

VALUE OF GB BEEF SALES INCREASE AS VOLUME SALES DECLINE

THE value of fresh and frozen beef sales in GB during the twelve week period ending 27 April 2014 was 3.3 per cent higher than the same period in 2013 according to the latest available consumer data from Kantar.

The increase in the value of beef sales in GB has been driven by an increase in the average retail price from £7.20 per kg in the twelve weeks ending 28 April 2013 to £7.75 per kg in the twelve week period ending the 27 April 2014. This accounts for an eight per cent increase in the average retail price year on year.

As the retail price of beef has increased the volume of beef purchased by GB consumers has generally declined. There was a four per cent decline in the volume of beef purchased during the twelve week period ending the 27 April 2014 when compared to the 2013 period. Volume sales of first quality

roasting joints showed the most notable decline with volume sales back by 9.5 per cent year on year while volume sales of stewing steak were back by 14 per cent.

Meanwhile the volume sales of frying and grilling steaks increased between the two periods by 2.3 per cent while volume sales of mince increased by one per cent year on year. The much milder weather experienced this winter and spring is also likely to be a key driver behind the changes in both the volume of beef and types of beef cuts being purchased by consumers year on year.

While volume sales of fresh and frozen beef have recorded a decline when comparing the twelve week period ending 27 April 2014 and the same period in 2013 the volume sales of processed beef have improved. There were notable increases recorded in the

volume sales of beef burgers, chilled and frozen ready meals and pre packed pies year on year as consumers purchasing habits returned to more normal trends.

Despite the declines recorded in volume sales market penetration for beef has remained relatively stable. During the twelve week period ending the 27 April 2014 71.8 per cent of GB households purchased fresh or frozen beef compared to 72.1 per cent in the same period in 2013. This indicates that while there has been no notable change in the number of households in GB buying beef consumers are buying in smaller volumes.

Lamb

This is a trend also apparent if we consider the latest consumer data for lamb. The volume of lamb sold in GB during the 12 weeks ending 27 April 2014 was back by 10.4 per cent on year

earlier levels. However as with beef sales there was an increase in the average retail price of lamb which helped to offset some of this decline. The value of lamb sales was back by 3.3 per cent year on year to £173 million during the 2014 period.

In the twelve week period ending 27 April 2014 the average retail price for lamb was £7.89/kg compared to £7.32 in the corresponding period in 2013. This increase in the average retail price, combined with reports of reduced availability year on year, resulted in household penetration of lamb to come back by 3.5 percentage points to 38 per cent in the 2014 period.

All the major cuts of lamb recorded a decline in terms of volume sales year on year. The most notable decreases in volume sales were for leg roasting and shoulder roasting joints which were

back by 18.4 per cent and 24.8 per cent respectively. The convenience market for lamb has however shown an increase with sales of chilled ready meals up 9.1 per cent year on year.

Pork

When considering beef and lamb sales it is also useful to consider alternatives such as pork. Volume sales of pork followed a similar trend to beef and lamb with sales during the 2014 period running 3.6 per cent lower than the corresponding period in 2013 with all the major cuts recording a decline in sales. However the average retail price was back slightly to £5.18 in the 2014 period unlike beef and lamb. Despite being more competitive consumers did not respond by buying more. The combination of reduced volume sales and a drop in average retail price resulted in the total value of pork sales to be back 4.7 per cent year on year.

LMC ATTENDING BALMORAL SHOW 2014

THE Balmoral Show is Ireland's largest Agricultural and Food Show that entertains the whole family. The newly developed and spacious Balmoral Park will be host to the Balmoral Show 2014 from the 16-18 May 2013.

This year LMC has an action packed programme of events for everyone to enjoy. Come and join us at any time on any of the three days of the show for a cup of tea or coffee (Stand B30). Our staff will be on hand, whether you would like to discuss FQAS, industry developments, red meat promotion or the state of the trade.

On all three days of the show we will be highlighting the versatility of

Northern Ireland Farm Quality Assured produce by sampling hot beef and lamb rolls in the LMC stand. Filling, nutritious and tasty this is the easiest way to demonstrate the convenience of cooking with beef and lamb. Come and see for yourself, samples are being distributed between noon and 3pm each day.

On Wednesday and Thursday LMC cookery demonstrators will be cooking and sampling Northern Ireland Farm Quality Assured beef and lamb recipes in the Food NI marquee from 11am to 2pm. Feel free to come and pick up useful tips, a sample of what has been cooked, and easy recipes to cook at home.

