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INCREASED SPENDING ON BEEF AND LAMB

THE latest Kantar Consumer Data has indicated that increased expenditure on beef and lamb during the 52 week period ending the 23 December 2012 has increased their market size by five per cent and four per cent respectively in terms of sales value year on year. However while volume sales of lamb has increased by five per cent, volume sales of beef have declined by three per cent when compared to the corresponding period in 2011.

Lamb

The latest Kantar data has indicated strong lamb sales in the UK for the 4, 12 and 52 week periods ending the 23 December 2012. There has been a strong increase in the sales of lamb leg roasting joints in particular across all three time periods. Some of this increase was at the expense of lamb shoulder which has experienced a decline in sales. Increased promotion has helped to boost sales with 44 per cent of all leg joints in the twelve weeks up to the 23 December 2012 being sold on promotion. In the same period last year promotional sales accounted for less than 8 per cent of sales.

Total expenditure on lamb for the 52 weeks ending the 23 December totalled £615 million, a four per cent increase in spending on the previous year. The average retail price during this period was back one per cent to £8.42/kg with total volume sales up five per cent on 2011 sales. Much of this increase has been driven by an increase in the sales of lamb leg roasting joints with an additional £39.6 million worth of sales year on year.

However sales of all other cuts have seen volume declines during the 52 week period, with the exception of diced lamb which has experienced an increase in volume sales (+4.6 per cent). Sales of lamb stewing meat were back 2.8 per cent, sales of lamb mince back 5.6 per cent, sales of chop steaks back 7.5 per cent and sales of lamb shoulder roasting joints back 10 per cent year on year.

If we consider the four week period ending the 23 December 2012 total expenditure on lamb was nine per cent higher than in the corresponding period in 2011 with an increase in the average retail price by two per cent to £8.07. The volume sales of lamb increased by seven per cent when compared to the same period in 2011 with a six per cent increase in market penetration between the two periods. This increase in volume sales has been reflected in an increase in sales volume for the majority of cuts of lamb. The exception to this is volume sales of lamb shoulder roasting joints which were back 19 per cent between the two periods.

This increase in average price, expenditure and volume sales in the four weeks up to 23 December raises interesting questions about NI producer's share of the retail price with deadweight prices for lambs under pressure during this period.

Beef

Kantar data for the 52 weeks ending the 23 December 2012 have shown that volume sales for the majority of beef cuts have declined when compared to the previous 52 week period but that the average retail price increased by nine per cent to £6.99/kg. With volume sales back three per cent it is important to note that the five per cent increase in expenditure on beef year on year has come about due to average price increases and not due to an increase in volume sales.

However during the four week period ending the 23 December 2012 volume sales were three per cent higher than the same period in 2011 with an increase in expenditure by eleven per cent to £191 million. The average retail beef price during the four week period was £7.25, an eight per cent increase when compared to the corresponding period in 2011.

In the run up to Christmas beef frying/grilling steaks sold well with a 16.6 per cent increase in expenditure when compared to December 2011. A 10 per cent increase in sales of beef mince in the four week period leading up to Christmas has helped to increase volume sales of the beef category. However sales of beef roasting joints struggled in the run up to Christmas with sales back on the corresponding period in 2011. Reduced promotional activity across the major retailers when compared to last year will have had a strong impact on this trend with fewer shoppers buying beef roasts and smaller volumes being purchased per trip.

Pork

When considering beef and lamb sales it is also important that we consider the performance of pork as it is a common alternative to beef and lamb in the shopping basket.

Expenditure on pork during the 52 week period ending the 23 December 2012 showed an increase of three per cent year on year. Over the same period however there has been a three per cent reduction in volume sales. The reduction in volume sales over the year may be driven to some degree by the six per cent increase in retail price to £5.15 and this may have helped to boost beef and lamb sales. While there have been significant increases in the sales of loin roasting joints (+22.4 per cent), marinades (+23.6 per cent) and pork belly (+13.4 per cent) other cuts have not performed so well. Volume sales of leg roasting joints were back 21.7 per cent, shoulder joints back 12.2 per cent and sales of pork chops down 9.4 per cent on 2011 figures.

During the four week period leading up to Christmas 2012 the average price of pork was eight per cent higher than the corresponding period in 2011 at £5.50 per kg. This increase in price has resulted in a seven per cent increase in the total expenditure on pork when comparing the two four week periods. As with the 52 week period there has been mixed performance in the sales of individual cuts with reductions in sales of leg roasting joints (-17.4 per cent) and frying steaks (-10.5 per cent) while there have been increases in the sales of loin roasting joints (+25.7 per cent) and marinades (+61.3 per cent)

Convenience foods

While the Kantar consumer data provides us with information on sales of the major meats the information also highlights the rising demand for convenience foods. Total expenditure on chilled convenience foods in the UK during the 52 week period ending the 23 December 2012 totalled £1.8 billion, an eleven per cent increase on the previous year and represents an eight per cent growth in volume sales. Total expenditure on chilled ready meals increased by seven per cent over the same period to £1.4 billion with a one per cent increase in total volume sales.

