

RELATIVELY STRONG PERFORMANCE FROM NI RETAIL RED MEAT SECTOR IN LAST YEAR

WHILE the vast majority of NI beef is exported to GB or mainland Europe, the retail beef and lamb market in NI remains a small but essential market for the NI industry. With the retail volume sales of red meat market under pressure in recent months in GB, it is worth considering how the NI retail market is performing by comparison.

In terms of volume sales, the NI meat market generally has been under pressure over the last year (52 weeks ending 18 March 2012). According to Kantar data for NI, volume sales of all meats combined are down by nine per cent. The good news is that despite this decline in overall meat volumes, sales of beef and lamb have been relatively robust.

Volume sales of beef were up by almost one per cent in the 52 weeks ending 18 March 2012, and although lamb sales in NI fell by 3.4 per cent over the same period, this looks positively robust when compared with the 13 per cent decline in volume sales of other meats.

Perhaps the obvious reason for the reduced volumes is higher prices. The average retail beef price in NI rose by 11 per cent to £6.57/kg over in the year ending 18 March, compared to the previous year. The average retail lamb price rose by 13 per cent to £7.54/kg over the same period. By comparison however, the average price of all other meats rose by 80p/kg or almost 20 per cent to £5.09/kg. The rate of price increase for these other meats was clearly much stronger and that helps to explain the improved relative position of beef and lamb which is encouraging.

The net result of rising prices and

reduced volumes sales meant that in the year ending 18 March total consumer expenditure on meat generally was up by six per cent, despite the nine per cent decline in sales. Over the same period, retail expenditure on beef and lamb rose by 11.3 per cent and 9.3 per cent respectively. Expenditure on all other meats rose by a modest 3.4 per cent. These figures plainly show that in the NI retail meat market, beef and lamb demand is holding up very well, relative to other meats. Red meat has in fact eaten into the market share of some of those other meats over the course of the last year.

In terms of volumes, beef's share of total meat sales increased from 28 per cent in the year ending 20 March 2011, to 31 per cent in the year ending 18 March 2012. Lamb's share of the total meat market was steady at just four per cent of total volume sales in the last year.

Beef accounts for just over a third of total retail expenditure on red meat. In the 52 weeks ending 18 March 2012, beef expenditure accounted for 36 per cent of all meat sales, up from 34.4 per cent the previous year.

In the last year, 99.5 per cent of shoppers purchased meat. This figure was unchanged from the previous year. Despite strong performance in terms of volume sales and consumer expenditure, beef penetration in NI has been under pressure. The proportion of consumers that purchased beef has fallen by 1.5 percentage points to 92.2 per cent of consumers in the year ended 18 March 2012. The proportion of NI consumers buying lamb has fallen by 2.2 percentage points to 52.1 per cent in the last year.

Figure 1. Percentage change in volumes and value of retail meat sales in NI 52 weeks ending 18 March 2012 v 52 weeks ending 20 March 2011

