LMC
Livestock & Meat Commission

WEEKLY PUBLICATION OF THE LIVESTOCK AND MEAT COMMISSION FOR NORTHERN IRELAND

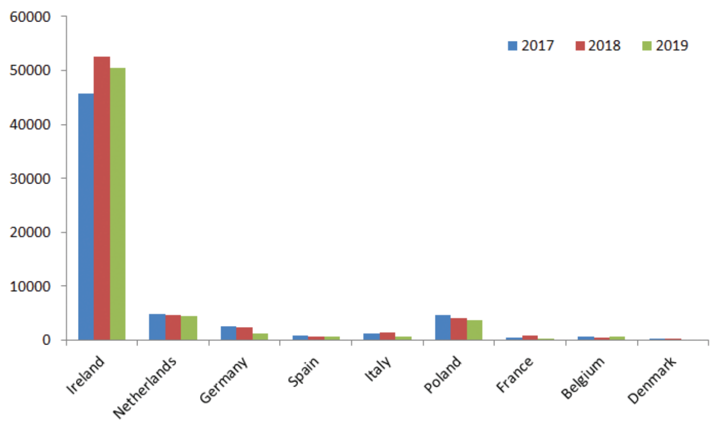
Saturday 25 May 2019 Issue No. 2571

UK REMAINS A NET IMPORTER OF BEEF

UK beef imports declined by 11 per cent to total 63,994 tonnes during the first three months of 2019 according to the latest available data from HMRC. This level of import is similar to the same period in 2017 when 64,085 tonnes of beef was imported.

ROI continues to be the biggest source of beef imports as outlined in Figure 1. During the first quarter of 2019 beef imports from the region totalled 50,417 tonnes which accounted for 81 per cent of beef imports from all EU countries. In volume terms the amount imported from ROI was back by four per cent from the same period in 2018 however well ahead of the level of import recorded during the 2017 period.

Figure 1: UK beef imports from EU member states during Quarter 1 2017-2019 (Source: HMRC)



The Netherlands is the UK's second largest source of imported beef however with just 4,462 tonnes imported during the first quarter of 2019 the market remains small in comparison to the trade with ROI. This level of import was back by three per cent from 2018 levels. There has also been a decline recorded in the volume of beef imported by the UK during the first quarter of 2019 from Germany, Spain, Italy, Poland, France and Denmark.

Imports of beef from non-EU sources have recorded a strong decline during the first quarter of 2019 however it is worth noting that this trade is very small compared to the level of beef imports from the EU. During the first three months of 2019 UK beef imports from non-EU countries totalled 1,320 tonnes compared to 3,998 tonnes imported during the same period last year.

Beef Exports

The UK continues to be a net importer of beef and exports approximately half of the volume of beef that it imports.

UK beef imports declined by 11 per cent in Q1 2019 while beef exports increased by 10 per cent

Access to export markets however provides an important carcase balancing function by providing an outlet for cuts of beef that are under-valued or under-utilised on the domestic market. It is important therefore that access to these export markets is maintained post-Brexit.

During the first three months of 2019 the UK exported 32,437 tonnes of beef, a ten per cent increase from the same period in 2018. The EU remains the primary market outlet for UK beef exports with 81 per cent of all total exports destined for the region during the first quarter of 2019.

Ireland is the biggest market outlet for UK beef exports with 9,935 tonnes exported during the first quarter of 2019, back by seven per cent from year earlier levels. The Netherlands is also an important outlet for UK beef with 7,358 tonnes exported during 2019, up by four per cent from 2018 levels. There has also been growth in the volume of beef exported to France, Italy and Denmark during 2019 although the volumes involved remain small.

There has also been some growth in beef exports to non-EU markets although it continues to be a small market outlet in volume terms. During the first three months of 2019 6,273 tonnes of beef were exported from the UK to non-EU destinations. This was an increase of 126 per cent from the 2,778 tonnes of beef exported during the same period last year.

Hong Kong is the biggest non-EU market for UK beef exports with the volumes involved increasing by 77 per cent to total 2,723 tonnes during the first three months of 2019. Meanwhile beef exports to other non-EU countries increased by 186 per cent to total 3,551 tonnes during the same period.

LOCAL LAMB TRADE UNDER PRESSURE

QUOTES for R3 grading spring lambs have come under pressure this week across all of the major processing plants. Early this week the plants were quoting 430-440p/kg up to 21kg however this came back to 410-420p/kg up to 21kg as the week progressed.

