

# ASF CRISIS HAVING A MAJOR IMPACT ON GLOBAL MEAT MARKET

THE latest reports from Gira have indicated that the deficit in global meat supplies caused by the spread of African Swine Fever across China and other Asian countries will be impossible to fill in the short term with imports.

This imbalance between supply and demand has increased competition for the meat that is currently available on world markets. This has resulted in

**Table 1: Strong demand drivers continue to outweigh brakes, despite some challenges** Source: Gira

Drivers		Brakes
Population growth	but...	Mostly in developing countries with weak economies
Income growth	but...	Weaker economic growth rates and rising inequalities (between and within countries)
Functionality: Social and Nutritional	but...	Escalation of anti-meat lobby activities
Transition from plant to animal proteins in the lower ranges of GDP	but...	Societal issues growing together with IPCC bad news, fuelling vegetarianism and flexitarianism in more developed countries
Availability and affordability	but...	Meat generally perceived as expensive, and short term price rises
Better marketing	but...	Widening range of competitive proteins
FTAs	but...	Trade tension and rising protectionism

strong increases in prices for pork in particular, although all other proteins are benefitting from improving demand and prices on a global basis through product substitution.

The global meat market is currently facing a range of challenges as outlined in Table 1 however despite these challenges the sector is currently in a state of growth with strong demand for meat on a worldwide scale. The

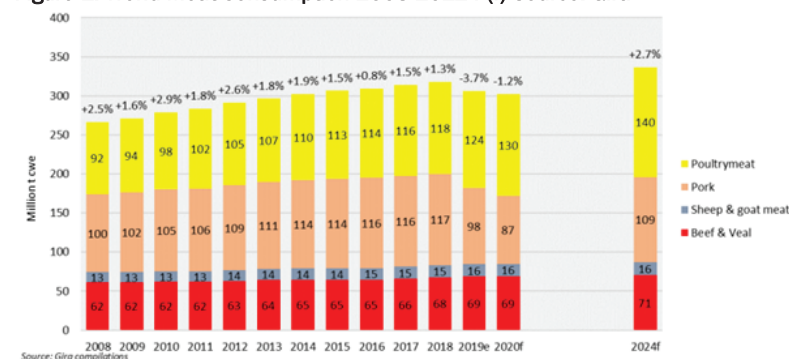
improvement in returns for producers have meant there is now a strong incentive to increase production in some parts of the world, particularly for pork and poultry producers which have a relatively short production cycle.

The latest figures from GIRA have estimated global pork production to total 98 million tonnes cwe during 2019. This is back 16.1 per cent from 2018 levels and forecasts have indicated that a further 10.4 per cent decline in global pork production to 87 million tonnes cwe is expected during 2020 as outlined in Figure 1.

The increased demand for poultrymeat in global markets has encouraged increases in production as outlined above. Given the short production cycle for poultry the sector has been quickest to react to increasing global demand for meat and during 2019 global poultrymeat production is expected to increase by five per cent to total 124 million tonnes cwe. Global poultrymeat production is expected to increase by a further five per in 2020 to total 130 million tonnes cwe.

While global production of poultrymeat is forecast to record strong growth during 2020 the production of beef is expected to hold steady at 69 million tonnes cwe. This is perhaps a reflection

**Figure 1: World Meat Consumption 2008-202124 (f) Source: Gira**



of the longer production cycle of beef and it's position in the market as a higher cost protein. Global beef production is forecast to reach 71 million tonnes cwe by 2024.

There is however a strong increase in demand for red meat in China with imports of beef forecast to increase strongly over the next few years. Gira forecasts estimate total beef imports by China to reach 3 million tonnes cwe during 2019 and grow to 3.3 million tonnes cwe during 2020 which will account for 31 per cent of global import demand for beef.

Sheepmeat production is relatively small on the global scale and is forecast to reach 16 million tonnes cwe during 2019. The sector remains small but has

shown some small levels of growth in recent years with production expected to grow by a further 1.4 per cent in 2020. Global sheepmeat production is expected to stay in and around 16 million tonnes by 2024.

Current production difficulties caused by the African Swine Fever outbreak combined with the huge influence of China on the global meat market has resulted in an increase in the volume of meat being traded globally. During 2019 Gira have forecast the volume of meat traded to increase by 4.1 per cent to total 34.7 million tonnes cwe. This is expected to increase by a further 8.6 per cent during 2020 to reach 37.6 million tonnes cwe.

