LMC BULLETIN
WEEKLY PUBLICATION OF THE LIVESTOCK AND MEAT COMMISSION FOR NORTHERN IRELAND
Saturday 25 October 2014 Issue No. 2343

VALUE OF UK BEEF SALES INCREASES

THE latest red meat consumer data from Kantar has indicated a 7.5 per cent increase in consumer spend on beef in the UK during the twelve weeks ending 14 September 2014 when compared to the corresponding period in 2013.

During the 12 week period in 2014 expenditure on beef in the UK totalled £438 million compared to £408 million in the 2013 period. This increase in the value of beef sales was driven by a four per cent increase in volume sales with an additional 2,185 tonnes of beef purchased by UK consumers year on year.

An increase in the average retail price year on year has also helped to increase the total value of beef sales. In the 12 weeks ending 14 September 2014 the average retail price was £7.83/kg compared to £7.58/kg in the corresponding period in 2013. This increase by 25p/kg accounts for a three per cent increase in retail price year on year.

The latest data from Kantar has also indicated an improvement in household penetration with 68.2 per cent of shoppers purchasing beef during the 12 week period ending 14 September 2014 compared to 67.1 per cent of shoppers during the corresponding period in 2013.

The average spend per trip has also shown a slight increase year on year to £5.73 in the 2014 period, a three per cent increase from the £5.58 in the 2013 period. While the cost per kg and spend per trip has increased the latest Kantar data has indicated that the volume purchased per trip showed negligible change from year to year.

Lamb

The average spend per trip for lamb has also shown an increase year on year. In the twelve weeks ending 14 September 2014 the average spend per trip was £5.98 compared to £5.82 in the corresponding period in 2013. This accounts for a three per cent increase year on year.

The total expenditure on lamb by UK consumers during the twelve weeks ending 14 September 2014 was £130 million compared to £126 million in the corresponding period in 2013. This increase accounts for a 2.7 per cent increase year on year.

This increase in expenditure on lamb has been driven by an increase in the average retail price from £8.44/kg in the 2013 period to £8.74 in the 2014 period. This increase by 30p/kg accounts for a 3.5 per cent increase between the two periods.

While the spend per trip and average retail price of lamb have increased year on year the volume purchased has remained almost unchanged at 14,834 tonnes during the twelve weeks ending 14 September 2014.

According to the latest Kantar date household penetration has also remained steady with 33.2 per cent of households purchasing lamb in the 2014 period. This would indicate that despite the increased retail price the customer base for lamb has remained steady and they are buying similar volumes of lamb year on year.

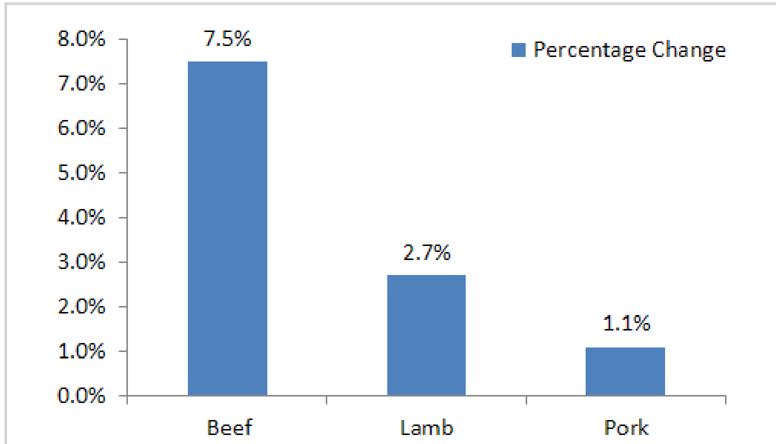
Pork

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.

During the twelve week period ending 14 September 2014 the volume of UK pork sales increased to 38,700 tonnes compared to 36,000 tonnes in the corresponding period in 2013. This accounts for a 7.5 per cent increase in the volume of sales year on year.

This increase in volume sales has been driven by a six per cent drop in the average retail price to £5.07/kg in the 2014 period. Despite the drop in the average retail price the total expenditure on pork in the UK increased by one per cent year on year. The total value of pork sales during the 12 week period ending 14 September 2014 was £196 million.

Figure 1: Percentage changes to expenditure on beef, lamb and pork during 12 week period ending 14 September 2014 and corresponding period in 2013.



INCREASED BEEF IMPORTS IN AUGUST

UK beef imports during August 2014 totalled 19,869 tonne compared to 18,797 thousand tonne imported in the corresponding period in 2013. This accounts for a six per cent increase year on year.

Imports from EU countries during August 2014 totalled 17,286 tonnes and accounted for 87 per cent of total beef imports compared to 15,655 tonnes imported from EU countries in August 2013 which accounted for 83 per cent of total imports.