Image 1: Both the liveweight and deadweight lamb trade in NI has come under pressure in recent weeks

Favourable production conditions this year have improved lamb performance and have meant lambs were ready for slaughter earlier with the supply of lambs currently running ahead of demand from key market outlets. Weaker demand for lamb in France in particular has had a negative impact on the local lamb trade. Reports have indicated that weaker consumer demand in the region combined with increased levels of imports from Spain and rising domestic production have all contributed to the drop in import demand.

These factors have also had an impact on the deadweight lamb trade in ROI which has had a knock on effect on both the liveweight and deadweight trades locally. There has been reduced demand for NI origin lambs in southern processing plants with just 1,981 lambs exported last week. This was back 1,224 head from the previous week and 2,585 behind the same week last year.

Feedback from the local processors has also indicated an increase in the number of heavy lambs in the slaughter mix. Producers should aim to kill lambs as close as possible to 21kg as any extra carcase weight beyond this does not provide any financial return to the producer as indicated in Figure 2.

Processors ideally want U and R grading lambs that are Farm Quality Assured, have a carcase weight of 18-21kg and have a fat cover of 2 or 3. Cuts from these carcases meet the widest range of retailer and customer specifications and are therefore more marketable.

Hoggets

Hogget throughput has now almost finished for the year with lambs now making up the largest majority of throughput in local plants. One major plant was quoting 320p/kg up to 22kg for hoggets this week while the other two processors are no longer quoting for hoggets due to the small numbers being slaughtered.

There was a much smaller carryover of hoggets from 2018 into 2019 which has resulted in a notable reduction in plant throughput and exports of sheep to ROI for direct slaughter this year to date. The better weather conditions this spring is expected to result in a larger lamb crop this year despite the four per cent reduction in breeding ewe numbers recorded in the DAERA December 2018 Agricultural Survey.

Figure 2: Producing heavy carcases provides no financial return for the producer and reduces the average price paid per kg produced.

IMPORT/EXPORT UPDATE

DURING 2019 to date there have been 3,808 prime cattle imported from ROI for direct slaughter in local plants with a further 290 head imported from GB. These imported cattle accounted for three per cent of total prime cattle throughput.

This is an increase from the same period in 2018 when 856 prime cattle were imported from ROI for direct slaughter in local plants with a further 128 prime cattle imported from GB. These imported cattle accounted for less than one per cent of prime cattle throughput during the 2018 period.

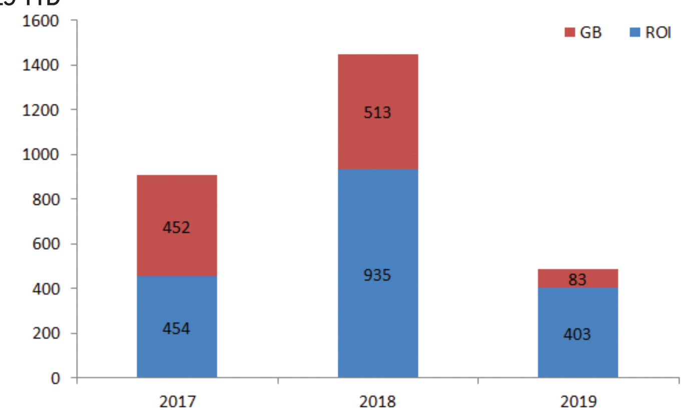
The level of prime cattle imports for direct slaughter during 2019 to date is similar to the corresponding period in 2017 when 3,670 prime cattle were imported from ROI for direct slaughter with a further 194 head imported from GB. These cattle accounted for three per cent of prime cattle throughput in NI.

Prime cattle exports

While prime cattle imports for direct slaughter have increased during 2019 the level of exports for direct slaughter has remained subdued as outlined in Figure 3. During 2019 to date 403 cattle have been exported from NI for direct slaughter in ROI while a further 83 prime cattle were exported to GB.

This is notably lower than the 513 head exported to GB and 935 head to ROI during the same period last year. Current export levels to ROI for direct slaughter are similar to 2017 levels while exports to GB are notably lower.