# DEADWEIGHT LAMB PRICES CONTINUE TO IMPROVE

THE deadweight lamb price in NI last week was 387.7p/kg, up 4p/kg from the previous week. This is the seventh consecutive week in which the NI lamb price has increased and takes it to its highest recorded level since early July this year.

Steady demand from the domestic UK

market combined with firm demand from our major export markets in the EU has contributed to the improvement in the lamb trade in recent weeks.

Local lamb processing plants have reported steady supplies of lambs for slaughter with throughput in the last four weeks totalling 36,478 head. This

is a 2.5 per cent increase from the same period in 2018.

Current lamb deadweight prices are trending behind last year as outlined in Figure 2. In the same week last year the deadweight lamb price in NI was 408.8p/kg, 21.1p/kg ahead of current levels. On a 22kg lamb this equates to a price differential of £4.64 year on year.

## Great Britain

Tighter lamb supplies have been reported in GB due to producers in GB finishing lambs earlier than usual during the 2019 season. Several factors have contributed to this trend including better production conditions this summer aiding higher growth rates and also producers pushing lambs to finish earlier due to concerns around the potential impact of Brexit on the deadweight lamb trade.

The average deadweight lamb price in GB last week was 427.4p/kg, an increase of 4.1p/kg from the previous week. This is the highest recorded

deadweight price in the region since early July this year. During the corresponding week last year the deadweight lamb price in GB was 402.9p/kg, 24.5p/kg behind current levels. On a 22kg carcass this equates to a differential of £5.40 year on year.

## ROI

Lamb throughput in ROI has totalled 207,862 head during the last four weeks which is 2.5 per cent below the corresponding four week period in 2019. This tightening in the supply of lambs for slaughter has contributed to an improvement in the deadweight trade in the region.

Exports of lambs from NI to ROI for direct slaughter totalled 36,840 head during the last four weeks and accounted for 50 per cent of total output from the NI flock. Deadweight prices in ROI have been improving strongly with prices increasing by 19.5p/kg (27.9c/kg) over the last four weeks to the equivalent of 398.5p/kg (469.9c/kg).

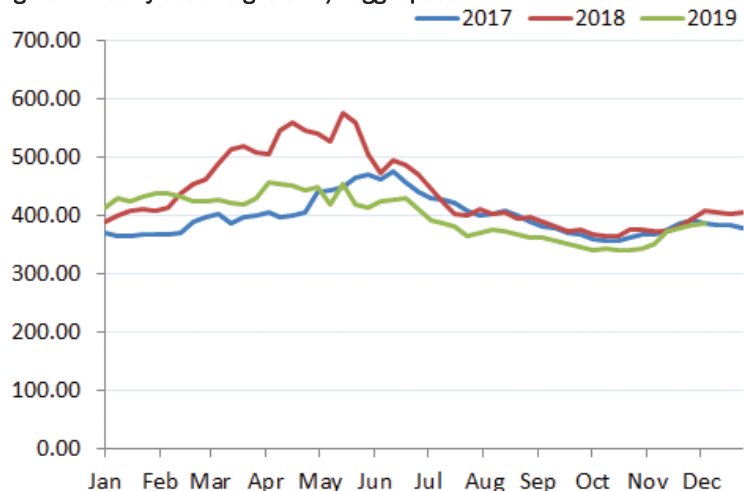
## Regional differences in deadweight sheep price reporting

Deadweight lamb prices in NI, GB and ROI are calculated by the relevant authority in each region (DAERA in NI, DEFRA in GB and DAFM in ROI). Slightly different calculation methods are used in each region due to a number of factors including EU Commission agreed distinctions for individual member states (and regions of member states).

Different regions report different weight ranges for example, so that lighter or extremely heavy lambs do not skew the data. Processors in each region are also using different carcass dressing specifications and make seasonal changes to maximum paid weight.

Due to variations in weight ranges reported, dressing specifications applied and calculations used it is not possible to make direct comparisons between the deadweight prices in the three regions. However while the data is not directly comparable it does provide an important insight into the direction of the trade in each of the three regions.