Ireland continues to be the largest exporter of beef into the UK with 13,912 tonnes exported during August 2014 compared to 11,710 tonnes in August 2013. This is an increase of 2,202 tonnes and accounts for a 19 per cent increase in the volume of Irish exports year on year.

Figure 2 outlines total UK beef imports from EU countries during August 2014. Imports from ROI accounted for 80 per cent of total imports from EU countries during August 2014. Imports from all other EU countries during August 2014 totalled 3,296 tonnes, just under a quarter of the total imports from ROI.

Imports of fresh and chilled beef into the UK during August 2014 totalled 14,302 tonnes and accounted for 72 per cent of total beef imports. This was a slight increase on August 2013 when imports of fresh and chilled beef totalled 13,074 tonnes and accounted for 70 per cent of total imports.

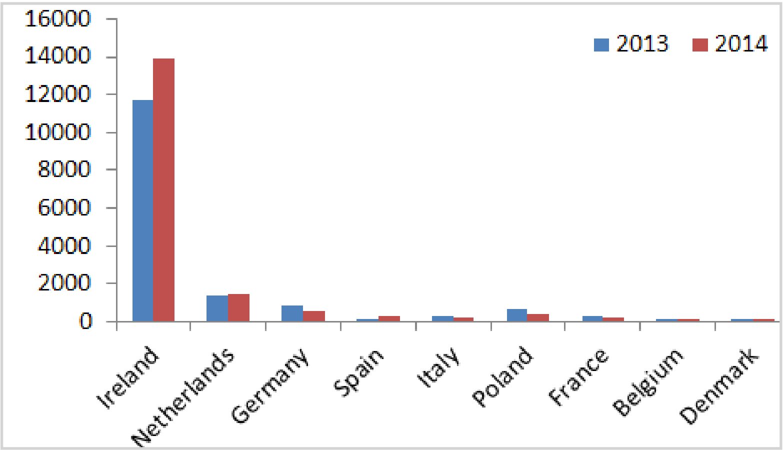
Year to date

During January to August 2014 beef imports to the UK from EU countries totalled 140 thousand tonnes and accounted for ninety per cent of total beef imports. This was an eight per cent increase from the previous year when imports from EU countries totalled 130 thousand tonnes and accounted for 86 per cent of total beef imports.

Beef imports from ROI for the period January to August 2014 totalled 111 thousand tonnes, a 12 per cent increase on the 99 thousand tonnes imported in the corresponding period in 2013. Beef imports from ROI for the 2014 period accounted for 79 per cent of total imports from EU countries compared to 76 per cent of imports in the 2013 period.

Imports from non-EU countries totalled 17,247 tonnes in the period January to August 2014 compared to 20,730 tonnes in the corresponding period in 2013. This accounts for a 17 per cent decline in the volume of non EU imports year on year. There were small increases in the volumes imported from Australia and New Zealand year on year while the volumes imported from other non EU countries showed marked declines year on year.

Figure 2: Total UK beef imports from EU countries August 2013 / August 2014



MARKET ACCESS KEY ISSUE AT SIAL

From 19 to 23 October 2014, France hosted one of the world's major agri-food events: SIAL Paris with more than 6,300 food industry exhibitors and 150,000 trade visitors from more than 200 different countries around the world.

The Northern Ireland beef and sheep meat industry was well represented in the meat section at SIAL with ABP Food Group, Dunbia, Foyle Food Group, Linden Foods and Hewitt Meats all having exhibition space at the event. Karro Food Group and Moy Park also exhibited on the impressive Northern Ireland Naturally stand in the meat hall which was co-ordinated by Invest NI. SIAL provides an ideal opportunity for the meat trade to meet with their customers and potential customers, to showcase their businesses and products in the international arena, to see what strategies competitors from around the world are deploying to market their sector and to network with supply chain partners and support agencies.

The busiest day at SIAL is typically on Monday when a range of Ministers and other VIP guests are generally on hand to host receptions on country stands and announce important sectoral initiatives. AHDB hosted a British Meat Dinner in Paris on Monday night where it announced an important €7.7 million collaborative lamb campaign with Bord Bia and Interbev (France) to be launched in six European countries to encourage people to cook with lamb. LMC already works with these organisations on the Agneau Presto initiative in France and this new collaboration represents a welcome boost to drive lamb consumption in Ireland, England, France, Belgium, Germany and Denmark.

One of the key messages that LMC was picking up at SIAL this year from the trade was the need to get greater third country market access for UK beef and lamb exporters. Significant opportunities currently exist to develop new profitable business in different parts of the world especially in Asia and North America and UK exporters would encourage a real push and focus from competent authorities to try and secure access to these priority markets.

