

Review & Outlook of the Global Sheep Meat Market

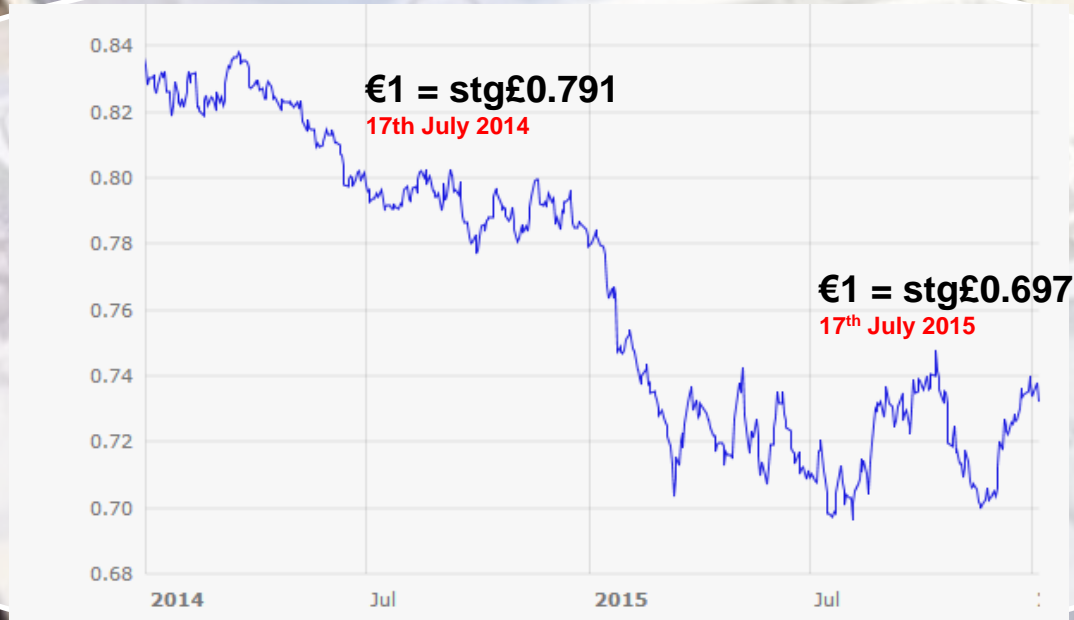
Declan Fennell

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

8th January 2016

1. Currency Movements



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New Zealand Dollar weakened against Sterling

