

Supply Review and Outlook for Irish & EU Beef Sector

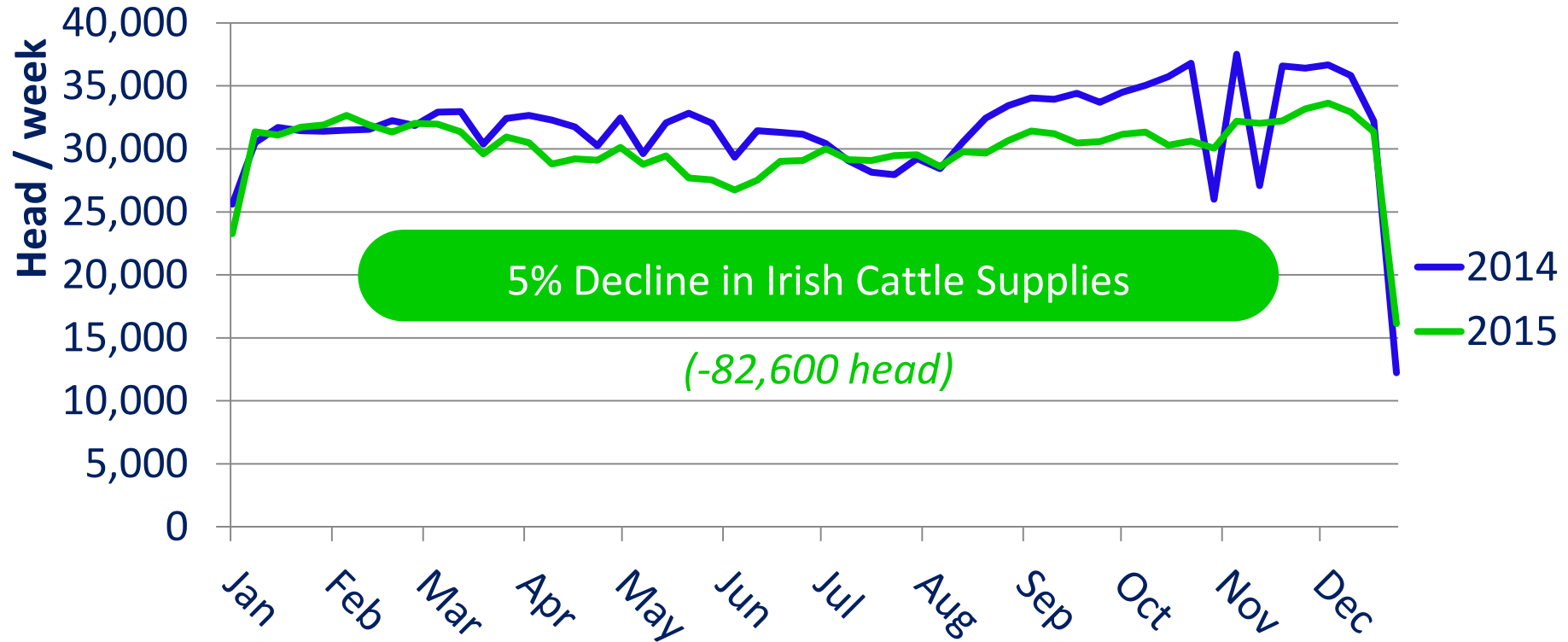
Joe Burke

8th January 2016

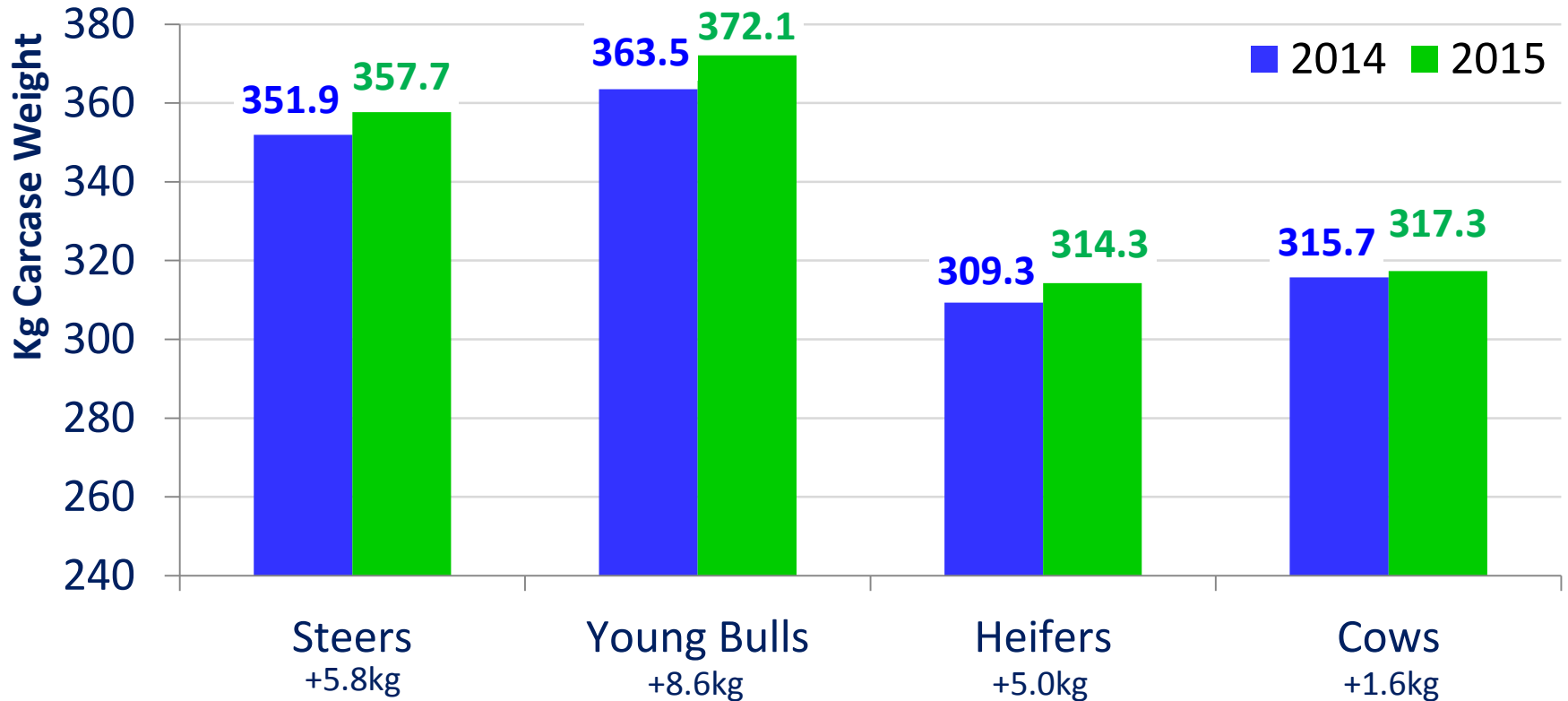
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Bord Bia
Irish Food Board