LMC is working closely with other partners on the UK Export Certification Partnership (UKECP) to provide whatever assistance is needed to competent authorities to get these priority markets available to UK exporters as soon as possible.

WEEKLY BEEF & LAMB MARKETS

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 22/10/14	Next Week 27/10/14
Prime		
U-3	350-352p	350-352p
R-3	344-346p	344-346p
O+3	338-340p	338-340p
	Including bonus where applicable	
Cows		
O+3 & better	240-260p	240-260p
Steakers	140-170p	140-170p
Blues	120-130p	120-130p

REPORTED NI CATTLE PRICES - P/KG

W/E 18/10/14	Steers	Heifers	Young Bulls
U3	349.4	356.1	343.4
R3	346.8	348.1	340.8
O+3	337.7	339.2	315.1

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 18/10/14	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	140.0	152.3	163.7	192.2
P2	159.4	191.7	206.7	222.6
P3	183.6	217.0	224.1	235.9
O3	208.5	230.1	247.0	255.7
O4	-	220.0	242.5	258.1
R3	-	236.0	270.0	271.2

COMMODITY PRICE

W/E 18/10/14	Price (£) per tonne / 1000litre	% weekly change
Barley	130..50	n/c
Wheat	133.00	n/c
Straw	12.14	-

Deadweight Cattle Trade

QUOTES from the major plants for U-3 grade steers and heifers ranged from 350-352p/kg this week with similar quotes expected for early next week. Quotes for good quality O+3 grade cows ranged from 240-260p/kg across the plants this week with the majority of plants quoting 250p/kg. Reports from the plants have indicated that supplies of cattle coming forward for slaughter are in line with demand.

Prime cattle throughput in the NI plants last week was very similar to the previous week at 6,662 head. While prime cattle throughput has recorded an improvement in recent weeks the prime cattle kill for the year to date is running six per cent behind year earlier levels. Cow throughput last week was also similar to the previous week with 1,904 head slaughtered. Cow throughput for 2014 to date has totalled 63,240 head, 11 per cent behind the 70,808 head killed in the same period in 2013. Imports of prime cattle from ROI for direct slaughter last week totalled 634 head, the lowest weekly import since early August 2014. A total of 23 prime cattle were also imported from GB for direct slaughter in NI plants. Meanwhile exports of cattle from NI to GB for direct slaughter last week consisted of 255 prime cattle and 86 cows.

The average steer price in NI last week was 337.6p/kg, up 2p/kg from the previous week, while the R3 steer price was up by a similar margin to 348.1p/kg. The NI R3 steer price was 8.5p/kg below the average R3 price in GB price last week of 356.6p/kg. However R3 steer prices in NI were 2p/kg higher than the equivalent price in the Midlands and 4p/kg higher than the equivalent price in Southern England. The trade for heifers in NI last week was generally similar to the week before with an average heifer price of 343.4p/kg and an R3 heifer price of 348.8p/kg. The differential in R3 heifer prices between NI and GB last week was 10.4p/kg or £34 on a 330kg carcase. In the week ending 20 September 2014 the differential between NI and GB on a R3 grade 330kg carcase was £79.

The average steer price in GB last week was unchanged from the previous week at 351.6p/kg with the R3 steer price also remaining steady at 356.6p/kg. However there was some variance across the GB regions. In Scotland and the Midlands R3 steer prices were back in the region of 1.5p/kg to 376.5p/kg and 346p/kg respectively while prices in Northern England and Southern England improved by a similar margin to 353.2p/kg and 344.1p/kg respectively. The trade for heifers generally improved in GB last week with the average heifer price increasing by 1.7p/kg to 353.3p/kg and the R3 heifer price increasing by 3.3p/kg to 359.2p/kg. R3 heifer prices recorded increases in all the GB regions with the exception of Southern England where it was back by 1.5p/kg to 343.3p/kg.

The trade for prime cattle in ROI has remained steady this week. The R3 steer price in ROI last week was the equivalent of 284.3p/kg while the R3 heifer price was the equivalent of 289.8p/kg. In monetary terms the differential in deadweight prices between NI and ROI has widened over the past few weeks to £210 for a 330kg R3 steer carcase and £195 for a 330kg R3 grade heifer carcase.