7th January 2015

1

51 p/stg

7th January 2016

NZD

45 p/stg

2. China

Economic slowdown
Increase domestic production
Drought in Inner Mongolia

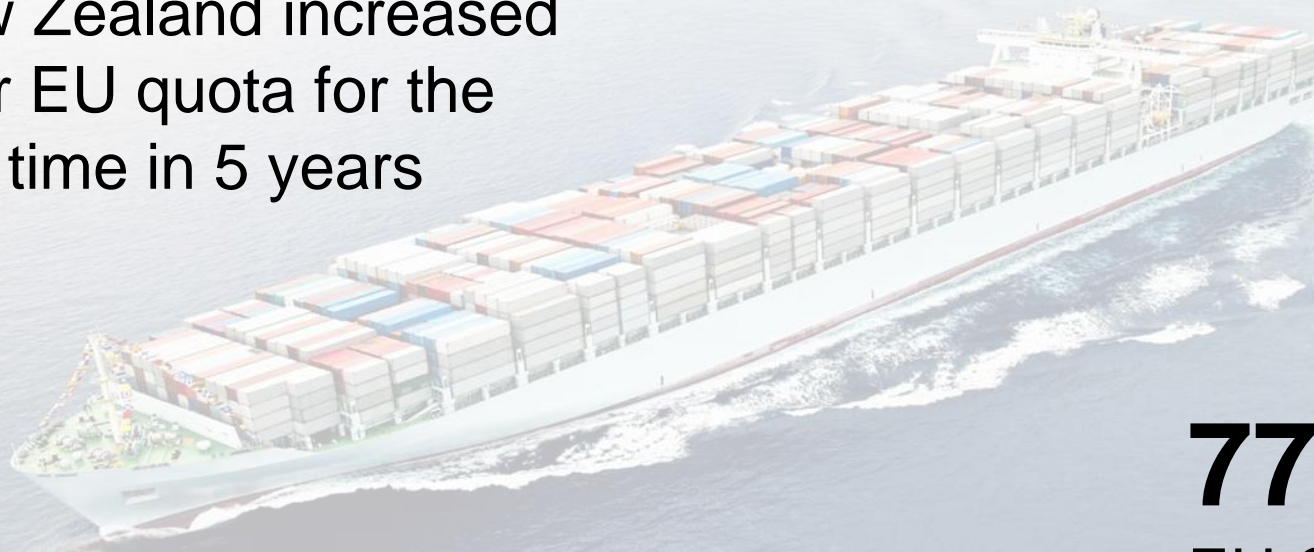


Import demand fell for
meat, wool and skins



3. Re-orientation of NZ exports

New Zealand increased
their EU quota for the
first time in 5 years



77%

EU Quota
filled in 2015

Source: BLNZ

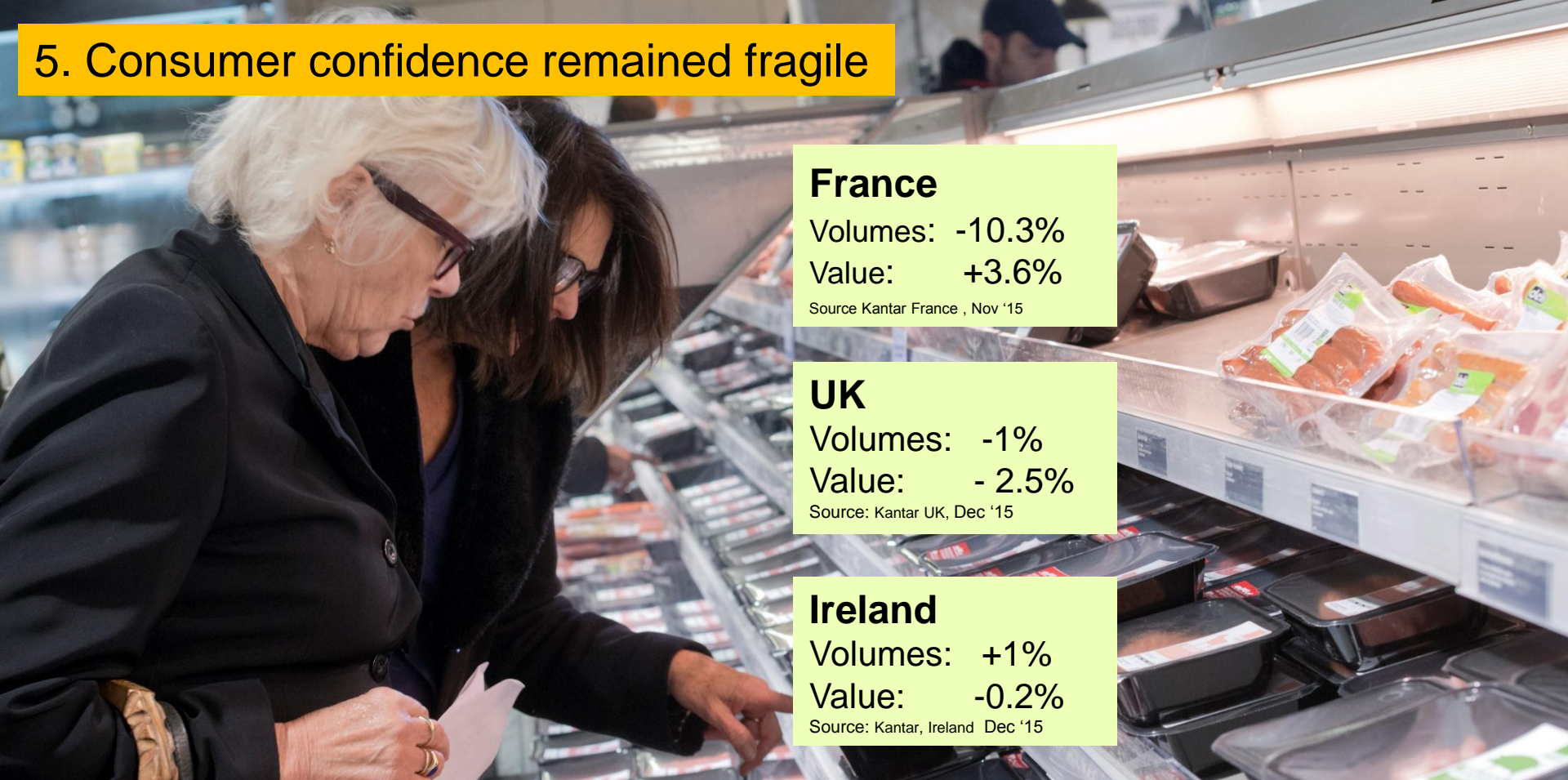
4. Country of Origin

In France the focus of attention was on **French Product** only

In the **UK sheep farmers** protested over NZ lamb



5. Consumer confidence remained fragile



France

Volumes: -10.3%

Value: +3.6%

Source Kantar France , Nov '15

UK

Volumes: -1%

Value: - 2.5%

Source: Kantar UK, Dec '15

Ireland

Volumes: +1%

Value: -0.2%

Source: Kantar, Ireland Dec '15

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Despite a challenging global environment
the Irish sheep sector delivered a solid
performance in 2015