GLOBAL economic developments have a significant impact on beef consumption patterns across the world. In recent years beef consumption has been increasing in emerging economies such as Brazil, South Africa and China as incomes increase while consumption in developed countries such as the US and the EU has been declining due to the economic downturn and dietary changes.

As these changes in beef consumption occur and global economies continue to develop it is likely that a new pattern of international demand will emerge. With an ever growing global population and rising living standards in developing regions the demand for beef and beef products is forecast to increase.

According the latest quarterly report from Rabobank global demand for beef is expected to remain strong during 2014 with higher prices and tighter global supplies. The growing global demand is being led by increasing beef consumption in the Asia-Pacific region, but particularly in China.

This increased demand for beef from the developing world has coincided with forecasts of tighter global supplies of beef in 2014. These tighter supplies have been driven by higher herd retention in the US as a result of drought and adverse weather conditions in Brazil and Australia impacting production. Demand for beef

CHINA TO DRIVE GROWING GLOBAL DEMAND FOR BEEF

from China in particular is expected to be strong during 2014 but imports are not expected to grow at the same rate as recorded in 2013.

While the per capita daily consumption of meat remains low in China compared to developed countries the rapid population growth and urbanisation of populations creates huge potential for increasing demand for meat, thereby increasing opportunities for countries to export meat to China.

Domestic beef production in China remains challenging with beef production in the country unable to match the growing demand for beef. The latest Rabobank report has indicated that China's beef cattle herd has now been in decline for a decade due to lack of government support, low productivity, lack of farmer investment due to high costs and the lack of available labour. Beef production in China is also impacted by the challenges of limited land, water and feed resources.

This widening of the supply gap is expected to encourage rising imports of beef from the global market with experts forecasting a 15-20 per cent growth in the volume of imports into China each year for the next five years.

Australia remains the biggest supplier of beef to China, accounting for 53 per cent of total import volume in 2013. However

China's attitude towards opening markets to more countries has become more positive with China expected to open the door to Brazilian beef in the next few months and potentially the US before the end of 2014.

While China remains only a small market for UK beef in terms of volume sales the demand for high value premium cuts is expanding which creates an opportunity for UK based processors. The biggest benefit to the UK of increasing beef demand in China, and the rest of the developing world, is the increasing volumes of beef it is absorbing from the world market and thereby reducing pressure on more readily available markets for UK beef.

EU developments

The latest report from Rabobank has forecast the EU beef market to be in more or less equilibrium in terms of supply and demand during 2014 with prices expected to remain fairly steady.

The latest figures released by the EU in its Short Term Outlook report has indicated that following two years of reduced meat availabilities, 2014 should be characterised by a slight recovery in both meat production and consumption in the EU. This increase in production and consumption is projected to continue in 2015 for the three main meats, beef, poultry and pork.

REMINDER
Completed Single
Farm Payment
Application Forms
must be received
by DARD on or
before the 15 May
2014

UPDATE

LMC continues to advise producers to liaise with processor procurement staff when planning to present cattle for slaughter. With changes to the payment systems for prime cattle at some plants there is considerable variation in how individual plants are pricing prime cattle that are in and out of spec.

LMC will continue to monitor the situation and communicate any changes in quoted and actual prices to stakeholders in the coming weeks.



FQAS Helpline
If you have had a recent inspection and need help and advice to rectify any non-conformances, contact the FQAS helpline:
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CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 28/04/14	Next Week 05/05/14
Prime		
U-3	338-340p	334-340p
R-3	332-334p	328-334p
O+3	326-328p	322-328p
Prime cattle quotes inclusive of 12-14p/kg in spec bonus		
Cows		
O+3 & better	240-250p	240-250p
Steakers	140-170p	140-170p
Blues	120-130p	120-130p

Deadweight Cattle Trade

QUOTES from the plants this week for U-3 grade prime cattle ranged from 338-340p/kg inclusive of in spec bonuses. Some plants are now pricing cattle using this new all inclusive price with associated reductions for out of spec while other plants have continued to use a lower base quote of 324-326p/kg and then add on the 12-14p/kg in spec bonus. Three plants have indicated all inclusive base quotes of 338-340p/kg for early next week with one plant quoting 334-336p/kg. The remainder of the plants were not quoting at time of publication. Producers should consult with individual processors before presenting prime cattle for slaughter. Quotes for O+3 grade cows were generally in the range of 240-250p/kg.

