

## INCREASED VALUE OF UK BEEF SALES

### BUT REDUCED LEVELS OF EXPORTS RECORDED

**E**XPENDITURE on beef in the UK during the four weeks ending 15 September 2013 totalled £153 million, a nine per cent increase on the corresponding period in 2012. This increase in expenditure has primarily been driven by a seven per cent growth in the average retail price to £7.50. There has also been a one per cent increase in the volume of GB beef sales to 20,405 tonnes according to the latest Kantar consumer data.

Volume sales of beef roasting joints increased by 5.2 per cent during the four week period ending the 15 September 2013 on the same period in 2012 as outlined in Figure 1. Sales of beef frying and grilling steaks increased by 4 per cent with beef stewing steak sales up by 3.1 per cent over the same period. Meanwhile sales of beef mince were fairly similar to the previous year (+0.6 per cent)

This robust demand for beef, particularly UK produced quality assured beef; on the GB market combined with tighter domestic supplies have been a key factor in the increasing beef retail prices and thus the increase in the value of domestic sales.

Steady growth in domestic demand combined with reduced beef supplies and higher prices domestically has however reduced the availability of beef to service export markets. The latest export figures from HMRC put UK beef and veal exports during August 2013 at 7,065 tonnes compared to 9,520 tonnes exported during August 2012.

This decline by 2,455 tonnes represents a contraction in exports by 25.8 per cent between the two periods.

The largest majority of UK beef exports are destined for EU markets with 6,852 tonnes exported to EU countries in August 2013 (97 per cent of total exports) compared to 9,117 in August 2012 (95.8 per cent). Meanwhile exports to non EU countries declined from 403 tonnes in August 2012 to 214 tonnes in August 2013, accounting for a 47 per cent decline year on year. Figure 2 displays UK beef exports by destination during August 2012 and August 2013.

The key export markets for beef and veal from the UK continue to be the Netherlands and ROI but exports to these two countries were back by 16 per cent and 23 per cent respectively comparing August 2012 and August 2013.

Exports to the Netherlands during August 2013 totalled 2,384 tonnes, accounting for 35 per cent of all UK beef exports to the EU. This compares to 2,821 tonnes exported to the Netherlands during August 2012 which accounted for 31 per cent of exports to the EU.

Meanwhile exports of beef and veal to ROI during August 2013 totalled 2,351 tonnes and accounted for 34 per cent of total exports to EU countries. This compares to exports of 3,045 tonnes during August 2012, 33 per cent of total EU exports.

It is however worth noting that these HMRC figures are inclusive of NI where some processors are Bord-Bia assured and slaughter ROI origin cattle before returning the beef to ROI for further processing and marketing. During August 2013 a total of 2,994 cattle were imported from ROI for direct slaughter in NI plants, a reduction of 1,269 on the previous August. This is a reduction of 29 per cent in imports for direct slaughter when comparing the two periods and coincides with the reduction in beef exports to ROI discussed above.

Another potential reason for the decline recorded in export levels of beef and veal during August 2013 to both EU and non-EU countries could be the legacy of the horsemeat crisis.

In addition the UK continues to have strong beef prices in comparison to our counterparts in mainland Europe and this may be a contributory factor in the reduced levels of export recorded during August 2013. The average R3 steer price in GB during August 2013 was 389.1p/kg, an increase of 11.5 per cent on the 348.9p/kg paid for R3 steers in August 2012. By way of comparison the average R3 steer/young bull price in the EU last week was 329.5p/kg.

The strengthening of sterling against euro has also reduced the competitiveness of UK beef on export markets. During August 2012 the average exchange rate was £1 = 78.8p and in August 2013 it was worth 85.9p/kg.