5.16m

Head
+1.3%

National
flock

20.1 kg

+2.5%

Carcase
weights

€4.83

per kg
+2.5%

Average
price

46,700

Tonnes
+3%

Export
volumes

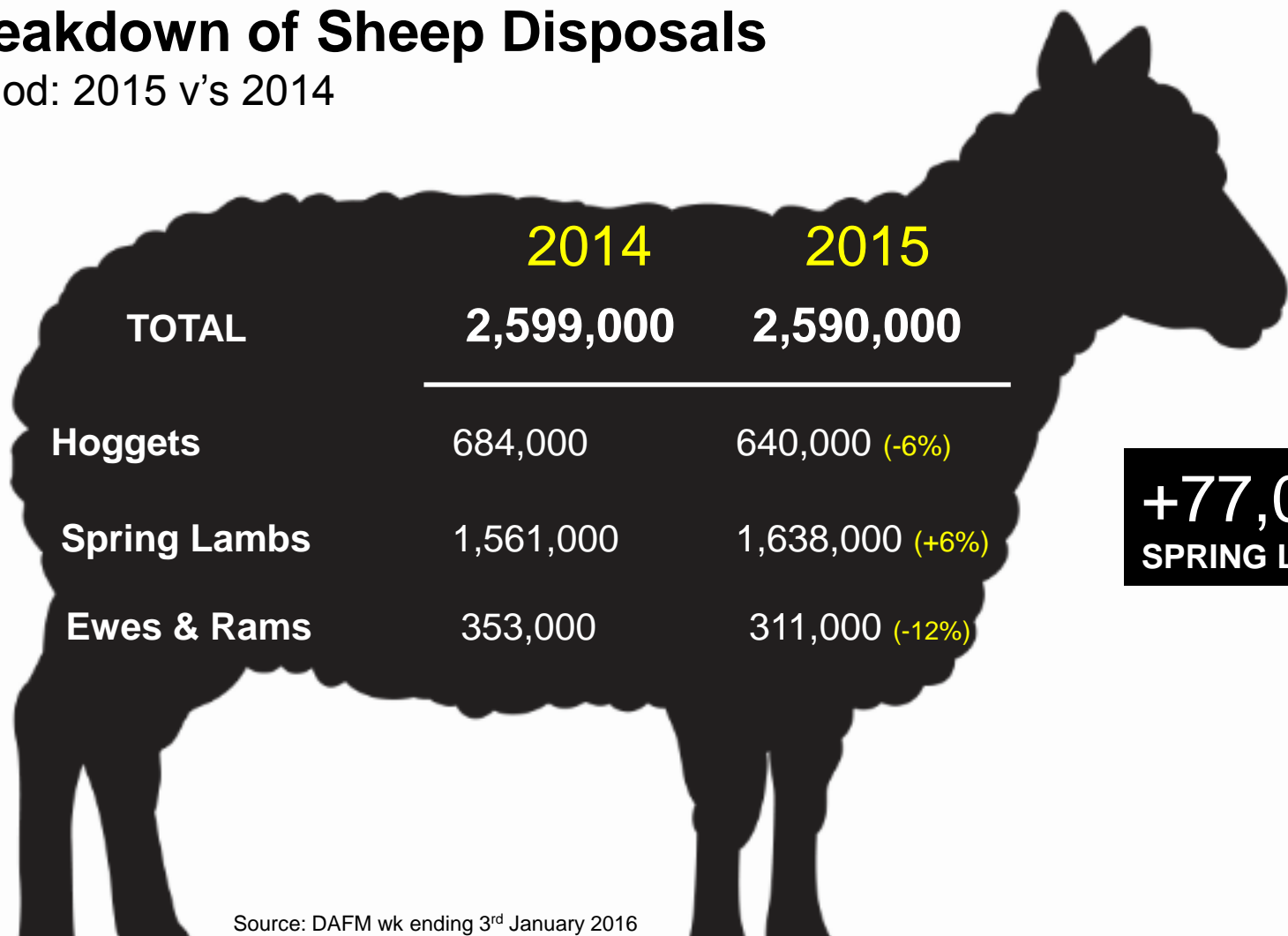
€231m

+6%

Export
value