Prime cattle throughput in the NI plants last week totalled 7,089 head, the second highest weekly throughput for the year to date. In the corresponding week last year 7,326 prime cattle were slaughtered. Prime cattle throughput for 2014 to date is running 4.3 per cent behind the corresponding period in 2013 with 5,170 fewer prime cattle slaughtered. A total of 1,328 cows were also slaughtered in NI plants last week bringing total cow throughput for 2014 to date to 26,728 head. This is 10.4 per cent lower than the 29,817 cows slaughtered in the same period in 2013.

The R3 steer price in NI last week was 340.3p/kg, down 2.8p/kg from the previous week, while the average steer price was unchanged at 332.6p/kg. R3 heifer prices in the region were back by a similar margin to 342.9p/kg while the average heifer price was back half a penny to 338.4p/kg. Young bull prices generally improved in NI last week with the R3 price up by 4.7p/kg to 324.7p/kg while the average young bull price was up by 6.5p/kg to 313.0p/kg. Average cow prices were within 1p/kg of the previous week at 230.2p/kg.

In GB prices have continued to come under pressure with strong supplies of cattle coming forward for slaughter. The average steer price in GB last week was back by 2.7p/kg to 352.8p/kg with declines recorded in Scotland, the Midlands and Southern England. Meanwhile in Northern England the average steer price was up by 4p/kg to 364.2p/kg. The R3 steer price in GB last week was back by 3.7p/kg to 355.7p/kg with declines recorded in all the regions. This narrows the differential on R3 steers between NI and GB to 15.4p/kg. Average heifer prices in GB last week were back by 3.8p/kg to 352.1p/kg while the R3 heifer price was back by 5.7p/kg to 352.2p/kg. The differential between the NI and GB R3 heifer price was 9.3p/kg last week. Average young bull prices in GB last week were back by 1.4p/kg to 322.8p/kg while average cow prices increased by 1.2p/kg to 231.7p/kg.

Meanwhile in ROI the trade has remained fairly steady with reports of good supplies of cattle available for slaughter. The R3 steer price last week was the equivalent of 311.9p/kg, 28.4p/kg lower than the NI price. Meanwhile the R3 heifer price last week was the equivalent of 322.9p/kg, 20p/kg behind the R3 heifer price in NI.

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

	W/E 03/05/2013	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	338.4	322.5	375.6	367.0	364.2	353.5	366.8
	R3	340.3	311.9	368.2	358.4	350.1	341.5	355.7
	R4	337.7	312.0	369.5	372.5	352.3	342.4	363.2
	O3	327.3	298.4	349.5	338.7	319.9	316.9	331.1
	AVG	332.6	-	368.0	364.2	339.4	329.8	352.8
Heifers	U3	352.1	336.6	377.0	365.1	362.4	351.6	366.0
	R3	342.9	322.9	368.5	351.8	344.1	337.8	352.2
	R4	339.6	322.6	368.2	360.9	348.3	338.1	356.1
	O3	331.1	304.4	350.5	336.2	325.9	309.3	331.8
	AVG	338.4	-	367.3	357.8	344.8	328.6	352.1
Young Bulls	U3	326.7	305.4	371.7	339.7	345.9	346.9	347.8
	R3	324.7	294.6	359.3	325.3	336.3	327.8	333.6
	O3	309.4	265.5	310.6	292.5	311.5	323.3	307.6
	AVG	313.0	-	346.5	306.8	330.1	321.8	322.8
Prime Cattle Price Reported	4484	-	6259	5695	5182	3942	21078	
Cows	O3	239.6	238.3	258.0	246.9	261.1	245.1	250.4
	O4	246.9	242.1	258.7	251.2	260.8	248.6	253.2
	P2	194.5	202.8	199.5	197.9	193.5	182.6	193.0
	P3	223.3	230.2	221.5	218.1	201.3	218.0	218.5
	AVG	230.2	-	246.7	230.0	242.7	217.5	231.7

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=82.23p 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

REPORTED NI CATTLE PRICES - P/KG

W/E 03/05/14	Steers	Heifers	Young Bulls
U-3=	337.3	349.4	330.9
U=3=	336.8	354.8	329.6
U=4=	328.7	348.5	-
R=3=	343.6	345.5	318.4
R=4=	339.7	340.6	-
O+3=	332.0	337.1	318.3
O=3=	327.3	324.1	311.2
Average	332.6	338.4	313.0

