

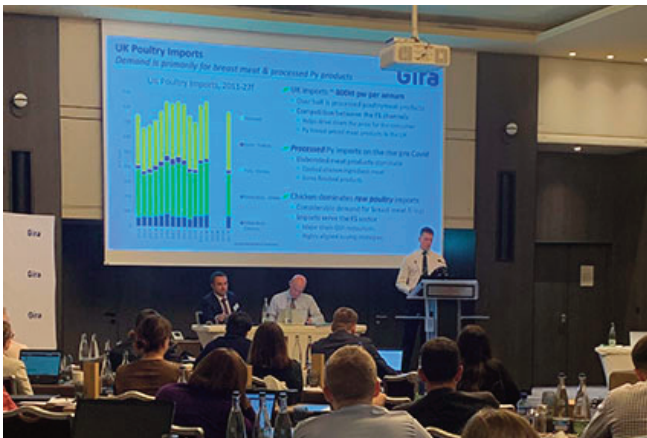
WORLD BEEF MARKET OUTLOOK

At the recent Gira Meat Club meeting attended by LMC a full half day session was devoted to analysing the prospects for global beef and regional markets across the world. Whilst a short article in the Bulletin cannot give justice to the amount of detailed information presented and discussed at the conference this feature will try to summarise some of the global trends forecast by Gira.

Turning first to livestock production and changing dynamics in the global herd. The world cattle population is dominated by informal herds which have been on a steady growth trend. In 2022 Southern Asia and Sub-Saharan African countries accounted for 50 per cent of the world cattle population with 21 per cent in South America, nine per cent in North America and five per cent in the EU and UK.

Gira is forecasting that 2023 will see contraction of cattle herds in most exporting countries with the main growth in herds likely to be seen in Australia as herds rebuild after drought and in China where cattle numbers have been growing as a consequence of the African Swine Fever (ASF) downturn in pork production and a strong demand for milk and dairy products. Looking further ahead to 2027 Gira is forecasting growth in world cattle populations of 56 million head compared to 2022 levels.

Image 1: James Hamilton of Gira presented the changing dynamics of the European beef industry at the latest Gira Meat Club meeting.



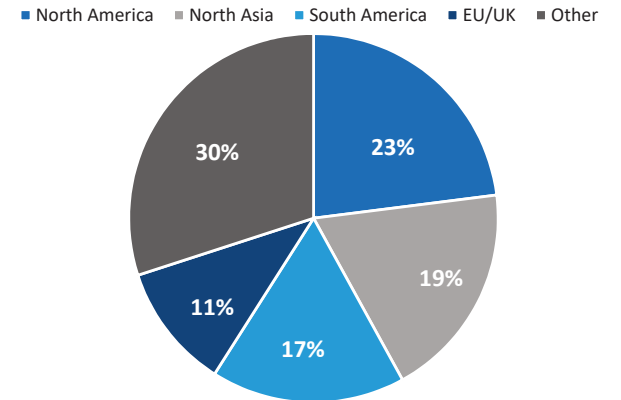
In 2022, USA and Canada combined produced approximately 14.5 million tonnes of beef carcase weight equivalent (cwe) from a combined bovine herd of less than 150 million head. Contrast this with India which has a bovine population of more than 300 million head and a beef production of less than three million tonnes (cwe) in 2022. Annual offtake (the number of animals sold as a proportion of animals held) is very low in the Indian bovine population (at three per cent for cattle and 12 per cent for buffalo). This contrasts sharply with formal systems in the UK and EU where annual offtake is closer to 29 per cent. The ongoing debates by policy makers and influencers in global circles regarding sustainability of beef production systems have yet to tackle in earnest the stark contrast in productivity and efficiency of informal systems of beef production compared to formal systems.

Looking at world trade in beef and veal Gira is forecasting that 2022 will have recorded a year-on-year uplift in trade (relative to 2021) of 5.4 per cent to almost 12 million tonnes (cwe). Brazil is the world's largest beef exporter at 2.7 million tonnes with China the main export destination for Brazilian beef. The world's largest beef importer is China / Hong Kong which in 2022 will have drawn imports close to 3.7 million tonnes of beef and veal largely from South American suppliers but also significant volumes from USA, Australia and New Zealand. Gira is forecasting positive development in world trade for 2023 but at a slower 0.9 per cent growth rate year-on-year relative to 2022.

Considering beef consumption at a world level total consumption is forecast by Gira to rise by a marginal 290 thousand tonnes in 2023 relative to 2022 levels. In 2022 North America was the largest consumer market accounting for 23 per cent of global beef consumption, with North Asia at 19 per cent, South America at 17 per cent and the EU/UK accounting for 11 per cent of global beef consumption.

