

STRONG INCREASE IN RETAIL BEEF SALES

During the 12 weeks ending 12 July 2020 retail sales of primary beef in the UK were valued at £526.8 million according to the latest available data from Kantar Worldpanel, a data, insights and consulting company.

The total value of consumer spend on beef was up 23.8 per cent from £401.1 million in the corresponding period in 2019. This strong increase in the value of retail beef sales is due to the impact of Covid-19 with people spending more time at home and also the almost complete closure of the foodservice market.

During the 12 weeks ending 12 July 2020 primary beef sales through retailers increased by 21 per cent from year earlier levels to total 67,200 tonnes. Most of the major beef cuts recorded an improvement in volume sales through retailers during this period with the average retail price up slightly from the previous year at £7.84/kg. This increase will have been mostly driven by an increase in volume sales of higher value cuts.

Mince continues to be the most popular beef product among UK consumers due to its affordability and versatility. During the 12 weeks ending 12 July 2020 volume sales of mince increased by 15.3 per cent to total 37,400 tonnes and accounted for 55.6 per cent of primary beef sales through UK retail outlets.

Strong consumer demand for cheaper cuts of beef in particular have also contributed to an increase in volume sales of stewing beef. These increased by 28.7 per cent to total 5,800 tonnes during the 12 weeks ending 12 July 2020. The value of these sales increased by a similar margin with the average retail price back marginally from 2019 levels at £7.92/kg.

Strong promotional activity to encourage increased steak consumption by both retailers and all of the UK levy bodies, including LMC, contributed to a strong improvement in steak sales through UK retailers in the early summer months.

During the 12 weeks ending 12 July 2020 15,100 tonnes of steak cuts were sold through the major UK retailers, a 32.8 per cent increase from the same period in 2019. During the 2020 period the average retail price of steak cuts was back by 2.4 per cent to £13.30/kg.

Other higher value cuts such as **Image 1: Strong promotional activity by the retailers and UK levy bodies, including LMC, has contributed to a strong improvement retail in steak sales**



roasting joints have also performed well in terms of volume sales. During the 12 weeks ending 12 July 2020 volume sales totalled 8,600 tonnes, a 24.8 per cent increase from 2019. Covid-19 restrictions have encouraged more people to cook at home and they have not been discouraged by the six per cent increase in the average retail price to £8.78/kg.

Processed beef
The volume of processed beef sales through UK retailers increased by 31.3 per cent to total 32,000 tonnes during the 12 weeks ending 12 July 2020. There was particularly strong growth in volume sales of burgers and grills during the 2020 period, up 39.6 per cent to total 24,700 tonnes. These accounted for almost 80 per cent of total processed beef sales and the growth in sales was despite a 4.3 per cent increase in the average retail price to £6.05/kg.

Value added
Sales of beef marinades also performed strongly during the 2020 period with volume sales increasing by 24.9 per cent to total 2,200 tonnes. An increase in the average retail price to £11.85/kg also contributed to a 32.8 per cent increase in the value of sales to £26 million during the 12 weeks ending 12 July 2020. Ready to cook beef products recorded the strongest growth in sales, up by 56.8 per cent in volume sales although the volumes involved remain small at 700 tonnes.

LOWER LAMB CARCASS WEIGHTS

Lamb throughput in Northern Ireland processing plants last week totalled 11,808 head which was the highest number processed for the year to date. This takes lamb throughput in Northern Ireland to 62,505 during the six weeks ending 25 July 2020, significantly higher than the 54,799 lambs processed in the same period in 2019.

The average deadweight lamb price in Northern Ireland last week was back slightly to 461p/kg however this was well above the corresponding week last year when the average deadweight price in the region was 364.9p/kg. On a 21kg carcass this equates to an increase of £20 per head year on year

Tighter lamb supplies in some European countries, a reduction in the level of lamb imports from New Zealand and the strong demand for lamb due to the Muslim Festival Eid Al Adha have all contributed to the strong deadweight trade for lambs in recent weeks.