Figure 1: Change to volume of beef sales by major cut Sept 2012/13

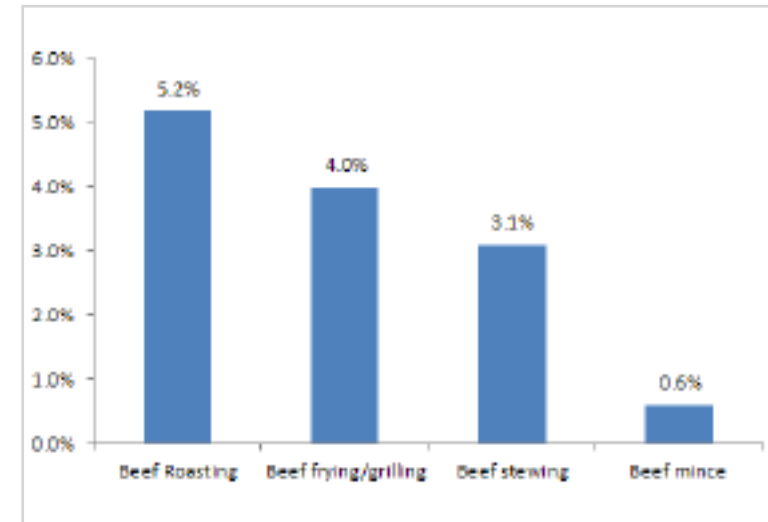
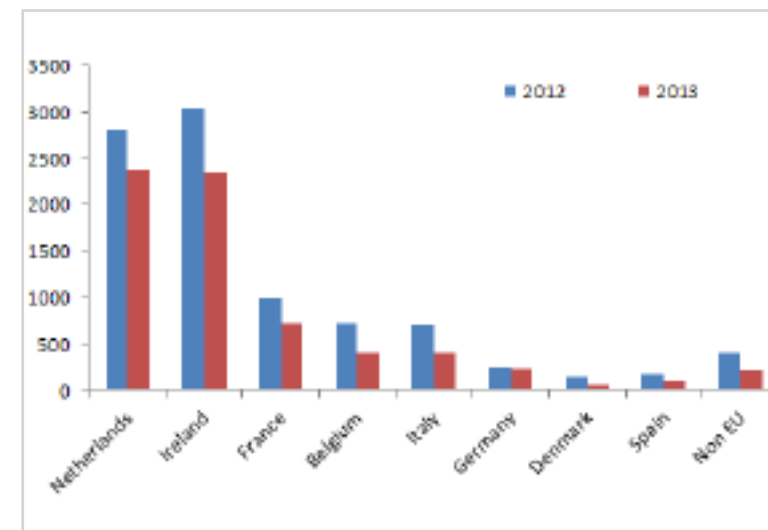


Figure 2: Major export destinations for UK beef August 2012/2013



# INCREASED PROPORTION OF NI LAMBS KILLED LOCALLY

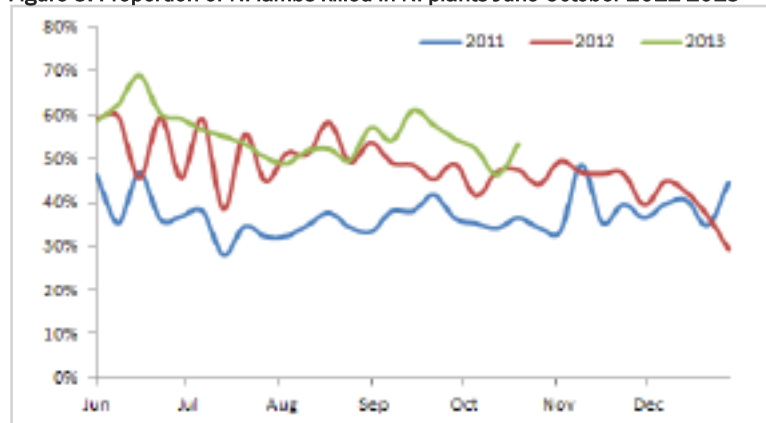
THROUGHPUT of lambs in the NI plants for the period June-October 2013 has totalled 215,662 head compared to 210,366 head killed in the same period last year. This accounts for a 2.5 per cent increase in throughput.

