LMC BULLETIN

WEEKLY PUBLICATION OF THE LIVESTOCK AND MEAT COMMISSION FOR NORTHERN IRELAND

Saturday 19 November 2016 Issue No. 2445

UK BEEF EXPORTS UP 11 PER CENT

UK beef exports during September 2016 totalled 9,220 tonnes taking exports for the first nine months of 2016 to 80,646 tonnes according to the latest available data from HMRC. This is an 11.4 per cent increase from the corresponding period in 2015 when 72,391 tonnes of beef were exported out of the UK.

The largest majority of UK beef exports are destined for the EU market with 72,408 tonnes of beef exported to the region during the first nine months of 2016. This accounted for 90 per cent of total beef exports out of the UK during the 2016 period and was an 8.3 per cent increase on the volume exported to the EU when compared to the corresponding period in 2015.

Ireland continues to be the largest outlet for UK beef exports with 27,316 tonnes exported during the first nine months of 2016 with much of this beef destined for further processing in ROI plants. UK beef exports to ROI accounted for 38 per cent of total beef exports from the UK to the EU during the 2016 period, a slight decline from 40 per cent of total exports in the corresponding period in 2015.

The Netherlands also continues to act as a valuable market outlet for UK origin beef with 19,294 tonnes of beef exported during the first nine months of 2016. This is a 19.2 per cent increase from the corresponding period in 2015 when 16,181 tonnes were exported to the region. UK beef exports to the Netherlands accounted for 27 per cent of total UK beef exports to the EU during the 2016 period.

There has also been strong growth recorded in the level of UK beef exports to Germany, Denmark and Spain year on year although the volumes involved remain relatively small in terms of total market share. Meanwhile the volumes of beef exported from the UK to France, Italy and Belgium have recorded declines during 2016 when compared to 2015 levels.

Beef exports in fresh/chilled form account for the largest majority of UK exports to the EU with a total of 59,362 tonnes exported during the first nine months of 2016. This was a four per cent increase from the corresponding period in 2015 when 57,084 tonnes of fresh/chilled beef were exported to the EU. Meanwhile the volume of frozen beef exported to the EU during the 2016 period totalled 13,046 tonnes, a 33.7 per cent increase from the 9,756 tonnes of frozen beef exported during the 2015 period.

The increase in the volume of beef exported from the UK to the EU in recent months can be attributed to an increase in the strength of the euro against sterling following the UK's decision to leave the European Union. This has made UK beef much more competitive on key EU markets and therefore much easier for UK based processors to secure orders on the continent.

While the EU accounts for the majority of UK beef exports there has also been an increase recorded in the volume of UK beef exports destined for non-EU markets during 2016. During the first nine months of 2016 a total of 8,239 tonnes of beef were exported to non-EU countries, a 48.4 per cent increase from the 5,551 tonnes exported during the corresponding period in 2015. Exports of fresh/chilled beef totalled 1,368 tonnes, up 104.6 per cent from 2015 levels, while exports of frozen beef totalled 6,871 tonnes, up 40.7 per cent from year earlier levels.

UK Beef Imports

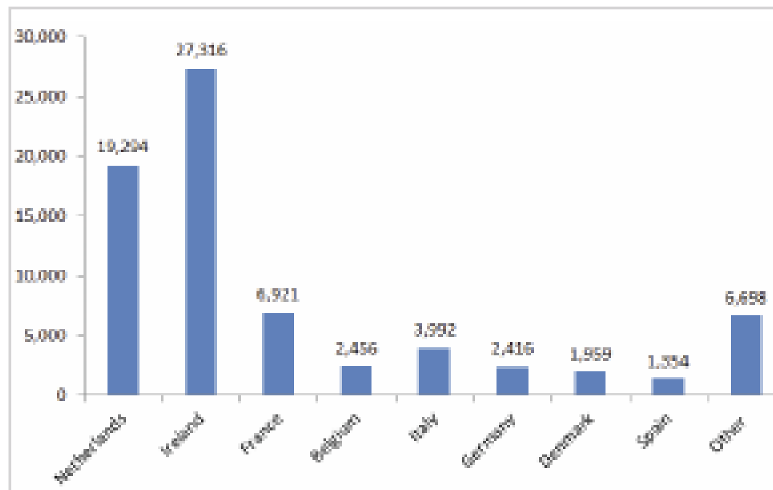
While beef exports from the UK have recorded a notable increase during the first nine months of 2016 the volume of beef being imported by the UK has recorded a decline. A combination of increased domestic supplies and a weaker sterling making imports more expensive have been key factors behind this downward trend.

