LMC
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CHINA TO ALLOW UK BEEF IMPORTS BY END OF THE YEAR

REPORTS have indicated that UK beef exporters should have access to the Chinese market by the end of this year following an agreement reached by the two countries this week.

This development is estimated to be worth £230 million for UK beef producers in the first five years. The opening of this important market comes more than two decades after the Chinese government imposed an import ban on UK beef in 1996 due to BSE. The UK-China Beef Protocol was signed this week by UK Farming Minister Robert Goodwill and the Chinese Ambassador to the UK Liu Xiaoming. This agreement is part of the tenth Economic and Financial Dialogue (EFD) between the UK and China.

International Trade Secretary Dr Liam Fox said "This is welcome progress for our world-leading British beef producers, who will soon be able to export their products to one of the world's largest economies, supporting local jobs and bringing millions of pounds to the UK economy each year." He added 'As we leave the European Union, we will continue to break down market access barriers to make it easier for UK businesses to trade across the world."

The UK-China Beef Protocol is the result of several years of site inspections and engagement between UK and Chinese government officials. China lifted BSE-related restrictions on British beef in June 2018 when market access engagement for UK beef exports began. This latest news follows a successful visit by Chinese authorities to the UK earlier this month which was hosted and co-ordinated by government and industry members of the UK Export Certification Partnership, of which LMC is a founding member.

EXPORT CERTIFICATION LIMITED
export market access for UK meat & livestock genetics

Commenting on the latest developments LMC's Chief Executive Ian Stevenson said "This is excellent news for the UK red meat industry as a whole and this agreement will provide major opportunities for our local processors. The Northern Ireland red meat industry looks forward to developing exports to China and will continue to work through the process of getting plants approved for export."

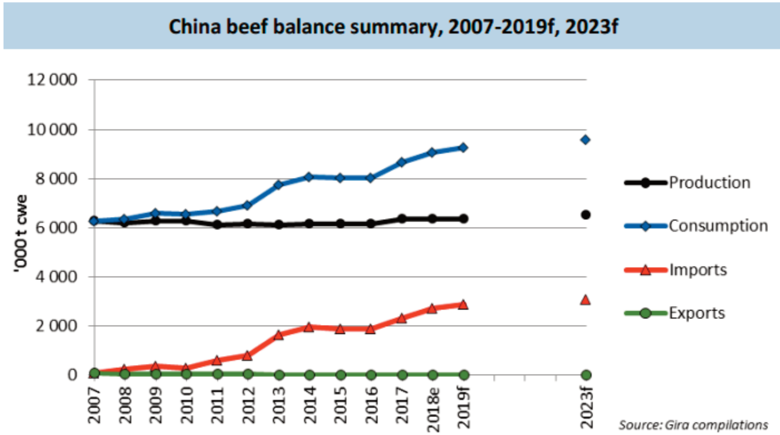
LMC works strategically with UK Government and industry representatives within the UK Export Certification Partnership (UKECP) to help prioritise, secure and maintain market access to countries outside the European Union for UK meat and livestock producers.

China has a population of 1.3 billion people with an average per capita beef consumption of just over 6kg in 2018. While this average consumption is relatively low in comparison to other proteins in China it has been steadily increasing and direct access to this market offers huge potential to the UK beef industry. Problems with African Swine Fever (AFS) in the Chinese pig herd have resulted in huge increases in pork imports during 2019 to date however there has also been some product substitution into other meats, which beef is benefitting from.

Steady domestic beef production in China combined with growing demand for beef has resulted in strong increases in the volume of beef being imported in recent years as outlined in Figure 1.

A growing appetite for steak and ribs in particular from the country's growing middle classes is driving demand for beef. The latest available data from GIRA has indicated that beef consumption in China is growing much faster than production, with continued strong demand for a diverse range of beef imports. This is being driven by a growing urban population and average incomes continuing to rise.

Figure 1: Growing demand for beef in China has resulted in a strong increase in imports in recent years (Source: GIRA)



BENEFITS OF FQAS MEMBERSHIP FOR NI SHEEP PRODUCERS

WITH supplies of lambs starting to pick up in recent weeks processors will be keen to source FQAS approved lambs. It is therefore important that NI sheep producers consider the advantages of becoming FQAS approved.

