	343.8	-	372.5	359.1	345.7	348.0	356.5
Heifers	U3	357.5	348.5	382.6	374.7	376.3	374.2	377.2
	R3	351.4	337.1	373.2	364.5	364.8	361.6	366.4
	R4	351.0	338.1	377.8	368.0	366.8	362.0	369.2
	O3	346.2	324.2	355.3	347.5	332.5	333.1	341.9
	AVG	345.4	-	374.7	356.7	349.3	344.8	357.0
Young Bulls	U3	341.4	331.7	369.1	351.1	347.2	361.3	353.4
	R3	339.3	322.6	361.9	345.9	349.1	352.1	350.4
	O3	328.0	307.4	329.0	312.8	311.3	328.7	316.1
	AVG	327.1	-	348.6	326.1	329.3	322.8	331.5
Prime Cattle Price Reported		6,456	-	7,401	6,998	7,948	4,912	27,259
Cows	O3	236.8	243.8	235.9	232.7	233.9	227.4	232.3
	O4	239.7	244.5	236.9	233.1	238.1	227.0	233.9
	P2	196.1	206.4	190.7	186.2	189.1	185.4	187.7
	P3	215.4	230.7	205.6	201.9	212.8	201.8	207.3
	AVG	215.3	-	228.3	204.5	198.1	189.7	200.8

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=88.73p 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 01/12/18	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	192	200	195	165	189	177
Friesians	-	-	-	-	-	-
Heifers	207	234	220	160	196	178
Beef Cows	134	193	150	105	130	120
Dairy Cows	102	120	111	60	97	75
Store Cattle (p/kg)						
Bullocks up to 400kg	215	237	225	175	214	195
Bullocks 400kg - 500kg	200	227	215	165	199	180
Bullocks over 500kg	190	210	200	160	189	175
Heifers up to 450kg	215	241	225	170	214	195
Heifers over 450kg	190	197	195	160	189	175
Dropped Calves (£/head)						
Continental Bulls	350	500	400	240	345	295
Continental Heifers	300	450	350	170	295	225
Friesian Bulls	100	150	120	40	95	70
Holstein Bulls	75	150	100	5	70	40

SHEEP TRADE

SHEEP BASE QUOTES

(P/Kg DW)	This Week 03/12/18	Next Week 10/12/18
Lambs > 22kg	395-415p	410-420p

REPORTED SHEEP PRICES

(P/KG)	W/E 17/11/18	W/E 24/11/18	W/E 01/12/18
NI L/W Lambs	352.4	364.6	371.8
NI D/W Lambs	373.0	380.0	393.5
GB D/W Lambs	390.3	396.0	399.0
ROI D/W	393.5	399.3	407.6

Deadweight Sheep Trade

BASE quotes from the plants strengthened this week for R3 grading lambs to 395-415p/kg up to 22kg. Quotes for early next week are expected to range from 410-420p/kg up to 22kg. Lamb throughput in local plants decreased to 9,028 head last week this brings the year to date throughput for lambs/hoggets to 365,532 head. This is a decrease of 7.4 per cent when compared to 394,711 lambs/hoggets slaughtered in the same period in 2017. Exports of lambs to ROI for direct slaughter last week marginally increased to 9,084 head. This brings the total lambs/hoggets exported to ROI for direct slaughter to 325,506 in 2018, an increase of 6.8 per cent when compared to 304,686 lambs/hoggets exported in the same period in 2017. The deadweight lamb price in NI last week notably increased by 13.6p/kg to 393.5p/kg while the ROI lamb price increased by the equivalent of 8.3p/kg to 407.6p/kg.

This week's marts

MANY of the marts have reported a strong trade this week with good numbers of lambs passing through most of the sale rings. In Kilrea on Monday 500 lambs sold from 368-459p/kg compared to 300 lambs last week selling from 356-397p/kg. Also on Monday 1,046 lambs sold in Massereene from 375-400p/kg compared to 868 lambs last week selling from 355-386p/kg. In Saintfield this week 843 lambs sold from 370-452p/kg compared to 822 lambs last week selling from 350-453p/kg. In Enniskillen this week 742 lambs sold from 369-418p/kg compared to 382 lambs last week selling from 358-393p/kg. The cull ewe price generally ranged from £80-100 across the marts.

LATEST SHEEP MARTS

From: 30/11/18		Lambs (P/KG LW)			
To: 06/12/18		No	From	To	Avg
Friday	Newtownstewart	283	338	390	-
Saturday	Omagh	1194	381	424	-
	Swatragh	900	375	431	-
Monday	Massereene	1046	375	400	-
	Kilrea	500	368	459	-
Tuesday	Saintfield	843	370	452	-
	Rathfriland	600	362	433	387
Wednesday	Ballymena	2300	365	419	376
	Enniskillen	742	369	418	-
	Markethill	1500	370	420	-
	Armoy	344	369	415	-

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