Irish weekly finished cattle supplies (head)



Average Carcase Weights Increase by 1.5% / 5kg



Cattle Supply Outlook

- 2015: supplies stronger than expected:
 - Growing conditions, younger finishing
- Calf births grew by 50,000 head in 2014
- Live exports of calves & weanlings increased by 15,000 head in 2014
- Supply pattern also dictated by:
Producer decisions (culling cows)
Live exports, growing conditions etc.
- Major increase in 2015-born cattle



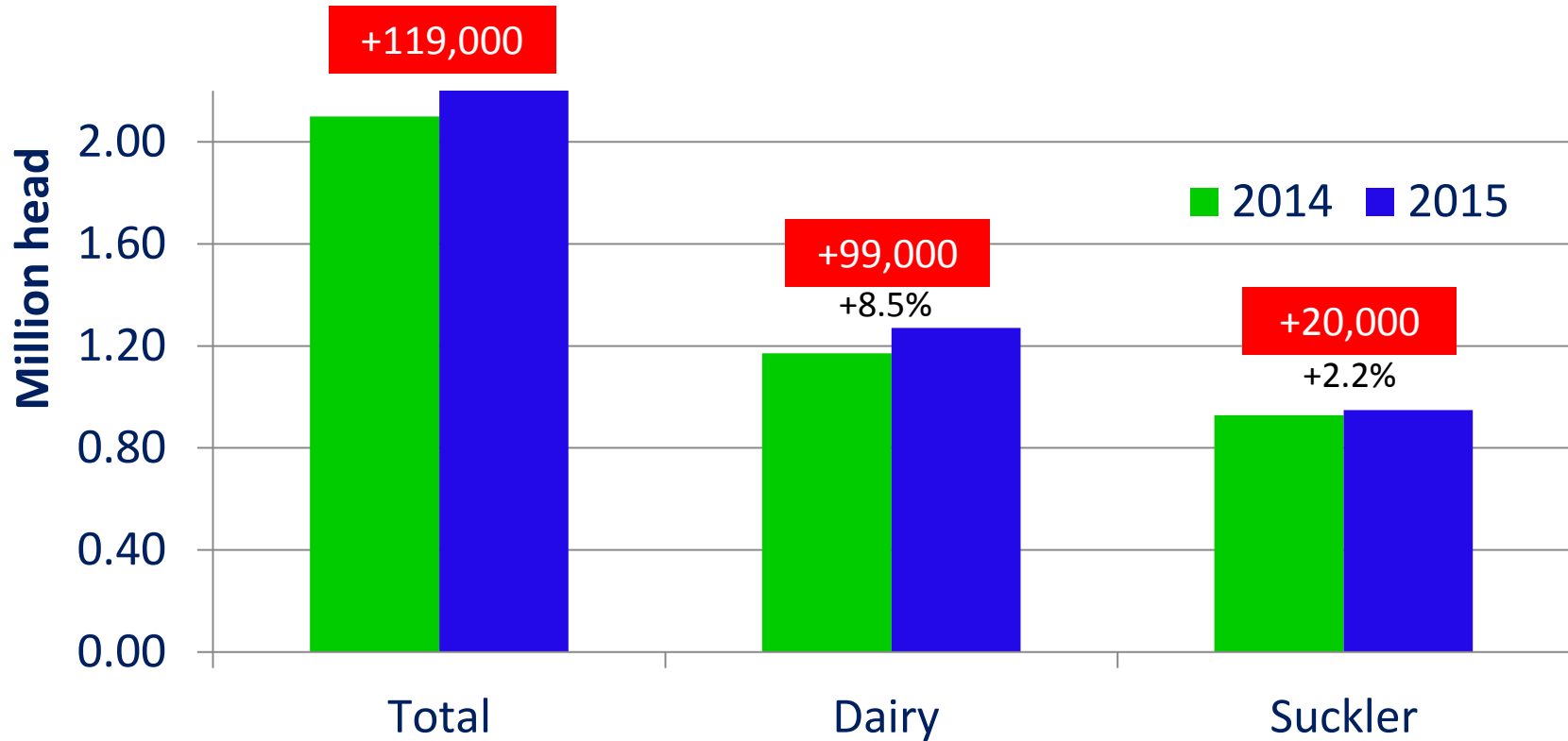
Likely to have 3-5% additional finished cattle in 2016