There is currently no additional cost to become FQAS approved for sheep if you are already approved for beef with the annual renewal fee for FQAS membership the same whether a producer is approved for 'Beef', 'Sheep' or 'Beef & Sheep'.

The annual fee at present is £60 plus VAT. If a FQAS participant is only approved for beef and would like to gain approval for sheep it is a relatively simple process. An inspection can be organised in order to include sheep in the inspection scope or alternatively the surveillance inspection can be brought forward if appropriate to do so.

Sourcing FQAS approved lambs has become increasingly important for NI sheep processors as it allows them to service the high value retail and food service markets in the UK. For many of these customers FQ status on lamb is a key requirement of their specification. FQAS provides additional assurances on animal welfare, food safety, traceability and care for the environment, all of which retailers place in high regard.

Achieving FQAS approved status allows sheep producers to keep their options open when marketing their lambs. Producers slaughtering animals in local plants may receive a financial bonus when lambs/hoggets are FQAS approved at slaughter. In addition producers with FQAS lambs will find it easier to secure sales than those presenting non-FQAS lambs, avoiding the need to hold finished animals for longer periods so thereby reducing costs.

Buyers in the local marts are also increasingly seeking to purchase finished lambs that have FQ status and finishers buying lambs for a short keep will favour those with FQAS approved status or a large proportion of the required 60-day residency completed.

A further benefit of FQAS membership is that scheme membership is recognised by the Food Standards Agency (FSA) and DAERA Service Delivery Group as having a lower risk and therefore there is a reduced likelihood of selection for a cross compliance inspection in this area when compared to non-FQAS members.

Should you wish to apply for FQAS, increase your scope to cover sheep, or require any FQAS documentation please call the FQAS Helpline on 028 9263 3024.

STRONG INCREASE IN LAMB THROUGHPUT

LAMB throughput in local plants last week totalled 8,334 head which brings throughput for the last four weeks to 30,597 head. This is a 14 per cent increase from the corresponding four week period in 2018 with reports from the plants indicating the lambs being presented for slaughter are of very good quality.

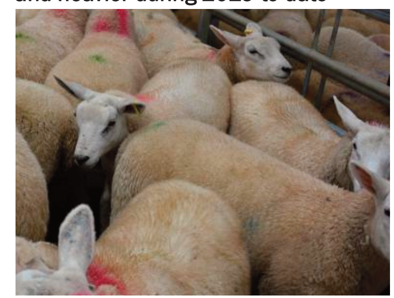
Early indications are that there will be a much larger lamb crop right across the UK this year following the milder spring and much more favourable production conditions. The better weather this year has also helped producers get lambs ready for slaughter much quicker than last year which has contributed to the higher throughputs in local plants.

The improved production conditions have also contributed to higher carcase weights. During the last four weeks the average carcase weight in NI was 22.3kg, up from 20.9kg in the corresponding four week period in 2018. All the major processors are currently paying up to 21kg for lambs with a strong preference for lambs that produce carcases of 18-21kg.

There has also been a reduction in the number of lambs being exported out of NI for slaughter in ROI. Last week 4,607 lambs were exported to ROI for direct slaughter bringing the total for the last four weeks to 13,945 head. This is a six per cent reduction from the same period last year.

Exports of lambs to ROI accounted for 31 per cent of total lamb output from the NI sheep flock during the last four weeks. This is back from 36 per cent of total output in the same period last year.