This is illustrated in **Figure 1**. Looking ahead to 2027 the forecast by Gira is that global beef consumption will grow by an additional 3.6 million tonnes on 2022 levels (with the biggest growth in Asia) but there are notable headwinds with slow erosion of per capita consumption in developed countries and unfavourable retail prices of beef relative to pork and poultry.

Figure 1: During 2022 North America remains the largest global beef consumer by continent. Source: Gira.



In dollar terms world average producer prices for beef and veal in 2022 rose again in most areas of the world after strong uplifts through 2021. Gira is forecasting that for 2023 beef producer prices will record a slight decline in 2023 in most areas of the world with the notable exception of USA where consumer demand remains very strong on the back of a three per cent decline in domestic beef production which is forecast for 2023.



WEEKLY BEEF & LAMB MARKETS

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 19/12/22	Next Week 26/12/22
Prime		
U-3	418 - 432p	426 - 436p
R-3	412 - 426p	420 - 430p
O+3	406 - 420p	414 - 424p
P+3	350 - 364p	358 - 368p
	Including bonus where applicable	
Cows		
O+3	308 - 335p	328 - 344p

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.

Deadweight Cattle Trade

Base quotes from the major processors for in-spec U-3 grade prime cattle next week are expected to range from 426-436p/kg for steers and heifers, while base quotes for good quality O+3 grade cows are expected to range from 328-344p/kg.

Last week 6,254 prime cattle were processed in NI beef processing plants. This was back by 631 head from the 6,885 prime cattle processed during the previous week. This is also a decrease from the 6,926 prime cattle processed locally in the same week last year. Cow throughput last week reported 2,518 cows processed in NI plants. This was back from the 2,722 cows processed during the previous week and similar to the 2,527 head killed during the same week in 2021.

Imports of prime cattle for direct slaughter remained relatively steady last week with 244 prime cattle imported from ROI for processing in NI plants, compared to 275 prime cattle imported from ROI the previous week. The number of cows imported to NI last week from ROI was also back to total 97 head, a decline of 111 head from the 208 cows imported the week before. Meanwhile there continues to be no cattle imports from GB for direct slaughter in NI. In contrast, cattle exports from NI for slaughter in ROI plants were up last week and consisted of twelve prime cattle and 48 cows. In the week prior, one prime animal and 25 cows were exported out of NI to ROI for direct slaughter. For the first time in ten weeks cattle were exported from NI to GB for direct slaughter, a consignment of three cows.

Last week price reported deadweight figures in NI recorded improvements across the majority of grades for the second week. Last week the average steer price was up 2.4p/kg from the previous week to 435.7p/kg with the R3 steer price up by 2.3p/kg to 446.1p/kg. The average heifer price in NI last week was 435.8p/kg, up 1.5p/kg from the previous week, while the R3 heifer price was up by almost a penny to 446.2p/kg last week. The average young bull price in NI last week was 417.9p/kg up by 2.7p/kg from the previous week with the U3 young bull price recording an increase of 16.6p/kg to 441.9p/kg. The R3 young bull price last week was marginally back from the previous week to 428.5p/kg. All NI cow grades reported improvements last week with the average cow price up by 4.3p/kg to 315.3p/kg and the O3 cow price increasing by 5.7p/kg to 350.3p/kg.

In GB last week the deadweight cattle trade reported a mixed picture similar to the previous week. While the average steer price in GB last week increased by a marginal 0.3p/kg to 442.7p/kg, the average R3 steer price declined by 0.3p/kg to 449.5p/kg. The average GB heifer price remained steady from the previous week at 438.7p/kg with the R3 heifer price increasing by 0.8p/kg to 448.6p/kg. Meanwhile the average O3 cow price in GB last week was up by a penny to 354.5p/kg.

Last week the deadweight cattle trade in ROI reported improvements across all grades from the previous week. The R3 steer price in ROI last week was up by 3.2p/kg to the equivalent of 422.2p/kg while the R3 heifer price reported an increase of 4.5p/kg to 427.1p/kg. Meanwhile the O3 cow price in ROI was up by the equivalent of 4.2p/kg to 361.8p/kg last week.

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

W/E 17/12/22	Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	450.5	432.0	452.7	452.7	452.9	453.0
	R3	446.1	422.2	452.4	452.3	445.2	449.5
	R4	444.6	424.2	454.5	453.9	443.5	452.5
	AVG	435.7	-	450.7	446.4	435.0	442.7
Heifers	U3	452.8	437.8	457.9	456.9	457.1	457.0
	R3	446.2	427.1	451.7	450.2	447.1	448.6
	R4	443.9	429.5	454.2	451.1	446.7	451.1
	AVG	435.8	-	451.3	442.8	432.0	438.7
Young Bulls	U3	441.9	421.9	441.5	440.9	440.6	441.2
	R3	428.5	413.7	440.1	440.2	436.0	439.0
	O3	415.7	403.1	408.1	405.9	409.5	408.0
	AVG	417.9	-	428.9	419.9	418.7	419.1
Prime Cattle Price Reported	5,031	-	6,109	7,087	6,385	4,375	23,956
Cows	O3	350.3	361.8	358.2	359.9	350.3	354.5
	O4	350.0	360.6	366.7	357.9	351.0	354.7
	P2	310.3	323.3	306.0	316.1	306.1	309.5
	P3	328.3	343.0	318.8	336.6	327.9	328.3
AVG	315.3	-	353.6	335.8	314.6	318.4	325.1