These figures serve to highlight the increasing importance of convenience foods in today's retail trade. As volume sales of the major meats come under pressure it is important that the convenience food markets is fully capitalised on through product development, assuring quality of ingredients and effective marketing.

EU R3 HEIFER LEAGUE TABLE UPDATE

FQAS LIAISON OFFICER MART CLINICS TIMETABLE		
Omagh	Monday	04/02/2013
Ballymena	Friday	08/02/2013
Kilrea	Wednesday	13/02/2013

THE EU Deadweight Cattle Prices League Table ranks 17 EU countries in terms of the farmgate price paid per kg for R3 grade heifers. Table 1 outlines the prices paid for R3 grading heifers in the week ending the 20 January 2013 compared to the week ending 23 December 2012.

The average price paid for an R3 grade heifer in the EU in the week ending the 20 January 2013 was 407.2c/kg, up 2.6c/kg on the week ending the 23 December 2012 when the average price was 404.6c/kg.

GB continues to top the league table for the week ending 20 January 2013 with an R3 heifer price of 439.4c/kg, 32.2c/kg above the EU average price. This is a reduction of 5c/kg on the week ending the 23 December 2012. It should however be noted that in sterling terms the average R3 heifer price actually increased by 4.3p/kg. The reduction in the prices paid in GB in euro terms is due to an increase in the value of euro against sterling, up from 81.4p/kg in the week ending 23 December to 83.3p/kg in the week ending 20 January 2013. This week the value of the euro has continued to rise and was €1=85.8p on Wednesday.

The R3 heifer price in NI in the week ending 20 January 2013 was 409.6c/kg, back 2c/kg from the previous month. As with the GB price the NI price was also up in sterling terms (+6.2p/kg) but has declined in euro terms due to changes in the euro/sterling exchange rate. This has moved it down one position on the league table, from fifth to sixth. In the week ending 23 December 2012 the R3 heifer price in NI was 7c/kg higher than the EU average and in the week ending the 20 January this differential has narrowed to 2.4c/kg.

Meanwhile an increase in the R3 heifer price in ROI from 406.1c/kg in the week ending 23 December to 417.6c/kg in the week ending the 20 January has moved it from sixth position up to third position on the table. This was the second highest increase in the R3 heifer price recorded in the league table with an increase of 11.5c/kg. It is worth noting that in the week tabulated R3 heifer prices in ROI were markedly higher than the corresponding steer price. The biggest increase was recorded in Sweden where the R3 heifer price increased by 12c/kg to 417c/kg, moving it up from seventh position to fourth position on the table. The ROI R3 heifer price was 10.4c/kg higher than the EU average in January 2013, up from a 1.5c/kg differential in December

EU Deadweight Cattle Prices - Heifers R3 Equivalent (€ Cents)

Position last Mth	Position this Mth	Country	Price last Mth (w/e 23.12.12)	Price this Mth (w/e 20.01.13)	Change on Mth (cents)
1	1	**Great Britain**	**444.4**	**439.4**	**-5.0**
2	2	France	418.0	425.0	+7.0
6	3	**Ireland**	**406.1**	**417.6**	**+11.5**
7	4	Sweden	405.0	417.0	+12.0
4	5	Spain	414.0	410.8	-3.3
5	6	**Northern Ireland**	**411.6**	**409.6**	**-2.0**
8	7	Italy	403.4	408.5	+5.1
9	8	Luxembourg	392.7	400.5	+7.8
3	9	Greece	414.2	395.5	-18.7
10	10	Germany	386.6	388.6	+2.0
11	11	Denmark	384.9	385.4	+0.5
12	12	Austria	356.7	363.3	+6.6
13	13	Belgium	339.0	343.5	+4.5
14	14	Slovenia	337.5	340.2	+2.7
15	15	Poland	316.5	316.7	+0.2
16	16	Czech Republic	292.9	289.2	-3.7
17	17	Lithuania	258.7	265.1	+6.3
EU Average			404.6	407.2	+2.6
Exchange rate Euro/Stg			81.4	83.3	

Official prices reported to the EC Dressing Specification

WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE		
(P/KG DW)	This Week 28/01/13	Next Week 04/02/13
Prime		
U-3	330-336p	334-336p
R-3	324-330p	328-330p
O+3	318-324p	322-324p
* Plus 8p/kg in spec bonus where applicable		
Cows		
O+3 & better	260-285p	265-280p
Steakers	180-255p	180-255p
Blues	160-190p	160-190p

