LMC BULLETIN

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BEEF VOLUME SALES BACK YEAR ON YEAR

. . . BUT CONSUMER SPENDING ON BEEF REMAINS STRONG

THE UK retail market is an important and high value outlet for NI origin beef with total expenditure on beef in the UK during the 52 weeks ending the 08 December 2013 totalled £2,079 million. This is up four per cent from the previous 52 week period when sales totalled £2,003 million according to the latest consumer data released by Kantar.

This increase in expenditure on beef has been driven by a seven per cent increase in the average price per kg to £7.41 during the 52 week period ending the 08 December 2013 with the volume of beef sold back three per cent year on year to 280.5 thousand tonne. Household penetration showed a marginal decline (back one per cent) over the same period with the average weight of beef purchased per head back by three per cent to 12.4kg.

All the major beef cuts have shown a decline in volume sales during the 52 week period ending the 08 December 2013. This reduction is likely to be due to the increased cost of beef. Sales of beef mince and beef frying/grilling steaks were back one per cent during the 2013 period when compared to the previous year. Beef stewing steak sales were back 3.8 per cent during the same period with beef roasting joints recording the most marked decline, back 7.2 per cent on the previous year.

During the four weeks ending the 08 December 2013 expenditure on beef in the UK was £186 million, five per cent higher than the corresponding period in 2012. The volume of beef sales each month between April and December 2013 were consistently below the volume of sales in the corresponding period in 2012. The only exception this was the month of September 2013 as indicated in Figure 2.

While the volume of beef sales in the final quarter of 2013 lagged behind the levels recorded in 2012 they were very similar to the level of beef sales in the final quarter of 2011 despite the marked increase in the average retail price when comparing the 2011 and 2013 periods.

While the volume of beef sales has come under pressure in 2013 when compared to 2012 the total expenditure on beef each month throughout 2013 was broadly similar to the levels recorded in the previous year as indicated in Figure 1. The maintenance in the value of beef sales despite a drop in the volume of beef sales between 2012 and 2013 has been driven by an increase in the average retail price.

In the four weeks ending the 08 December 2013 the average retail price of beef was £7.56/kg, a nine per cent increase on the corresponding period in 2012. This increase in the retail price has resulted in fewer households buying beef, back 3 per cent year on year. In addition to this those households that did purchase beef bought lower volumes with the average weight purchased during the four weeks ending the 08 December 2013 back two per cent to 1.7kg.

During the period in question all the major beef cuts recorded a decline in volume sales. Beef stewing meat sales were back 3.7 per cent year on year while sales of beef roasting joints were back by 4.5 per cent. Sales of mince and frying steaks also recorded a decline in sales year on year, back by 4.9 per cent and 5.6 per cent respectively.

This consumer data from Kantar has supported reports of lower than anticipated demand for beef in the run up to Christmas 2013. There have however been reports from processors of an improvement in demand for beef in recent weeks and this has been reflected in improvements in the base quotes for prime cattle.

Figure 1: Average retail price of beef in the UK January 2011-December 2013 (£/kg)

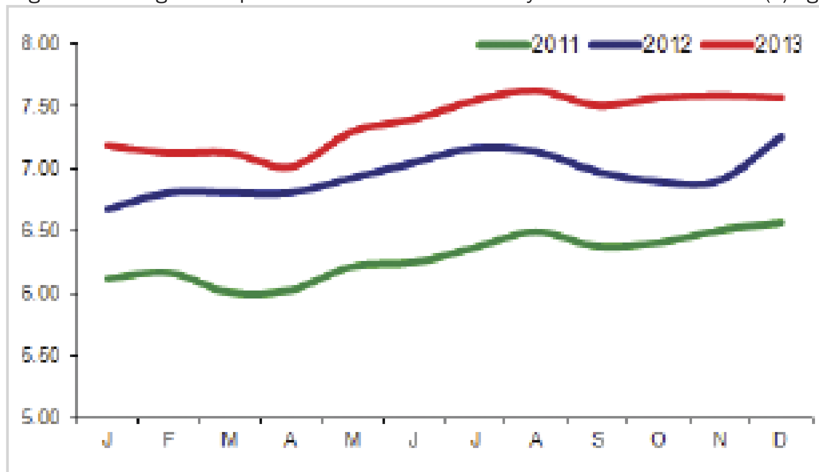
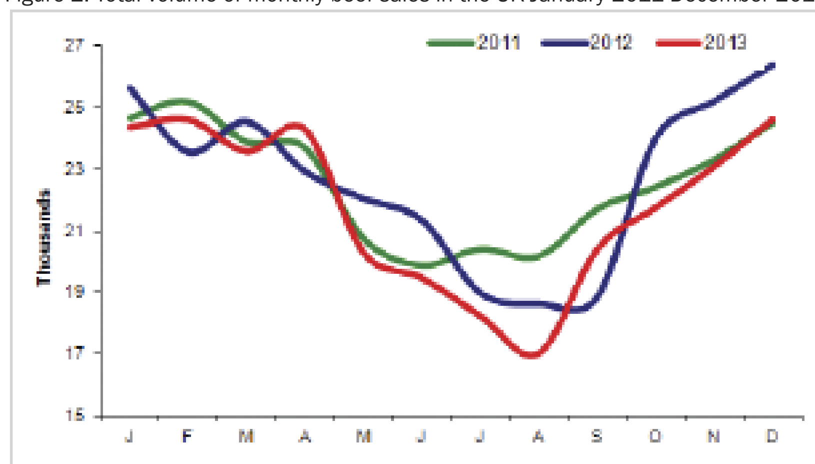