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=86.26p 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

REPORTED NI CATTLE PRICES - P/KG

W/E 17/12/22	Steers	Heifers	Young Bulls
U3	450.1	451.9	440.6
R3	443.7	445.0	427.5
O+3	436.1	437.8	424.1

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 17/12/22	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	236.7	252.5	264.9	284.3
P2	270.9	290.4	307.2	323.1
P3	274.4	312.7	324.8	331.2
O3	-	331.9	344.9	351.3
O4	-	340.0	352.2	349.9
R3	-	-	-	370.2

SHEEP TRADE

NI SHEEP BASE QUOTES

(P/Kg DW)	This Week 19/12/22	Next Week 26/12/22
R3 Lambs up to 22kg	520 - 540p	530 - 545p

REPORTED SHEEP PRICES

(P/KG)	W/E 03/12/22	W/E 10/12/22	W/E 17/12/22
NI L/W Lambs	479.0	475.3	484.4
NI D/W Lambs	536.6	523.9	526.5
GB D/W Lambs	561.1	552.2	540.0
ROI D/W	565.6	567.5	557.3

Deadweight Sheep Trade

Base quotes from the three major lamb processors for R3 grade lambs improved mid week to range from 530-545p/kg up to 22kg. With the range in quotes producers are encouraged to price around to get the best possible deal for their lambs. Lamb throughput in local plants last week totalled 10,812 head, a decrease of 201 head from the previous week. During the same week last year 9,165 lambs were processed locally. Lamb exports to ROI last week for direct slaughter totalled 4,968 head, back 1,042 head from the previous week. The average deadweight lamb price in NI last week improved with the price up 2.6p/kg from the previous week to 526.5p/kg. Meanwhile in ROI the deadweight trade for lambs last week decreased by the equivalent of 10.2p/kg from the previous week to 557.3p/kg.

Liveweight Sheep Trade

A quieter trade was reported across the marts this week with good numbers passing through many of the sale rings. In Massereene on Monday the final sale saw an entry 1,086 lambs sell from 494-544p/kg compared to 439 lambs last Monday selling from 478-508p/kg. In Kilrea this week 950 lambs sold from 475-509p/kg compared to 740 lambs last week selling from 474-510p/kg. In Saintfield this week 490 lambs sold from 484-520p/kg compared to 388 lambs last week selling from 480-520p/kg. In Ballymena this week a good entry of 1,803 lambs sold from 470-545p/kg (avg 495p/kg) compared to 2,108 lambs last week selling from 460-559p/kg (avg 488p/kg). Top reported prices for cull ewes generally ranged from £140-194 across the marts.

LATEST LIVELWEIGHT CATTLE MART PRICES NI

W/E 17/12/22	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	260	301	276	210	259	235
Friesians	220	222	221	212	-	212
Heifers	240	270	252	185	239	212
Beef Cows	220	284	245	170	219	195
Dairy Cows	150	175	160	85	149	120
Store Cattle (p/kg)						
Bullocks up to 400kg	250	312	275	205	249	225
Bullocks 400kg - 500kg	220	269	245	170	219	200
Bullocks over 500kg	230	258	240	160	229	190
Heifers up to 450kg	225	287	250	170	224	200
Heifers over 450kg	200	246	225	160	199	180
Dropped Calves (£/head)						
Continental Bulls	340	460	380	230	335	285
Continental Heifers	300	380	325	200	295	250
Friesian Bulls	100	215	150	40	95	80
Holstein Bulls	80	155	115	1	75	40

LATEST SHEEP MARTS (P/KG LW)

From: 17/12/22		Lambs			
To: 22/12/22		No	From	To	Avg
Saturday	Omagh	481	475	539	-
	Swatragh	830	450	520	-
Monday	Kilrea	950	475	509	-
	Massereene	1086	494	544	-
Tuesday	Saintfield	490	484	520	-
Wednesday	Ballymena	1803	470	545	495

Information supplied by LMC / DAERA/ AHDB/ DAFM

LMC does not guarantee the accuracy or completeness of any third party information provided in or included with this publication. LMC hereby disclaims any responsibility for error, omission or inaccuracy in the information, misinterpretation or any other loss, disappointment, negligence or damage caused by reliance on third party information. Not for further publication or distribution without prior permission from LMC

Contact us

T: 028 9263 3000
E: bulletin@lmcni.com
W: www.lmcni.com