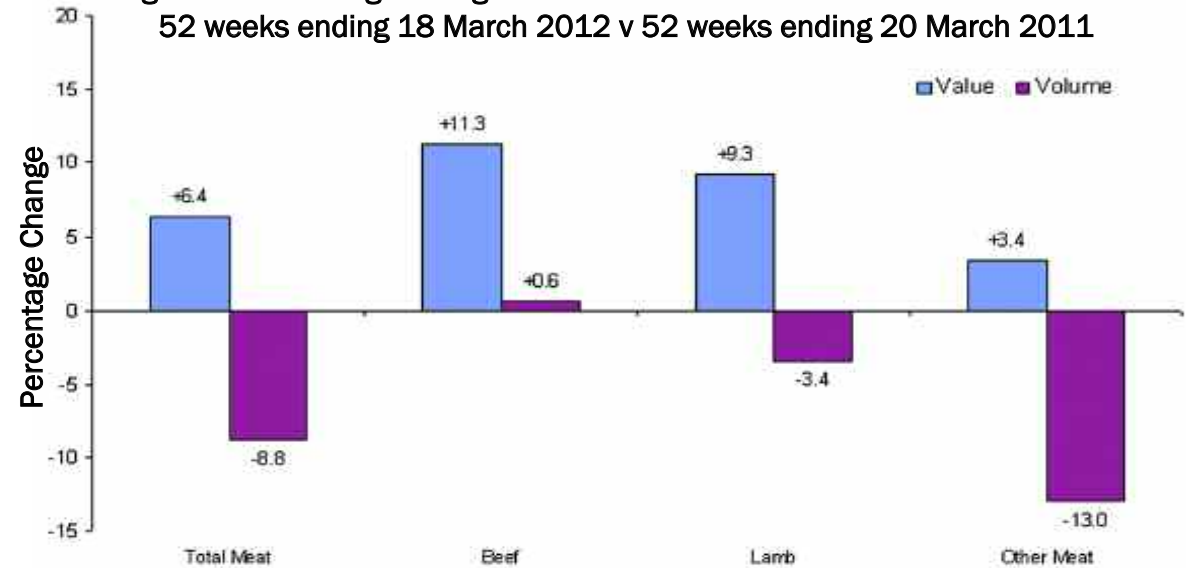
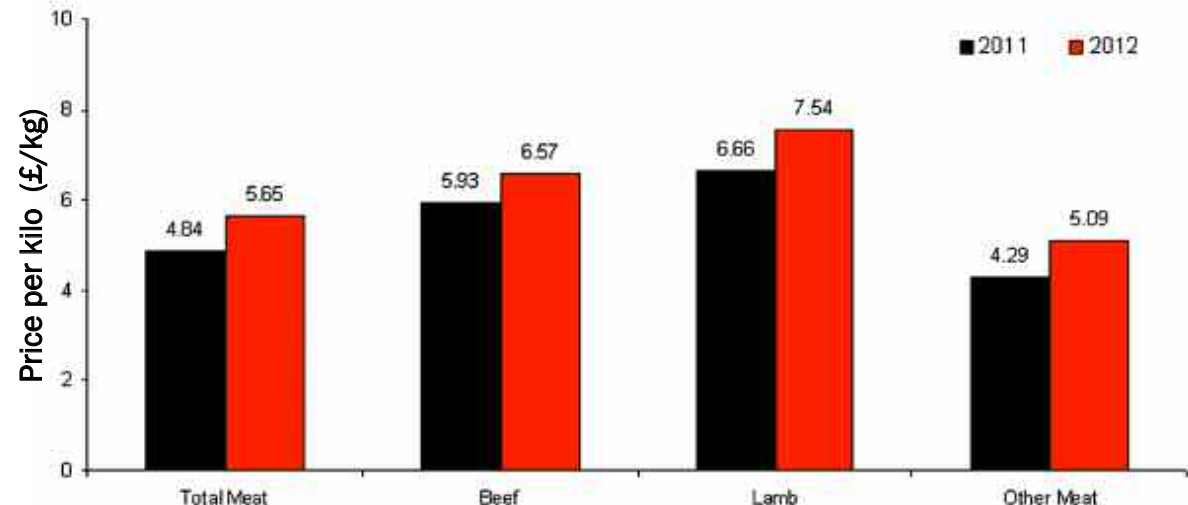


Figure 2. Average retail price of meat by category NI 52 weeks ending 18 March 2012 v 52 weeks ending 20 March 2011



MULTIPLES DOMINATE LOCAL RETAIL MEAT LANDSCAPE

THE latest data from Kantar shows that the supermarket multiples continue to dominate the NI retail meat landscape. In the year ending 18 March 2012, Tesco, Sainsbury and Asda between them accounted for over 70 per cent of all meat sales, according to Kantar. Symbol groups (such as Spar, Mace, Centra) accounted for a further nine per cent of sales by volume, while Lidl had almost five per cent of sales by volume.