Figure 2: Total volume of monthly beef sales in the UK January 2011-December 2013



LMC LAUNCH NEW BEEF ADVERTISING CAMPAIGN

A key aspect of LMC's work in the promotion of Northern Ireland Farm Quality Assured beef and lamb is to educate consumers about the true nutritional value of red meat in the diet and to promote beef and sheepmeat in home and export markets. As part of this service to industry LMC operates highly valued and successful retail sampling and education services programmes which bring the best of Northern Ireland Farm Quality Assured beef and lamb to the consumers of today and tomorrow.

LMC, in its educational role, has been 'out there' promoting the produce of the NI beef and sheepmeat industry in secondary schools throughout Northern Ireland since 1999 with in excess of 300 school cookery demonstrations to over 7,000 pupils carried out in the last year.

To compliment this work LMC's panel of freelance cookery demonstrators carry out in store beef and lamb sampling sessions within major multiple retail outlets on a planned basis twice a year. Field marketing teams complement this work in store by handing out nutritional information and recipe leaflets as well as conducting research.

In addition to this important work LMC have recently launched a new television advertisement to promote the benefits of Farm Quality Assured beef and this has a pivotal role to play in LMC's wider promotional campaign for NI FQAS beef and lamb.

With beef volume sales coming under some pressure in 2013 this highly visible campaign promoting beef as The Natural Choice is timely and will alert consumers to the versatility and value of beef and its importance in the diet. Following this campaign there will be a promotional campaign for NI FQAS lamb later this year.

The Northern Ireland Farm Quality Assurance Scheme was first established in 1991 to provide consumers with assurances about the farm end of the production chain. The scheme is owned by LMC on behalf of the Beef and Sheep meat industry and is based on the three key pillars of animal welfare, food safety and care for the environment. Farms are inspected every 18 months and are certified as operating to designated assurance standards including the quality of care of their animals and the environment, their freedom from the use of unnatural substances and their compliance with legislation.

For more information on the Farm Quality Assurance scheme please visit LMC's website at www.lmcni.com. For further information about the benefits of NI FQAS beef and lamb, educational support material and nutritional information please visit our Food for Life website at www.food4life.org.uk or contact Cherrie Kenny on 028 9263 3000.

THE NATURAL CHOICE: Watch out for LMC's new TV advertisement for FQAS Beef

LMC QUARTERLY

SIGN UP NOW TO RECEIVE IT FREE BY POST

CONTACT:
028 9263 3000
bulletin@lmcni.com

FQAS NOTICE

ONLINE PAYMENTS

LMC has recently launched an online payment system for the Farm Quality Assurance Scheme. This allows producers to pay annual membership renewal and initial registration fees through the LMC website.

www.lmcni.com

LMC

FQAS Helpline

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

Answerphone Service
Factory Quotes &
Mart Results
Updated 5pm Daily

Tel: 028 9263 3011

Text Service
Free Price Quotes sent to your mobile phone weekly

Email - bulletin@lmcni.com
Tel: 028 9263 3000

WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE (P/KG DW)	This Week 20/01/14	Next Week 27/01/14
Prime		
U-3	350-354p	350-354p
R-3	344-348p	344-348p
O+3	338-342p	338-342p
* Plus 8-14p/kg in spec bonus where applicable		
Cows		
O+3 & better	225-250p	225-250p
Steakers	150-200p	150-200p
Blues	110-130p	110-130p