Meanwhile exports of lambs for direct slaughter in ROI plants during the same period has totalled 182,002 head, a reduction of 34,024 head on the corresponding period in 2012 when 216,026 head were exported. This reduction represents a 16 per cent decline year on year and has

occurred due to greater supplies of lambs from ROI producers during the 2013 period. The level of export of lambs to ROI for direct slaughter is also dependent upon the level of demand from the NI plants and the euro sterling exchange rate so it can show some volatility from week to week.

for direct slaughter an increased proportion of NI lambs have been killed locally. For the period June to October 54 per cent of lambs were killed locally compared to 49 per cent of lambs during the corresponding period in 2012 and 36 per cent in the 2011 period.

Figure 3: Proportion of NI lambs killed in NI plants June-October 2011-2013



A total of 134 lambs have also been exported to GB for direct slaughter during the period June to October 2013 compared to 2,566 exported in the corresponding period in 2012. The greater number of lambs exported to GB for direct slaughter during the 2012 period was in response to tighter lamb availability in GB and a wider price differential in deadweight prices between NI and GB.

With the reduction in the number of lambs being exported to ROI and GB

Figure 3 displays the proportion of NI lambs killed in NI plants during the period June-October 2011-2013.

The proportion of lambs killed in NI plants during the 2013 period has generally been higher than the levels recorded during the 2012 period and markedly above the levels recorded in 2011.

In several weeks during the period June to October 2013 the NI kill has accounted for more than 60 per cent of the lambs destined for slaughter those particular weeks.

## FQAS Liaison Officer Mart Clinics Timetable

Omagh	Wednesday	06/11/2013
Markethill	Tuesday	12/11/2013
Saintfield	Wednesday	13/11/2013
Kilrea	Wednesday	20/11/2013
Enniskillen	Thursday	21/11/2013
Ballymena	Friday	29/11/2013



### 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

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# WEEKLY BEEF & LAMB MARKETS



## CATTLE TRADE

### NI FACTORY QUOTES FOR CATTLE

(P/KG DW)	This Week 28/10/13	Next Week 04/11/13
<b>Prime</b>		
U-3	362-366p	360-364p
R-3	356-360p	354-358p
O+3	350-354p	348-352p
* Plus 8-14p/kg in spec bonus where applicable		
<b>Cows</b>		
O+3 & better	265-280p	245-270p
Steakers	250-260p	230-240p
Blues	180-185p	180-185p

### REPORTED NI CATTLE PRICES - P/KG

W/E 26/10/13	Steers	Heifers	Young Bulls
U-3=	379.4	382.3	357.9
U=3=	373.7	383.3	358.6
U=4=	-	384.4	-
R=3=	378.6	377.6	351.8
R=4=	372.0	376.2	336.0
O+3=	379.1	367.4	337.5
O=3=	358.0	364.0	339.0
Average	365.3	370.1	342.8

### REPORTED COW PRICES NI W/E 26/10/13

Grades	Price (p/kg)	Avg Wgt
O+3=	280.4	320.8
O-3+	254.5	295.2
P+2+	238.4	286.8
P+3+	253.6	296.5
P-1-	166.8	220.1

### COMMODITY PRICE

W/E 26/10/13	Price (£) per tonne / 1000litre	% weekly change
Barley	163.50	+1.3
Wheat	183.50	+0.6
Straw	17.08	-
Diesel	715-720	-

### Deadweight Cattle Trade

QUOTES from the plants this week for U-3 grade prime cattle were generally 364-366p/kg with one plant quoting 362p/kg. Quotes for Monday range from 360-364p/kg across the plants. Producers should consult with individual plants with regards to the bonus available for in spec steers and heifers as requirements and level of bonuses vary from plant to plant. The plants are reporting good supplies of all types of cattle to meet demand.

