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GLOBAL MEAT PRODUCTION FORECAST TO DECLINE IN 2019

THE latest Food Outlook report published by the Food and Agriculture Organisation of the United Nations (FAO) has forecast a one per cent decline in the global production of meat to 335 million tonnes during 2019.

Declining meat production

The decline in global meat production will be driven by an 8.5 per cent decline in global pork production. Meanwhile beef production is forecast to increase by 1.3 per cent during 2019, poultrymeat by 4.7 per cent and sheepmeat by 0.8 per cent.

Global meat production forecast to decline by 1% during 2019 following 20 years of steady growth

This decline in overall meat production comes after two decades of steady growth in global meat supplies with the decline mostly driven by the impact of African Swine Fever (ASF) in China and its spread to several other East Asian countries. FAO have forecast China's pork output to have declined by 20 per cent during 2019 however this decline is expected to be partially offset by increases in the production of other meats in the region. Total meat output in China is forecast to decline by eight per cent.

This notable decline in meat production in China has offset expected increases in meat production in several other major producing countries including the EU, the US, Brazil and Argentina.

In the United States, a rise in beef carcase weights has helped to sustain an overall growth in production during 2019 while in Brazil external demand is encouraging higher beef production also. Meanwhile in Argentina beef production is also forecast to increase during 2019.

In the EU total meat production is expected to increase during 2019 although at a slower rate than outlined in previous FAO forecasts due to a likely decline in beef production. Meanwhile increases in all other categories of meat production are expected in the EU, but in particular pork production. Increasing demand from China for pork combined with higher prices has helped stimulate this higher production.

Global Trading

The marked decline in meat production in China has driven demand for imported products in the region which is having a huge impact on the volume of meat being traded globally. China's overall meat imports are expected to rise by 35 percent (around 2 million tonnes) during 2019, with increases in the imports of all meat categories.

Chinese meat imports expected to increase by 35 per cent or 2 million tonnes in 2019

FAO has forecast the world trade in meat and meat products to reach 36.0 million tonnes during 2019, up 6.7 percent from 2018 levels. Global trading is expected to increase for most of the major meats with the volume of beef being traded increasing by six per cent, poultry meat by 4.4 per cent and pork by 12.2 per cent. However the global trading of sheepmeat is forecast to decline by 1.2 per cent during 2019, primarily due to supply issues in Oceania.

Figure 1: Global meat production and trading levels 2017-2019(f) Source: Food and Agriculture Organisation of the United Nations (FAO)

	2017	2018 *estim.*	2019 *f'cast* *May*	2019 *f'cast* *Nov.*	Change: 2019 over 2018
	million tonnes (carcass weight equivalent)				%
WORLD BALANCE					
Production	**333.6**	**338.6**	**336.5**	**335.2**	**-1.0**
Bovine meat	69.6	71.3	71.6	72.2	1.3
Poultry meat	122.3	124.6	128.4	130.5	4.7
Pig meat	119.8	120.7	115.6	110.5	-8.5
Ovine meat	15.2	15.3	15.3	15.4	0.8
Trade	**32.7**	**33.8**	**35.4**	**36.0**	**6.7**
Bovine meat	9.8	10.5	11.3	11.1	6.0
Poultry meat	13.2	13.5	13.8	14.1	4.4
Pig meat	8.2	8.4	9.1	9.4	12.2
Ovine meat	1.0	1.0	1.0	1.0	-1.2

Much of the expected growth in global demand for imported meat products will be met by increased outputs from Brazil, the EU, the US, Argentina, Thailand and Canada.