REPORTED NI CATTLE PRICES - P/KG

W/E 18/01/14	Steers	Heifers	Young Bulls
U-3=	362.4	371.6	359.8
U=3=	358.8	373.4	356.1
U=4=	360.4	362.2	-
R=3=	361.5	366.9	315.1
R=4=	362.8	362.4	344.0
O+3=	356.0	360.1	331.7
O=3=	344.6	348.6	315.6
Average	352.6	359.9	326.0

REPORTED COW PRICES NI W/E 18/01/14 (p/kg)

Grades	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
O+3=	-	-	274.7	252.1
O-3+	-	201.0	220.3	230.5
P+2+	-	-	217.3	219.5
P+3+	-	204.8	219.0	221.8
P-1-	122.2	127.9	133.4	145.0

COMMODITY PRICE

W/E 18/01/14	Price (£) per tonne / 1000litre	% weekly change
Barley	158.00	-2.5
Wheat	177.50	-2.5
Straw	17.40	-
Diesel	710-720	-

Deadweight Cattle Trade

QUOTES from the plants this week for U-3 grade prime cattle have increased to 350-354p/kg with the processors reporting steady supplies of cattle to meet demand. Bonuses ranging from 8-14p/kg continue to be available for in spec steers and heifers and producers should consult with the individual plants with regards to bonus criteria. Quotes for O+3 cows have remained at 225-250p/kg with the majority of plants quoting from 240-250p/kg.

Prime cattle throughput in the NI plants last week was similar to the previous week at 5,870 head but markedly lower than the 6,821 head slaughtered in the corresponding week in 2013. The cow kill last week was 1,666 head compared to 2,133 head in the same week last year. Imports of prime cattle last week for direct slaughter from ROI totalled 314 head with 19 cows also imported compared to 239 clean cattle and 7 cows imported the previous week. A total of 182 NI origin cows made the journey for direct slaughter in ROI plants last week with exports to GB for direct slaughter consisted of 156 prime cattle and 33 cows.

Average steer prices in NI last week were back a penny from the previous week to 352.6p/kg with the average heifer price increasing by 2.6p/kg to 359.9p/kg. The average cow price in NI has also shown an improvement, up 4.9p/kg to 221.1p/kg and was 1.8p/kg below the average cow price in GB.

In GB prices have continued to come under pressure with average prices for steers and heifers back by 2.2p/kg to 378.7p/kg and 2.5p/kg to 378.4p/kg respectively. Average heifer prices have recorded a decline in all the GB regions with the most marked decrease recorded in Scotland where the average heifer price was back by 6.4p/kg to 393.8p/kg. Average steer prices in Scotland were back by 4.5p/kg to 396.5p/kg last week with average prices also back in the Midlands and Southern England.

In ROI the trade for finished cattle has remained subdued with reports of producers in ROI facing delays in getting cattle slaughtered. The R3 steer price in ROI last week was up by the equivalent of 1.8p/kg to 322.2p/kg while the R3 heifer price was back by almost a penny to 336.8p/kg. Young bull prices have shown a marked decline in ROI with an average R3 young bull price of 300.1p/kg, down 6.3p/kg on the previous week.

This week's marts

FINISHED first quality steers sold to an average price of 219p/kg liveweight this week with second quality selling to an average of 185p/kg. A firm trade for finished heifers saw first quality sell to an average of 210 p/kg with plainer heifers selling to an average of 172p/kg. Good quality beef cows sold to a top price of 198p/kg with first quality selling to an average of 175p/kg. Second quality beef cows sold to an average of 125p/kg. First quality store heifers over 450kg sold to an average of 205p/kg this week compared to an average of 209p/kg last week. Bullocks in the 400-500kg weight range sold to an average of 226p/kg for first quality and 190p/kg for second quality.

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

W/E 18/01/14		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	362.0	320.3	404.9	387.1	384.9	383.3	391.0
	R3	360.2	322.2	396.3	374.3	374.7	370.7	380.1
	R4	360.0	322.5	397.8	389.1	375.5	373.2	386.0
	O3	347.5	306.0	374.4	382.1	355.7	351.6	365.4
	AVG	352.6	-	396.5	381.7	368.9	361.8	378.7
Heifers	U3	372.0	347.8	404.5	387.6	391.1	387.9	393.9
	R3	365.8	336.8	393.9	375.0	373.7	370.3	379.5
	R4	363.3	334.9	394.9	382.3	375.2	370.1	382.1
	O3	353.1	320.9	362.6	357.0	359.4	343.0	355.8
	AVG	359.9	-	393.8	378.6	372.5	361.2	378.4
Young Bulls	U3	356.1	307.3	393.6	352.3	371.9	373.0	368.0
	R3	335.8	300.1	375.2	337.6	361.1	360.0	354.0
	O3	317.5	276.3	342.7	324.4	335.7	349.0	334.4
	AVG	326.0	-	362.1	332.0	342.5	347.5	343.0
Prime Cattle Price Reported		4860	-	6178	5675	5164	3897	20914
Cows	O3	237.9	244.2	243.6	241.1	261.0	225.2	239.6
	O4	244.3	246.7	248.5	244.1	256.6	230.2	242.6
	P2	194.6	213.8	185.4	192.6	197.7	171.5	183.6
	P3	218.6	232.3	212.0	221.8	215.8	194.7	210.1
	AVG	221.1	-	237.4	225.0	252.0	196.1	222.9