Throughput of prime cattle last week was similar to the previous week at 7,013 head and three per cent higher than the 6,784 prime cattle slaughtered in the same week in 2012. Imports of prime cattle from ROI for direct slaughter last week totalled 591 head and accounted for eight per cent of total prime cattle throughput. In the same week last year 862 prime cattle were imported from ROI for direct slaughter and accounted for 13 per cent of prime cattle throughput in NI plants. The cow kill in NI plants last week continued to show a seasonal increase with 2,504 cows slaughtered. This was a nine per cent increase on the previous week (+211 head) but 14 per cent lower than the 2,913 cows killed in the corresponding week last year.

The average steer price in NI last week was 365.3p/kg, down 1.4p/kg from the previous week while the R3 steer price increased by 2.4p/kg to 378.2p/kg. The average NI heifer price decreased by a penny to 370.1p/kg last week while the R3 heifer price increased by a penny to 378.9p/kg. The average cow price in NI last week was back 8.5p/kg to 242.8p/kg with the prices paid back for all reported grades. The O3 cow price showed the strongest decrease, back 12.1p/kg to 266.2p/kg.

Meanwhile in GB prices have come under pressure with average steer prices last week back by 3p/kg to 391.9p/kg with the R3 steer price back by 4.1p/kg to 394.2p/kg. Steer prices have shown declines in all the GB regions by 2-4p/kg. Meanwhile average heifer prices in GB were also back by 3p/kg to 390.1p/kg with the R3 heifer price back by 4.3p/kg to 393.3p/kg. Average heifer prices were back across all the GB regions with the prices in Scotland and Northern England back by 3.6p/kg to 409.9p/kg and 388.3p/kg respectively.

Prices in ROI have continued to improve with the average R3 steer prices up by 2.4p/kg to 333.6p/kg and R3 heifer prices up by 3.7p/kg to 344.6p/kg. The O3 cow price in ROI last week was the equivalent of 270.8p/kg, the highest in the British Isles.

### This week's marts

FIRST quality finished heifers sold from 204-224p/kg (avg 211p/kg) this week with second quality selling from 170-203p/kg (avg 186p/kg). Finished first quality steers sold from 210-230p/kg (avg 218p/kg) this week compared to 215-238p/kg (avg 222p/kg) last week. Good quality beef cows sold to an average of 175p/kg this week with second quality selling to an average of 135p/kg. Dairy origin cows sold from 70-155p/kg dependent on quality. A firm trade for forward store cattle saw 400-500kg first quality bullocks selling to an average of 230p/kg (+11p/kg) with first quality heifers over 450kg selling to an average price of 215p/kg (+7p/kg).

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

W/E 26/10/13	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB	
Steers	U3	377.5	342.7	417.8	399.5	396.5	396.9	403.5
	R3	378.2	333.6	410.3	390.8	387.7	383.6	394.2
	R4	374.0	333.4	417.0	400.8	389.9	387.0	400.8
	O3	362.5	316.5	394.0	377.9	371.3	366.3	378.7
	AVG	365.3	-	411.4	391.8	383.5	374.7	391.9
Heifers	U3	383.3	357.4	423.7	400.0	398.9	402.4	407.2
	R3	378.9	344.6	409.9	388.0	386.6	382.9	393.3
	R4	375.8	343.0	413.5	391.3	387.7	382.8	395.5
	O3	365.0	327.1	381.4	367.2	366.8	352.5	367.8
Young Bulls	AVG	370.1	-	409.9	388.3	384.3	369.9	390.1
	U3	358.5	336.2	409.0	374.9	387.2	388.3	387.2
	R3	354.0	329.8	397.6	360.9	374.5	371.0	372.5
	O3	337.8	308.8	366.7	342.5	356.7	346.9	350.1
AVG	342.8	-	379.4	346.2	368.2	359.3	360.5	
Prime Cattle Price Reported	5563	-	6250	5857	5383	3902	21392	
Cows	O3	266.2	270.8	258.5	251.0	251.3	236.6	248.4
	O4	271.4	273.1	260.9	254.3	257.0	243.2	252.4
	P2	226.6	236.2	206.5	205.5	198.3	189.0	199.4
	P3	246.5	261.3	223.9	227.2	212.0	213.6	221.0
	AVG	242.8	-	245.0	227.3	228.9	199.6	222.6