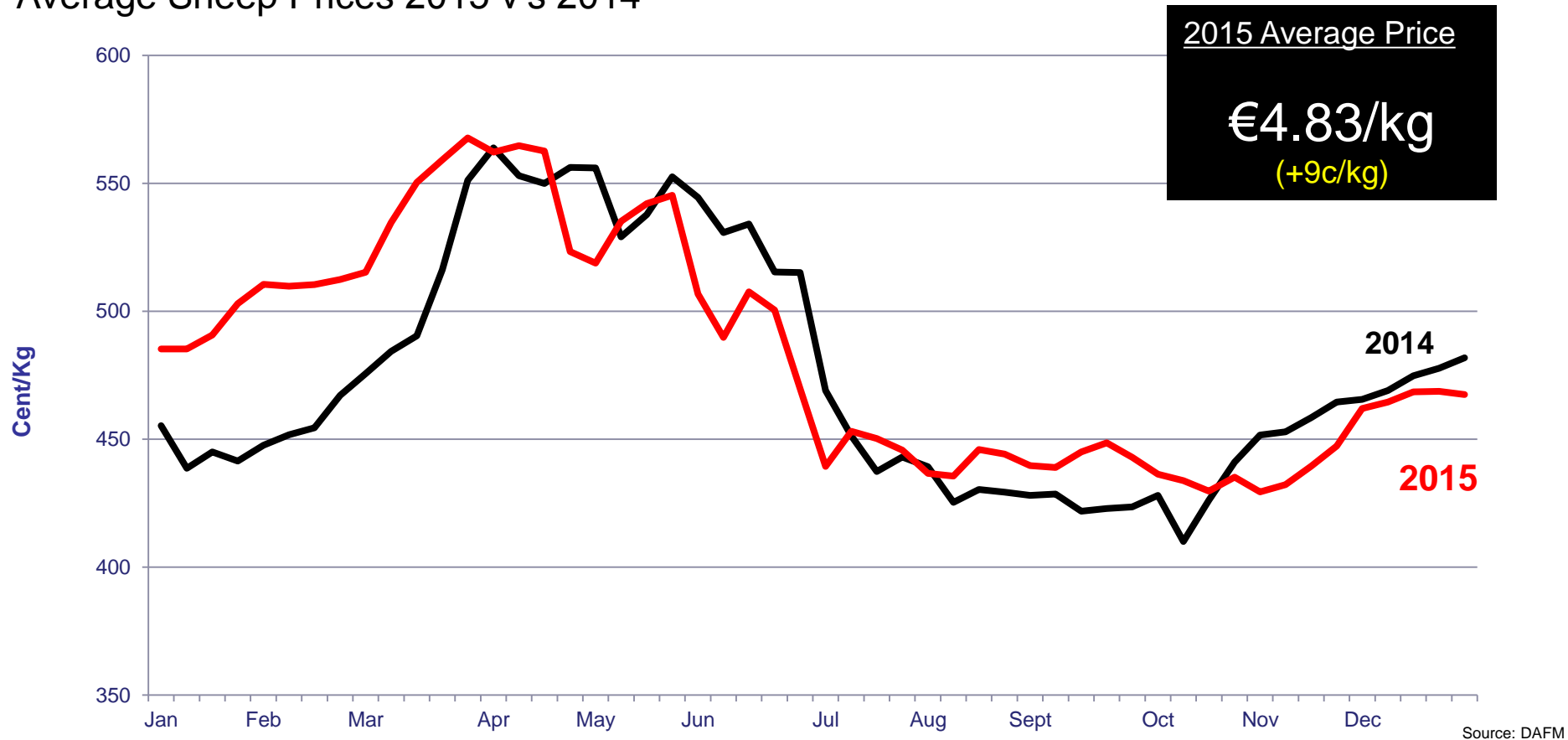
Breakdown of Sheep Disposals

Period: 2015 v's 2014

**+77,000**
SPRING LAMBS

Source: DAFM wk ending 3rd January 2016

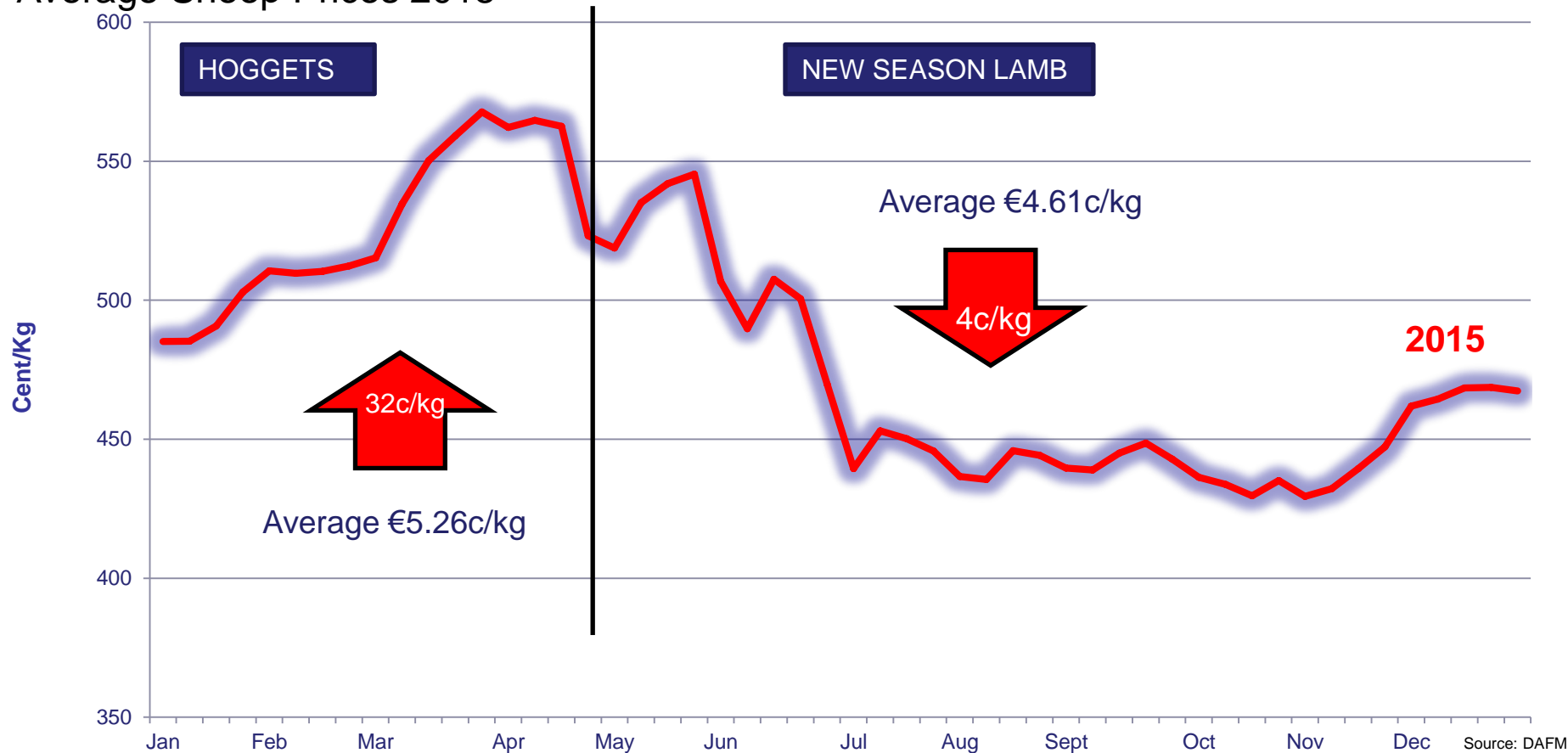
Average Sheep Prices 2015 v's 2014