Tesco is the dominant presence in the local market with about one third of meat sales (33.7%) in the last year (52 weeks ending 18 March 2012). However, this is down slightly compared to the same period last year when Tesco sales accounted for 39 per cent of overall meat sales. There have been slight increases in meat market share both in volume and value terms for Sainsbury, Asda, Lidl and the symbol groups generally as a result.

Tesco appears to have lost some ground in the local red meat sector when comparing the year ending 18 March 2012 with the same period in 2010 / 2011. Its share of the beef sector is down slightly (from 35% to 33%). Tesco continues to have about a third of beef market share while Sainsbury's share has risen from 15.4 per cent to 18 per cent. Asda's share of the beef market is more or less unchanged, while Lidl (3.5% to 4.5%)

and the symbols (6.5% to 7.9%) have increased market share slightly.

Asda and Sainsbury have each managed to take a slightly greater share of a smaller lamb market in the year ending 18 March 2012. This has been at the expense of Tesco whose share of the lamb sector fell from 41.5 per cent in the year ending 20 March 2011 to 37.2 per cent in the year ending 18 March 2012.

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WEEKLY BEEF & LAMB MARKETS



CATTLE TRADE

CATTLE QUOTES

(P/KG DW)	This Week 09/04/12	Next Week 16/04/12
U-3	328 - 330p	328 - 330p
R-3	322 - 324p	322 - 324p
O+3	316 - 318p	316 - 318p
Cows	280 - 286p	280 - 286p

* Plus 8p/kg in-spec bonus where applicable.

LAST WEEK'S NI CATTLE PRICES - P/KG

W/E 07/04/12	Steers	Heifers	Young Bulls	Cows
U-3=	339.3	343.0	330.8	298.6
U=3=	336.3	344.3	334.0	-
U=4=	332.1	331.8	-	-
R=3=	331.7	335.7	325.0	307.3
R=4=	333.9	333.1	326.0	301.0
O=3=	318.4	314.6	314.2	287.8
O+3=	330.4	329.3	318.5	296.9
O+4=	324.2	329.5	321.8	293.5
P+2=	298.3	292.6	298.2	253.1
P+3=	304.9	298.2	298.9	269.6
Average	327.0	331.0	315.9	265.3

Note: The table above shows prices for selected grades from the 15-point scale. The table below merges grades down to the 5-point scale for comparison with GB regions and ROI.

LAST WEEK'S CATTLE PRICES (UK / ROI)

W/E 07/04/12	Scotland	Northern England	Midlands & Wales	Southern England	Northern Ireland	Rep of Ireland
Steers	U3	359.6	354.7	351.5	350.6	338.0
	R3	354.4	343.8	341.7	337.6	334.8
	R4	355.7	347.5	341.7	337.3	333.8
	O3	344.3	323.8	323.9	315.7	321.8
	Average	354.4	339.7	337.2	321.5	327.0
Heifers	U3	362.4	349.5	355.8	347.9	343.0
	R3	353.9	339.0	343.4	335.0	337.4
	R4	354.1	342.4	341.6	336.0	333.7
	O3	341.0	322.0	328.3	321.1	325.6
	Average	353.0	338.3	339.9	327.1	331.0
Young Bulls	U3	349.5	337.7	345.1	343.3	332.2
	R3	341.5	330.6	332.7	319.6	326.8
	O3	320.7	312.8	314.3	299.8	311.8
	Average	335.2	316.2	323.6	310.1	315.9
	Prime Cattle Price Reported	6,700	5,621	5,011	3,947	4,532
Cows	O3	295.6	279.2	286.8	256.4	286.4
	O4	295.1	283.0	284.7	265.0	290.5
	P2	234.6	235.0	242.5	198.4	250.3
	P3	238.6	263.8	265.8	243.2	270.7

Notes:

(i) Prices are p/kg Sterling-ROI prices converted at 1 euro=82.91p Stg.

