LMC BULLETIN
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LOCAL BEEF SALES DECLINE IN 2014

THE average spend per household on beef in NI during the 52 week ending 14 September 2014 was £162 compared to £167 in the corresponding period in 2013 according to the latest red meat consumer data from Kantar Worldpanel. This accounts for a three per cent decrease year on year.

During the 52 week period ending 14 September the average retail price of beef in NI recorded a seven per cent increase to £7.93/kg. In the corresponding period in 2013 the average price per kg was £7.41/kg and in the same period in 2012 the average retail price was £7.09/kg.

The higher price has meant the number of shoppers buying beef has recorded a slight decline. In the 2014 period 92.4 per cent of householders surveyed by Kantar purchased beef compared to 93 per cent in the corresponding period in 2013.

As a result, volume sales have fallen by almost 10 per cent in the 52 weeks ending 14 September compared to the previous 52 week period. The combined impact of the higher price and reduced volume sales has been a decline of 3.3 per cent in the value of beef sales in the year ending 14 September 2014.

Similar trends in beef sales can be observed if we look at the 12 week period ending 14 September 2014 with the total value of beef sales in NI back 4.2 per cent on year earlier levels and volume sales back 7.7 per cent.

During the 12 week period ending 14 September 2014 beef sales have recorded a decline in its share of the total meat market. In terms of value beef sales were worth 40 per cent of all meat sales in the 2014 period compared to 44 per cent in the corresponding period in 2013. In terms of volume sales beef has also lost market share, declining from 37 per cent in the 2013 period to 34 per cent in the 2014 period.

Household penetration for beef in NI during the 12 week period ending 14 September 2014 was similar to year earlier levels at 81 per cent. With penetration remaining steady and volume sales recording a decline year on year it would indicate that those households buying beef are doing so in lower volumes.

The increase in the average retail price from £7.76/kg in the 12 week period ending 15 September 2013 to £8.05/kg in the 12 week period ending 14 September 2014 will have been a key factor in the decline in volume sales year on year. The average retail price in the 2014 period was four per cent higher than the corresponding period in 2013 and 9 per cent higher than the corresponding period in 2012.

GB Sales on the Increase

The latest available Kantar consumer data for GB is for the period ending 12 October 2014. During the 12 weeks prior to this date total expenditure on beef in the UK was up two per cent from year earlier levels to £461 million while volume sales were unchanged from year earlier levels at 59,414 tonnes.

The average retail price of beef in the UK in the 12 weeks ending 12 October 2014 was £7.76/kg, down slightly from the corresponding period in 2013 when it was £7.82/kg. Household penetration in the UK has shown a slight increase from year earlier levels to 70 per cent during the period in question which may be a consequence of the slight drop in the average retail price.

These figures indicate that while UK consumers are continuing to buy beef they are doing so in lower volumes. There have however been notable changes in the type of beef cuts being purchased by UK consumers with volume sales of the higher value cuts recording notable declines.

For example volume sales of first and second quality roasting joints were back by five per cent and eleven per cent respectively year on year. The biggest declines however were recorded in volume sales of stewing steak.

During the 12 week period ending 12 October volume sales of first quality stewing pieces were 20 per cent lower than year earlier levels while sales of second quality stewing pieces were back by four per cent. The prolonged summer and mild autumn this year in comparison last year will have impacted sales of these cuts in particular by affecting consumer buying behaviour.

By contrast sales of frying and grilling steaks recorded a seven per cent increase in volume sales year on year while volume sales of burgers and grills increased by 14 per cent over the same period. Also performing strongly in the UK retail market were volume sales of pies and pasties while sales of chilled and frozen ready meals recorded mark declines when compared to year earlier levels.

Figure 1: Percentage change in UK volume sales of beef by major cut during the 12 week period ending 12 October 2014 and the corresponding period in 2013.