REPORTED COW PRICES NI- P/KG

W/E 03/05/14	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
O+3=	-	-	262.0	253.6
O-3+	-	152.9	252.0	232.3
P+2+	-	200.0	199.0	220.1
P+3+	191.0	198.4	-	221.2
P-1-	134.4	140.7	126.5	-

COMMODITY PRICE

W/E 03/05/14	Price (£) per tonne / 1000litre	% weekly change
Barley	164.50	n/c
Wheat	185.50	+0.27
Straw	16.80	--
Red Diesel	680-690	-

LATEST LIVEWEIGHT CATTLE MART PRICES NI

W/E 03/05/14	1st QUALITY			2nd QUALITY		
	From	To	Average	From	To	Average
Finished Cattle (p/kg)						
Steers	186	210	190	140	185	168
Friesians	145	155	150	121	143	137
Heifers	174	200	180	135	173	160
Beef Cows	158	206	166	118	157	138
Dairy Cows	106	131	110	65	105	85
Store Cattle (p/kg)						
Bullocks up to 400kg	226	279	236	180	225	200
Bullocks 400kg - 500kg	219	244	227	170	218	194
Bullocks over 500kg	214	238	218	170	213	190
Heifers up to 450kg	200	230	216	170	199	185
Heifers over 450kg	198	240	213	165	197	181
Dropped Calves (£/head)						
Continental Bulls	255	380	320	150	250	200
Continental Heifers	215	340	280	100	212	160
Friesian Bulls	110	180	140	40	108	70
Holstein Bulls	70	145	100	1	68	35

SHEEP TRADE

HOGGET/LAMB QUOTES

(P/Kg DW)	This Week 03/05/14	Next Week 10/05/14
Hoggets	430-450p>22kg	430p>22kg
Spring Lambs	460-480>21kg	450-460>21kg

Deadweight Sheep Trade

QUOTES from the plants this week for R3 grade spring lambs ranged from 460-480p/kg up to 21kg with quotes for hoggets ranging from 430-450p/kg up to 22kg. Throughput of lambs and hoggets in NI last week totalled 4,937 head with spring lambs accounting for 48 per cent of the price reported kill.

Deadweight hogget prices in NI last week averaged 459p/kg, up 7.4p/kg from the previous week while in GB prices were back by 2.8p/kg to 473p/kg. Deadweight lamb prices in NI last week averaged 488.8p/kg, down almost 2p/kg from the previous week. Meanwhile in GB the lamb price increased slightly to 532.5p/kg

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LATEST SHEEP MARTS

From: 03/05/14		Spring Lambs (P/KG LW)			
To: 09/05/14		No	From	To	Avg
Saturday	Omagh	53	408	492	-
	Swatragh	150	448	459	-
Monday	Massereene	262	450	507	-
	Kilrea	230	438	450	-
Tuesday	Saintfield	234	404	450	-
	Rathfriland	332	405	457	436
Wednesday	Ballymena	184	400	444	410
	Enniskillen	254	435	480	-
	Markethill	300	410	450	

REPORTED HOGGET PRICES - P/KG

(P/KG DW)	W/E 19/04/14	W/E 26/04/14	W/E 03/05/14
NI Liveweight	381.7	397.0	381.5
NI Deadweight	448.2	451.6	459.0
ROI Deadweight	453.7	457.5	457.0
GB Deadweight	483.2	475.8	473.0

LATEST SHEEP MARTS

From: 03/05/14		Hoggets (P/KG LW)			
To: 09/05/14		No	From	To	Avg
Saturday	Omagh	320	377	427	-
	Swatragh	350	392	429	-
Monday	Massereene	196	370	430	-
	Saintfield	204	377	406	-
Tuesday	Rathfriland	82	-	-	381
	Ballymena	104	290	400	340
Wednesday	Enniskillen	265	370	409	-
	Markethill	150	360	410	-

REPORTED LAMB PRICES - P/KG

(P/KG DW)	W/E 19/04/14	W/E 26/04/14	W/E 03/05/14
NI Liveweight	477.0	487.5	454.0
NI Deadweight	479.9	490.7	488.8
GB Deadweight	529.6	531.9	532.5

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