During the 2016 period a total of 189,797 tonnes of beef were imported by the UK, back 4.8 per cent from year earlier levels when 199,455 tonnes of beef were imported. Imports from the EU during the first nine months of 2016 totalled 173,230 tonnes and accounted for 91 per cent of total UK beef exports during this period. Imports from the EU were back 3.9 per cent in volume terms from the corresponding period in 2015.

Ireland continues to be the biggest source of beef imports for the UK with 129,739 tonnes imported during the 2016 period. It should be noted that a proportion of this beef will have been imported by NI processors for further processing in NI plants before being exported back to ROI.

Imports from ROI accounted for 75 per cent of total beef imports from EU countries during the first nine months of 2016. However during September 2016 a total of 14,356 tonnes of beef were imported by the UK from Ireland, a 13 per cent reduction from the corresponding month in 2015 when 16,499 tonnes of beef were imported. A narrowing price differential between the two regions and increased domestic supplies in the UK will have been strong contributors to this decline in trade levels.

Figure 1: Volume of UK beef exports to the EU during January-September 2016



NI SHEEP INDUSTRY KEY PERFORMANCE INDICATORS (OCTOBER SNAPSHOT)

Table 1: NI Sheep Industry Key Performance Indicators (October Snapshot)

	Oct-15	Oct-16	% Change
Sheep Prices (p/kg)			
Average Deadweight Price **NI (Lamb)**	307.7	371.9	+20.9%
Average Liveweight Price **NI (Lamb)**	280.3	332.9	+18.7%
Average Weekly Price **GB** (D/W) (Lamb)	336.1	385.7	+14.8%
Average Weekly Price **ROI** (D/W)	316.5	388.7	+22.8%
Slaughterings			
Total Hoggets & Lambs Slaughterings (Head)	48,491	39,970	-17.6%
Total Ewes & Rams Slaughterings (Head)	3,061	2,903	-5.2%
Average Hogget & Lambs Carcase Weight (kg)	21.5	21.2	-1.4%
Average Ewe & Rams Carcase Weight (kg)	27.9	27.5	-1.5%
Trade (Head)			
Live Imports for Direct Slaughter	0	0	0
Live Exports for Direct Slaughter	36,997	37,666	+1.8%
Euro / Stg Exchange Rate (€ / £)	73.3	89.4	+22.0%
All NI Figures Unless Otherwise Stated			

DURING October 2016 the average deadweight lamb price in NI was 371.9p/kg, an increase of 64.2p/kg from October 2015 when the average deadweight price was 307.7p/kg. This accounts for a 20.9 per cent increase year on year and is the equivalent of an additional £13 for a 21kg lamb carcase.

In ROI during October 2016 the average deadweight lamb price was the equivalent of 388.7p/kg, 72.2p/kg higher than the corresponding month in 2015 when the average price was 316.5p/kg. This accounts for a 22.8 per cent increase in sterling terms. In euro terms however the increase in lamb prices in ROI was much less pronounced. During October 2016 the average lamb price was 435c/kg, 3c/kg higher than October 2015 when it was 432c/kg accounting for a 0.7 per cent increase in euro terms year on year.

Deadweight prices have also improved in GB although not to the same extent as recorded in NI and ROI. During October 2016 the average deadweight lamb price in GB was 385.7p/kg which was 49.6p/kg higher than October 2015 when the average price was 336.1p/kg. This accounts for a 14.8 per cent increase year on year.

The increase in deadweight lamb prices in sterling terms has been driven by a strengthening in euro against sterling as indicated in Table 1. In October 2015 €1 was worth 73.3 pence sterling and in October 2016 this had increased to €1 being worth 89.4 pence sterling. This strengthening in the value of euro against sterling has made NI origin lambs less expensive in euro terms and has resulted in increased demand for NI origin lambs from ROI processors whilst also making it easier for NI processors when competing on the EU market.

There was a strong decline in lamb throughput in the NI plants during October 2016 with 39,970 head slaughtered. This was a decrease of 8,521 head (17.6 per cent) from October 2015 levels when 48,491 lambs were killed in NI plants. The average carcase weight of lambs killed in NI plants year on year has also recorded a slight decrease. During October 2016 the average lamb carcase weight was 21.2kg compared to 21.5kg during October 2015.

Meanwhile ewe and ram throughput in the NI plants during October 2016 totalled 2,903 head, a decrease of 158 head from October 2015 when 3,061 head were slaughtered in NI. Ewe and ram carcase weights followed a similar trend to lamb carcase weights with a slight decrease year on year, from an average carcase weight of 27.9kg in October 2015 to 27.5kg in October 2016.