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Average Sheep Prices 2015



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2015 Irish Sheep Meat Exports

VALUE:

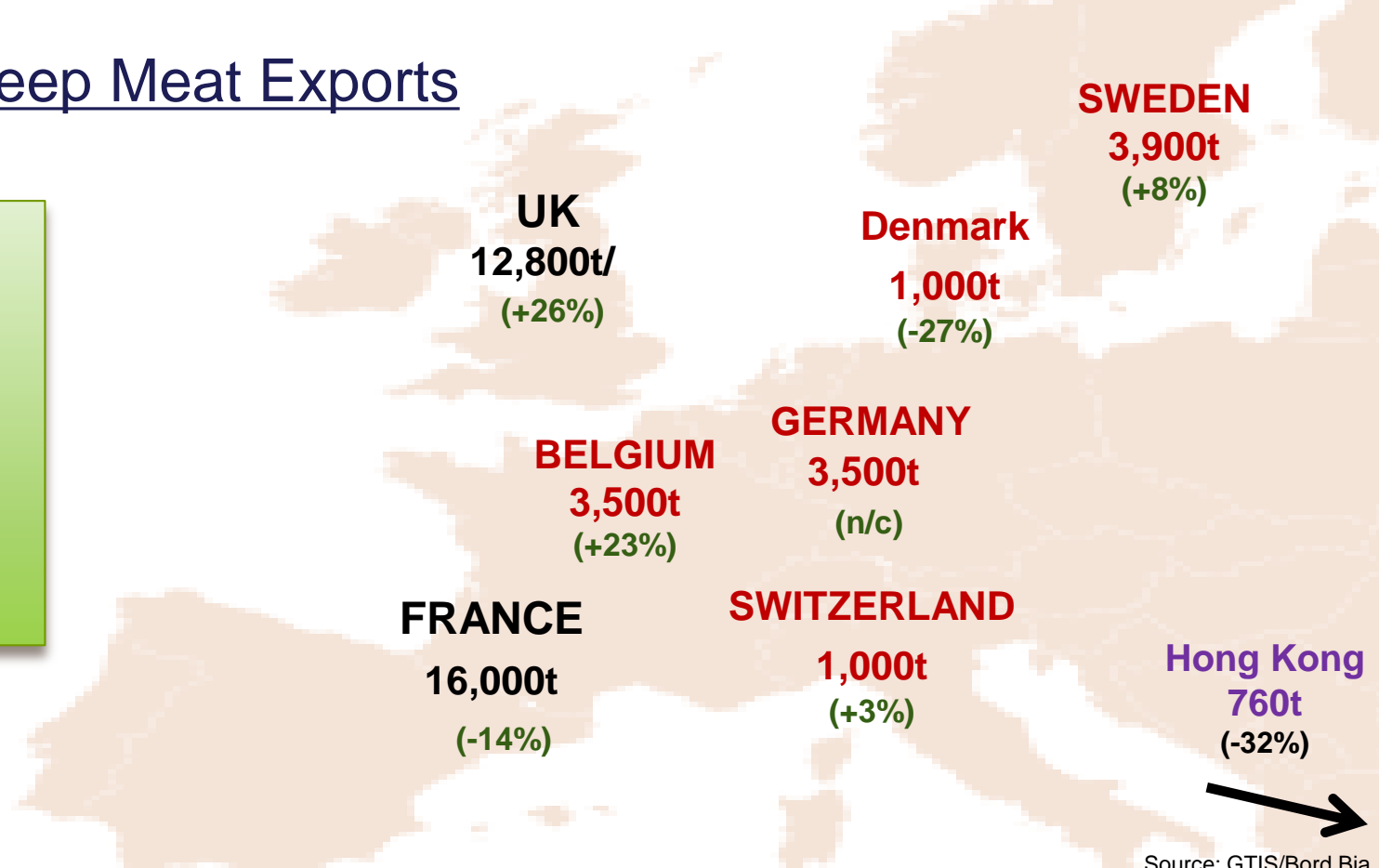
€231m [+6%]

