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UK BEEF IMPORTS INCREASE IN 2014

BEEF imports into the UK during the period January to September 2014 totalled 181,139 tonnes compared to 172,420 tonnes in the corresponding period in 2013. This accounts for a five per cent increase year on year.

While total beef imports have increased year on year the proportion imported from non EU countries has declined. Overall imports of beef from non EU countries accounted for 11 per cent of total imports in the 2014 period compared to 14 per cent in the corresponding period in 2013.

In the 2014 period 19,271 tonnes of beef were imported from non EU countries, a 16 per cent reduction on the corresponding period in 2013 when 23,517 tonnes were imported. There have been notable declines in beef imports to the UK from Uruguay, Brazil, Namibia, Argentina and Botswana year on year. However the volume imported from Australia and New Zealand has increased over the same period.

Imports from Australia increased to 5,443 tonnes in the 2014 period and accounted for 28 per cent of all non EU imports. In the corresponding period in 2013 imports from Australia totalled 5,220 tonnes and accounted for 22 per cent of non EU imports.

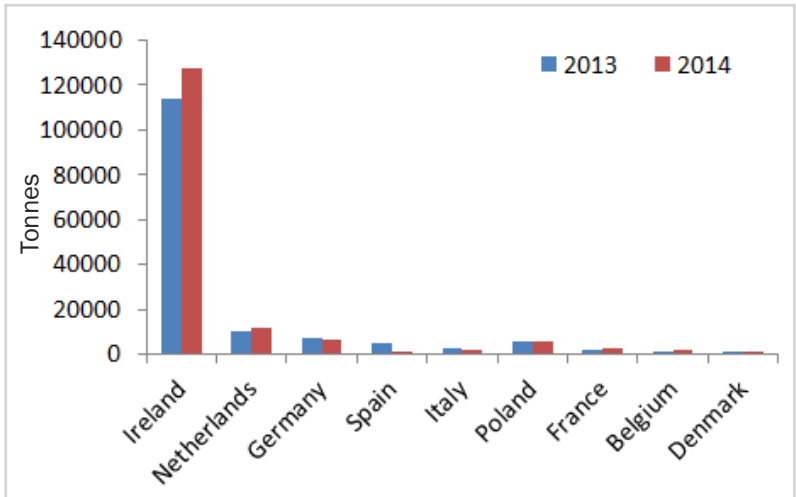
Meanwhile imports from New Zealand increased to 3,308 tonnes in 2014 compared to 2,674 tonnes in the 2013 period. Imports from New Zealand accounted for 16.7 per cent of non EU imports in the 2014 period compared to 11.4 per cent in the 2013 period.

While UK imports of beef from non-EU countries recorded a decrease between the 2013 and 2014 periods the volume imported from other EU countries recorded an eight per cent increase to 161,418 tonnes. This accounted for 89 per cent of total beef imports in the 2014 period compared to 86 per cent in the 2013 period.

Ireland continues to be the biggest exporter of beef into the UK market with 127,786 tonnes imported in the first nine months of 2014 as indicated in Figure 1. This was an increase of 12 per cent on the corresponding period in 2013 and accounted for 79 per cent of imports from EU countries. The second largest importer of beef from the EU to the UK is the Netherlands with 11,950 tonnes imported in the 2014 period and accounted for seven per cent of imports from EU countries.

Imports from other EU countries account for a small proportion of total beef imports from the EU although there has been some variation year on year at individual country level. Beef imports from France, Belgium and Denmark have all recorded increases during the 2014 period when compared to year earlier levels while imports from Spain, Italy and Poland have recorded declines year on year. Imports from Poland accounted for only three per cent of total beef imports from EU countries.

Figure 1: UK beef imports from EU Countries for the period Jan to Sept 2013/14



US AND AUSTRALIAN BEEF EXPORTS FORECAST TO DECLINE IN 2015

THE latest report from the United States Department of Agricultures (USDA) has predicted global exports of beef and veal to grow by two per cent in 2015 to 9.9 million tonnes. This increase in exports coincides with robust global demand for beef with Asian countries, particularly China and Hong Kong, driving increases in demand.

The global increase in beef exports is expected to be driven by increased exports of beef from Brazil and India due to increases in production. Increases in export availability from these regions are expected to offset declines in the volume of beef available for export in the US and Australia due to tight supplies.

The USDA report forecasts total production in the US to be two per cent lower in 2015 than 2014 levels at 10.9 million tonnes. Reduced cattle throughput is the main driver behind this decline in beef throughput, although an increase in average carcase weights is expected to offset some of the decline in throughput. US beef exports are forecast to record a three per cent decline in 2015 to 1.1 million tonnes as a result.