Figure 2: Weekly deadweight lamb/hogget prices in NI 2017-2019



## FQAS Helpline

If you have had a recent inspection and need help and advice to rectify any non-conformances, contact the FQAS helpline:  
Tel: 028 9263 3024

## Answerphone Service

Factory Quotes & Mart Results  
Updated 5pm Daily  
Tel: 028 9263 3011

## Text Service

Free weekly price quotes sent to your mobile phone  
Email - bulletin@lmni.com  
Tel: 028 9263 3000

## CATTLE TRADE

### NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 09/12/19	Next Week 16/12/19
<b>Prime</b>		
U-3	324 - 332p	324 - 332p
R-3	318 - 326p	318 - 326p
O+3	312 - 320p	312 - 320p
P+3	264 - 274p	264 - 274p
	Including bonus where applicable	
<b>Cows</b>		
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 07/12/19	Steers	Heifers	Young Bulls
U3	337.2	341.1	329.1
R3	332.7	337.0	324.1
O+3	326.8	327.3	317.8

\*Prices exclude AA, HER and Organic cattle

### REPORTED COW PRICES NI - P/KG

W/E 07/12/19	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	145.2	157.3	170.1	178.2
P2	164.3	188.5	209.2	220.0
P3	180.8	206.3	222.2	230.0
O3	-	233.7	237.0	254.7
O4	150.0	-	250.2	252.0
R3	-	-	-	273.9

## Deadweight Cattle Trade

Base quotes from the major plants this week for U-3 grading prime cattle ranged from 324-332p/kg with most of the processors quoting at the upper end of this range. Quotes for good quality O+3 grading cows ranged from 230-256p/kg this week with most plants in the region of 240-245p/kg. Similar quotes for all types of cattle are expected for early next week.

The plants have indicated steady supplies of cattle to meet demand for beef with 6,607 prime cattle slaughtered locally last week. This was back 297 head from the previous week and 526 head behind same week last year. Cow throughput has been holding steady with 2,298 cows killed locally last week.

Imports of cattle for direct slaughter from ROI last week included 295 prime cattle and 57 cows. This was similar to previous weeks. A further 23 prime cattle and 148 cows were imported from GB for slaughter in local plants last week. Exports of cattle out of NI for direct slaughter have continued to operate at very low levels with 32 cows and 6 bulls exported to ROI while no cattle were exported to GB.

The deadweight cattle trade in NI has continued to show signs of improvement with the average steer price increasing by 1.2p/kg to 328.4p/kg and the R3 steer price increasing by a similar margin to 337.5p/kg. This brings the R3 steer price to its highest recorded level since the week ending 22 June 2019 and above the equivalent R3 steer price in GB. The average heifer price in NI last week increased by 1.9p/kg to 331.9p/kg while the R3 heifer price was up by 1.8p/kg to 339.3p/kg. The trade for young bulls was more mixed with the price paid for O3 grading animals back by 1p/kg to 306.6p/kg while the U3 young bull price increased by 6.7p/kg to 329.6p/kg.

The deadweight cow trade has continued to firm in NI with the average cow price increasing by 3.8p/kg last week to 227.7p/kg. The O3 cow price increased by a similar margin to 253.9p/kg. This puts it 24.3p/kg ahead of the O3 cow price in GB and 32.1p/kg ahead of the equivalent price in ROI.

In GB last week the average steer price improved by a penny to 328.9p/kg while the R3 steer price was unchanged at 336.7p/kg. Meanwhile the average heifer price increased by 2.3p/kg to 329.2p/kg with the R3 heifer price up by 1.3p/kg to 330.2p/kg. The trade for young bulls also recorded an improvement with the average price up by 4.8p/kg to 309.9p/kg.

The deadweight cattle trade has held steady in ROI with prices similar in euro terms however with the euro weakening against sterling prices were generally back in sterling terms. The R3 steer price was the equivalent of 291.3p/kg last week, back by 2.2p/kg. The R3 heifer price was back by a similar margin to 298.8p/kg. This puts the differential with NI at 46.2p/kg for R3 steers and 40.5p/kg for R3 heifers.