Finished Cattle Supply Forecast 2016 (000' head)

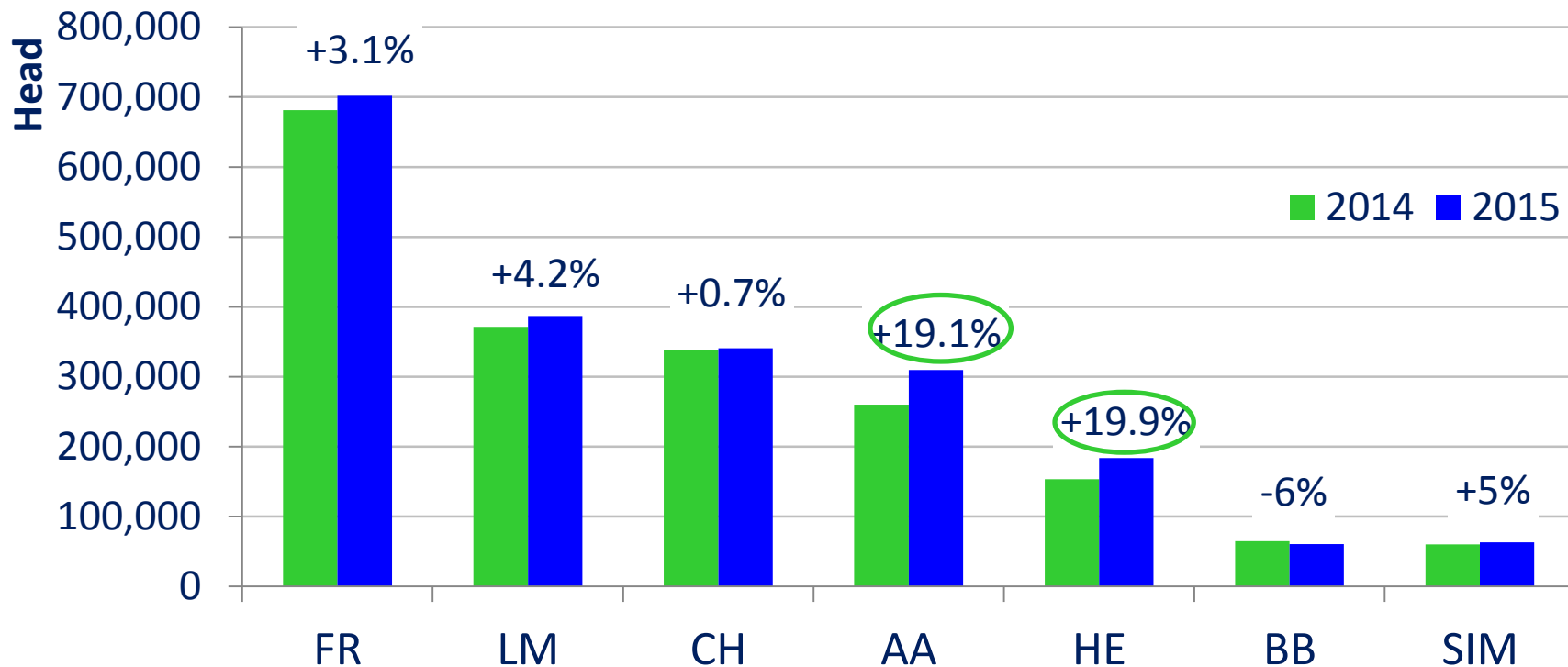
	2014	2015
Steers	612	632
Y Bulls	188	157
Heifers	430	413
Cows	367	321
Other	47	38
Total	1,644	1,561

Likely range: 50-80,000 extra finished cattle available

Calf Registrations up 5.7% in 2015 (to w/e. 18/12)



Calf Registrations by Breed Jan-Oct 2015 vs '14



Source - AIM

Live Cattle Exports 2015

Distribution of Live Exports from Ireland up to w/e. 20th Dec.