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=83.03p 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 18/01/14	1st QUALITY From	To	Average	2nd QUALITY From	To	Average
Finished Cattle (p/kg)						
Steers	210	248	219	160	209	185
Friesians	134	165	152	110	134	128
Heifers	202	228	210	145	199	172
Beef Cows	155	198	175	110	154	125
Dairy Cows	100	127	116	60	98	78
Store Cattle (p/kg)						
Bullocks up to 400kg	208	216	212	150	186	174
Bullocks 400kg - 500kg	211	244	226	165	210	190
Bullocks over 500kg	213	237	221	160	212	186
Heifers up to 450kg	200	226	210	140	198	175
Heifers over 450kg	195	214	205	155	194	175
Dropped Calves (£/head)						
Continental Bulls	250	350	300	160	248	205
Continental Heifers	200	340	270	120	198	160
Friesian Bulls	80	155	105	30	78	50
Holstein Bulls	60	140	80	2	58	30

SHEEP TRADE

HOGGET QUOTES		
(P/Kg DW)	This Week 20/01/14	Next Week 27/01/14
NI Factories	380p > 22kg	380p > 22kg

REPORTED HOGGET PRICES - P/KG			
(P/KG DW)	W/E 04/01/14	W/E 11/01/14	W/E 18/01/14
NI Liveweight	359.7p	348.3p	350.0p
NI Deadweight	388.0p	387.1p	379.1p
ROI Deadweight	378.9p	363.4p	369.5p
GB Deadweight	406.2p	402.9p	394.7p

Deadweight Sheep Trade

QUOTES from the plants this week for R3 grade hoggets remained steady at 380p/kg up to 22kg. The plants have reported reduced levels of demand for sheep meat but also reduced supplies of hoggets which have helped to keep the quotes stable. A total of 6,952 hoggets were killed in NI last week, 16 per cent lower than the previous week. Some plants have indicated a decline in the quality of lambs coming forward for slaughter in recent weeks with particularly high levels of liver fluke being identified post slaughter. Exports to ROI for direct slaughter last week were back 31 per cent from the previous week at 6,350 head. The average deadweight price in NI last week was 379.1p/kg, back 8p/kg on the previous week. Meanwhile in GB the deadweight lamb price was back by a similar margin to 394.7p/kg.

This week's marts

THE trade in the marts this week was generally similar to the previous week although some marts have indicated a drop in the quality of sheep on offer. In Massereene on Monday 673 hoggets sold from 340-370p/kg compared to 867 hoggets last week selling from 340-377p/kg. In Rathfriland on Tuesday an entry of 451 hoggets sold to an average of 352p/kg compared to 605 hoggets last week selling to an average of 350p/kg. In Ballymena on Wednesday 1,152 hoggets sold from 330-358p/kg (avg 343p/kg) compared to 808 hoggets last week selling from 330-387p/kg (avg 344p/kg). There has been an increase in the number of cull ewes on offer in many of the marts with top prices generally ranging from £70-80.

LATEST SHEEP MARTS					
From: 18/01/14		Hoggets (P/KG LW)			
To: 23/01/14		No	From	To	Avg
Saturday	Donemana	340	338	368	353
	Hilltown	310	338	358	341
	Newtownstewart	100	320	355	340
	Omagh	750	338	371	-
	Swatragh	650	321	383	-
Monday	Massereene	673	340	370	-
	Kilrea	300	340	416	-
	Gortin	497	320	370	-
Tuesday	Saintfield	492	346	383	-
	Rathfriland	451	327	370	352
	Lisahally	240	320	373	-
Wednesday	Ballymena	1152	330	358	343
	Enniskillen	368	348	363	-
	Markethill	670	340	367	-
	Armoy	585	-	-	352

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