This strong deadweight trade has encouraged producers to kill lambs earlier than usual and this has resulted in a lower average carcass weight. Reports from the plants have indicated an increasing proportion of lighter lambs in the slaughter mix with an average carcass weight in Northern Ireland last week of 20.8kg compared to 21.6kg in the same week last year.

Figure 1: Weekly average lamb/hogget carcass weights in Northern Ireland from 2018-2020. Source: DAERA



There have also been some notable changes in the grading scores achieved by lambs at point of slaughter in Northern Ireland in recent weeks when compared to the same period in 2019.

During the six weeks ending 25 July 2020 46 per cent of price reported lambs in Northern Ireland were awarded a U grade, up from 36 per cent of lambs in the same period in 2019. Meanwhile the proportion of R grading carcasses declined from 62 per cent of the price reported kill to 51 per cent.

While conformation scores have recorded an improvement year on year

lamb carcasses have generally scored lower on fat cover. In the six weeks ending 25 July 2020 37 per cent of lambs were awarded a 2 for fat cover, up from 33 per cent in the corresponding period in 2019. Meanwhile the proportion of lambs achieving a fat class 3 declined from 61 per cent in the 2019 period to 58 per cent in the 2020 period.

A small number of lambs achieve a fat class four and during the six weeks ending 25 July 2020 these accounted for four per cent of the price reported lamb kill, back from five per cent awarded a fat class four in the same period in 2019.

CATTLE IMPORT UPDATE

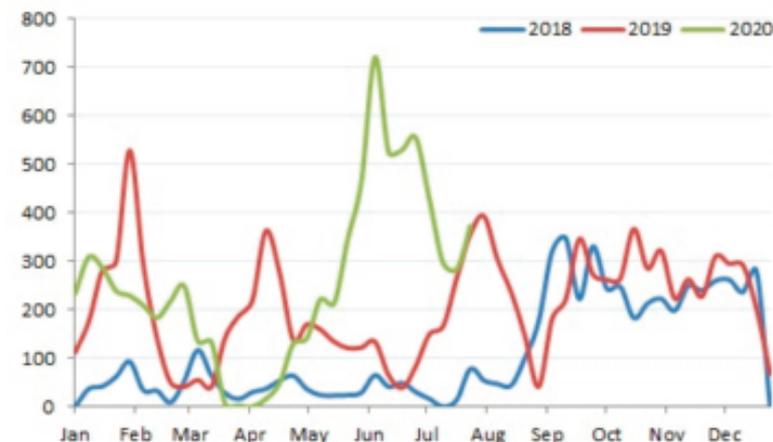
Last week 373 prime cattle were imported from the Republic of Ireland for processing in local plants. This was marginally higher than the corresponding week in 2019 and well ahead of 2018 levels as outlined in Figure 2 below.

However the level of import has generally been running ahead of previous years due to tighter cattle availability locally for slaughter combined with a significant widening in the price differential for prime cattle between Northern and Southern Ireland when compared to previous years. This widening differential has made Irish cattle much more attractive for local processors.

During the six week period ending 25 July 2020 2,464 prime cattle moved from the Republic of Ireland to plants in Northern Ireland for direct slaughter. This was a notable increase from 1,060 head in the same period in 2019 and just 187 head in the corresponding period in 2018.

Reports this week have indicated a significant tightening in the availability of cattle for slaughter in the Republic of Ireland with supplies forecast to remain tight until the end of the year. This tightening in availability south of the border combined with an improving beef trade in the region may contribute to a reduction in the level of prime cattle import by local processors.