DEADWEIGHT LAMB TRADE FIRMING ACROSS THE EU

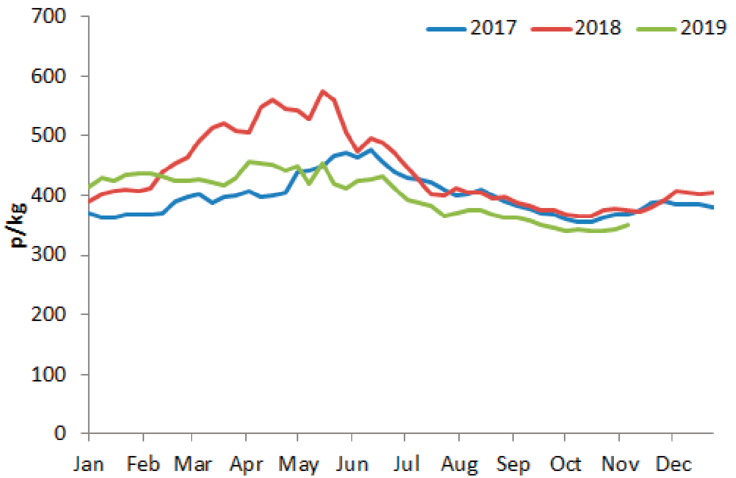
THERE has been a firming in the deadweight lamb trade in NI in recent weeks with quotes for R3 grading lambs increasing to 370p/kg this week. All the plants are now paying up to 22kg. This week last year the plants were quoting 380-385p/kg up to 21kg for lambs.

The average deadweight lamb price in NI last week was 350.5p/kg, an increase of 8.1p/kg from the previous week. Reported prices are now trending just below this time last year as outlined in Figure 2. The improvement in the local deadweight trade has also been reflected in the live trade this week with many of the marts reported a sharper trade and good demand for good quality lambs.

A good summer this year combined with concerns around the detrimental impact Brexit may have on the lamb trade encouraged lamb producers to finish lambs earlier in both NI and GB. Lamb throughput in NI during June to October 2019 totalled 205,380 head, up 2.3 per cent from the same period in 2018.

A similar trend in GB saw lamb throughput increasing by 178,507 head (3.3 per cent) to 5.5 million head during the same period. This increased throughput earlier in the season has resulted in a tightening in lamb availability for slaughter as we move into the final quarter of the year in both regions.

Figure 2: Weekly average deadweight lamb prices in Northern Ireland 2017-2019 (p/kg)



Lamb throughput in NI last week totalled 8,283 head, back 1,414 head from the corresponding week last year. Meanwhile exports of lambs from NI to ROI for direct slaughter last week totalled 8,672 head, up marginally from the same week last year.

There has also been a tightening in the availability of lambs for slaughter in ROI which has increased demand for NI lambs by southern processing plants. Lamb throughput in ROI processing plants last week totalled 52,553 head, of which NI lambs accounted for 17 per cent.

EU prices

There has also been a firming in the EU deadweight lamb trade with some tightening in the availability of lambs for slaughter across the trading bloc. The average deadweight heavy lamb price in the EU increased by 10c/kg to 482.8c/kg last week which moves it just above this time last year.

Image 1: There has been a tigtening in the availability of lambs for slaughter in all parts of the British Isles in recent weeks

WEEKLY BEEF & LAMB MARKETS

LMC Livestock & Meat Commission

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 11/11/19	Next Week 18/11/19
Prime		
U-3	320 - 326p	322 - 328p
R-3	314 - 320p	316 - 322p
O+3	308 - 314p	310 - 316p
P+3	260 - 268p	262 - 270p
	Including bonus where applicable	
Cows		
O+3 & better	230 - 256p	230 - 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.

REPORTED NI CATTLE PRICES - P/KG

W/E 09/11/19	Steers	Heifers	Young Bulls
U3	325.7	335.7	319.8
R3	323.2	328.6	316.4
O+3	315.7	318.6	307.6

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 09/11/19	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	142.5	153.6	166.4	179.4
P2	164.5	185.2	209.2	220.1
P3	179.8	212.0	224.9	230.0
O3	-	233.0	240.5	249.6
O4	-	211.1	243.4	251.2
R3	-	-	-	266.3

Deadweight Cattle Trade

Base quotes from the major NI processing plants this week ranged from 320-326p/kg for in spec U-3 grade prime cattle. The majority of plants are quoting 324-326p/kg for steers and heifers. Quotes for O+3 grading cows continue to remain steady with quotes this week ranging from 230-256p/kg across the plants.

