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FIRM INCREASE IN RETAIL BEEF SALES

During the 12 weeks ending 06 September 2020 retail sales of primary beef in the UK were valued at £479.2 million, a 13.8 per cent increase from the corresponding 12 week period in 2019. In volume terms primary beef sales totalled 60,500 tonnes during the 2020 period which was a 10.6 per cent increase from year earlier levels.

While the increase in volume sales will have been a key driver behind the overall increase in the value of retail beef sales a 2.9 per cent increase in the average retail price to £7.92/kg will also have been a contributing factor.

While growth in the value and volume of beef sales continued during the 12 weeks ending 06 September the rate of growth has started to slow, particularly towards the end of this reference period. During August the 'Eat Out to Help Out' campaign encouraged consumers across the UK to eat more out of home to help the struggling food service sector and this obviously impacted on retail sales of beef to consumers.

The majority of primary beef cuts have performed strongly in terms of both value and volume sales during the 12 week period ending 06 September 2020 however sales of mince, steaks and burgers have performed particularly well.

Mince continues to account for more than half of all primary beef sales through UK retailers in terms of volume with 33,400 tonnes of the product sold during the 12 weeks ending 06 September 2020. This was an increase of 5.2 per cent in volume terms with the average retail price almost unchanged at £5.50/kg.

Volume sales of burgers and grills also performed strongly with retail sales totalling 20,100 tonnes during the 2020 period. This was a 12.7 per cent increase and this combined with a six per cent increase in the average retail price to £6.02/kg contributed to an almost 20 per cent increase in the value of retail sales to £120.9 million.

Steak is the next biggest beef category in terms of volume sales through retailers with 13,900 tonnes sold during the 12 weeks ending 06 September 2020. This was a 17.9 per cent increase in volume terms from 2019 levels while the overall value of steak sales increased by 15.5 per cent to total £183.1 million. Strong promotional activity by levy bodies, including LMC, across the UK and by the major retailers has contributed to this increase in the volume and value of steak sales.

Retail sales of beef roasting joints were valued at £72.4 million during the 12 weeks ending 06 September 2020, up almost 30 per cent from the corresponding period in 2019. This strong growth was driven by a 20 per cent increase in the volume of sales to 8,200 tonnes and a 7.5 per cent increase in the average retail price to £8.88.

Processed beef sales have also recorded value and volume growth during the 12 weeks ending 06 September 2020. The overall value of sales increased by 14.6 per cent to total £211.6 million. The volume of processed beef sales increased by 9.5 per cent year on year while the average retail price increased by 4.6 per cent to £7.75/kg.

Sales of value added beef products have also performed particularly well within the processed beef category although the volumes involved are small in comparison to primary beef sales.

Sales of beef marinades were valued at £25.2 million during the 12 weeks ending 06 September 2020, up almost 40 per cent from year earlier levels. This was driven by a strong increase in volume sales along with a 10.8 per cent increase in the average retail price to £11.67/kg.

Meanwhile ready to cook beef sales were valued at £7.1 million, up 54 per cent from year earlier levels. This was driven mostly by an increase in volume sales although the average retail price also increased by 5.6 per cent to £10.90/kg.

Image 1: Primary beef sales through UK retailers have performed strongly during the 12 weeks ending 06 September 2020.

INCREASE IN CATTLE IMPORTS FROM ROI

Last week there were 462 prime cattle imported from ROI for direct slaughter in local beef processing plants which takes the total for the year to date to 11,710 head. This is a significant increase from the 7,713 prime cattle imported during the same period in 2019.

There has also been an increase in the level of cows imported for direct slaughter during 2020 to date, with 5,208 head imported during 2020 to date, up from 1,826 head during the corresponding period last year.

While the level of cattle import from ROI for direct slaughter has increased strongly the number of cattle being taken in from GB for direct slaughter has declined, although the numbers involved have always been relatively small. During 2020 to date 149 prime cattle and 1.324 cows have been imported from GB, back from 430 prime cattle and 2,582 cows during the same period last year.

Stronger supplies of cattle for slaughter in ROI combined with tighter domestic supplies in NI have contributed to the uplift in the level of cattle imports from ROI for direct slaughter in local plants.

This imbalance in supply and demand has also contributed to an increase in the number of cattle being imported from ROI for further production on local farms.

During 2020 to date 29,426 cattle have been imported from ROI for further breeding and production on local farms, this is more than double the 14,192 animals imported during the corresponding period in 2019. It is also the highest level of import recorded during the first nine months of the year since 2010.