Figure 2: Weekly prime cattle imports from the Republic of Ireland for slaughter in Northern Ireland processing plants 2018-2020. Source: DAERA



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CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 27/07/20	Next Week 03/08/20
Prime		
U-3	360 - 366p	360 - 366p
R-3	354 - 360p	354 - 360p
O+3	348 - 354p	348 - 354p
P+3	298 - 308p	298 - 308p
	Including bonus where applicable	
Cows		
O+3 & better	260 - 280p	270 - 285p
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 25/07/20	Steers	Heifers	Young Bulls
U3	373.7	374.6	366.6
R3	369.8	370.6	365.1
O+3	361.2	365.0	354.6

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 25/07/20	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	187.9	201.4	214.2	226.3
P2	206.0	233.8	253.7	265.8
P3	230.2	245.6	270.2	273.4
O3	200.0	263.3	280.8	289.0
O4	218.0	275.4	281.4	290.7
R3	-	-	310.0	305.6

Deadweight Cattle Trade

Base quotes from the plants for U-3 grade prime cattle this week ranged from 360-366p/kg with the majority of plants quoting at the upper end of this scale for both steers and heifers. Quotes for good quality O+3 grade cows ranged from 270-285p/kg this week with the majority of plants quoting in the region of 270-280p/kg. Similar base quotes for all types of cattle are expected for Monday.

Prime cattle throughput last week totalled 5,761 head. This was an increase of 801 head from the previous week and 13 per cent higher than the 5,086 head processed during the same week last year. Cow throughput in NI last week totalled 2,031 head an increase of 401 head from the previous week and 19 per cent above the 1,702 processed in the same week in 2019.

Prime cattle imports from ROI for direct slaughter last week totalled 373 head with 233 cows also imported. Meanwhile imports from GB for direct slaughter comprised of 3 steers and 29 cows. Exports from NI for direct slaughter in ROI plants last week consisted of 42 cows while no cattle were exported from NI to GB for direct slaughter last week.

The NI deadweight prices for prime cattle have reported a mixed trade last week after a prolonged period of steady improvement. The average NI steer price was back by 1.3p/kg to 362.4p/kg while the R3 steer price increased by 0.6p/kg to 372.3p/kg. This was up almost 40p/kg from the corresponding week last year when the R3 steer price in NI was 332.5p/kg. The average heifer price in NI last week increased by 2.2p/kg to 366.4p/kg while the R3 heifer price was up by 1.4p/kg to 373p/kg. In the same week in 2019 the R3 heifer price in NI was 335.7p/kg, 37.3p/kg behind current levels. Meanwhile the NI cow trade came under some pressure with the average cow price back just under 2p/kg to 271.8p/kg. The O3 cow price in NI last week was back by 3.9p/kg to 287.9p/kg. This is 32.5p/kg higher than 255.4p/kg reported in the same week last year.

The GB deadweight trade for prime cattle improved last week compared to the previous week. The average steer price was up by 2p/kg to 362.6p/kg while the R3 steer price held steady at 367.8p/kg. This placed the GB R3 steer price 4.5p/kg behind the R3 steer price in NI last week. The average heifer price in GB last week was 362.4p/kg, up almost 2p/kg from the previous week while the R3 heifer price increased by 1.7p/kg to 367.5p/kg. This puts the GB R3 heifer price 5.5p/kg behind the equivalent price in NI last week.

Last week the ROI deadweight cattle trade continued to improve with an increase in the price paid for the majority of cattle grades. The R3 steer price was up by 2.4p/kg to the equivalent of 341.1p/kg while the R3 heifer price increased by a similar margin to 343.8p/kg. This has slightly narrowed the differential in R3 heifer prices with NI to 29.2p/kg or £93 on a 320kg carcass. The O3 cow price in ROI was up by 6p/kg to 270.1p/kg, 17.8p/kg below the equivalent price in NI. Prime cattle throughput in ROI last week totalled 25,979 head similar levels to the previous week.