(ii) Shading indicates a lower price than the previous week.

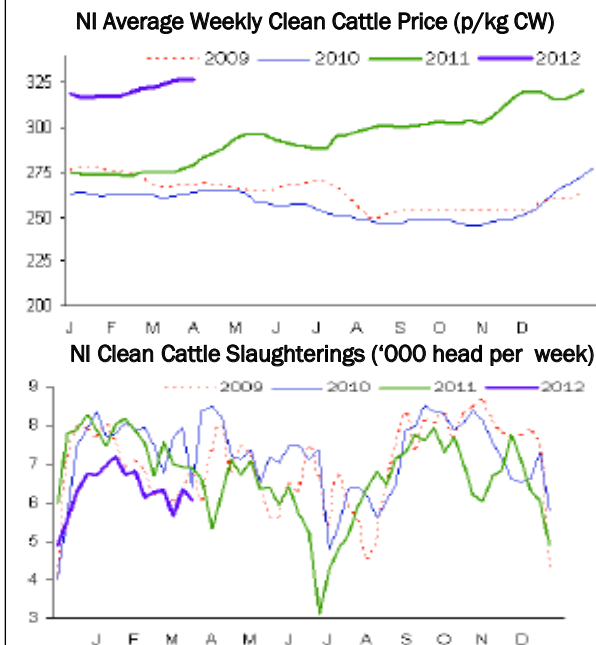
Deadweight Cattle Trade

THIS week most factories were quoting 330p/kg for steers and heifers with some buyers reporting that they were paying 332p/kg to attract heifers. We expect a similar trade next week with top quotes for cows ranging between 280-286p/kg.

Last week Northern Ireland steer and heifers prices were back slightly compared to the previous week. The average steer price was back by 0.7p/kg with the average heifer price back by 1.2p/kg. The U3 heifer price which hit a peak of 345p/kg in the last week of March, edged back last week to 343p/kg. However, this remains 13p/kg higher than the top heifer quotes of 330p/kg last week. It clearly shows that better prices are available, particularly for heifers.

Cattle supplies remain very tight in early April. In the first week of April, the total cattle kill amounted to almost 7,500 head. This remains lower than the same week last year when over 8,600 head were slaughtered. This 13 per cent decline was driven by a 12 per cent decline in the prime cattle kill and a 16 per cent decline in the cow kill year-on-year.

Last week prices were under pressure in Northern England, but on the increase in Scotland. Scottish steer and heifer prices were up by 2p/kg on average with a sharp increase in young bull prices. Meanwhile in Northern England prime cattle prices were generally back by 1p/kg. The average steer price was back 1p/kg in the midlands and southern England although the average heifer price was up by 2 - 3p/kg in those regions. In ROI, reported U3 and R3 steer and heifer prices were up slightly.



More detailed information on prices and explanations of these tables and charts are available from the LMC
 Technical Department:
 Call 028 9263 3000.

LATEST NI BEEF MARTS

Finished Cattle (£/100kg LW)		Store Cattle (£/100kg LW)		Dropped Calves (£/head)				
	from	to		from	to			
Steers			Store bullocks up to 400kg		Continental bull calves			
	1st quality	200	218	1st quality	200	239		
	2nd quality	180	199	2nd quality	178	199		
	Friesians	135	179			1st quality	300	380
Heifers			Store bullocks 400kg-500kg		Continental heifer calves			
	1st quality	190	213	1st quality	200	234		
	2nd quality	170	189	2nd quality	178	199		
			Store bullocks over 500kg		1st quality		250	340
Beef Cows			Store heifers up to 450kg		2nd quality		180	248
	1st quality	150	178	1st quality	205	241		
	2nd quality	122	149	2nd quality	180	204		
			Store heifers over 450kg		Friesian bull calves			
Dairy Cows			Store heifers up to 450kg		1st quality		210	295
	1st quality	120	143	1st quality	210	264		
	2nd quality	108	119	2nd quality	180	209		
			Store heifers over 450kg		Holstein Bull Calves		101	195
		1st quality		1st quality		208	270	
		2nd quality		2nd quality		180	207	