While some of the cattle imported during 2020 to date are destined to be cows in both the NI suckler and dairy herd a significant proportion will be utilised for beef production.

At the end of September 2020 there were 18,217 imported beef sired cattle aged under 30 months on NI farms, a significant increase from 8,007 head at the end of September 2019. There were also 10,833 dairy sired males under 30 months on local farms at the end of September 2020, up from 7,620 head at the end of September 2019.

CONFORMATION SCORES OF PRIME CATTLE REMAIN SIMILAR

During the three month period July-September 2020 the conformation scores achieved by price reported prime cattle in Northern Ireland were generally similar to the same period last year.

Steers

During the 2020 period U grading carcases accounted for 18 per cent of the price reported steer kill with a further 35 per cent of the kill achieving an R grade. These proportions were similar to the same period in 2019. Meanwhile there was a slight increase in the proportion of O grading steer carcases in the slaughter mix to 38 per cent while P grading carcases accounted for nine per cent of the steer kill.

Heifers

There has been a slight improvement in the grading scores achieved by price reported heifers during the 2020 period. U grading animals accounted for 16.5 per cent of the kill, up from 14.5 per cent during the same period in 2019. R grading heifers accounted for 43 per cent of the kill which was similar to 2019 levels while the proportion of O grading carcases was back slightly to 35.5 per cent of the kill.

Young bulls

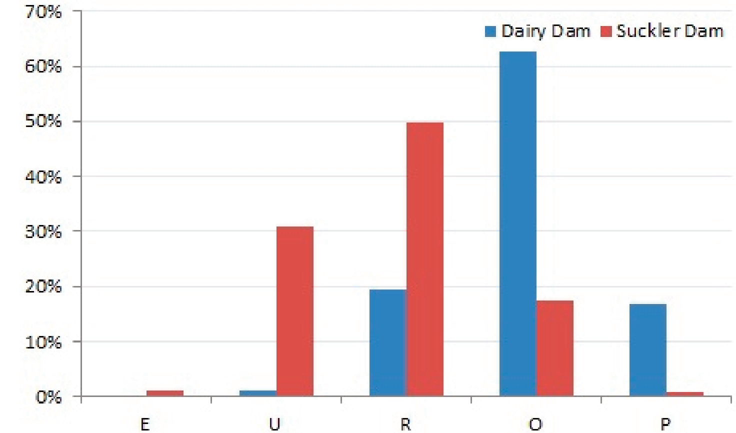
During the 2020 period there was a significant reduction in the number of young bulls killed in NI plants compared to quarter 3 2019. Overall there has been some downward movement in the grading scores of young bulls and this can be attributed to a decrease in the proportion of suckler origin young bulls in the slaughter mix.

U grading young bulls accounted for 27 per cent of price reported animals with R grading animals accounting for a further 32 per cent. This was back from 28 per cent and 34 per cent in the same period in 2019. O grading animals accounted for 31 per cent of young bulls, up from 27 per cent in the same period in 2019.

Source of prime kill

During quarter 3 of 2020 suckler origin animals accounted for 59 per cent of prime cattle processed with beef cross animals accounting for a further 30 per cent of the kill. The final 11 per cent were dairy sired animals, These proportions were unchanged from the same period in 2019.

Figure 1: Conformation scores awarded to price reported suckler and dairy origin cattle during quarter 3 2019 and 2020. Source: LMC cattle price reporting



WEEKLY BEEF & LAMB MARKETS

LMC Livestock & Meat Commission

CATTLE TRADE

NI FACTORY BASE QUOTES FOR CATTLE

(P/KG DW)	This Week 05/10/20	Next Week 12/10/20
Prime		
U-3	354 - 360p	354 - 360p
R-3	348 - 354p	348 - 354p
O+3	342 - 348p	342 - 348p
P+3	292 - 302p	292 - 302p
	Including bonus where applicable	
Cows		
O+3 & better	260 - 270p	260 - 270p
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 03/10/20	Steers	Heifers	Young Bulls
U3	365.6	367.8	359.3
R3	362.4	364.4	357.1
O+3	354.2	357.2	346.2

*Prices exclude AA, HER and Organic cattle

REPORTED COW PRICES NI - P/KG

W/E 03/10/20	Weight Bands			
	<220kg	220-250kg	250-280kg	>280kg
P1	166.6	183.6	196.8	202.5
P2	196.3	217.6	235.4	247.0
P3	180.0	235.4	255.9	260.0
O3	-	253.9	271.9	276.7
O4	-	248.6	269.0	279.1
R3	-	-	-	293.8

Deadweight Cattle Trade

Base quotes from the plants for in-spec U-3 grade prime cattle have held steady this week at 354-360p/kg with the majority of plants quoting 356-358p/kg for steers and heifers. Quotes for O+3 grading cows have also held steady at 260-270p/kg. Similar quotes are expected for all types of cattle early next week.