Beef production in Australia is expected to reach 2.5 million tonnes by the end of 2014 as problems with prolonged periods of drought has forced producers to liquidise their herds. This has increased cattle throughput in 2014 and with increased supplies the availability of beef for export in 2014 is expected to be 11 per cent higher than year earlier levels at 1.8 million tonnes.

However with supplies tightening in 2015 Australian beef production is expected to be seven per cent lower than 2014 levels. Robust demand from key importing countries is expected to increase the Australian beef price and alter the distribution of shipments between markets. The majority of Australian beef exports are frozen, boneless beef.

Traditionally Japan, the US and Korea accounted for the majority of Australian frozen beef exports and combined they accounted for 65 per cent of exports in 2011. In 2013 however this declined to 56 per cent while over the same period exports of frozen beef to China increased from two per cent to 16 per cent.

Australian frozen boneless beef exports are made up of 50 per cent manufacturing beef and 40 per cent primal cuts with different markets demanding different cuts. Japan and the US compete for the manufacturing type beef exported from Australia while Asian markets (China, South Korea, Japan) compete for the higher quality cuts. With tighter supplies in 2015 the volume of exports to all of these key markets, with the exception of China, are expected to decline.

The greatest declines in export volumes are expected for Japan and Korea as they compete with China for high value primal cuts. With Chinese beef imports forecast to increase in 2015 it is expected that they will outcompete other Asian markets for product. Meanwhile shipments of manufacturing beef from Australia to both the US and Japan are likely to decline according to the USDA report.

While the primary markets for NI beef at present is the UK retail and food service sectors it is important that the industry continues to work towards maximising carcase value by gaining access to global markets. China and other rapidly developing Asian countries are driving the increased global demand for beef and while the UK does not yet have direct access to all of these markets the industry could still benefit indirectly in markets closer to home as global beef supplies are redirected to these expanding markets.

NI SHEEP SLAUGHTERINGS UPDATE

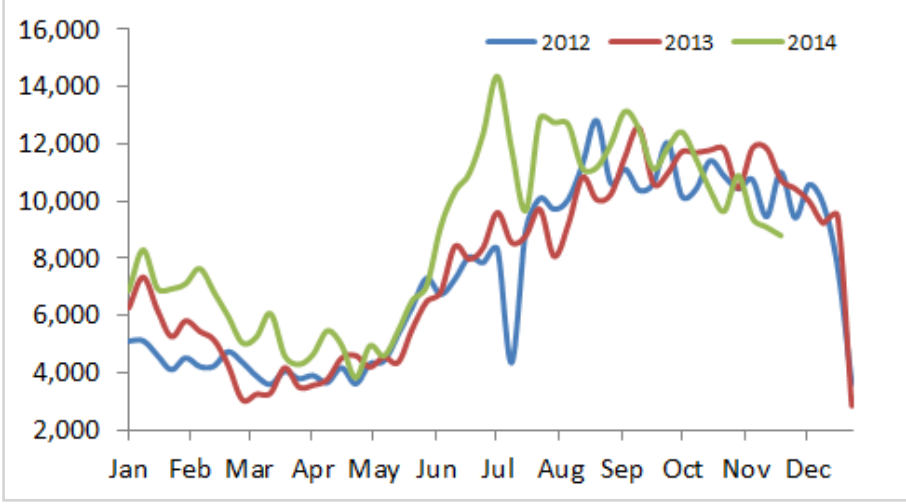
IN recent weeks the number of lambs coming forward for slaughter in NI plants has tightened. Reports of fewer slaughter ready lambs on the ground and increased competition from ROI buyers has increased competition for lambs in NI. With reports of steady demand for lamb from the retail and export markets there has been an improvement in both the deadweight and liveweight trades.

As indicated in Figure 2 lamb throughput in the NI plants in recent weeks has been below the level of throughput recorded in the corresponding weeks in 2012 and 2013. The lamb kill in NI last week totalled 8,792 head and is the third consecutive week in which the lamb kill has recorded a decline. In the corresponding week in 2013 the lamb kill was 10,746 head. This decline by 1,954 head represents an 18 per cent reduction year on year.

Improved production conditions on NI farms during 2014 when compared to earlier years helped to boost lamb performance and brought them ready for slaughter earlier than previous years. This improved performance combined with lower levels of export to ROI for direct slaughter resulted in high levels of throughput in the NI plants during summer 2014.