Image 1: Lambs are finishing earlier and heavier during 2019 to date



WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 17/06/19	Next Week 24/06/19
Prime		
U-3	324 - 332p	320 - 334p
R-3	318 - 326p	314 - 328p
O+3	312 - 320p	308 - 322p
P+3	264 - 276p	260 - 278p
	Including bonus where applicable	
Cows		
O+3 & better	235 - 250p	235 - 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 15/06/19	Steers	Heifers	Young Bulls
U3	340.2	348.3	334.7
R3	337.8	339.6	329.8
O+3	328.1	333.2	319.3

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 15/06/19	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	154.6	168.2	181.8	205.8
P2	172.3	195.5	219.0	230.9
P3	-	215.1	234.6	241.5
O3	-	-	249.5	255.4
O4	-	242.0	261.9	259.4
R3	-	-	-	275.6

Deadweight Cattle Trade

BASE quotes from the major NI plants for U-3 grade prime cattle came back early this week to 324-332p/kg with quotes back by 2-4p/kg in the majority of local plants. Quotes for next week are expected to range from 320-334p/kg. Quotes for good quality O+3 cows have generally held steady this week at 235-250p/kg with the majority of plants quoting in the region of 245-250p/kg.

Prime cattle throughput in NI last week totalled 6,072 head. This was back 927 head from the previous week but higher than the 5,769 prime cattle slaughtered in local plants during the corresponding week in 2018. Cow throughput in local plants last week totalled 1,847 head, up 124 head from the previous week and higher than the 1,497 cows slaughtered in the same week in 2018.

A total of 65 prime cattle were imported from ROI for direct slaughter last week with 18 prime cattle imported from GB. Ten cows were imported from ROI for direct slaughter in NI plants last week with a further 111 cows imported from GB. Exports from NI to ROI last week consisted of 49 cows while 27 prime cattle and 7 cows made the journey to GB for direct slaughter.

The deadweight trade for prime cattle in NI last week came under pressure with the majority of grades back from the previous week. The average steer price decreased by 4.1p/kg to 331.2p/kg while the R3 steer price was back by 3p/kg to 341.2p/kg. The average heifer price in NI last week was back 3p/kg to 334.9p/kg, while the R3 heifer price recorded a decline of 3.5p/kg to 341.4p/kg. The average young bull price in NI last week was back by 1.6p/kg last week to 320.7p/kg while the R3 young bull price was back by 3.1p/kg to 329.8p/kg. The average cow price in NI last week decreased by 4.4p/kg to 240.3p/kg while the O3 cow price was back by 5.8p/kg to 254.9p/kg.

The deadweight trade for prime cattle also came under pressure in GB last week. The average steer price was back by 4.6p/kg to 339.6p/kg with the R3 steer price back by 5.1p/kg to 346.2p/kg. The R3 steer price reported decreases in all the GB regions last week. The differential in the R3 steer price between NI and GB narrowed to 5p/kg last week. The average heifer price in GB last week was back by 3.9p/kg to 342.3p/kg while the R3 heifer price was back 3.1p/kg to 347.1p/kg. The R3 heifer price also recorded decreases across all regions except for Northern England were an increase of 1.9p/kg was reported. The differential in R3 heifer prices between NI and GB last week widened slightly to 5.7p/kg when compared to the previous week.

The deadweight trade for prime cattle in ROI was also back last week. The R3 steer price last week decreased by 1.8p/kg to 341.2p/kg the same reported price as the NI R3 steer price. Meanwhile the R3 heifer price in ROI last week declined by 1.3p/kg to 353.3p/kg which puts it 11.9p/kg higher than the same price in NI. The ROI O3 cow price was back by 2.5p/kg to the equivalent of 266.3p/kg. This was 11.4p/kg higher than the O3 cow price in NI.

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

W/E 15/06/19		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	341.4	348.7	356.8	348.6	344.8	345.1	348.8
	R3	341.2	341.2	356.0	346.7	341.5	342.2	346.2
	R4	340.1	341.7	360.6	355.2	339.6	342.5	350.8
	O3	330.9	325.1	341.4	329.5	318.7	320.5	327.5
	AVG	331.2	-	354.9	341.5	328.9	332.2	339.6
Heifers	U3	349.4	365.7	361.6	354.7	353.8	348.0	354.9
	R3	341.4	353.3	354.1	348.6	343.4	342.9	347.1
	R4	339.6	352.6	358.2	350.2	343.0	343.3	348.9
	O3	332.5	337.9	342.4	332.8	321.3	322.8	329.8
	AVG	334.9	-	354.8	343.7	336.4	332.3	342.3
Young Bulls	U3	335.1	340.8	351.5	337.9	343.1	339.1	342.2
	R3	329.8	329.0	347.7	334.0	336.2	332.1	336.9
	O3	312.5	307.0	300.6	304.0	295.6	304.5	301.0
	AVG	320.7	-	342.5	323.9	318.7	322.2	325.1
Prime Cattle Price Reported		5,408	-	6,958	7,212	7,467	4,785	26,422
Cows	O3	254.9	266.3	268.5	257.1	255.8	262.1	259.3
	O4	259.4	268.7	266.4	259.7	257.7	254.4	258.5
	P2	220.1	237.1	202.8	208.6	207.9	221.5	211.1
	P3	239.7	257.7	223.1	224.3	229.2	240.1	231.0
	AVG	240.3	-	261.4	240.3	227.0	231.7	235.0

