

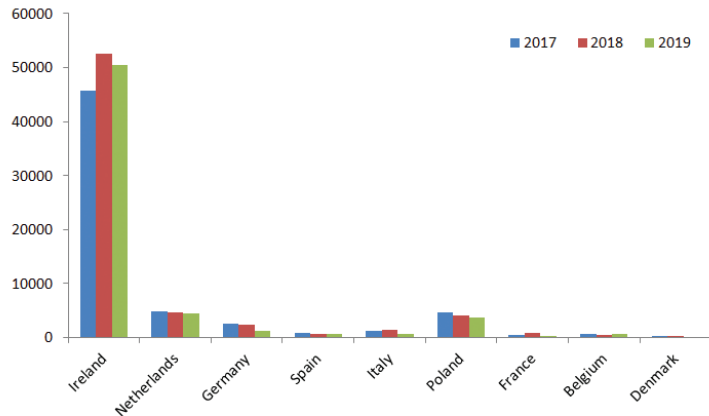
UK REMAINS A NET IMPORTER OF BEEF

UK beef imports declined by 11 per cent to total 63,994 tonnes during the first three months of 2019 according to the latest available data from HMRC. This level of import is similar to the same period in 2017 when 64,085 tonnes of beef was imported.

ROI continues to be the biggest source

of beef imports as outlined in Figure 1. During the first quarter of 2019 beef imports from the region totalled 50,417 tonnes which accounted for 81 per cent of beef imports from all EU countries. In volume terms the amount imported from ROI was back by four per cent from the same period in 2018 however well ahead of the level of import recorded during the 2017 period.

Figure 1: UK beef imports from EU member states during Quarter 1 2017-2019 (Source: HMRC)



The Netherlands is the UK's second largest source of imported beef however with just 4,462 tonnes imported during the first quarter of 2019 the market remains small in comparison to the trade with ROI. This level of import was back by three per cent from 2018 levels. There has also been a decline recorded in the volume of beef imported by the UK during the first quarter of 2019 from Germany, Spain, Italy, Poland, France and Denmark.

Imports of beef from non-EU sources have recorded a strong decline during the first quarter of 2019 however it is worth noting that this trade is very small compared to the level of beef imports from the EU. During the first three months of 2019 UK beef imports from non-EU countries totalled 1,320 tonnes compared to 3,998 tonnes imported during the same period last year.

Beef Exports

The UK continues to be a net importer of beef and exports approximately half of the volume of beef that it imports.

UK beef imports declined by 11 per cent in Q1 2019 while beef exports increased by 10 per cent

Access to export markets however provides an important carcass balancing function by providing an outlet for cuts of beef that are undervalued or under-utilised on the domestic market. It is important therefore that access to these export markets is maintained post-Brexit.

During the first three months of 2019 the UK exported 32,437 tonnes of beef, a ten per cent increase from the same period in 2018. The EU remains the primary market outlet for UK beef exports with 81 per cent of all total exports destined for the region during the first quarter of 2019.

Ireland is the biggest market outlet for UK beef exports with 9,935 tonnes

exported during the first quarter of 2019, back by seven per cent from year earlier levels. The Netherlands is also an important outlet for UK beef with 7,358 tonnes exported during 2019, up by four per cent from 2018 levels. There has also been growth in the volume of beef exported to France, Italy and Denmark during 2019 although the volumes involved remain small.

There has also been some growth in beef exports to non-EU markets although it continues to be a small market outlet in volume terms. During the first three months of 2019 6,273 tonnes of beef were exported from the UK to non-EU destinations. This was an increase of 126 per cent from the 2,778 tonnes of beef exported during the same period last year.

Hong Kong is the biggest non-EU market for UK beef exports with the volumes involved increasing by 77 per cent to total 2,723 tonnes during the first three months of 2019. Meanwhile beef exports to other non-EU countries increased by 186 per cent to total 3,551 tonnes during the same period.

LOCAL LAMB TRADE UNDER PRESSURE

QUOTES for R3 grading spring lambs have come under pressure this week across all of the major processing plants. Early this week the plants were quoting 430-440p/kg up to 21kg however this came back to 410-420p/kg up to 21kg as the week progressed.