In recent weeks the number of NI origin sheep exported to ROI for direct slaughter has increased with 8,821 sheep making the journey south last week. The level of export remains behind the 10,143 exported in the corresponding week last year.

Figure 2: NI lamb slaughterings January 2012-November 2014



WEEKLY BEEF & LAMB MARKETS

LMC

CATTLE TRADE

NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 26/11/14	Next Week 01/12/14
Prime		
U-3	342-350p	342-350p
R-3	336-344p	336-344p
O+3	332-338p0	330-338p
P+3	284-300p	284-300p
	Including bonus where applicable	
Cows		
O+3 & better	230-246p	230-246p
Steakers	140-170p	140-170p
Blues	120-130p	120-130p

REPORTED NI CATTLE PRICES - P/KG

W/E 22/11/14	Steers	Heifers	Young Bulls
U3	350.8	355.0	331.3
R3	348.1	349.5	338.8
O+3	339.4	341.4	333.0

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

w/e 22/11/14	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	129.2	139.5	148.1	158.5
P2	153.2	175.5	190.4	208.8
P3	156.7	197.7	214.3	220.3
O3	194.0	203.8	226.4	240.1
O4	-	-	245.4	243.9
R3	-	-	-	259.2

COMMODITY PRICE

W/E 22/11/14	Price (£) per tonne / 1000litre	% weekly change
Barley	142.50	+1.1
Wheat	147.50	+2.8
Straw	12.14	–

Deadweight Cattle Trade

QUOTES from the NI processors for U-3 grade steers and heifers remained fairly steady and ranged from 342-350p/kg this week. With such a variation in base quotes for prime cattle producers are advised to shop around. Quotes for O+3 grade cows this week were similar to previous weeks at 230-246p/kg this week.

Prime cattle throughput in NI plants last week recorded an increase to 7,146 head bringing throughput for the last six weeks to 41,480 head. This is 1.6 per cent higher that the corresponding period in 2013 when 40,828 prime cattle were slaughtered in NI plants. The number of cows slaughtered last week was similar to previous weeks with 2,141 cows killed in NI plants. Cow throughput in NI plants during the last six weeks totalled 12,268 head compared to 13,740 head in the corresponding period in 2013 accounting for an 11 per cent decline year on year.

Imports of prime cattle from ROI for direct slaughter in NI plants last week totalled 558 head and accounted for eight per cent of the NI prime cattle kill. Meanwhile a total of 46 prime cattle were exported from NI for direct slaughter in ROI plants with 463 cows also making the journey south. This was the highest weekly export of cows to ROI for direct slaughter for the year to date. Exports of cattle from NI to GB for direct slaughter last week consisted of 202 prime cattle and 66 cows. In the corresponding week last year exports to GB for direct slaughter consisted of 112 prime cattle and 69 cows.

The average steer price in NI last week was 338.3p/kg, down 1.2p/kg from the previous week while the R3 steer price was back by a similar margin to 349.6p/kg. In GB last week the trade was relatively steady with the R3 steer price up in the region of a penny to 360.9p/kg. The R3 steer price remained similar to the previous week in all of the GB regions with the exception of Southern England where it increased by 2.8p/kg to 348.9p/kg. R3 steer prices in NI were just above the Southern England price last week and were just behind the equivalent price in the Midlands.

The average heifer price in NI last week was up marginally to 344.2p/kg while the GB average heifer price also recorded a slight increase to 356.1p/kg. The heifer trade was fairly steady last week with R3 heifer prices in NI and most of the GB regions within 1p/kg of the previous week. The one exception to this was Southern England where the R3 heifer price was back by 2p/kg to 345.1p/kg.

In ROI last week there was a strong improvement in the trade with prices recording an improvement for all types of cattle. The R3 steer price increased by the equivalent of 7.2p/kg to 296.9p/kg while the R3 heifer prices increased by a similar margin to the equivalent of 304.4p/kg. Cull cow prices in ROI also generally improved last week with the O3 cow price increasing by 3.2p/kg to 247.1p/kg. This is 8.9p/kg higher than the equivalent price in NI and 19.4p/kg higher than the equivalent price in GB.