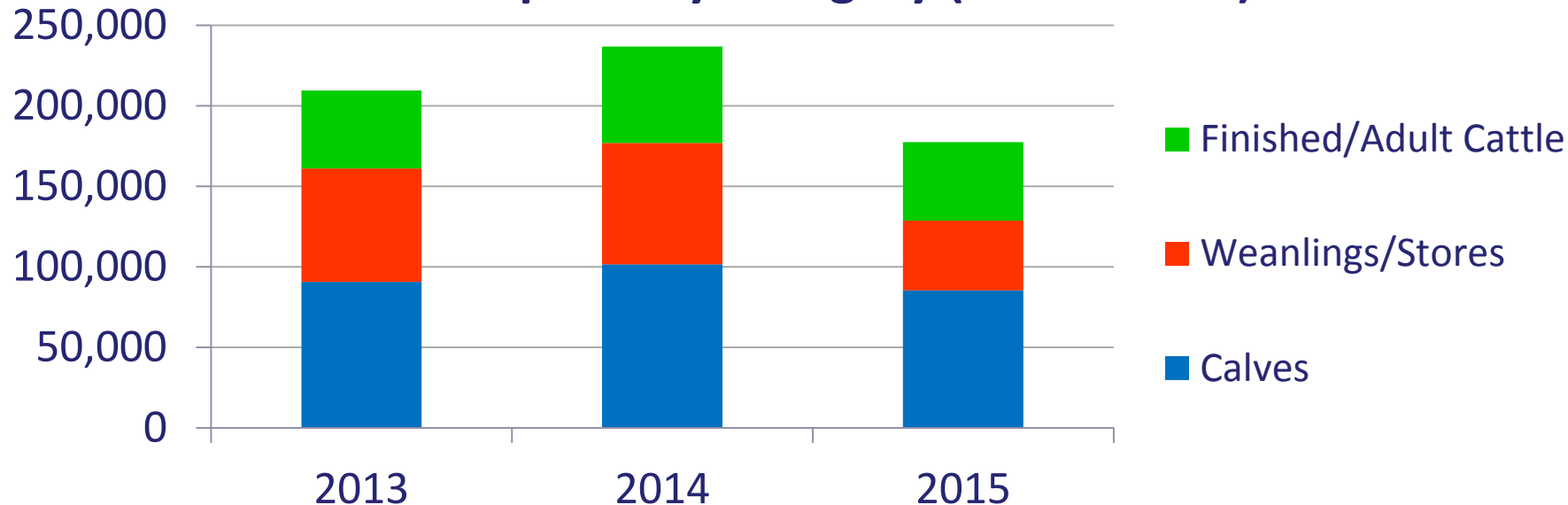


(000' head)	2014	2015	% change
Total	236,377	177,431	-25%
NI	54,125	54,713	+1.1%
GB	17,945	9,100	-49%
Italy	29,999	24,886	-17%
Spain	44,274	29,616	-33%
Netherlands	38,204	43,677	+14%
Belgium	21,727	606	-97%
France	5,336	8,552	+60%
Libya	17,667	433	-97%
Other int. mkt.s	4,677	4,307	-8%

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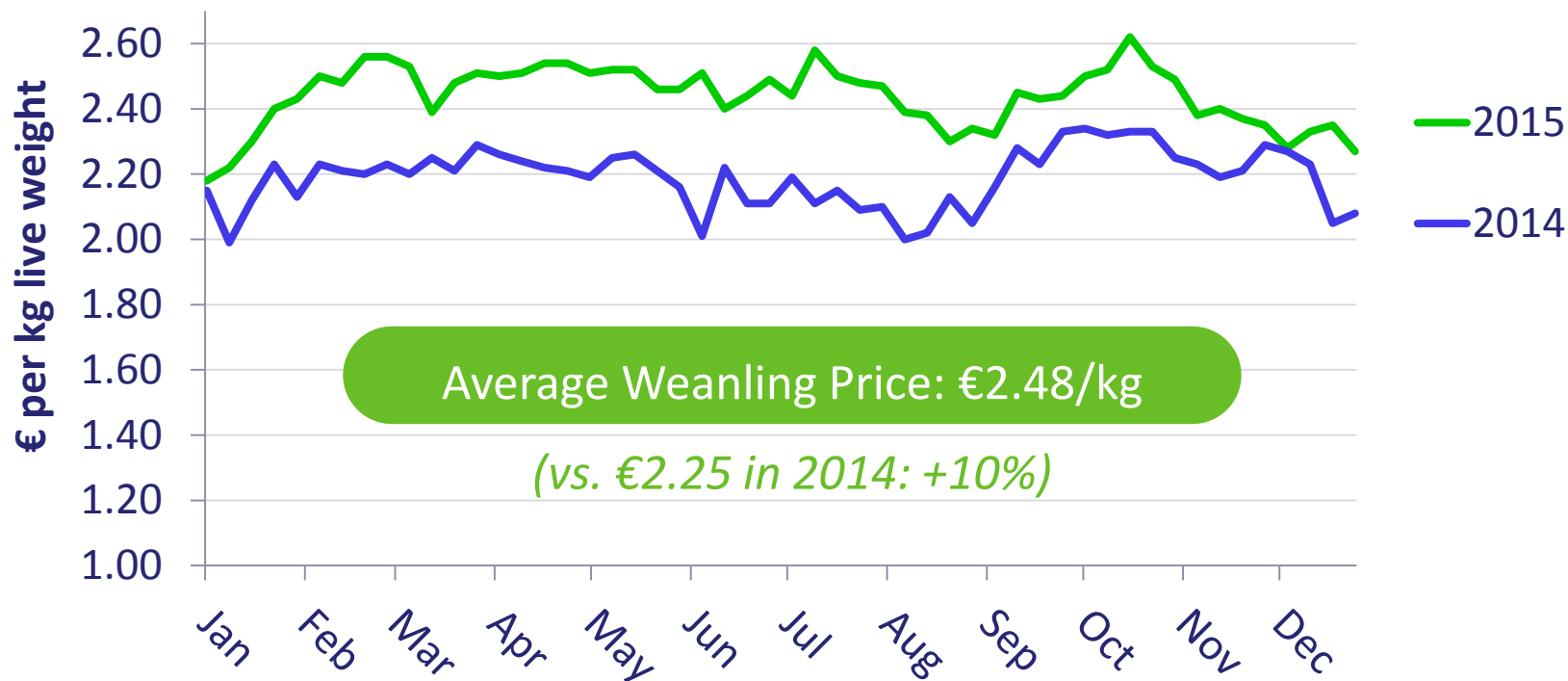
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Live Cattle Exports by Category (2013 - 2015)