ROI continues to act as an important outlet for the NI sheep sector with 37,666 sheep exported from NI to ROI for direct slaughter during October 2016 compared to 36,997 sheep during October 2015. This accounts for a 1.8 per cent increase in sheep exports for direct slaughter year on year.

WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 14/11/16	Next Week 21/11/16
Prime		
U-3	338 - 344p	338 - 344p
R-3	332 - 338p	332 - 338p
O+3	326 - 332p	326 - 332p
P+3	272 - 292p	272 - 292p
	Including bonus where applicable	
Cows		
O+3 & better	240 - 250p	240 - 250p
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 12/11/16	Steers	Heifers	Young Bulls
U3	348.1	352.6	336.4
R3	344.6	345.7	338.2
O+3	336.3	338.2	331.5

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 12/11/16	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	158.5	166.4	178.9	195.2
P2	173.7	192.3	213.6	226.2
P3	207.3	211.1	230.7	237.5
O3	193.2	226.0	241.9	253.2
O4	152.0	286.6	242.3	257.6
R3	-	-	250.0	271.4

Deadweight Cattle Trade

BASE quotes for prime cattle held steady in NI this week with quotes for in spec U-3 grade prime cattle ranging from 338-344p/kg. Reports however have indicated that higher prices are available than these quotes suggest so producers are encouraged to use the quotes as a starting point for negotiation. Quotes for good quality O+3 grade cows ranged from 240-250p/kg. Similar quotes are expected for all types of cattle early next week.

A total of 6,768 prime cattle were slaughtered in NI plants last week, an increase from the 6,501 head killed the previous week. This is very similar to corresponding week in 2015 when a total of 6,736 prime cattle were killed in NI plants. Cow throughput remained steady with a total of 2,565 cows slaughtered in NI last week compared to 2,691 cows the previous week. In the corresponding week last year a total of 2,419 cows were killed locally.

Prime cattle imports from ROI for direct slaughter in NI plants last week totalled 110 head accounting for two per cent of the total NI prime cattle kill. In the corresponding week in 2015 a total of 578 prime cattle were imported from ROI accounting for nine per cent of the total NI prime cattle kill. Cow imports from ROI for direct slaughter in NI plants last week totalled 53 head, lower than the 134 head in the same week last year. Exports of cows from NI to ROI for direct slaughter last week totalled 93 head compared to 259 head in the corresponding week in 2015. A further 78 prime cattle and 24 cows were exported from NI to GB for direct slaughter last week.

The deadweight trade for prime cattle generally improved in NI last week with the average steer price up by 4.1p/kg to 339.1p/kg while the R3 steer price increased by 2.6p/kg to 349.1p/kg. The average heifer price in NI last week was up by 2.7p/kg to 340.7p/kg while the R3 heifer price similarly increased by 2.6p/kg to 348.1p/kg. The average cow price in NI last week recorded a decrease of almost a penny to 226.6p/kg while the O3 cow price was back by 1.3p/kg to 250.9p/kg.

In GB last week the average steer price was up by 0.6p/kg to 351.7p/kg while the R3 steer price increased by 1.5p/kg to 360.9p/kg. The differential in R3 steer prices between NI and the GB average last week was 11.8p/kg which is the equivalent of £41 on a 350kg carcase. The average heifer price in GB was up by a penny to 352.3p/kg while the R3 heifer price increased by 0.8p/kg to 360.2p/kg. This puts the differential in R3 heifer prices last week between NI and the GB average at 12.1p/kg which is the equivalent of £42 on a 350kg carcase.

Reports from ROI last week indicated steady deadweight prices for prime cattle in euro terms however a decrease in sterling terms. The R3 steer price in ROI last week was the equivalent of 314p/kg, back by 4.6p/kg from the previous week while the R3 heifer price was the equivalent of 326.6p/kg, back by 4.1p/kg.

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

W/E 12/11/2016		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	349.1	322.6	375.8	360.1	359.1	365.1	364.9
	R3	349.1	314.0	374.5	355.8	354.8	358.3	360.9
	R4	347.7	312.9	374.7	375.7	354.2	353.1	368.7
	O3	342.3	298.5	356.9	330.4	324.3	328.4	335.5
	AVG	339.1	-	370.3	352.5	339.7	339.1	351.7
Heifers	U3	353.5	338.8	382.5	364.3	367.7	367.3	370.7
	R3	348.1	326.6	372.2	355.0	356.8	354.2	360.2
	R4	346.0	326.8	372.6	360.4	357.7	352.8	362.1
	O3	342.7	315.5	353.3	337.3	329.7	332.2	338.6
	AVG	340.7	-	370.8	351.7	343.6	336.1	352.3
Young Bulls	U3	336.5	320.7	362.2	350.2	350.5	350.2	352.2
	R3	338.3	313.5	360.0	333.9	339.7	339.5	341.3
	O3	321.5	299.8	319.2	293.9	304.5	311.2	307.7
	AVG	315.9	-	335.9	319.1	319.9	315.8	321.3
Prime Cattle Price Reported		6013	-	6750	7706	6560	4505	25521
Cows	O3	250.9	250.9	234.9	227.2	230.0	225.7	229.0
	O4	257.1	252.5	235.5	228.1	231.9	228.8	230.9
	P2	213.0	225.2	183.7	188.3	186.5	189.0	187.2
	P3	234.5	241.4	191.2	205.1	200.4	207.3	201.7
	AVG	226.6	-	221.3	198.7	195.5	192.7	198.5