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

W/E 07/12/19	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB	
Steers	U3	337.6	298.6	349.8	337.3	338.6	336.9	340.7
	R3	337.5	291.3	346.7	338.7	331.7	329.9	336.7
	R4	333.7	290.2	348.5	343.5	335.6	329.1	341.2
	O3	328.5	275.6	331.0	313.7	310.0	307.5	315.7
	AVG	328.4	-	345.3	328.0	321.8	319.3	328.9
Heifers	U3	342.0	309.2	353.3	342.2	343.6	339.0	344.8
	R3	339.3	298.8	347.5	335.9	334.5	330.2	337.1
	R4	336.2	297.8	346.4	336.8	335.5	330.2	337.8
	O3	331.0	285.8	327.6	320.1	308.7	306.8	315.6
	AVG	331.9	-	345.2	329.3	323.2	317.2	329.2
Young Bulls	U3	329.6	283.3	339.7	327.8	328.1	322.5	329.7
	R3	324.7	274.6	338.3	326.7	323.4	313.1	327.0
	O3	306.6	260.8	298.1	297.0	286.6	301.1	293.3
	AVG	312.7	-	321.6	309.0	307.5	309.9	310.8
Prime Cattle Price Reported	5,463	-	7,124	7,352	7,562	4,736	26,774	
Cows	O3	253.9	221.8	233.3	236.5	228.3	222.0	229.6
	O4	251.6	221.9	236.5	234.3	230.2	220.0	230.0
	P2	208.7	195.0	195.9	187.7	188.9	181.2	187.4
	P3	227.6	208.9	209.9	198.8	206.7	194.7	202.9
	AVG	227.7	-	227.7	212.0	197.0	189.9	202.4

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=84.79p 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 LIVELWEIGHT CATTLE MART PRICES NI

W/E 07/12/19	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
<b>Finished Cattle (p/kg)</b>						
Steers	201	210	204	170	200	185
Friesians	160	171	165	149	156	151
Heifers	202	212	206	165	200	182
Beef Cows	146	188	161	118	145	132
Dairy Cows	101	125	111	65	100	85
<b>Store Cattle (p/kg)</b>						
Bullocks up to 400kg	215	243	230	180	214	200
Bullocks 400kg - 500kg	210	232	225	170	209	195
Bullocks over 500kg	195	207	200	165	194	180
Heifers up to 450kg	215	259	225	170	214	190
Heifers over 450kg	200	231	210	175	199	185
<b>Dropped Calves (£/head)</b>						
Continental Bulls	300	410	370	200	295	250
Continental Heifers	280	380	300	150	275	210
Friesian Bulls	115	180	135	50	110	80
Holstein Bulls	85	130	105	10	80	45

# SHEEP TRADE

## NI SHEEP BASE QUOTES

(P/Kg DW)	This Week 09/12/19	Next Week 16/12/19
Lambs up to 22kgs	390p	390-400p

## REPORTED SHEEP PRICES

(P/KG)	W/E 23/11/19	W/E 30/11/19	W/E 07/12/19
NI L/W Lambs	360.8	360.6	364.7
NI D/W Lambs	378.2	383.7	387.7
GB D/W Lambs	421.5	423.3	427.4
ROI D/W	392.2	396.7	398.5

## Deadweight Sheep Trade

Quotes from the major processors for R3 grading lambs ranged from 390-400p/kg this week. All the plants are paying up to 22kg and have indicated that similar quotes are expected for early next week. The plants have reported steady supplies of lambs coming forward for slaughter to meet demand. Throughput in local lamb processing plants last week totalled 8,837 head which is back slightly from previous weeks. Deadweight lamb prices have continued to improve with an average price last week of 387.7p/kg. This was up 4p/kg from the previous week but is running behind the same week last year. The deadweight trade has also improved in GB and ROI with prices increasing by 4.1p/kg and 1.8p/kg respectively last week.

## This week's marts

The marts have reported a firm trade for good quality lambs this week with steady numbers passing through the sale rings. In Omagh last Saturday 1,352 lambs sold from 371-416p/kg compared to 1,402 lambs the previous week selling from 367-414p/kg. In Kilrea this week 500 lambs sold from 336-378p/kg compared to 370 lambs last week selling from 344-366p/kg. A sharper trade in Ballymena this week saw 1,910 lambs sold from 350-395p/kg (avg 362p/kg) compared to 2,000 lambs last week selling from 330-405 (avg 352p/kg). In Armoyn on Wednesday 412 lambs sold from 355-410p/kg compared to 659 lambs last week selling from 330-400p/kg. The cull ewe trade has held steady with top reported prices of over £100 in several of the marts.

## LATEST SHEEP MARTS (P/KG LW)

From: 06/12/19		Lambs			
To: 12/12/19		No	From	To	Avg
Friday	Newtownstewart	125	338	378	-
Saturday	Swatragh	703	330	376	-
	Omagh	1352	371	416	-
Monday	Massereene	936	365	388	-
	Kilrea	500	336	378	-
Tuesday	Saintfield	630	350	441	-
	Rathfriland	458	340	428	375
Wednesday	Ballymena	1910	350	395	362
	Enniskillen	466	338	390	-
	Armoyn	412	355	410	-

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