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

	W/E 25/07/20	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	375.0	349.2	379.5	367.6	367.9	369.7	372.0
	R3	372.3	341.1	379.4	369.5	363.4	363.5	367.8
	R4	370.6	341.8	381.6	376.6	360.7	364.2	374.9
	O3	359.8	326.2	366.7	350.0	344.4	345.5	348.5
	AVG	362.4	-	377.0	364.2	353.4	354.7	362.6
Heifers	U3	375.9	355.7	383.4	369.6	376.8	371.6	376.4
	R3	373.0	343.8	377.0	367.9	365.4	364.3	367.5
	R4	370.2	343.9	380.4	369.9	365.2	363.5	371.8
	O3	364.6	330.4	363.0	348.1	344.1	346.6	347.3
	AVG	366.4	-	377.3	363.4	355.4	351.5	362.4
Young Bulls	U3	366.8	337.1	372.6	362.3	367.7	369.1	369.5
	R3	364.6	327.4	368.0	358.1	359.6	363.0	362.7
	O3	346.0	310.7	329.0	326.1	326.6	322.8	326.8
	AVG	354.0	-	365.5	349.2	353.8	356.0	357.3
Prime Cattle Price Reported	4,429	-	7,082	7,168	7,925	4,453	26,628	
Cows	O3	287.9	270.1	286.0	283.0	283.1	283.2	283.4
	O4	289.9	270.3	290.0	285.6	282.1	277.7	283.8
	P2	256.2	247.1	249.0	241.8	247.1	249.5	247.0
	P3	271.4	262.3	254.8	255.2	259.0	260.3	258.6
	AVG	271.8	-	285.7	270.1	257.7	254.1	263.6

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=90.79p 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 LIVELWEIGHT CATTLE MART PRICES NI

	W/E 25/07/20	1st QUALITY			2nd QUALITY		
		From	To	Avg	From	To	Avg
Finished Cattle (p/kg)							
Steers		225	241	228	200	224	212
Friesians		164	171	168	156	162	159
Heifers		219	239	224	200	218	209
Beef Cows		164	209	175	120	163	145
Dairy Cows		129	149	134	100	128	114
Store Cattle (p/kg)							
Bullocks up to 400kg		230	270	250	190	229	210
Bullocks 400kg - 500kg		220	248	235	180	219	205
Bullocks over 500kg		205	219	212	175	204	190
Heifers up to 450kg		225	265	245	185	224	210
Heifers over 450kg		206	222	210	175	205	190
Dropped Calves (£/head)							
Continental Bulls		455	520	485	300	450	375
Continental Heifers		300	370	335	200	295	250
Friesian Bulls		185	265	225	100	180	140
Holstein Bulls		120	220	150	40	115	65

SHEEP TRADE

NI SHEEP BASE QUOTES

(P/Kg DW)	This Week 27/07/20	Next Week 03/08/20
Lambs up to 21kg	450-470p	450-460p

REPORTED SHEEP PRICES

(P/KG)	W/E 11/07/20	W/E 18/07/20	W/E 25/07/20
NI L/W Lambs	437.7	430.7	419.0
NI D/W Lambs	465.7	466.6	461.1
GB D/W Lambs	483.2	479.9	478.1
ROI D/W	474.6	481.4	476.9

Deadweight Sheep Trade

Quotes from the plants held steady this week ranging from 450-470p/kg for R3 grading lambs up to 21kg with quotes of 450-460p/kg expected early next week. Lamb throughput in NI plants last week increased strongly to 11,808 head last week, up by 67 per cent from the previous week. This is the highest weekly throughput of lambs to date this year with similar levels previously reported back in August 2018. A further 7,737 lambs were exported from NI to ROI for direct slaughter last week, an increase of 1,205 head from the previous week. The deadweight lamb price in NI last week was 461.1p/kg, back 5.5p/kg. In the same week last year the deadweight lamb price was 364.9p/kg. In ROI last week the deadweight lamb price was the equivalent of 476.9p/kg.