Prime cattle throughput last week totalled 6,883 head, a decrease of 628 head from the previous week and 77 head lower than the same week in 2018. Cow throughput in NI last week was back 69 cows when compared to the previous week at 2,593 head though it was marginally higher than the corresponding week in 2018.

Imports of prime cattle for direct slaughter last week totalled 232 head, comprising of 223 head from ROI with a further nine steers from GB. Cow imports for direct slaughter last week totalled 153 head, 43 of which were imported from ROI and a further 110 imported from GB. Exports from NI to ROI consisted of 41 cows and seven heifers with 22 prime cattle and 10 cows making the journey from NI to GB last week.

The deadweight trade in NI reported an overall improvement in the majority of prime cattle grades last week. The average steer price increased by 3.8p/kg to 318.6p/kg while the R3 steer price was up by 3.5p/kg to 328.7p/kg when compared to the previous week. Meanwhile the average heifer price increased by 3.8p/kg to 324p/kg with the R3 heifer price up by 4.1p/kg to 332.3p/kg. The average young bull price was up 4.4p/kg to 305.5p/kg while the R3 young bull price was up by 1.2p/kg to 314.1p/kg. The cow trade in NI came under some pressure last week with the average cow price back by 0.6p/kg to 221.4p/kg and the O3 cow price decreasing by half a penny to 248.8p/kg.

In GB last week the deadweight trade for prime cattle also reported improvements in prices. The average steer price in GB was up 2p/kg to 324.3p/kg while the R3 steer price increased by 1.6p/kg to 333.3p/kg. This narrowed the differential in R3 steer prices with NI to 4.6p/kg. The average heifer price in GB last week increased by 3.9p/kg to 324.9p/kg while the R3 heifer price increased by 2.1p/kg to 333.6p/kg. This also narrowed the differential between NI and GB to 1.3p/kg. Meanwhile the cow trade in GB continues to come under pressure last week with the O3 cow price back by 3.3p/kg to 227.8p/kg, 21p/kg below the equivalent price in NI.

Prime cattle throughput totalled 30,032 head in ROI last week, an increase of 2,409 prime cattle from the previous week with the deadweight trade for prime cattle continuing to come under pressure. The R3 steer price came back by 0.6p/kg to 297.8p/kg, 30.9p/kg below the same price in NI. Meanwhile the R3 heifer price decreased by 1.7p/kg to the equivalent of 305p/kg, 27.3p/kg below the R3 heifer price in NI. The cow trade also came under pressure this week with the O3 cow price back by the equivalent of 0.6p/kg to 224.2p/kg, 24.6p/kg below the O3 cow price in NI.

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

W/E 09/11/19		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	327.1	305.3	344.9	333.5	334.2	334.3	336.7
	R3	328.7	297.8	344.2	336.3	328.0	325.9	333.3
	R4	326.7	295.1	346.4	340.3	328.7	325.9	337.1
	O3	321.0	280.9	329.8	307.4	306.4	303.8	311.9
	AVG	318.6	-	341.6	324.1	316.5	313.9	324.3
Heifers	U3	336.1	314.2	349.3	338.2	338.9	337.1	341.0
	R3	332.3	305.0	343.0	330.8	330.0	330.6	333.6
	R4	331.6	303.2	345.6	333.1	329.5	327.5	334.3
	O3	321.7	292.4	332.5	309.3	303.8	308.3	313.2
	AVG	324.0	-	342.6	323.4	316.8	316.1	324.9
Young Bulls	U3	320.0	284.9	329.6	326.5	324.2	318.0	325.7
	R3	314.1	278.6	324.8	320.6	321.3	311.7	321.1
	O3	297.8	264.2	295.7	292.3	291.7	280.3	291.4
	AVG	305.5	-	316.5	310.0	304.9	294.1	307.1
Prime Cattle Price Reported		5,799	-	6,708	7,330	8,272	5,061	27,371
Cows	O3	248.8	224.2	226.6	233.6	225.6	224.1	227.8
	O4	250.2	225.0	233.5	233.6	226.2	219.3	227.7
	P2	210.7	198.3	182.9	188.6	184.3	184.5	185.0
	P3	228.0	212.5	197.0	204.1	200.4	200.1	200.4
	AVG	221.4	-	217.9	207.7	190.2	189.0	197.3