Image 1: Both the liveweight and deadweight lamb trade in NI has come under pressure in recent weeks



Favourable production conditions this year have improved lamb performance and have meant lambs were ready for slaughter earlier with the supply of lambs currently running ahead of demand from key market outlets. Weaker demand for lamb in France in particular has had a negative impact on the local lamb trade. Reports have indicated that weaker consumer demand in the region combined with increased levels of imports from Spain and rising domestic production have all contributed to the drop in import demand.

These factors have also had an impact on the deadweight lamb trade in ROI which has had a knock on effect on both the liveweight and deadweight trades locally. There has been reduced demand for NI origin lambs in southern processing plants with just 1,981 lambs exported last week. This was back 1,224 head from the previous week and 2,585 behind the same week last year.

Feedback from the local processors has also indicated an increase in the number of heavy lambs in the slaughter mix. Producers should aim to kill lambs as close as possible to 21kg as any extra carcass weight beyond this does not provide any financial return to the producer as indicated in Figure 2.

Processors ideally want U and R grading lambs that are Farm Quality Assured, have a carcass weight of 18-21kg and have a fat cover of 2 or 3. Cuts from these carcasses meet the widest range

Figure 2: Producing heavy carcasses provides no financial return for the producer and reduces the average price paid per kg produced.



of retailer and customer specifications and are therefore more marketable.

Hoggets

Hogget throughput has now almost finished for the year with lambs now making up the largest majority of throughput in local plants. One major plant was quoting 320p/kg up to 22kg for hoggets this week while the other two processors are no longer quoting for hoggets due to the small numbers being slaughtered.

There was a much smaller carryover of hoggets from 2018 into 2019 which has resulted in a notable reduction in plant throughput and exports of sheep to ROI for direct slaughter this year to date. The better weather conditions this spring is expected to result in a larger lamb crop this year despite the four per cent reduction in breeding ewe numbers recorded in the DAERA December 2018 Agricultural Survey.

IMPORT/EXPORT UPDATE

DURING 2019 to date there have been 3,808 prime cattle imported from ROI for direct slaughter in local plants with a further 290 head imported from GB. These imported cattle accounted for three per cent of total prime cattle throughput.

This is an increase from the same period in 2018 when 856 prime cattle were imported from ROI for direct slaughter in local plants with a further 128 prime cattle imported from GB. These imported cattle accounted for less than one per cent of prime cattle throughput during the 2018 period.

The level of prime cattle imports for direct slaughter during 2019 to date is similar to the corresponding period in 2017 when 3,670 prime cattle were

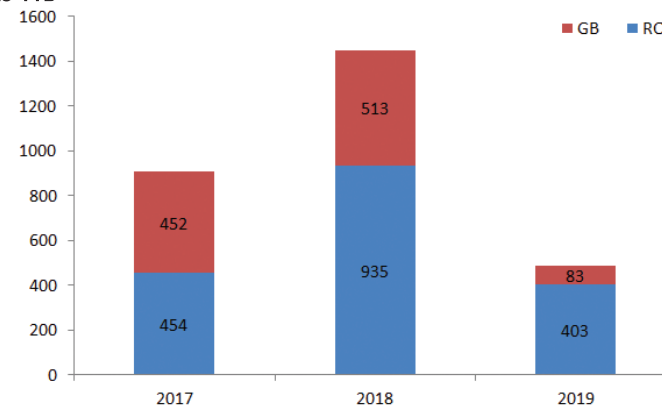
imported from ROI for direct slaughter with a further 194 head imported from GB. These cattle accounted for three per cent of prime cattle throughput in NI.

Prime cattle exports

While prime cattle imports for direct slaughter have increased during 2019 the level of exports for direct slaughter has remained subdued as outlined in Figure 3. During 2019 to date 403 cattle have been exported from NI for direct slaughter in ROI while a further 83 prime cattle were exported to GB.

This is notably lower than the 513 head exported to GB and 935 head to ROI during the same period last year. Current export levels to ROI for direct slaughter are similar to 2017 levels while exports to GB are notably lower.