- Calf exports 16% lower, at 85,546 hd
- Weanlings & stores down 43%, to 43,240 hd
- Adult cattle fell by 18%, to 48,735 hd

Average Prices: Weanling Bulls €/kg LW: '15 vs '14

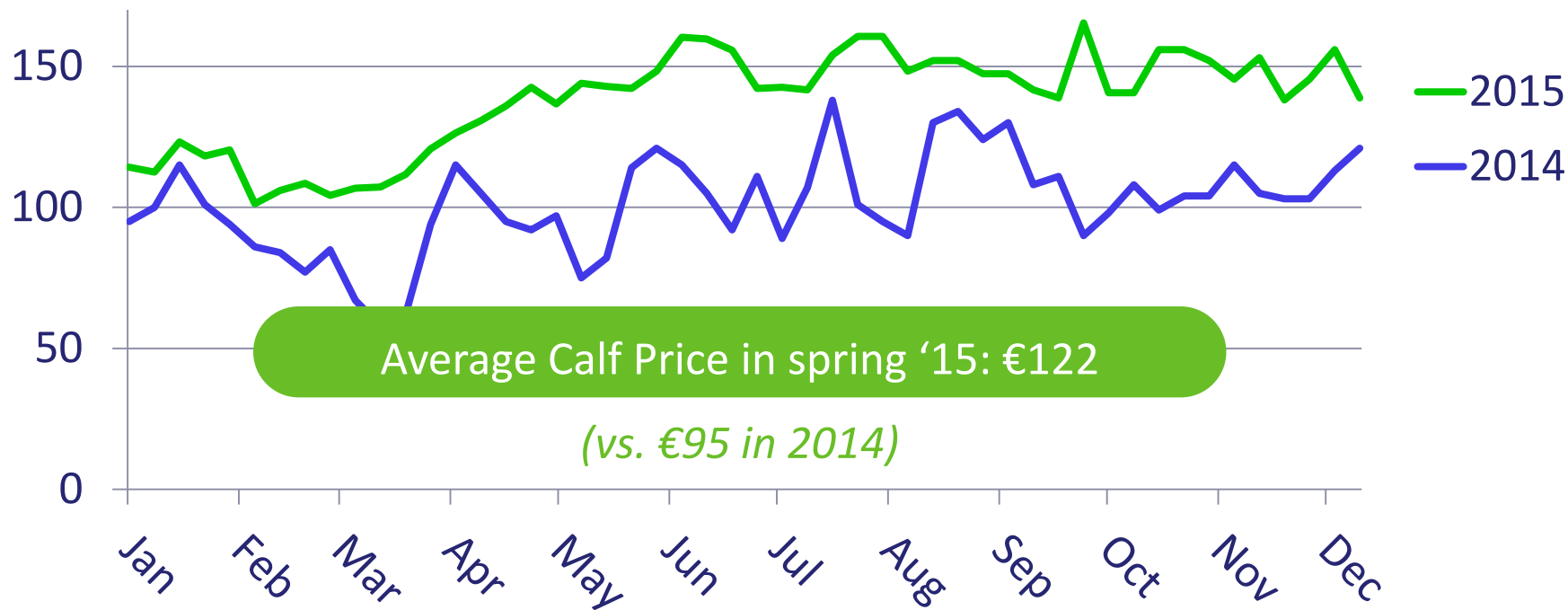


Source - IFJ Martwatch

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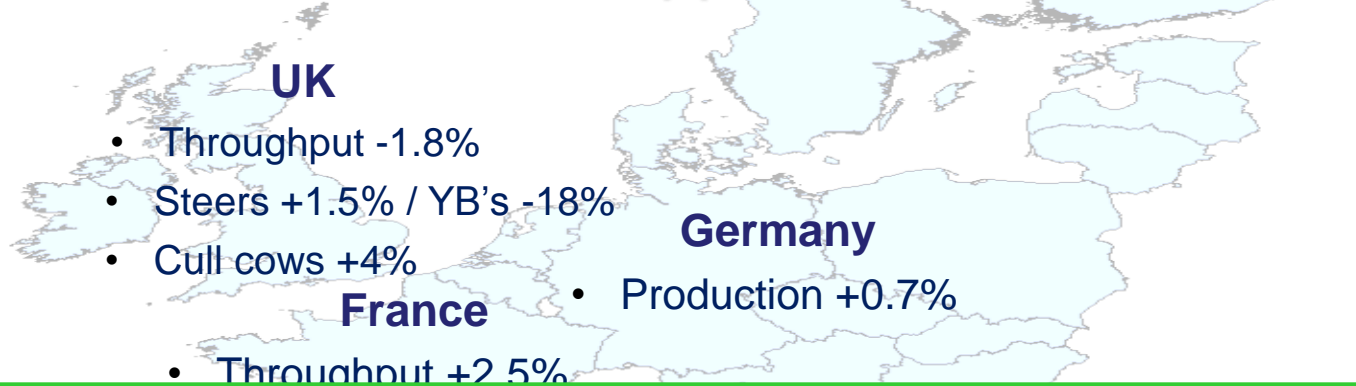
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Average Prices: Dairy Bull Calves €/hd: '15 vs '14