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

W/E 22/11/2014		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	351.5	306.5	386.2	364.8	359.4	360.1	369.1
	R3	349.6	296.9	379.3	356.5	352.0	348.9	360.9
	R4	349.4	295.6	382.1	369.0	353.0	346.1	367.0
	O3	335.2	281.0	362.1	342.1	325.1	317.5	338.3
	AVG	338.3	-	378.8	357.7	339.5	331.9	355.0
Heifers	U3	355.1	316.0	386.6	367.1	364.8	361.1	371.9
	R3	349.8	304.4	379.2	355.1	351.6	345.1	360.4
	R4	347.7	303.7	380.2	359.8	350.9	343.1	361.7
	O3	338.5	290.4	354.4	338.6	330.4	318.9	338.1
	AVG	344.2	-	377.7	355.8	343.1	332.4	356.1
Young Bulls	U3	332.3	299.6	383.8	338.1	353.5	355.9	354.4
	R3	339.0	291.7	363.7	328.6	340.2	324.2	337.6
	O3	316.9	270.3	318.0	299.6	311.2	310.6	308.6
	AVG	319.4	-	338.7	312.8	319.8	315.7	319.3
Prime Cattle Price Reported		5809	-	6252	5531	5200	3854	20837
Cows	O3	238.2	247.1	233.0	230.2	236.3	215.8	227.7
	O4	244.0	248.9	239.1	230.6	243.2	217.6	231.0
	P2	196.7	214.3	162.5	181.5	199.3	163.5	170.9
	P3	217.1	237.8	190.4	205.2	227.5	186.6	196.9
	AVG	209.3	-	220.4	206.3	219.9	182.1	204.8

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=79.78p 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 22/11/14	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	190	200	194	150	189	170
Friesians	144	154	149	124	140	134
Heifers	190	208	195	133	189	165
Beef Cows	131	188	160	105	130	118
Dairy Cows	103	133	110	65	102	83
Store Cattle (p/kg)						
Bullocks up to 400kg	200	221	212	166	196	180
Bullocks 400kg - 500kg	195	212	200	160	194	177
Bullocks over 500kg	190	209	196	160	189	175
Heifers up to 450kg	190	208	196	155	189	172
Heifers over 450kg	188	197	193	150	187	170
Dropped Calves (£/head)						
Continental Bulls	260	360	310	160	258	210
Continental Heifers	200	325	265	80	198	145
Friesian Bulls	85	125	100	20	82	50
Holstein Bulls	50	85	65	1	48	25

SHEEP TRADE

LAMB QUOTES

(P/Kg DW)	This Week 26/11/14	Next Week 01/12/14
Lambs	370-380>22kg	380>22kg

REPORTED LAMB PRICES - P/KG

(P/KG DW)	W/E 08/11/14	W/E 15/10/14	W/E 22/11/14
NI Liveweight	336.6	335.2	345.2
NI Deadweight	356.3	358.0	367.2
ROI Deadweight	354.7	361.4	370.6
GB Deadweight	368.2	385.6	396.1

Deadweight Sheep Trade

QUOTES from the plants this week ranged from 370-380p/kg for R3 grade lambs with reports of tighter supplies of lambs available for slaughter. Throughput in the NI plants last week totalled 8,792 head, back 293 head from the previous week. Exports of sheep to ROI for direct slaughter last week totalled 8,821 head, an increase of 1000 head from the previous week. An increase in the value of the euro against sterling last week combined with firm demand from southern plants will have been key drivers behind this trend. Deadweight prices in NI last week were up 9.2p/kg to 367.2p/kg while prices in GB increased by 10.5p/kg to 396.1p/kg.

This Week's Marts

A firm trade was reported across the marts this week with good demand for good quality lambs. In Massereene on Monday 902 lambs sold from 340-376p/kg compared to 986 lambs last week selling from 335-367p/kg. In Rathfriland this week a firmer trade saw 990 lambs sold to an average of 352p/kg compared to 1,000 lambs last week selling to an average of 343p/kg. A good trade in Enniskillen this week saw 689 lambs sell from 342-368 compared to 587 lambs last week selling from 336-364p/kg. There was a good trade across the marts this week for the small numbers of cull ewes on offer. Top prices generally ranged from £85-100 with a top reported price of £112 in Armoy on Wednesday.

LATEST SHEEP MARTS

From: 22/11/14		Lambs (P/KG LW)			
To: 28/11/14		No	From	To	Avg
Saturday	Donemana	770	337	378	-
	Swatragh	645	327	400	-
	Omagh	1187	339	379	-
Monday	Massereene	902	340	376	-
	Kilrea	400	330	358	-
Tuesday	Saintfield	942	320	426	-
	Rathfriland	990	333	425	352
Wednesday	Ballymena	1652	325	378	344
	Enniskillen	689	342	368	-
	Markethill	1180	320	365	347
	Armoy	987	340	400	350

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