Figure 3: Prime cattle exports from NI to GB and ROI for direct slaughter 2017-2019 YTD



WEEKLY BEEF & LAMB MARKETS

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CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 20/05/19	Next Week 27/05/19
Prime		
U-3	332 - 338p	332 - 338p
R-3	326 - 332p	326 - 332p
O+3	320 - 326p	320 - 326p
P+3	272 - 282p	272 - 282p
	Including bonus where applicable	
Cows		
O+3 & better	240 - 256p	240 - 256p
Steakers	140 - 170p	140 - 170p
Blues	120 - 130p	120 - 130p

Cow quotes vary depending on weight and grade.
Pricing policies vary from plant to plant. Producers are advised to check pricing policies before presenting cattle for slaughter.

REPORTED NI CATTLE PRICES - P/KG

W/E 18/05/19	Steers	Heifers	Young Bulls
U3	343.7	346.2	338.2
R3	341.0	342.7	331.2
O+3	333.6	334.4	323.3

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 18/05/19	Wgt <220kg	Wgt 220-250kg	Wgt 250-280kg	Wgt >280kg
P1	154.7	170.3	183.9	202.2
P2	181.2	198.2	222.1	237.7
P3	196.6	214.6	241.6	244.2
O3	-	230.0	256.7	257.7
O4	-	233.3	253.1	260.9
R3	-	-	276.0	278.3

Deadweight Cattle Trade

BASE quotes from the major NI processing plants for in spec U-3 grade prime cattle this week ranged from 332-338p/kg. The majority of plants are quoting from 336-338p/kg. Quotes for good quality O+3 grade cows have increased slightly with quotes ranging from 240-256p/kg across the plants this week with the majority of plants quoting in the region of 250p/kg.

Throughput of prime cattle in the local plants has remained firm with 6,999 head killed last week, an increase of 519 head compared to the previous week when 6,480 head were slaughtered. This was 290 head more than the 6,709 prime cattle killed in local plants during the same week last year. The average carcase weight of prime cattle killed in local plants last week was 342kg, up 9kg compared to 333kg in the same week last year. Cow throughput in NI last week totalled 1,420 head similar to previous week though back 297 head when compared to the same week last year. The average carcase weight of cows killed in local plants last week was 311kg compared to 309kg in the same week last year.

Imports of cattle from ROI for direct slaughter in local plants last week consisted of 134 prime cattle and 28 cows. A further 24 prime cattle and 91 cows were imported from GB. A total of 20 cattle were exported from NI to GB last week for direct slaughter while 6 prime cattle and 47 cows were exported from NI to ROI.

Deadweight prices for prime cattle continued to improve in NI last week with the average steer price up by 1.8p/kg to 336.4p/kg while the R3 steer price was up by just over a penny to 343.6p/kg. The average heifer price in NI came back marginally to 338.1p/kg with the R3 heifer price up by 2.4p/kg to 345.3p/kg. The average young bull price recorded a decrease of 2p/kg to 320.3p/kg, while the R3 young bull price was back by 2.4p/kg to 330.4p/kg. The cow trade also improved last week with the average cow price up 5.9p/kg to 245.5p/kg, while the O3 cow price increased by 3.7p/kg to 257.5p/kg.

In GB last week the average R3 steer price was 357.4p/kg, up 1.2p/kg from the previous week while the average steer price held steady at 349.3p/kg. Meanwhile the R3 heifer price in GB was back 0.6p/kg to 358.2p/kg while the overall heifer price was up by the same margin to 351.3p/kg. The O3 cow price in GB was up 0.4p/kg to 270.4p/kg widening the differential to 12.9p/kg above the price paid for O3 grade cows in NI last week.

In ROI the deadweight prices for prime cattle continued to improve in both euro and sterling terms last week. The R3 steer price was up by 9.9p/kg to 337.1p/kg which narrowed the differential with NI to 6.5p/kg or £23 on a 350kg carcase. The R3 heifer price increased by 8.3p/kg last week to 346.4p/kg which puts the ROI R3 heifer price 1.1p/kg higher than the same price in NI. Prime cattle throughput in ROI last week totalled 24,590 head which was an increase of 2,395 head from the previous week.