Figure 3: Prime cattle exports from NI to GB and ROI for direct slaughter 2017-2019 YTD



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



CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

| (P/KG DW) | This Week 20/05/19 | Next Week 27/05/19 |
|--------------|----------------------------------|-----------------------|
| Prime | | |
| U-3 | 332 - 338p | 332 - 338p |
| R-3 | 326 - 332p | 326 - 332p |
| O+3 | 320 - 326p | 320 - 326p |
| P+3 | 272 - 282p | 272 - 282p |
| | Including bonus where applicable | |
| Cows | | |
| O+3 & better | 240 - 256p | 240 - 256p |
| 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 major NI processing plants for in spec U-3 grade prime cattle this week ranged from 332-338p/kg. The majority of plants are quoting from 336-338p/kg. Quotes for good quality O+3 grade cows have increased slightly with quotes ranging from 240-256p/kg across the plants this week with the majority of plants quoting in the region of 250p/kg.

Throughput of prime cattle in the local plants has remained firm with 6,999 head killed last week, an increase of 519 head compared to the previous week when 6,480 head were slaughtered. This was 290 head more than the 6,709 prime cattle killed in local plants during the same week last year. The average carcass weight of prime cattle killed in local plants last week was 342kg, up 9kg compared to 333kg in the same week last year. Cow throughput in NI last week totalled 1,420 head similar to previous week though back 297 head when compared to the same week last year. The average carcass weight of cows killed in local plants last week was 311kg compared to 309kg in the same week last year.

Imports of cattle from ROI for direct slaughter in local plants last week consisted of 134 prime cattle and 28 cows. A further 24 prime cattle and 91 cows were imported from GB. A total of 20 cattle were exported from NI to GB last week for direct slaughter while 6 prime cattle and 47 cows were exported from NI to ROI.

Deadweight prices for prime cattle continued to improve in NI last week with the average steer price up by 1.8p/kg to 336.4p/kg while the R3 steer price was up by just over a penny to 343.6p/kg. The average heifer price in NI came back marginally to 338.1p/kg with the R3 heifer price up by 2.4p/kg to 345.3p/kg. The average young bull price recorded a decrease of 2p/kg to 320.3p/kg, while the R3 young bull price was back by 2.4p/kg to 330.4p/kg. The cow trade also improved last week with the average cow price up 5.9p/kg to 245.5p/kg, while the O3 cow price increased by 3.7p/kg to 257.5p/kg.

In GB last week the average R3 steer price was 357.4p/kg, up 1.2p/kg from the previous week while the average steer price held steady at 349.3p/kg. Meanwhile the R3 heifer price in GB was back 0.6p/kg to 358.2p/kg while the overall heifer price was up by the same margin to 351.3p/kg. The O3 cow price in GB was up 0.4p/kg to 270.4p/kg widening the differential to 12.9p/kg above the price paid for O3 grade cows in NI last week.

In ROI the deadweight prices for prime cattle continued to improve in both euro and sterling terms last week. The R3 steer price was up by 9.9p/kg to 337.1p/kg which narrowed the differential with NI to 6.5p/kg or £23 on a 350kg carcass. The R3 heifer price increased by 8.3p/kg last week to 346.4p/kg which puts the ROI R3 heifer price 1.1p/kg higher than the same price in NI. Prime cattle throughput in ROI last week totalled 24,590 head which was an increase of 2,395 head from the previous week.