Liveweight Sheep Trade

Good numbers of lambs continued to pass through the marts this week with a similar trade reported compared to last week. In Omagh last Saturday 981 lambs sold from 435-472p/kg compared to 1,468 lambs the previous week selling from 424-471p/kg. A good entry in Massereene on Monday of 1,026 lambs selling from 425-457p/kg compared to 1,208 lambs last week selling from 425-456p/kg. In Saintfield this week 660 lambs sold from 410-450p/kg compared to 804 lambs last week selling from 405-450p/kg. In Ballymena on Wednesday 1,800 lambs sold from 400-433p/kg (avg 416p/kg) compared to 2,108 lambs last week selling from 400-473p/kg (avg 418p/kg). The ewe trade remained strong this week with the majority of marts reporting top prices of over £110.

LATEST SHEEP MARTS (P/KG LW)

From: 25/07/20		Lambs			
To: 30/07/20		No	From	To	Avg
Saturday	Omagh	981	435	472	-
	Swatragh	1333	410	454	-
Monday	Massereene	1026	425	457	-
	Kilrea	430	418	459	-
Tuesday	Saintfield	660	410	450	-
	Rathfriland	700	420	456	432
Wednesday	Ballymena	1800	400	433	416
	Enniskillen	700	385	400	-
	Armoy	694	410	470	-
	Markethill	1050	420	447	-

Strict Covid - 19 restrictions are in place across all of the livestock marts

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SURVEY CONFIRMS STRONG AWARENESS OF FARM QUALITY ASSURANCE LOGO

LMC's most recent advertising campaign for beef and lamb, which finished in March of this year, was another outstanding success for the organisation.

However, adding to the 'feel good' factor has come the news that local consumers have recorded a 77 per cent recognition of the Northern Ireland Farm Quality Assurance (NIFQA) logo.

The Commission's Education and Consumer Promotion Manager Lauren Hyde takes up the story. "An independent survey of the impact made by our advertising and promotional work is carried out in the aftermath of each campaign.

The most recent of these has confirmed the exceptionally high level of positive recognition that exists amongst the public of large, where the NIFQA logo is concerned. This further reflects the

strong demand for home produced, quality assured beef and lamb. Obviously, we want to build on this for the future."

Image 1: 77 per cent of local consumers recognise the Northern Ireland Farm Quality Assurance logo.



Lauren added: "We are encouraged that the prompted recognition of the NIFQA logo is so high, given that we use this to sign post people to local beef and lamb. Consumers can be re-assured that when choosing beef or lamb displaying the logo that it is locally produced, fully traceable and a high quality product.

"LMC is grateful for the continuing retail support received from across Northern Ireland, where sales of NIFQA beef and lamb are concerned. Our priority is to do more with retailers especially in the online shopping space."

Lauren went on to confirm the tremendously positive response garnered by LMC from its recent social media campaigns. "Throughout lockdown we had a tremendous response to our campaigns supporting the industry and its products, and advising consumers on how best to cook and enjoy tasty and nutritious beef and lamb dishes at home"

"We are about to start Week 5 of our 'Taste the Summer' Facebook campaign. As part of the promotion, we are offering one lucky person each week the opportunity to win all the ingredients required to cook the different dishes featured on each of the

weeks during which the campaign will be running.

Lauren concluded: "It is our intention to make greater use of social media

platforms as we continue to communicate the strongest possible messages, where NIFQA beef and lamb are concerned."



LMC CEO ELECTED TO BOARD OF THE EUROPEAN ROUNDTABLE FOR BEEF SUSTAINABILITY



Livestock and Meat Commission for Northern Ireland (LMC) Chief Executive Ian Stevenson has been elected on to the inaugural board of the European Roundtable for Beef Sustainability (ERBS). The six-strong group will help plot the progress of the organisation as it puts in place strategies that will help deliver improved sustainability for Europe's beef sector.