Taken from a sample of beef marts in the week ended 06/04/12

(n) Shading indicates a lower price than the previous week

Deadweight Sheep Trade

THIS week the factories were quoting similar prices to previous weeks for sheep. Lamb quotes were steady at 540p/kg with hogget quotes of 460p/kg generally available. It is possible that spring lamb quotes could be back next week. One plant is quoting 520p/kg with the hogget trade expected to remain steady. The sheep kill remains strong relative to 2011 levels with over 4,500 head slaughtered last week, up by 20 per cent on the same week last year with the majority of this increase in the lamb and hogget kill.

SHEEP QUOTES		
(P/KG DW)	This Week 09/04/12	Next Week* 16/04/12
Hoggets	460p*	460p
Spring Lambs	540p	520p

* Quotes from one plant only.

REPORTED LAMB / HOGGET PRICES - P/KG			
(P/KG)	W/E 24/03/12	W/E 31/03/12	W/E 07/04/12
NI Liveweight	403.5p	419.0p	406.9p
NI Deadweight	443.6p	449.2p	453.6p
GB Deadweight	458.6p	471.6p	468.2p

LATEST SHEEP MARTS

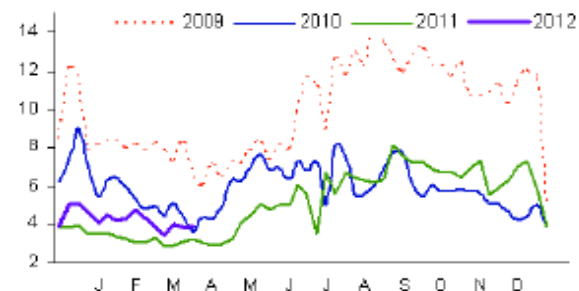
From: 06/04/2012 To: 12/04/2012		Hoggets (P/KG LW)			Spring Lambs (P/KG LW)				
		No.	From	To	Avg	No.	From	To	Avg
Tuesday	Saintfield	252	Top of 400	392	40	Top of 544	-		
Wednesday	Ballymena	806	380	442	382	107	500	574	515
	Enniskillen	585	380	434	-	56	500	527	-
	Markethill	950	380	428	398	150	480	506	500
	Newtownstew'	80	370	418		30	464	492	
Thursday	Downpatrick	400	390	405	396	20	500	555	530

This week's marts

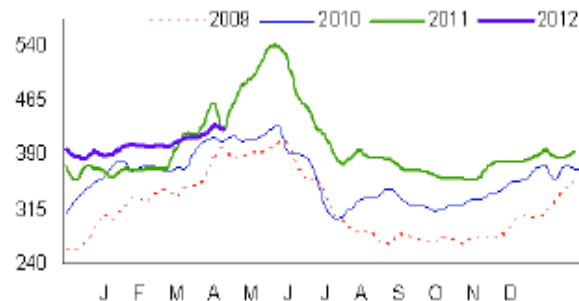
IT is possible that the spring lamb trade in the marts is suffering from a kind of post Easter hangover with prices slightly softer in Ballymena and Markethill on Wednesday. In Ballymena spring lamb prices averaged 515p/kg for 107 head, down from the average price of 547p/kg for what was a much smaller sale of 20 head last week. In Markethill lamb prices averaged 500p/kg, down from 525p/kg last week. However, the lamb trade was stronger at Downpatrick on Thursday where it was reported that a small sale of 20 head attracted an average price of 530p/kg. Hogget prices remained reasonably steady last week with an average price of 382p/kg in Ballymena just slightly lower than the previous week when prices averaged 385p/kg.

SHEEP TRADE

NI Lamb / Hogget Slaughterings ('000 head per week)



NI Average Weekly Sheep Price (p/kg CW)



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