VOLUME:

46,700t [+3%]

DESTINATIONS:

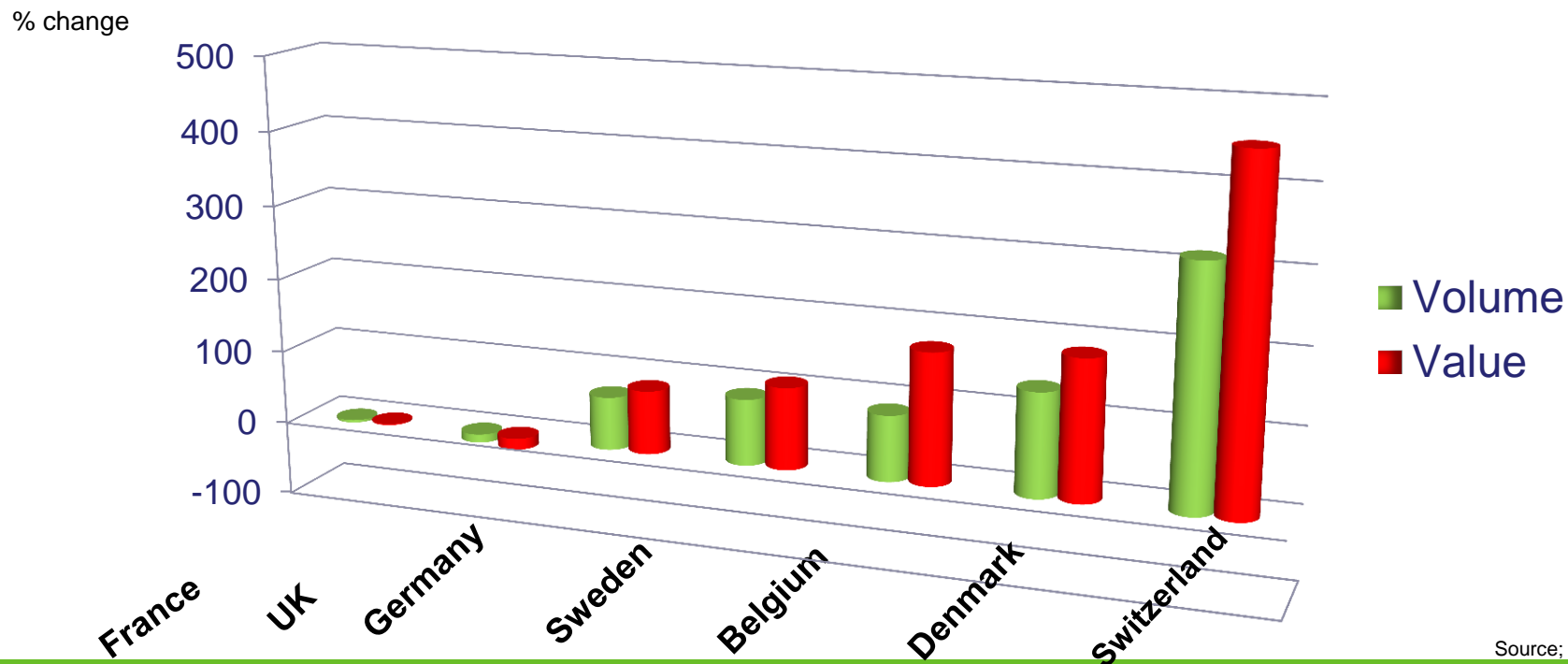
+30 markets



Source: GTIS/Bord Bia

Irish Sheep Meat Exports

% change in volume & value 2015 v's 2010

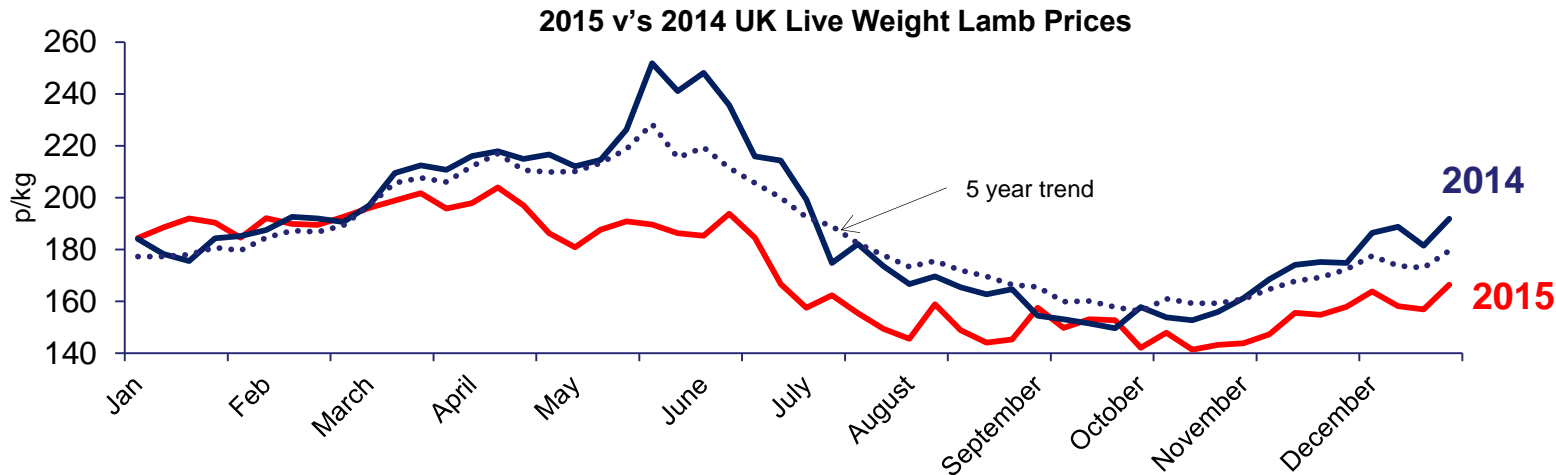


Source: GTIS/Bord Bia

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irish food board

UK prices remained under pressure



Lamb Crop

17.57m (-1%)

Total Processed

305,000t (+2%)

Exports

65,000 t (-21%)

Source: AHDB/SQQ

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Lowest Lamb Crop Since 1953

SUPPLIES BACK

23.1m lambs
(-7%)