	12 weeks ending 12 October 2014
Fresh & frozen beef	-0.4
- 1st quality roasting	-5.5
- 2nd quality roasting	-11.3
- 1st quality stewing	-20.2
- 2nd quality stewing	-3.5
- Frying/grilling steak	+6.8
- Mince	+1.2
- Marinade	-8.3
Burgers and grills	+14.4
Chilled ready meals	-6.0
Frozen ready meals	-8.4
Fresh pre-packed hot pies	+2.2
Fresh pre-packed pasties	+13.0
Frozen pies/puddings	+14.3

BENEFITS OF FQAS FOR SHEEP PRODUCERS

WITH strong supplies of lambs being presented for slaughter this autumn, processors are keen to source FQAS approved lambs. With this in mind, it is important to consider the positive implications of becoming FQAS approved for sheep.

There is currently no additional cost for being approved for sheep with the annual renewal fee for FQAS membership the same whether a producer is approved for 'Beef', 'Sheep' or 'Beef & Sheep'. This fee is £66 including VAT. If a FQAS participant is only approved for beef and would like to gain approval for sheep, it is a relatively simple process. A spot check inspection can be organised in order to include sheep in the inspection scope or alternatively the surveillance inspection can be brought forward.

Sourcing FQAS approved lambs is important for NI lamb processors as it allows them service the high value retail and food service markets in the UK. For many of these customers FQ status on lamb is a key requirement of their specification. FQAS provides additional assurances on animal welfare, food safety, traceability and care for the environment, all of which retailers place in high regard.

Achieving FQAS approved status allows sheep producers to keep their options open when marketing their lambs. Producers slaughtering lambs in local plants will receive a financial bonus when lambs are FQAS approved at slaughter.

In addition producers with FQAS lambs will find it easier to secure sales than those producers presenting non-FQAS lambs. This will help reduce costs to the producer by not having to hold finished lambs for a longer period of time. At present Farm Quality Assured status is not a requirement when lambs are exported from NI for direct slaughter in ROI plants.

Export of lambs for direct slaughter to ROI is highly dependent on the euro/sterling exchange rate and the demand from ROI processors. The recent weakening of the euro has meant an increased proportion of NI lambs have been slaughtered domestically. FQAS approval has therefore taken on a greater importance, when there are greater numbers of lambs being slaughtered here in NI.

It is important to also consider that when lambs are being presented for sale in local marts FQAS approved status is increasingly important with factory agents looking to purchase finished lambs that have FQ status. In addition finishers buying lambs for a short keep will favour lambs with FQAS approved status or a large proportion of the required 60-day residency completed.

Additional benefits of FQAS membership is that scheme membership is recognised by the Food Safety Authority (FSA) and DARD Service Delivery Group as having a lower risk and therefore have a reduced likelihood of selection for cross compliance inspection in this area when compared to non-FQAS members.

Should you wish to apply for FQAS, increase your scope to cover sheep, or require any FQAS documentation, please call the FQAS Helpline on 028 9263 3024.

REMINDER:

RED FQAS LAMB FORMS

FQAS verification forms are required by meat processors when sheep or lambs are being presented for slaughter. These red forms are needed to verify that lambs have completed 60 days on a Farm Quality Assured farm/farms prior to slaughter.

FQAS approved lamb producers may incur price penalties from their processor if lambs are not accompanied by these forms as this is an essential FQAS check.

Farm Quality Assurance Scheme participants who are approved for sheep can request lamb verification forms by calling the FQAS Helpline on: 028 9263 3024.

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

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Tel: 028 9263 3000

WEEKLY BEEF & LAMB MARKETS

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 05/11/14	Next Week 10/11/14
Prime		
U-3	348-350p	344-350p
R-3	342-344p	338-344p
O+3	336-338p	332-338p
	Including bonus where applicable	
Cows		
O+3 & better	230-250p	230-250p
Steakers	140-170p	140-170p
Blues	120-130p	120-130p

REPORTED NI CATTLE PRICES - P/KG

W/E 01/11/14	Steers	Heifers	Young Bulls
U3	351.5	357.0	346.9
R3	348.1	350.2	338.9
O+3	338.9	341.6	329.0

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 01/11/14	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	132.2	143.2	152.1	166.0
P2	155.3	185.7	203.7	221.3
P3	188.1	198.6	220.0	232.8
O3	-	217.6	234.3	249.7
O4	-	248.0	237.6	254.0
R3	-	-	-	266.9

COMMODITY PRICE

W/E 25/10/14	Price (£) per tonne / 1000litre	% weekly change
Barley	135.00	+1.1
Wheat	141.00	+2.6
Straw	12.14	--

Deadweight Cattle Trade

QUOTES from the processors for U-3 grade steers and heifers this week remained similar to previous weeks at 348-350p/kg. Some plants have quoted 344-346p/kg for early next week while others have remained at 348-350p/kg. Producers are encouraged to shop around to get the best possible deal. Quotes for good quality O+3 grade cows ranged from 230-250p/kg across the plants this week.