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=89.04p 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 15/06/19	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	194	206	200	170	193	180
Friesians	-	-	-	-	-	-
Heifers	201	214	209	170	200	185
Beef Cows	145	179	160	120	144	130
Dairy Cows	107	123	113	60	105	78
Store Cattle (p/kg)						
Bullocks up to 400kg	235	274	250	210	234	220
Bullocks 400kg - 500kg	225	259	235	185	224	205
Bullocks over 500kg	179	196	190	155	178	170
Heifers up to 450kg	220	238	230	185	219	200
Heifers over 450kg	185	195	190	156	184	170
Dropped Calves (£/head)						
Continental Bulls	340	550	380	240	335	280
Continental Heifers	285	385	325	150	280	215
Friesian Bulls	165	275	200	65	145	105
Holstein Bulls	140	230	175	15	135	70

SHEEP TRADE

SHEEP BASE QUOTES

(P/Kg DW)	This Week 17/06/19	Next Week 24/06/19
Lambs up to 21kg	425-440p	410-420p

REPORTED SHEEP PRICES

(P/KG)	W/E 01/06/19	W/E 08/06/19	W/E 15/06/19
NI L/W Lambs	402.6	404.3	418.1
NI D/W Lambs	412.6	423.7	426.6
GB D/W Lambs	479.0	472.5	451.5
ROI D/W	439.5	453.2	460.1

Deadweight Sheep Trade

QUOTES from the local processors improved early this week for R3 grading lambs to 425-440p/kg up to 21kg with 410-420p/kg up to 21kg expected for early next week. Lamb supplies increased last week with 8,334 lambs killed in local plants, up 116 lambs from the previous week. In the same week last year 6,710 lambs were killed in local plants. A further 4,607 lambs were exported from NI to ROI for direct slaughter last week, an increase of 1,224 from the previous week. The deadweight lamb price in NI last week was 426.6p/kg, up 2.9p/kg from the previous week. In ROI last week the average lamb price was the equivalent of 460.1p/kg, up 6.9p/kg from the previous week.

This week's marts

GOOD numbers of lambs were presented for sale across many of the marts with trade generally back from last week. In Swatragh last weekend 680 lambs sold from 410-474p/kg compared to 700 lambs the previous week selling from 413-437p/kg. In Massereene on Monday 686 lambs sold from 400-447p/kg compared to 636 lambs last week selling from 410-450p/kg. In Rathfriland this week 858 lambs sold from 390-421p/kg (avg 411p/kg) compared to 540 lambs last week selling from 395-450p/kg (avg 420p/kg). In Enniskillen on Wednesday 319 lambs sold from 380-414p/kg compared to 238 lambs last week selling from 385-432p/kg. Top reported prices for first quality fat ewes this week ranged from £93-118 across the marts.

LATEST SHEEP MARTS (P/KG LW)

From: 14/06/19		Lambs			
To: 20/06/19		No	From	To	Avg
Friday	Newtownstewart	163	396	437	-
Saturday	Swatragh	680	410	474	-
	Omagh	436	435	474	-
Monday	Massereene	686	400	447	-
	Kilrea	480	410	449	-
Tuesday	Saintfield	605	396	433	-
	Rathfriland	858	390	421	411
Wednesday	Ballymena	1164	326	473	400
	Enniskillen	319	380	414	-
	Armoy	312	400	422	-
	Markethill	850	390	429	-

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