REPORTED NI CATTLE PRICES - P/KG			
W/E 26/01/13	Steers	Heifers	Young Bulls
U-3=	342.3	349.2	333.4
U=3=	345.6	349.5	336.0
U=4=	331.8	341.1	333.7
R=3=	342.2	344.3	329.7
R=4=	334.4	339.6	323.1
O+3=	334.6	334.0	324.2
O=3=	323.8	336.9	316.8
Average	332.9	337.7	324.1

REPORTED COW PRICES NI W/E 26/01/13		
Grades	Price (p/kg)	Avg Wgt
O+3=	282.8	328.0
O-3+	260.8	294.6
P+2+	247.2	279.6
P+3+	259.9	319.1
P-1-	173.8	219.1

COMMODITIES

COMMODITY PRICE		
W/E 26/01/13	Price (£) per tonne / 1000litre	% weekly change
Barley	213.50	n/c
Wheat	229.50	+0.4
Soya	469.00	-2.1
Straw	16.00	n/c
Red Diesel	720-750	n/c

* Table shows the latest available commodity data in NI

Deadweight Cattle Trade

QUOTES from the plants this week for U-3 grade prime cattle were 334-336p/kg with the 8p/kg bonus available for in spec steers and heifers. However higher prices than quotes would suggest continue to be available as discussed in the main article of last week's bulletin. Quotes for cows this week ranged from 265-280p/kg for first quality cows. Similar quotes are expected for Monday. Some of the plants are reporting a tightening in cattle numbers, particularly for in spec cattle. Throughput of prime cattle last week was similar to the corresponding week last year at 6,774 head. Meanwhile cow slaughterings last week totalled 1,806 head, back 300 head on the previous week. There are reports that penalties on out of spec cattle are being tightened with some factories reportedly reluctant to take non FQAS stock.

The average steer price in NI last week was almost unchanged at 332.9p/kg while the average heifer price was up 2p/kg to 337.7p/kg, 2p/kg above the U-3 base quote of 336p/kg. R3 steer and heifer prices showed a similar trend with R3 steer prices almost unchanged at 341.0p/kg and R3 heifer prices up 2p/kg to 344.8p/kg. The average young bull price last week increased by 1p/kg to 324.1p/kg.

In GB average steer and heifer prices were back in the region of 1p/kg to 365.7p/kg and 362.3p/kg respectively. This was generally representative of trade across the regions with the average price paid for steers and heifers back slightly in the majority of regions. R3 steer prices in GB were back by 2.2p/kg to 368.5p/kg while R3 heifer prices were back 3.2p/kg to 364.5p/kg. The biggest decline in R3 steer and heifer prices was recorded in the Midlands where they were back by 4.5p/kg and 5.6p/kg respectively. Meanwhile in Southern England R3 steer and heifer prices were almost unchanged at 365.1p/kg and 362.2p/kg respectively. The price differential between NI and the average GB price for R3 grading steers last week was 27.5p/kg. This ranged from 24.1p/kg in Southern England and widens as you move northwards to 32.1p/kg in Scotland.

Meanwhile in ROI prices have remained fairly similar to the previous week in euro terms but an improvement in the value of the euro against sterling has meant prices have increased in sterling terms. R3 steer prices increased the equivalent of 4.4p/kg to 339.2p/kg while R3 heifer prices increased by 4.8p/kg to 354.6p/kg. Prices in ROI last week were above NI prices for the majority of reported grades.

This week's Marts

FINISHED first quality steers sold to an average of 199p/kg this week with second quality steers selling to 182p/kg. This was a similar trade to last week. The trade for finished heifers was also similar to last week with first quality heifers selling to an average of 196p/kg. First quality beef cows sold to an average of 170p/kg this week compared to 175p/kg last week with dairy type cows selling to 124p/kg (130p/kg last week). Store bullocks up to 400kg sold to 195p/kg this week compared to 206p/kg last week. A similar trend can be observed for the majority of categories of store cattle.