1.7 million fewer
lambs

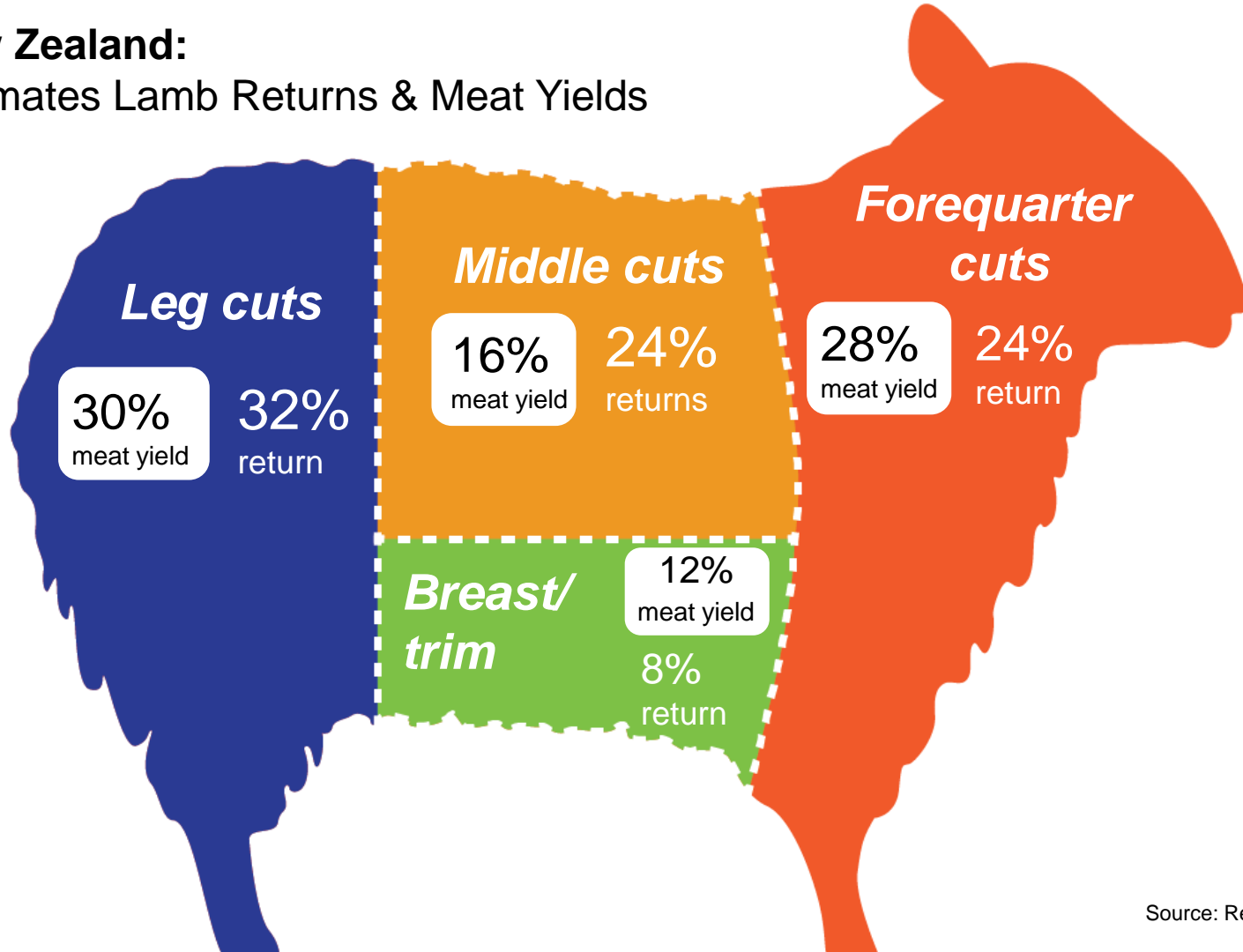


Prices not
expected to
exceed
\$5/kg

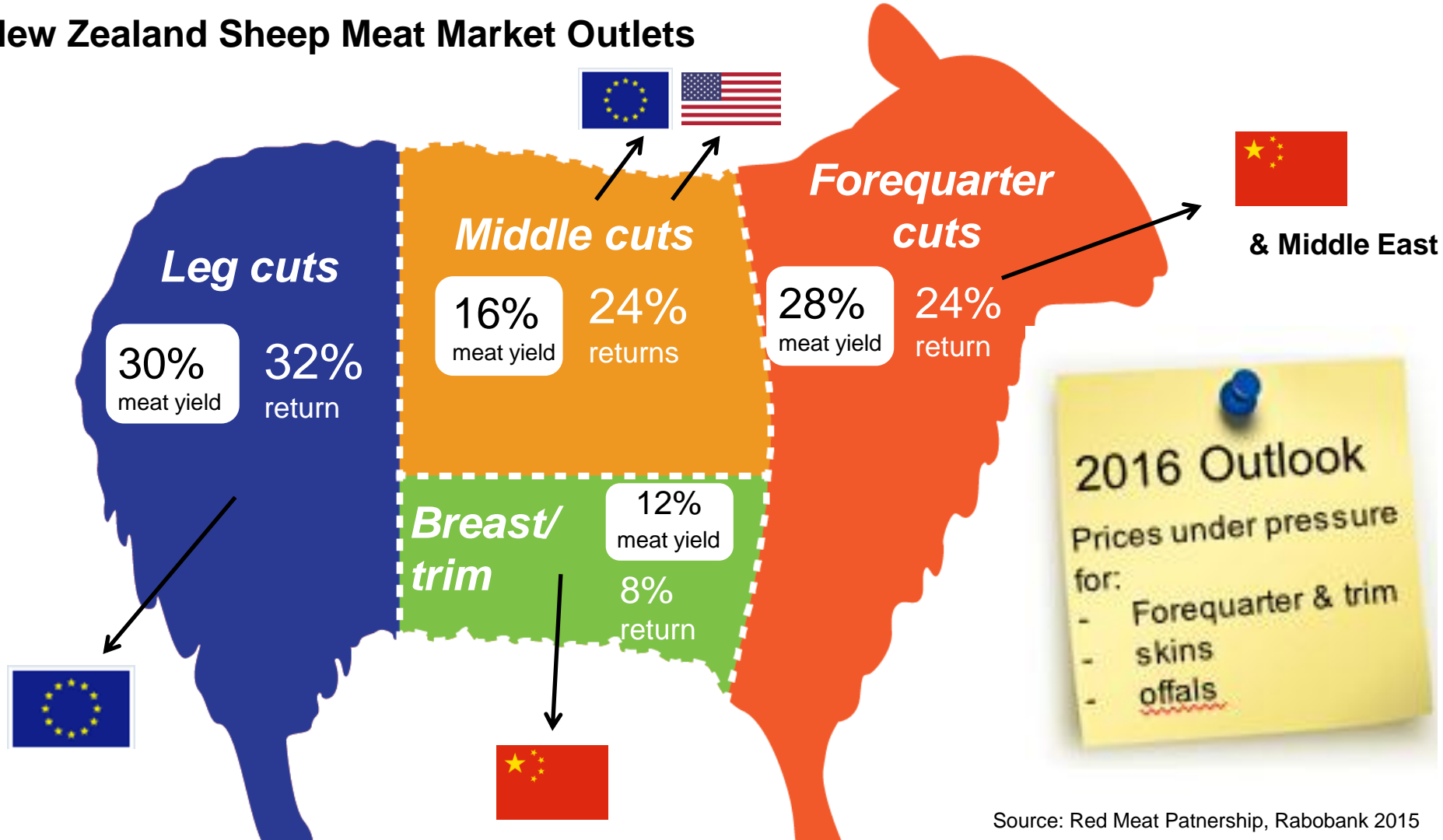
Source: BLNZ

New Zealand:

Estimates Lamb Returns & Meat Yields



New Zealand Sheep Meat Market Outlets



Conclusion



Hogget numbers to remain on par with '15 | growth in the breeding flock



Modest carry over of hoggets | 2016 Lamb Crop 17.2m (-2%)



Further declines in breeding flock (-3%) | Growth in live exports to MENA

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