European Markets

Cattle Supplies 2015



EU Beef Production 3% higher than 2014

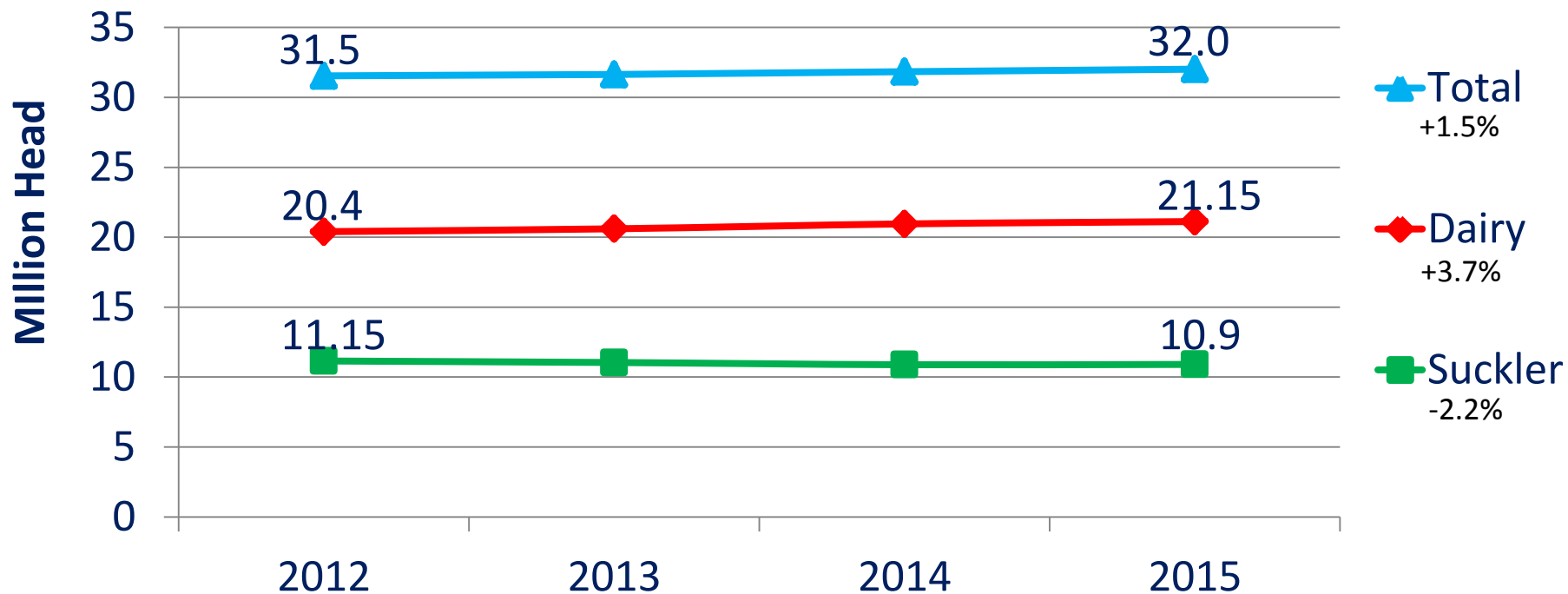
(EU Commission)

- Spain**
- Throughput +8%
 - Live imports -6%
 - Live exports +80%

- Throughput +9%
- Cull cows +32%
- Live imports -7%

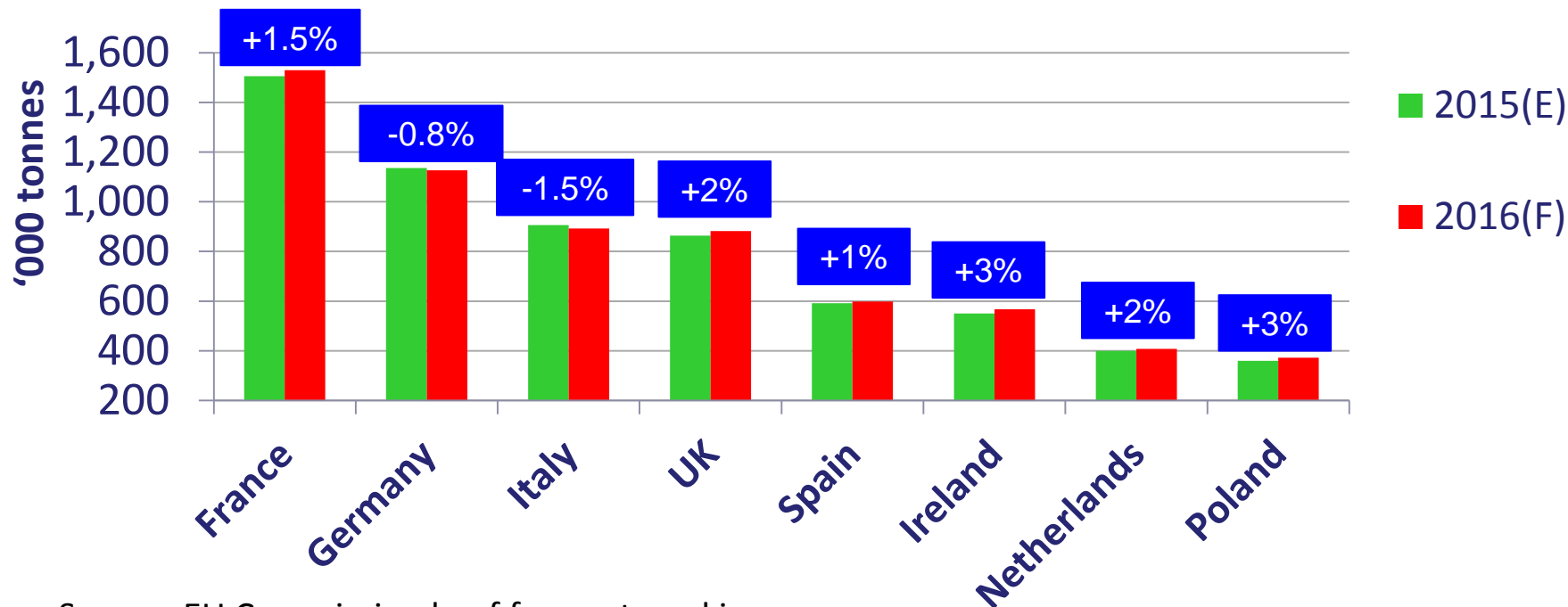
Source: EU Commission beef forecast working group