LAST WEEK'S DEADWEIGHT CATTLE PRICES (UK / ROI)								
W/E 26/01/13		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	343.2	347.0	375.9	373.3	378.9	379.4	376.7
	R3	341.0	339.2	373.1	368.0	366.3	365.1	368.5
	R4	338.6	339.8	375.9	373.3	368.6	369.9	372.7
	O3	329.1	324.9	361.7	359.2	351.7	343.3	355.0
	AVG	332.9	-	372.5	366.7	364.4	353.9	365.7
Heifers	U3	349.6	365.9	374.2	373.0	377.1	375.8	375.0
	R3	344.8	354.6	367.0	364.2	363.6	362.2	364.5
	R4	341.1	354.2	371.5	367.6	366.9	362.1	367.8
	O3	331.1	337.4	348.8	348.7	349.0	341.0	346.7
	AVG	337.7	-	368.4	362.8	362.6	352.2	362.3
Young Bulls	U3	335.8	342.2	360.2	352.6	366.9	367.8	361.1
	R3	330.5	337.5	356.4	345.2	353.8	355.9	351.8
	O3	316.3	326.6	342.5	326.4	334.7	343.2	334.8
	AVG	324.1	-	342.1	334.3	343.1	340.9	339.7
Prime Cattle Price Reported		5360	-	7495	5983	4945	3850	22273
Cows	O3	273.7	282.0	277.4	273.2	262.5	260.2	269.7
	O4	277.6	285.0	277.9	274.3	273.3	264.4	272.4
	P2	233.9	248.6	221.6	226.2	208.2	196.5	213.9
	P3	254.6	272.0	235.4	255.1	231.2	220.3	238.7
	AVG	250.4	-	267.3	253.2	254.7	220.5	247.6

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=84.29p 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 26/01/13	From	To	Average	From	To	Average
Finished Cattle (p/kg)						
Steers	193	208	199	172	192	182
Friesians	140	163	150	120	139	130
Heifers	185	209	196	170	184	177
Beef Cows	157	192	170	120	156	135
Dairy Cows	116	136	124	90	115	102
Store Cattle (p/kg)						
Bullocks up to 400kg	185	208	195	170	184	177
Bullocks 400kg - 500kg	185	208	195	165	184	174
Bullocks over 500kg	180	199	188	160	179	170
Heifers up to 450kg	180	208	190	150	179	168
Heifers over 450kg	180	199	188	160	179	168
Dropped Calves (£/head)						
Continental Bulls	200	320	225	120	198	160
Continental Heifers	170	265	225	100	168	135
Friesian Bulls	80	160	120	30	78	55
Holstein Bulls	50	138	85	5	45	25

SHEEP TRADE

HOGGET QUOTES

(P/Kg DW)	This Week 28/01/13	Next Week 04/02/13
NI Factories	335p	335-340p
ROI Factories	340p	340p

Notes: (i)Hoggets up to 22kg
(ii)ROI prices converted at 1 euro=84.29p Stg

REPORTED HOGGET PRICES - P/KG

(P/KG DW)	W/E 12/01/13	W/E 19/01/13	W/E 26/01/13
NI Liveweight	290.2p	281.4p	295.4p
NI Deadweight	325.0p	313.9p	317.4p
ROI Deadweight	333.9p	330.5p	334.9p
GB Deadweight	332.6p	327.2p	333.5p

Deadweight Sheep Trade

QUOTES from the NI plants this week for R3 grading hoggets were up to 20p/kg higher than last week at 335-340p/kg. With increased competition from plants in ROI, due to an improvement in the value of the euro against sterling, plants are reporting some difficulty at sourcing hoggets at this price.

Hogget slaughterings last week totalled 5,257 head, a reduction of 950 head on the previous week. Live exports to ROI last week totalled 11,396 head, a reduction of 1,700 head on the previous week but substantially more than the 7,012 exported in the same week last year.

The deadweight hogget price in NI last week increased by 3.5p/kg to 317.4p/kg while the deadweight price in GB increased by 6.3p/kg to 333.5p/kg. In ROI the deadweight hogget price was up 4.4p/kg to 334.9p/kg.

This weeks marts

TRADE in the marts this week has generally improved with 1,026 hoggets in Massereene on Monday selling from 300-330p/kg compared to 701 hoggets last week selling from 290-310p/kg. In Saintfield on Tuesday 829 hoggets sold to an average of 310p/kg compared to 342 hoggets last week selling to 302p/kg. In Enniskillen on Wednesday 742 hoggets sold to an average of 315p/kg, up 15p/kg on last week's average of 300p/kg. Meanwhile a continuing strong trade for cull ewes has seen well fleshed cull ewes sell from £70-87 across the marts.

LATEST SHEEP MARTS

From: 26/01/13 To: 31/01/13		Hoggets (P/KG LW)			
		No.	From	To	Average
Saturday	Omagh	637	284	323	-
	Hilltown	250	295	319	299
	Donemana	189	304	325	316
	Newtownstewart	120	-	-	313
Monday	Massereene	1026	300	330	-
Tuesday	Saintfield	829	300	335	310
	Rathfriland	616	289	337	309
	Armoy	274	298	330	308
Wednesday	Enniskillen	742	290	332	315
	Ballymena	1407	285	347	302
	Markethill	880	300	331	308

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