Prime cattle throughput in local plants totalled 7,024 head last week, up 175 head from the previous week. Throughput of prime cattle has totalled 257,653 head for 2020 to date, a two per cent decrease on the corresponding period in 2019 when 262,702 prime cattle were processed locally. Cow throughput in local plants last week totalled 2,385 head. This was an increase of 160 head from the previous week and brings the total cow throughput in 2020 to 74,820 cows. This is an increase of five per cent when compared to the same period in 2019.

Imports of prime cattle from ROI for direct slaughter in local plants last week totalled 462 head with no prime cattle imported from GB. This brings the year to date prime cattle imports from ROI to 11,710 head, an increase of almost 4,000 head from the same period in 2019 when 7,713 prime cattle were imported from ROI for direct slaughter. Meanwhile exports from NI to ROI for direct slaughter last week consisted of nine prime cattle and 71 cows. This brings prime cattle exports to 212 head for the year to date, a decrease of 456 head when compared to the same period in 2019.

The average steer price in NI last week was up 0.4p/kg to 357.2p/kg while the R3 steer price increased by 0.6p/kg to 366.4p/kg. In the same week last year the R3 steer price was 324.1p/kg. The average heifer price in NI last week increased by 1.2p/kg to 360.8p/kg while the R3 heifer price was up 1.6p/kg to 367.5p/kg. In the corresponding week in 2019 the R3 heifer price in NI was 325p/kg. The NI average young bull price last week was up 3.6p/kg to 346.3p/kg with the R3 young bull price up half a penny to 357.9p/kg. Meanwhile the NI average cow price decreased by 2.8p/kg last week to 247p/kg with the O3 cow price back 2.3p/kg to 275.6p/kg.

In GB last week the average steer price was up 0.7p/kg to 368.5p/kg while the R3 steer price increased by half a penny to 374.9p/kg. In the corresponding week in 2019 the R3 steer price in GB was 330.4p/kg. The average heifer price in GB last week was up slightly to 368p/kg while the R3 heifer price increased by half a penny to 374.3p/kg. In the same week last year the R3 heifer price reported in GB was 330.1p/kg. The average cow price in GB was back by 4.7p/kg last week to 240p/kg, with the O3 cow price up marginally to 269.6p/kg.

Last week the ROI deadweight trade for prime cattle held relatively steady in euro terms from the previous week. However a weakening in the euro against sterling has resulted in decreases in the ROI deadweight cattle prices in sterling terms. The R3 steer price decreased by 2.8p/kg to the equivalent of 331p/kg while the R3 heifer price decreased by 2.4p/kg to the equivalent of 333.6p/kg. The O3 cow price in ROI was back by the equivalent of 2.7p/kg from last week to 269.9p/kg. This puts it at 5.7p/kg behind the O3 cow price in NI.

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

W/E 03/10/20		Northern Ireland	Rep of Ireland	Scotland	Northern England	Midlands & Wales	Southern England	GB
Steers	U3	367.0	341.4	384.4	376.8	372.1	377.8	377.8
	R3	366.4	331.0	387.1	379.8	368.9	368.7	374.9
	R4	365.1	331.0	388.1	382.0	368.8	370.2	381.2
	O3	354.9	312.1	372.7	361.7	350.8	348.4	355.0
	AVG	357.2	-	383.7	371.6	359.5	359.6	368.5
Heifers	U3	368.4	345.6	395.1	384.7	383.9	377.2	385.6
	R3	367.5	333.6	385.6	377.5	371.2	368.5	374.3
	R4	365.3	333.2	388.3	378.4	370.7	366.3	379.2
	O3	360.1	320.4	372.6	354.4	345.3	349.6	351.5
	AVG	360.8	-	385.7	370.2	359.0	354.9	368.0
Young Bulls	U3	360.0	326.6	376.1	374.0	371.4	372.3	374.4
	R3	357.9	320.2	371.2	368.1	366.7	370.4	368.8
	O3	341.0	300.4	340.8	345.1	340.0	336.1	340.8
	AVG	346.3	-	363.4	357.3	352.0	346.7	355.2
Prime Cattle Price Reported		5,545	-	6,286	6,178	7,526	5,002	24,992
Cows	O3	275.6	269.9	273.4	270.7	270.0	265.8	269.6
	O4	278.5	271.5	274.3	268.7	268.9	261.0	268.1
	P2	239.4	243.4	238.2	228.9	230.2	228.3	230.1
	P3	258.1	260.3	248.5	243.6	241.7	241.1	242.4
	AVG	247.0	-	265.8	247.1	235.2	231.5	240.0