European Cow Herd Increases by 1.5% / 500,000



EU beef production trend 2015 - 2016

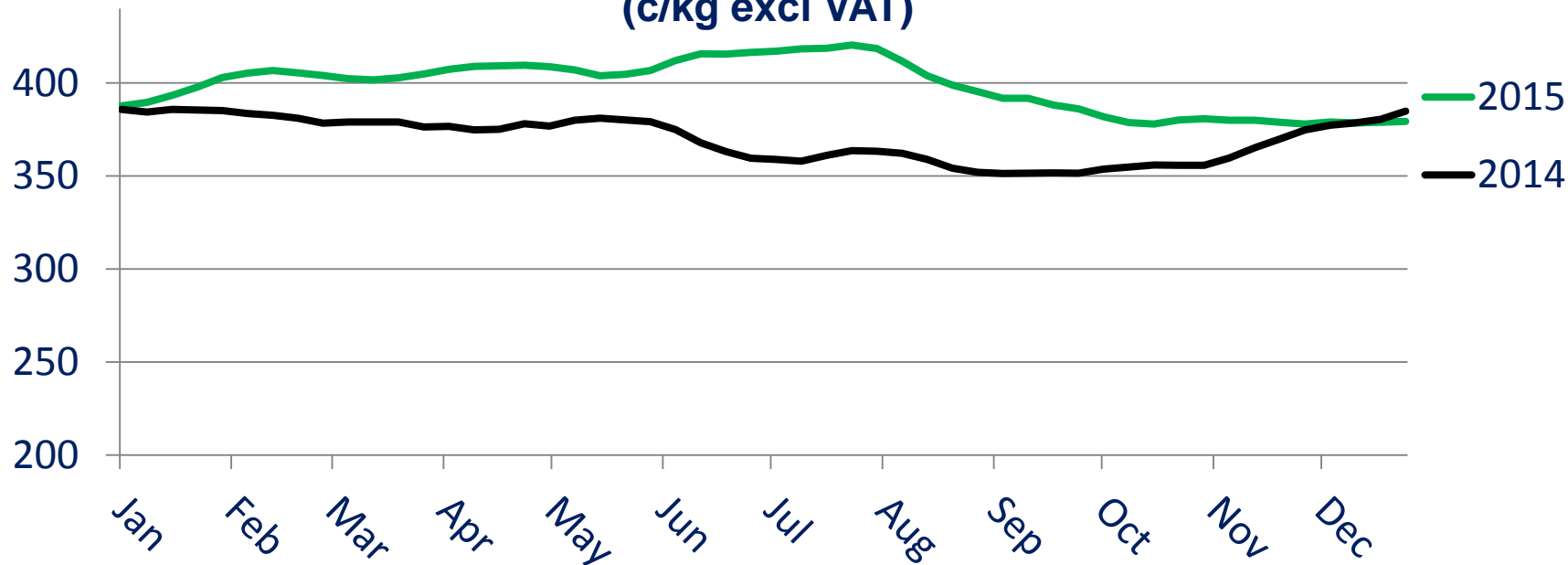
Volumes are forecast to increase by a further +0.8%



Source: EU Commission beef forecast working group

Producer Prices: Ireland R3 Steer

(c/kg excl VAT)