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

W/E 18/10/2014		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	349.9	293.3	383.3	358.2	355.9	355.2	364.5
	R3	348.1	284.3	376.5	353.2	346.0	344.1	356.6
	R4	346.0	282.4	378.3	362.8	345.3	343.3	361.5
	O3	334.8	267.0	359.5	335.2	322.6	321.8	336.3
	AVG	337.6	-	375.4	350.7	337.5	332.0	351.6
Heifers	U3	356.3	300.0	389.4	361.9	361.5	354.9	369.3
	R3	348.8	289.8	381.9	353.4	349.7	343.3	359.2
	R4	345.8	288.6	376.3	356.9	349.4	343.4	358.9
	O3	336.5	274.6	371.4	334.9	325.2	323.1	341.6
	AVG	343.4	-	376.3	351.2	342.8	330.5	353.3
Young Bulls	U3	343.8	293.0	376.1	336.9	349.8	347.0	349.0
	R3	340.9	282.1	358.8	323.0	336.5	335.7	335.3
	O3	313.2	258.7	328.6	297.4	310.3	314.8	309.0
	AVG	320.6	-	335.6	312.4	324.0	320.2	321.5
Prime Cattle Price Reported		5303	-	6446	5681	5423	3775	21325
Cows	O3	253.5	243.9	252.2	239.1	240.0	223.8	239.9
	O4	256.6	245.3	256.6	239.0	247.7	225.1	241.3
	P2	209.6	217.4	197.8	190.5	201.3	171.5	187.5
	P3	232.7	235.4	206.7	209.1	223.0	192.9	203.7
	AVG	230.8	-	245.8	216.0	231.2	186.2	217.7

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=79.41p 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 18/10/14	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	192	212	197	155	191	175
Friesians	145	170	155	120	144	132
Heifers	185	216	193	150	184	168
Beef Cows	145	209	168	115	144	130
Dairy Cows	110	138	123	75	109	95
Store Cattle (p/kg)						
Bullocks up to 400kg	204	223	210	154	197	175
Bullocks 400kg - 500kg	201	225	208	160	200	180
Bullocks over 500kg	192	212	203	155	191	173
Heifers up to 450kg	190	207	198	150	189	170
Heifers over 450kg	184	200	190	158	183	170
Dropped Calves (£/head)						
Continental Bulls	300	445	360	200	298	250
Continental Heifers	250	360	285	120	248	185
Friesian Bulls	115	200	150	20	112	65
Holstein Bulls	80	200	125	1	78	40

SHEEP TRADE

LAMB QUOTES		
(P/Kg DW)	This Week 22/10/14	Next Week 27/10/14
Lambs	355-360>22kg	355-360>22kg

REPORTED LAMB PRICES - P/KG			
(P/KG DW)	W/E 04/10/14	W/E 11/10/14	W/E 18/10/14
NI Liveweight	320.5	314.3	323.3
NI Deadweight	338.2	334.9	341.0
ROI Deadweight	334.4	322.5	338.4
GB Deadweight	354.3	354.0	353.0

Deadweight Sheep Trade

QUOTES from the NI plants this week for R3 lambs showed a strong increase to 355-360p/kg. Reports of a tightening in supplies and increased competition for good quality lambs in the live rings have helped to improve the trade. A total of 10,388 lambs were killed in NI plants last week, the second consecutive week in which lamb throughputs have declined. In the corresponding week last year throughput in the NI plants totalled 11,775 head. The deadweight lamb price in NI last week increased by 6.1p/kg to 341p/kg in response to an improvement in the base quotes from the plants with prices in ROI increasing by the equivalent of 16p/kg to 338.4p/kg. Meanwhile in GB the average deadweight price was within a penny of the previous week at 353p/kg.

This Week's Marts

A stronger trade was reported across the marts compared to previous weeks, with high numbers continuing to pass through the sale rings. In Masserene on Monday 1,254 lambs were sold from 325-367p/kg compared to 1,016 lambs last week selling from 305-340p/kg. In Saintfield on Tuesday 705 lambs were sold from 318-394p/kg compared to 756 lambs selling last week at 304-372p/kg. In Rathfriland on Tuesday 1,338 lambs were sold from 320-415p/kg compared to 1,130 lambs from 315-409p/kg the previous week. A sizeable increase in numbers in Ballymena saw 2,035 lambs pass through the ring with prices from 310-354p/kg. The trade for cull ewes has also been good with top prices of generally in the region of £80-100 across the marts.

LATEST SHEEP MARTS						
From: 18/10/14		Lambs (P/KG LW)				
To: 24/10/14		No	From	To	Avg
Saturday	Swatragh	986	304	360	330
	Omagh	1840	331	385	-
Monday	Massereene	1254	325	367	-
	Kilrea	620	320	389	-
Tuesday	Saintfield	705	318	394	-
	Rathfriland	1338	320	415	342
Wednesday	Ballymena	2035	310	354	329
	Enniskillen	628	313	354	-
	Markethill	1080	320	354	333

Contact us:

Website: www.lmcni.com

Telephone: 028 9263 3000

Fax: 028 9263 3001

FQAS Helpline: 028 9263 3024

Answerphone: 028 9263 3011

Comments: bulletin@lmcni.com