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

| | W/E 18/05/19 | Northern Ireland | Rep of Ireland | Scotland | Northern England | Midlands & Wales | Southern England | GB |
|--------------------------------|-----------------|---------------------|-------------------|----------|---------------------|---------------------|---------------------|--------|
| Steers | U3 | 342.6 | 344.9 | 366.9 | 356.2 | 356.6 | 361.9 | 360.2 |
| | R3 | 343.6 | 337.1 | 365.7 | 356.1 | 354.6 | 353.8 | 357.4 |
| | R4 | 343.6 | 338.7 | 367.1 | 358.4 | 351.6 | 353.0 | 357.9 |
| | O3 | 335.0 | 323.5 | 346.6 | 336.3 | 327.9 | 333.6 | 336.0 |
| | AVG | 336.4 | - | 362.5 | 347.9 | 342.3 | 344.9 | 349.3 |
| Heifers | U3 | 346.5 | 357.0 | 373.8 | 353.8 | 364.7 | 364.3 | 365.1 |
| | R3 | 345.3 | 346.4 | 367.2 | 356.5 | 355.3 | 354.2 | 358.2 |
| | R4 | 342.5 | 346.8 | 369.3 | 355.5 | 356.8 | 354.1 | 359.1 |
| | O3 | 335.7 | 331.9 | 348.0 | 334.2 | 328.0 | 334.9 | 336.4 |
| | AVG | 338.1 | - | 366.7 | 347.3 | 347.2 | 343.1 | 351.3 |
| Young Bulls | U3 | 338.3 | 333.5 | 360.1 | 347.2 | 356.1 | 357.2 | 354.9 |
| | R3 | 330.4 | 322.8 | 355.0 | 345.7 | 346.5 | 347.5 | 348.0 |
| | O3 | 314.4 | 307.3 | 324.2 | 316.4 | 308.5 | 321.6 | 315.9 |
| | AVG | 320.3 | - | 350.2 | 334.0 | 338.2 | 338.4 | 339.4 |
| Prime Cattle Price Reported | | 6,099 | - | 7,059 | 7,189 | 8,214 | 5,396 | 27,858 |
| Cows | O3 | 257.5 | 266.9 | 277.6 | 267.9 | 268.9 | 272.7 | 270.4 |
| | O4 | 260.5 | 267.2 | 280.7 | 272.0 | 268.1 | 265.5 | 270.4 |
| | P2 | 223.1 | 240.6 | 233.0 | 218.2 | 216.8 | 232.8 | 222.9 |
| | P3 | 241.8 | 261.2 | 250.0 | 235.5 | 240.0 | 251.1 | 242.9 |
| | AVG | 245.5 | - | 272.1 | 253.7 | 238.9 | 241.7 | 246.9 |

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=86.99p 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 18/05/19 | Steers | Heifers | Young Bulls |
|-----------------|--------|---------|----------------|
| U3 | 343.7 | 346.2 | 338.2 |
| R3 | 341.0 | 342.7 | 331.2 |
| O+3 | 333.6 | 334.4 | 323.3 |

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

| W/E 18/05/19 | Wgt <220kg | Wgt 220- 250kg | Wgt 250- 280kg | Wgt >280kg |
|-----------------|---------------|-------------------|-------------------|---------------|
| P1 | 154.7 | 170.3 | 183.9 | 202.2 |
| P2 | 181.2 | 198.2 | 222.1 | 237.7 |
| P3 | 196.6 | 214.6 | 241.6 | 244.2 |
| O3 | - | 230.0 | 256.7 | 257.7 |
| O4 | - | 233.3 | 253.1 | 260.9 |
| R3 | - | - | 276.0 | 278.3 |

LATEST LIVEWEIGHT CATTLE MART PRICES NI

| W/E 18/05/19 | 1st QUALITY | | | 2nd QUALITY | | |
|--------------------------------|-------------|-----|-----|-------------|-----|-----|
| | From | To | Avg | From | To | Avg |
| Finished Cattle (p/kg) | | | | | | |
| Steers | 196 | 206 | 201 | 180 | 195 | 190 |
| Friesians | 131 | 148 | 140 | 120 | 130 | 125 |
| Heifers | 196 | 203 | 199 | 180 | 195 | 190 |
| Beef Cows | 144 | 187 | 163 | 120 | 143 | 134 |
| Dairy Cows | 114 | 133 | 120 | 65 | 102 | 85 |
| Store Cattle (p/kg) | | | | | | |
| Bullocks up to 400kg | 236 | 269 | 250 | 215 | 235 | 225 |
| Bullocks 400kg - 500kg | 215 | 240 | 228 | 200 | 214 | 208 |
| Bullocks over 500kg | 200 | 222 | 210 | 170 | 199 | 185 |
| Heifers up to 450kg | 215 | 241 | 230 | 190 | 214 | 202 |
| Heifers over 450kg | 200 | 213 | 206 | 170 | 199 | 185 |
| Dropped Calves (£/head) | | | | | | |
| Continental Bulls | 315 | 385 | 335 | 210 | 310 | 260 |
| Continental Heifers | 250 | 365 | 300 | 140 | 245 | 195 |
| Friesian Bulls | 135 | 200 | 150 | 40 | 70 | 55 |
| Holstein Bulls | 60 | 70 | 65 | 35 | 55 | 45 |