Ian commented: "I am delighted to have the honour of taking-on such an important role. Obviously, the job of coping with the Covid-19 crisis has taken centre stage over recent months. However, the challenge of delivering improved sustainability for the beef sector is one that will continue to confront all stakeholders within the industry in the long term."

He continued: "The term sustainability has a direct economic implication for all those involved in beef production, processing and retailing. But the need to deliver improved sustainability from

a social and environmental perspective must also be addressed. ERBS will be looking at all these matters in the round."

ERBS was established in 2018 with a strong focus on further developing the work undertaken by the beef working group that had been previously operating under the aegis of the Sustainable Agriculture Initiative (SAI). Ian Stevenson again: "Essentially, ERBS has been working on a temporary governance basis up to this point. However, the recent election of the inaugural board formalises our mandate as a key player within Europe's beef sector.



"The organisation draws its membership from the processing, retail and allied industry sectors. Claire Donoghue, Operations Director and EU Head of Sustainability at OSI is the new Chair. Nigel Edwards, CSR Director with the Hilton Food Group, has been elected to the position of Vice Chair."

Also joining Ian Stevenson on the Board of ERBS are: Estelle Rabourdin, Quality and Environment Director for Food

Services Europe, Moy Park; Peter Garbutt, Global Sustainable Sourcing Manager at Mc Donald's and Mick Houlihan, Sector Manager for dairy, beef and Lamb at Bord Bia

Ian concluded: "LMC has been committed to improving the sustainability of Northern Ireland's red meat industries for many years. Our strong links with ERBS will allow us to further develop strategies that resonate strongly with local farmers.

"The scope to produce beef and lamb more efficiently is enormous. Courtesy of the links that LMC has forged with the roundtable for beef sustainability, the potential to turn this aspiration into a profitable reality for all our livestock farmers becomes all the greater. "ERBS board members want to expand the work of the group locally, nationally and internationally. All of the organisation's board members are well placed to achieve this objective.

"Northern Ireland's farm minister Edwin Poots has recently launched his Green Growth strategy, which will put farming and food at the very heart of our post Covid-19 recovery. I am convinced that LMC's strong ties with organisations like ERBS will help convert the beef and sheep sectors commitment to sustainability into a reality that benefits everyone throughout Northern Ireland.

INSTABILITY: A GROWING THREAT ON WORLD MEAT MARKETS



The GIRA Meat Club (GMC) mid-year review of global markets paints a picture of the continuing growth in demand for meat of all kinds. However, this positive trend is juxtapositioned against the threat of unprecedented risk and instability.

LMC Economist Seamus McMenamin points to the GMC reports as being important predictor of trends that may be realised on global meat markets. GIRA comprises a team of expert consultants and researchers based throughout Europe and around the world.

Seamus commented: "The GMC offers a unique view of the world's meat markets, covering short-term forecasts and many of the crucial issues impacting the market. Its most recent report was made available to GIRA members, of whom LMC is one, at the beginning of July this year".

"The publication confirms that the impact of Covid-19 on global meat markets is far from over as we move from a situation of pandemic fear to

one of global economic recession. It is also evident that African Swine Fever in China and South East Asia continues to be a huge challenge in these areas with massive production decreases and growth in meat imports."

The LMC Economist went on to point out that the Chinese market is crucial to global meat markets and whilst the Chinese economy is staging a recovery, it is limited by economic challenges in most overseas markets which import goods made in China.

He continued: "The latest GMC report indicates that direct beef imports into China in 2020 have grown by 46 per cent year-on-year but beef consumption growth in this market is limited by weaker growth in the Chinese economy this year.

"Whilst the UK is not yet shipping beef to China, it is China that is playing an important role in balancing over-supply situations during the Covid-19 crisis in Brazil, US the EU and other beef producing regions of the world."

Seamus concluded: "Sustainability challenges are on every agenda with societal demands increasing and production costs being added to supply chains."



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