Prime cattle throughput in NI last week totalled 6,940 head taking throughput for the month of October to 33,769 head. This is 1,741 head lower than the corresponding period in 2013 when 35,510 head were slaughtered and accounts for a five per cent reduction in throughput year on year. However an increase in the average prime cattle carcase weight from 325kg in October 2013 to 333kg in October 2014 has helped to offset some of this decline in prime cattle throughput with the carcase volume processed down 2.8 per cent year on year. Cow throughput in the NI plants last week was the highest for the year to date at 2,157 head. This brings total cow throughput for October to 9,323 head, 16 per cent lower than October 2013 when throughput totalled 11,104 head. Average cow carcase weights have also increased from 297kg in October 2013 to 302kg in October 2014. Imports of prime cattle from ROI for direct slaughter declined for the third consecutive week last week with 519 head imported. This takes total imports of prime cattle for October to 3,611 head, very similar to the corresponding period in 2013 when 3,624 head were imported. Meanwhile exports from NI to ROI for direct slaughter during October consisted of 1,181 cows and 16 prime cattle with a further 1,219 prime cattle and 325 cows exported to GB for direct slaughter during the same period.

In NI last week the average steer price was up 2.5p/kg to 339p/kg while the R3 steer price was within a penny of the previous week at 349.2p/kg. Meanwhile in GB the average steer price was unchanged at 349.9p/kg while the R3 steer price increased by 2.2p/kg to 357.3p/kg. R3 steer prices recorded an increase in all the GB regions last week with the strongest increase in Northern England where the R3 steer price increased by 3p/kg to 353.4p/kg. The differential in R3 steer prices between NI and GB was 8p/kg last week however there is some variance shown across the GB regions. R3 steer prices in Southern England and the Midlands were around 3.5p/kg lower than the NI price while prices in Northern England and Scotland were 4.2p/kg and 28.6p/kg higher respectively. The average heifer price in NI last week was unchanged at 344.1p/kg while the R3 heifer price increased by 1.6p/kg to 350.9p/kg. Meanwhile in GB the average heifer price was within a penny of the previous week at 353.6p/kg while the R3 heifer price was back by 1.6p/kg to 356.5p/kg. This put the differential in R3 heifer prices between NI and GB at 5.6p/kg.

The deadweight cattle trade in ROI last week recorded an improvement in euro terms but a decline in the strength of the euro against sterling has meant prices have remained steady in sterling terms. The R3 steer price in ROI last week was the equivalent of 282.8p/kg, 66.4p/kg lower than the NI price. The R3 heifer price in ROI last week was the equivalent of 289.9p/kg, 61p/kg lower than the NI price.

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

W/E 01/11/2014		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	352.2	291.7	382.6	362.0	355.1	355.2	365.1
	R3	349.2	282.8	377.8	353.4	345.7	345.4	357.3
	R4	345.3	282.2	379.2	363.6	346.5	344.3	362.2
	O3	334.4	266.0	364.2	332.4	322.9	319.8	336.7
	AVG	339.0	-	374.1	350.9	335.3	328.8	349.9
Heifers	U3	357.6	302.3	385.8	366.2	361.9	361.6	370.5
	R3	350.9	289.9	375.5	352.3	348.3	342.5	356.5
	R4	346.7	289.5	376.8	358.8	348.5	342.4	359.5
	O3	337.5	275.0	357.7	336.4	327.2	321.3	338.8
	AVG	344.1	-	374.4	351.9	343.5	332.7	353.6
Young Bulls	U3	346.2	291.4	376.5	338.9	348.8	338.8	347.4
	R3	338.8	282.1	359.4	324.8	330.6	329.5	332.3
	O3	320.3	260.8	332.6	300.6	307.5	306.5	308.1
	AVG	325.0	-	350.0	314.1	318.4	307.3	319.1
Prime Cattle Price Reported		5711	-	6193	5650	5300	3752	20895
Cows	O3	247.5	243.0	243.4	229.6	235.0	219.4	231.4
	O4	253.2	244.7	245.1	231.0	233.9	219.5	232.0
	P2	209.4	214.7	171.4	176.2	192.1	168.7	173.3
	P3	228.3	235.4	203.3	198.4	202.9	193.7	198.7
	AVG	219.5	-	230.1	205.1	212.2	183.7	206.5