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=86.22p 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

W/E 09/11/19	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	200	204	202	175	199	187
Friesians	136	140	138	131	134	132
Heifers	190	197	193	165	189	175
Beef Cows	149	191	158	120	148	132
Dairy Cows	102	117	105	60	101	82
Store Cattle (p/kg)						
Bullocks up to 400kg	210	269	230	175	209	190
Bullocks 400kg - 500kg	205	220	212	160	204	185
Bullocks over 500kg	185	206	195	165	184	175
Heifers up to 450kg	200	232	215	160	199	175
Heifers over 450kg	200	229	210	170	199	182
Dropped Calves (£/head)						
Continental Bulls	350	390	370	250	345	290
Continental Heifers	300	400	335	185	295	240
Friesian Bulls	160	260	200	80	155	110
Holstein Bulls	105	200	150	5	100	50

SHEEP TRADE

NI SHEEP BASE QUOTES

(P/Kg DW)	This Week 11/11/19	Next Week 18/11/19
Lambs	350-360p up to 21kg	370p up to 22kg

REPORTED SHEEP PRICES

(P/KG)	W/E 26/10/19	W/E 02/11/19	W/E 09/11/19
NI L/W Lambs	315.4	320.9	333.7
NI D/W Lambs	340.1	342.4	350.5
GB D/W Lambs	373.5	377.1	390.0
ROI D/W	364.6	365.5	372.3

Deadweight Sheep Trade

Quotes from the plants strengthened this week to 365-370p/kg for R3 grading lambs with the NI processors now paying up to 22kg. There were 8,283 lambs killed in local plants last week, back 155 head from the previous week and a decrease of 1,414 lambs when compared to the same week in 2018. Lamb exports to ROI last week for direct slaughter totalled 8,672 head, an increase of 1,663 lambs from the previous week. The deadweight lamb price in NI last week increased 8.1p/kg to 350.5p/kg. In the corresponding week last year the average deadweight lamb price in NI was 374.3p/kg. Meanwhile the ROI lamb price was up by 6.8p/kg last week to the equivalent of 372.3p/kg.

This week's marts

The marts have reported steady numbers of lambs passing through the sale rings this week with a sharper trade reported. In Massereene on Monday 726 lambs sold from 320-352p/kg compared to last week when 776 lambs sold from 310-333p/kg. In Saintfield this week 535 lambs sold from 321-424p/kg, a firmer trade compared to last week when 454 lambs sold from 310-391p/kg. In Ballymena on Wednesday 1,808 lambs sold from 340-402p/kg (avg 350p/kg) compared to 1,670 lambs last week selling from 285-360p/kg (avg 315p/kg). In Armoy this week 384 lambs sold from 332-394p/kg compared to 322 lambs last week selling from 308-347p/kg. Top reported prices for cull ewes generally ranged from £80-£112 across the marts.

LATEST SHEEP MARTS (P/KG LW)

From: 08/11/19		Lambs			
To: 14/11/19		No	From	To	Avg
Friday	Newtownstewart	373	300	354	-
Saturday	Swatragh	700	313	369	-
	Omagh	683	333	401	-
Monday	Massereene	726	320	352	-
	Kilrea	200	330	409	-
Tuesday	Saintfield	535	321	424	-
	Rathfriland	774	330	418	347
Wednesday	Ballymena	1808	340	402	350
	Enniskillen	402	330	379	-
	Armoy	384	332	394	-
	Markethill	720	330	376	-

Contact us

T: 028 9263 3000
E: bulletin@lmcni.com
W: www.lmcni.com