Notes: (i) Prices are p/kg Sterling-ROI prices converted at 1 euro=90.82p 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 03/10/20	1st QUALITY			2nd QUALITY		
	From	To	Avg	From	To	Avg
Finished Cattle (p/kg)						
Steers	223	235	225	200	222	211
Friesians	167	178	172	148	165	159
Heifers	204	227	215	190	203	196
Beef Cows	155	194	165	125	154	140
Dairy Cows	106	128	114	90	105	100
Store Cattle (p/kg)						
Bullocks up to 400kg	220	245	232	200	219	210
Bullocks 400kg - 500kg	215	235	225	190	214	200
Bullocks over 500kg	220	236	228	180	219	198
Heifers up to 450kg	220	242	230	185	219	200
Heifers over 450kg	205	236	220	170	204	190
Dropped Calves (£/head)						
Continental Bulls	385	500	450	250	380	315
Continental Heifers	315	445	360	200	310	255
Friesian Bulls	170	270	220	90	160	130
Holstein Bulls	105	215	160	5	100	60

SHEEP TRADE

NI SHEEP BASE QUOTES

(P/Kg DW)	This Week 05/10/20	Next Week 12/10/20
Lambs up to 21kg	430-435p	430-435p

REPORTED SHEEP PRICES

(P/KG)	W/E 19/09/20	W/E 26/09/20	W/E 03/10/20
NI L/W Lambs	405.7	395.0	398.5
NI D/W Lambs	436.8	428.7	425.4
GB D/W Lambs	463.7	462.9	450.7
ROI D/W	461.7	450.6	444.0

Deadweight Sheep Trade

Quotes for R3 grading lambs remained steady this week ranging from 430-435p/kg up to 21kg. Similar quotes are expected for early next week. Lamb throughput in NI last week totalled 10,181 head, up 545 head from the previous week. Lamb/hogget throughput for the year to date has totalled 321,462 a 12 per cent increase from the 288,153 head processed in the corresponding period in 2019. Lamb exports to ROI for direct slaughter last week totalled 6,407 head this brings total exports for the year to date to 227,535 lambs/hoggets. This is a one per cent decrease from 229,697 lambs/hoggets exported in the same period in 2019. The average deadweight lamb price in NI last week was 425.4p/kg, back 3.3p/kg from the previous week.

Liveweight Sheep Trade

The marts have reported steady numbers of lambs passing through the sale rings this week with the liveweight trade generally back compared to previous weeks. In Kilrea on Monday 430 lambs sold from 392-413p/kg compared to 470 lambs last week selling from 387-421p/kg. In Rathfriland this week 803 lambs sold from 380-490p/kg (avg 400p/kg) compared to 704 lambs last week selling from 382-480p/kg (avg 415p/kg). In Enniskillen on Wednesday 923 lambs sold from 398-439p/kg compared to 1,060 lambs last week selling from 390-429p/kg. In Armoy this week 463 lambs sold from 387-425p/kg compared to 512 lambs last week selling from 385-420p/kg. The cull ewe trade has held fairly steady this week with top reported prices of over £100 across the majority of marts.

LATEST SHEEP MARTS (P/KG LW)

From: 03/10/20		Lambs			
To: 08/10/20		No	From	To	Avg
Saturday	Omagh	886	421	485	-
	Swatragh	1250	385	410	-
Monday	Massereene	806	390	410	-
	Kilrea	430	392	413	-
Tuesday	Saintfield	420	390	508	-
	Rathfriland	803	380	490	400
Wednesday	Ballymena	2240	380	419	390
	Enniskillen	923	398	439	-
	Armoy	463	387	425	-
	Markethill	1360	395	417	-

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

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