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

W/E 18/05/19		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	342.6	344.9	366.9	356.2	356.6	361.9	360.2
	R3	343.6	337.1	365.7	356.1	354.6	353.8	357.4
	R4	343.6	338.7	367.1	358.4	351.6	353.0	357.9
	O3	335.0	323.5	346.6	336.3	327.9	333.6	336.0
	AVG	336.4	-	362.5	347.9	342.3	344.9	349.3
Heifers	U3	346.5	357.0	373.8	353.8	364.7	364.3	365.1
	R3	345.3	346.4	367.2	356.5	355.3	354.2	358.2
	R4	342.5	346.8	369.3	355.5	356.8	354.1	359.1
	O3	335.7	331.9	348.0	334.2	328.0	334.9	336.4
	AVG	338.1	-	366.7	347.3	347.2	343.1	351.3
Young Bulls	U3	338.3	333.5	360.1	347.2	356.1	357.2	354.9
	R3	330.4	322.8	355.0	345.7	346.5	347.5	348.0
	O3	314.4	307.3	324.2	316.4	308.5	321.6	315.9
	AVG	320.3	-	350.2	334.0	338.2	338.4	339.4
Prime Cattle Price Reported		6,099	-	7,059	7,189	8,214	5,396	27,858
Cows	O3	257.5	266.9	277.6	267.9	268.9	272.7	270.4
	O4	260.5	267.2	280.7	272.0	268.1	265.5	270.4
	P2	223.1	240.6	233.0	218.2	216.8	232.8	222.9
	P3	241.8	261.2	250.0	235.5	240.0	251.1	242.9
	AVG	245.5	-	272.1	253.7	238.9	241.7	246.9

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=86.99p 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 18/05/19	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	196	206	201	180	195	190
Friesians	131	148	140	120	130	125
Heifers	196	203	199	180	195	190
Beef Cows	144	187	163	120	143	134
Dairy Cows	114	133	120	65	102	85
Store Cattle (p/kg)						
Bullocks up to 400kg	236	269	250	215	235	225
Bullocks 400kg - 500kg	215	240	228	200	214	208
Bullocks over 500kg	200	222	210	170	199	185
Heifers up to 450kg	215	241	230	190	214	202
Heifers over 450kg	200	213	206	170	199	185
Dropped Calves (£/head)						
Continental Bulls	315	385	335	210	310	260
Continental Heifers	250	365	300	140	245	195
Friesian Bulls	135	200	150	40	70	55
Holstein Bulls	60	70	65	35	55	45

SHEEP TRADE

SHEEP BASE QUOTES		
(P/Kg DW)	This Week 20/05/19	Next Week 27/05/19
Lambs up to 21kg	430-440p	410-420p

REPORTED SHEEP PRICES			
(P/KG)	W/E 04/05/19	W/E 11/05/19	W/E 18/05/19
NI L/W Lambs	450.7	453.3	398.4
NI D/W Lambs	473.7	473.6	454.8
GB D/W Lambs	513.7	514.2	508.1
ROI D/W	460.9	463.4	451.5

Deadweight Sheep Trade

BASE quotes from the major processors for R3 grade lambs came under pressure early this week to 430-440p/kg up to 21kg with quotes for early next week back further to 410-420p/kg up to 21 kg. Throughput in the local plants last week decreased to 4,968 lambs last week which was just behind the 5,156 lambs killed locally during the same week last year. Exports of lambs to ROI for direct slaughter last week decreased to 1,981 head compared to 3,205 head the previous week. The average deadweight lamb price in NI last week was 454.8p/kg, back 18.8p/kg from the previous week. The sheep trade in ROI has also came under pressure with last week's deadweight lamb price back by 11.9p/kg to the equivalent of 451.5p/kg.

This week's marts

THE number of lambs passing through local sale rings remained subdued this week with prices back compared to last week. In Omagh last Saturday 230 lambs sold from 377-417p/kg compared to 79 lambs the previous Saturday selling from 432-477p/kg. In Massereene on Monday 417 lambs sold from 385-420p/kg compared to 249 lambs last week selling from 430-470p/kg. In Rathfriland this week 325 lambs sold from 347-395p/kg (avg 381p/kg) compared to an entry of 351 lambs last week selling from 392-425p/kg (avg 400p/kg). In Markethill this week 360 lambs sold from 380-420p/kg compared to 650 lambs last week selling from 380-400p/kg. Top reported prices for well fleshed ewes ranged from £82-116 across the marts.

LATEST SHEEP MARTS (P/KG LW)					
From: 17/05/19		Lambs			
To: 23/05/19		No	From	To	Avg
Friday	Newtownstewart	140	390	410	-
Saturday	Swatragh	325	350	416	-
	Omagh	230	377	417	-
Monday	Massereene	417	385	420	-
	Kilrea	300	387	400	-
Tuesday	Saintfield	203	367	400	-
	Rathfriland	325	347	395	381
	Armoy	95	380	405	-
Wednesday	Ballymena	420	370	419	384
	Enniskillen	180	360	382	-
	Markethill	360	380	420	-

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

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