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=78.75p 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 01/11/14	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	187	207	194	155	186	175
Friesians	151	160	155	122	141	132
Heifers	180	200	190	150	179	165
Beef Cows	130	198	156	105	129	120
Dairy Cows	100	128	106	70	99	85
Store Cattle (p/kg)						
Bullocks up to 400kg	210	230	218	170	208	190
Bullocks 400kg - 500kg	201	233	216	150	200	175
Bullocks over 500kg	196	213	205	150	195	175
Heifers up to 450kg	200	220	210	160	198	180
Heifers over 450kg	185	206	195	150	182	165
Dropped Calves (£/head)						
Continental Bulls	340	405	350	200	338	270
Continental Heifers	240	325	285	140	238	190
Friesian Bulls	75	135	100	20	72	45
Holstein Bulls	50	125	70	2	48	25

of 285.9p/kg, 61p/kg lower than the NI price.

SHEEP TRADE

LAMB QUOTES

(P/Kg DW)	This Week 05/11/14	Next Week 10/11/14
Lambs	355-360p/kg>22kg	355-360p/kg>22kg

REPORTED LAMB PRICES - P/KG

(P/KG DW)	W/E 18/10/14	W/E 25/10/14	W/E 01/11/14
NI Liveweight	323.3	336.4	333.9
NI Deadweight	341.0	358.5	358.3
ROI Deadweight	338.4	348.6	355.8
GB Deadweight	353.0	354.9	360.6

Deadweight Sheep Trade

QUOTES from the plants for R3 grade lambs remained steady this week at 355-360p/kg with plants paying up to 22kg. Good supplies of lambs continue to come forward for slaughter with 10,886 lambs killed last week. This is an increase 1,244 lambs from the previous week when 9,642 lambs were slaughtered. The lambs being slaughtered are generally of good quality with 54 per cent of price reported lambs last week achieving an R3 grade and a further 24 per cent a U3 grade. In the same week last year 39 per cent of lambs achieved an R3 grade and 30 per cent a U3 grade. The deadweight lamb price in NI last week was steady at 358.3p/kg while prices in ROI increased by the equivalent of 7.2p/kg to 355.8p/kg.

This Week's Marts

GOOD numbers passed through the sale rings in many of the marts this week with a steady trade for good quality lambs. In Massereene on Monday 1,147 lambs sold from 325-361p/kg compared to 1,126 lambs last week selling from 325-367p/kg. In Rathfriland on Tuesday 1,365 lambs sold to an average of 334p/kg compared to 1,469 lambs last week selling to an average of 337p/kg. In Saintfield this week 986 lambs sold from 322-397p/kg compared to 985 lambs last week selling from 308-376p/kg. A similar trade to the previous week in Ballymena saw 1,864 lambs sell to an average of 317p/kg. A steady trade for good quality cull ewes was reported across the marts with top prices generally in the range of £80-90.

LATEST SHEEP MARTS

From: 01/11/14		Lambs (P/KG LW)			
To: 07/11/14		No	From	To	Avg
Saturday	Swatragh	1126	312	413	-
	Omagh	1738	329	368	-
Monday	Massereene	1147	325	361	-
	Kilrea	420	316	341	-
Tuesday	Saintfield	986	322	397	-
	Rathfriland	1365	315	410	334
Wednesday	Ballymena	1864	300	365	317
	Enniskillen	848	320	354	-

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