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=88.22p 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 12/11/16	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	200	214	206	165	199	178
Friesians	145	157	151	124	138	132
Heifers	184	208	197	148	180	164
Beef Cows	140	200	153	108	139	123
Dairy Cows	103	128	108	60	102	80
Store Cattle (p/kg)						
Bullocks up to 400kg	200	218	209	170	199	185
Bullocks 400kg - 500kg	200	226	213	165	199	182
Bullocks over 500kg	200	207	204	160	199	180
Heifers up to 450kg	210	247	225	165	205	185
Heifers over 450kg	190	214	202	155	189	172
Dropped Calves (£/head)						
Continental Bulls	280	400	325	200	278	230
Continental Heifers	180	290	250	100	178	145
Friesian Bulls	120	200	145	35	118	75
Holstein Bulls	95	170	125	20	92	55

SHEEP TRADE

SHEEP QUOTES		
(P/Kg DW)	This Week 14/11/16	Next Week 21/11/16
Lambs	370-380 > 21kg	375 > 21kg 370 > 22kg

REPORTED SHEEP PRICES			
(P/KG)	W/E 29/10/16	W/E 05/11/16	W/E 12/11/16
NI Lambs L/W	331.5	332.4	335.4
NI Lambs D/W	369.0	367.3	368.9
GB Lambs D/W	376.5	384.3	383.7
ROI D/W	383.0	379.1	374.8

Deadweight Sheep Trade

QUOTES from the major NI processors for R3 grade lambs remained fairly steady this week ranging from 370-380p/kg up to 21kg however from early next week the plants will be paying up to 22kg. Quotes for Monday for R3 grade lambs are in the region of 375p/kg up to 21kg and 370p/kg up to 22kg. Lamb throughput in NI has decreased slightly with a total of 9,856 lambs killed locally last week compared to 9,932 lambs the previous week. In the corresponding week in 2015 lamb throughput totalled 10,742 head. A further 10,684 sheep were exported from NI to ROI for direct slaughter last week, an increase of 2,356 head from the previous week and the highest number of exports since early September this year. The average deadweight lamb price in NI last week increased by 1.6p/kg to 368.9p/kg.

This week's marts

REPORTS from the marts this week indicated a steady trade with similar numbers of lambs passing through the sale rings compared to the previous week. In Newtownstewart last Friday 446 lambs sold from 321-353p/kg compared to 367 lambs the previous week selling from 320-353p/kg. In Massereene on Monday 1,170 lambs sold from 335-365p/kg compared to 976 lambs the previous week selling from 330-361p/kg. In Rathfriland on Tuesday 1,081 lambs sold from 332-389p/kg compared to 1,053 lambs the previous week selling from 324-393p/kg. In Enniskillen on Wednesday 402 lambs sold from 330-368p/kg compared to 289 lambs the previous week selling from 320-356p/kg. Top prices for cull ewes generally ranged from £70-100 with a top reported price of £138 in Saintfield on Tuesday.

LATEST SHEEP MARTS

From: 11/11/16		Lambs (P/KG LW)			
To: 17/11/16		No	From	To	Avg
Friday	Newtownstewart	446	321	353	-
Saturday	Omagh	1185	331	375	-
	Swatragh	1000	313	372	-
Monday	Kilrea	350	334	343	-
	Massereene	1170	335	365	-
Tuesday	Saintfield	681	325	381	-
	Rathfriland	1081	332	389	343
Wednesday	Ballymena	1872	320	409	336
	Enniskillen	402	330	368	-
	Markethill	1310	330	357	-
	Armoy	285	321	355	-

Contact us:

Website: www.lmcni.com

Telephone: 028 9263 3000

Fax: 028 9263 3001

FQAS Helpline: 028 9263 3024

Answerphone: 028 9263 3011

Comments: bulletin@lmcni.com

LMC