SHEEP TRADE

SHEEP BASE QUOTES

| (P/Kg DW) | This Week 20/05/19 | Next Week 27/05/19 |
|------------------|-----------------------|-----------------------|
| Lambs up to 21kg | 430-440p | 410-420p |

REPORTED SHEEP PRICES

| (P/KG) | W/E 04/05/19 | W/E 11/05/19 | W/E 18/05/19 |
|--------------|-----------------|-----------------|-----------------|
| NI L/W Lambs | 450.7 | 453.3 | 398.4 |
| NI D/W Lambs | 473.7 | 473.6 | 454.8 |
| GB D/W Lambs | 513.7 | 514.2 | 508.1 |
| ROI D/W | 460.9 | 463.4 | 451.5 |

Deadweight Sheep Trade

BASE quotes from the major processors for R3 grade lambs came under pressure early this week to 430-440p/kg up to 21kg with quotes for early next week back further to 410-420p/kg up to 21 kg. Throughput in the local plants last week decreased to 4,968 lambs last week which was just behind the 5,156 lambs killed locally during the same week last year. Exports of lambs to ROI for direct slaughter last week decreased to 1,981 head compared to 3,205 head the previous week. The average deadweight lamb price in NI last week was 454.8p/kg, back 18.8p/kg from the previous week. The sheep trade in ROI has also come under pressure with last week's deadweight lamb price back by 11.9p/kg to the equivalent of 451.5p/kg.

This week's marts

THE number of lambs passing through local sale rings remained subdued this week with prices back compared to last week. In Omagh last Saturday 230 lambs sold from 377-417p/kg compared to 79 lambs the previous Saturday selling from 432-477p/kg. In Massereene on Monday 417 lambs sold from 385-420p/kg compared to 249 lambs last week selling from 430-470p/kg. In Rathfriland this week 325 lambs sold from 347-395p/kg (avg 381p/kg) compared to an entry of 351 lambs last week selling from 392-425p/kg (avg 400p/kg). In Markethill this week 360 lambs sold from 380-420p/kg compared to 650 lambs last week selling from 380-400p/kg. Top reported prices for well fleshed ewes ranging from £82-116 across the marts.

LATEST SHEEP MARTS (P/KG LW)

| From: 17/05/19 | | Lambs | | | |
|----------------|----------------|-------|------|-----|-----|
| To: 23/05/19 | | No | From | To | Avg |
| Friday | Newtownstewart | 140 | 390 | 410 | - |
| Saturday | Swatragh | 325 | 350 | 416 | - |
| | Omagh | 230 | 377 | 417 | - |
| Monday | Massereene | 417 | 385 | 420 | - |
| | Kilrea | 300 | 387 | 400 | - |
| Tuesday | Saintfield | 203 | 367 | 400 | - |
| | Rathfriland | 325 | 347 | 395 | 381 |
| | Armoy | 95 | 380 | 405 | - |
| Wednesday | Ballymena | 420 | 370 | 419 | 384 |
| | Enniskillen | 180 | 360 | 382 | - |
| | Markethill | 360 | 380 | 420 | - |

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

Information supplied by LMC / DAERA / AHDB / DAFM

LMC does not guarantee the accuracy or completeness of any third party information provided in or included with this publication. LMC hereby disclaims any responsibility for error, omission or inaccuracy in the information, misinterpretation or any other loss, disappointment, negligence or damage caused by reliance on third party information.

Not for further publication or distribution without prior permission from LMC