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=85.03p 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 26/10/13	1st QUALITY			2nd QUALITY		
	From	To	Average	From	To	Average
<b>Finished Cattle (p/kg)</b>						
Steers	210	230	218	180	209	195
Friesians	168	173	170	137	167	154
Heifers	204	224	211	170	203	186
Beef Cows	160	217	175	110	159	135
Dairy Cows	104	155	121	70	102	86
<b>Store Cattle (p/kg)</b>						
Bullocks up to 400kg	210	238	220	150	209	180
Bullocks 400kg - 500kg	215	250	230	160	212	190
Bullocks over 500kg	190	222	206	160	189	175
Heifers up to 450kg	200	220	210	150	198	175
Heifers over 450kg	200	230	215	140	198	170
<b>Dropped Calves (£/head)</b>						
Continental Bulls	280	400	330	150	275	210
Continental Heifers	200	320	255	120	198	160
Friesian Bulls	90	140	110	40	88	65
Holstein Bulls	40	90	65	1	38	20

# SHEEP TRADE

## LAMB QUOTES

(P/Kg DW)	This Week 28/10/13	Next Week 04/11/13
NI Factories	360p >22kg	360p >22kg
	370p>21.5kg	370p>21.5kg

## REPORTED LAMB PRICES - P/KG

(P/KG DW)	W/E 12/10/13	W/E 19/10/13	W/E 26/10/13
NI Liveweight	323.2p	324.0p	331.1p
NI Deadweight	353.8p	356.9p	361.1p
ROI Deadweight	352.9p	352.1p	355.2p
GB Deadweight	386.7p	395.5p	394.7p

## Deadweight Sheep Trade

**Q**UOTES from the plants have improved this week with 370p/kg available to 21.5kg in one plant and 360p/kg to 22kg available in the other plants. Continuing good supplies of lambs have been reported with 11,801 lambs slaughtered in NI plants last week. Exports to ROI for direct slaughter last week totalled 12,025 head. This is an increase of 1,631 head on the previous week when 10,394 lambs were exported accounting for a 16 per cent increase week on week. This increase in exports is in response to tighter lamb availability in ROI. The deadweight lamb price in ROI last week was up by 3.1p/kg to 355.2p/kg. Deadweight lamb prices in NI increased by 4.2p/kg last week to 361.1p/kg while prices in GB were within a penny of the previous week at 394.7p/kg.

## This week's marts

**A**VERAGE prices in the marts this week ranged from 320-341p/kg compared to 312-333p/kg last week. In Massereene on Monday 1,104 lambs sold from 320-352p/kg compared to 926 lambs last week selling from 325-367p/kg. In Rathfriland on Tuesday a similar trade to last week saw 1,480 lambs sell from 314-365p/kg (avg 335p/kg). A similar trade was also reported in Markethill on Wednesday with 1,450 lambs selling from 315-353p/kg (avg 325p/kg) compared to 1,230 lambs last week selling from 315-352p/kg (avg 326p/kg). Small numbers of cull ewes were reported across the marts this week with top prices generally ranging from £65-75.

## LATEST SHEEP MARTS

From: 26/10/13 To: 31/10/13		Lambs (P/KG LW)			
		No.	From	To	Avg
Saturday	Omagh	1261	339	390	-
	Donemana	970	321	356	341
Monday	Hilltown	1400	321	368	335
	Massereene	1104	320	352	-
Tuesday	Kilrea	520	315	333	324
	Saintfield	1094	325	380	-
Wednesday	Rathfriland	1480	314	365	335
	Ballymena	2051	300	348	320
	Enniskillen	674	328	345	-
	Markethill	1450	315	353	325
	Armooy	346	325	346	333

Contact us:

Website: [www.lmcni.com](http://www.lmcni.com)

Telephone: 028 9263 3000

Fax: 028 9263 3001

FQAS Helpline: 028 9263 3024

Answerphone: 028 9263 3011

Comments: [bulletin@lmcni.com](mailto:bulletin@lmcni.com)

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