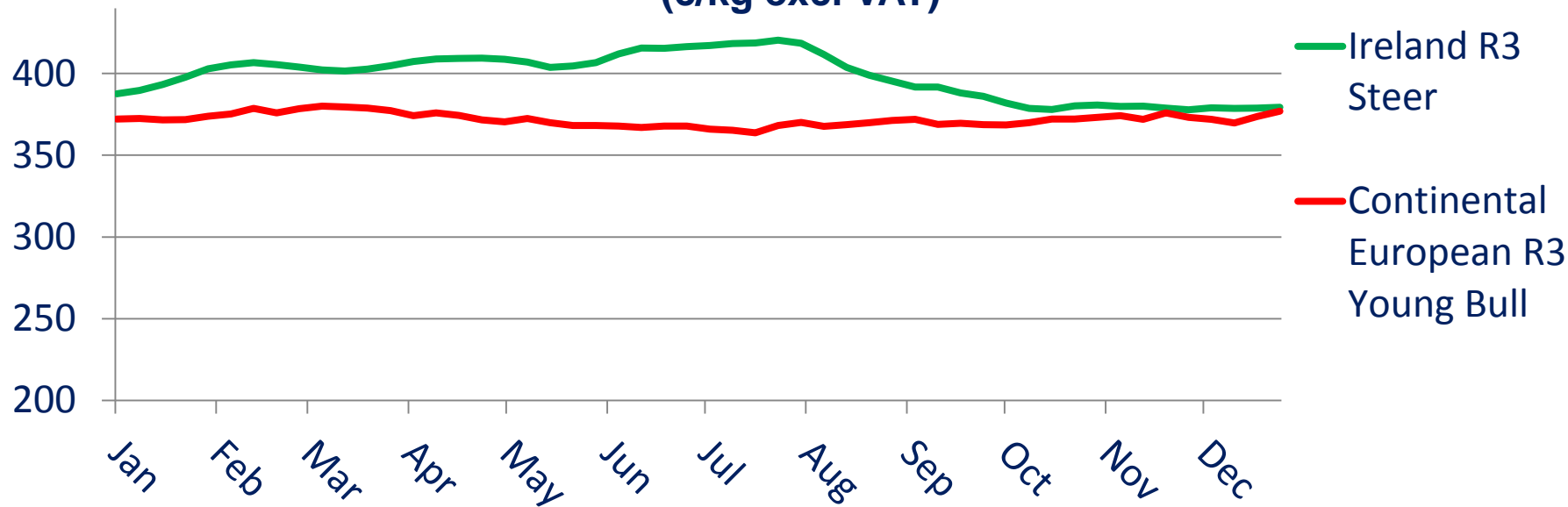


During 2015, Irish R3 steer price 7.8% higher vs. 2014 (€3.99 vs. €3.70)

(w/e 26/12) Irish Price Dec '15: €3.79/kg vs. Dec. '14: €3.85/kg

Producer Prices: Ireland vs. Continental EU

(c/kg excl VAT)



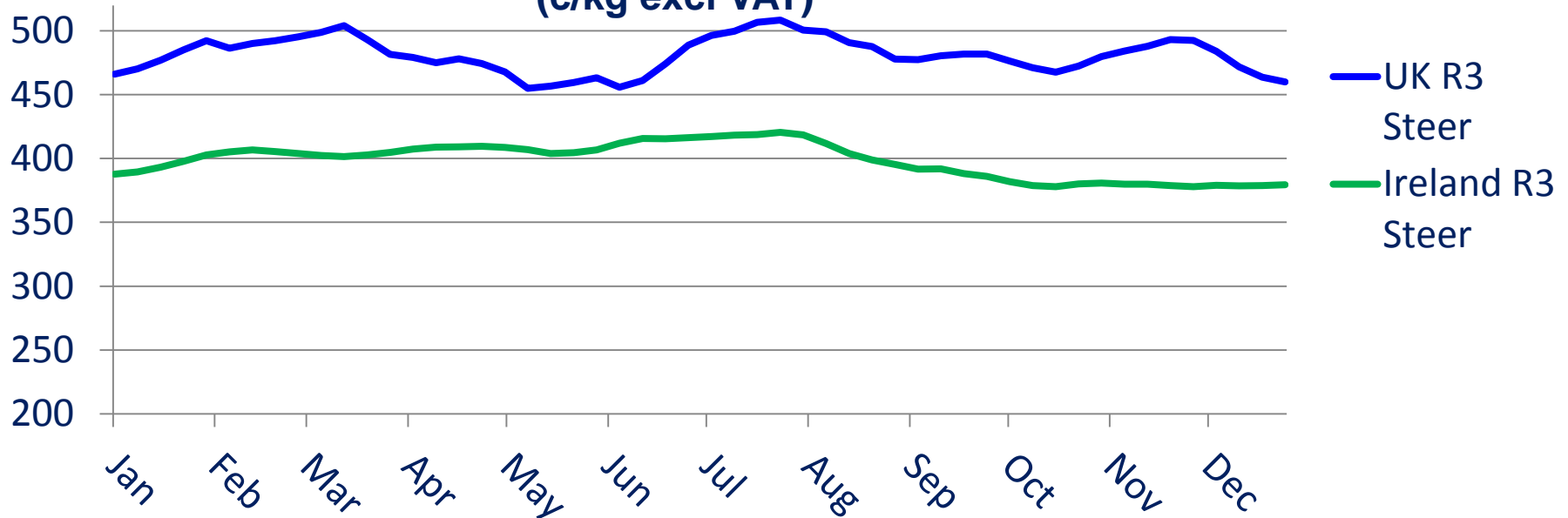
During 2015, Irish R3 steer price 7.2% above Continental EU average

(w/e 26/12) Irish Price €3.79/kg vs. Continental EU av.: €3.77/kg

In Italy, R3 young bull price: €3.86/kg, Spain: €3.69, France: €3.76, Germany €4.04

Producer Prices: Ireland vs. UK

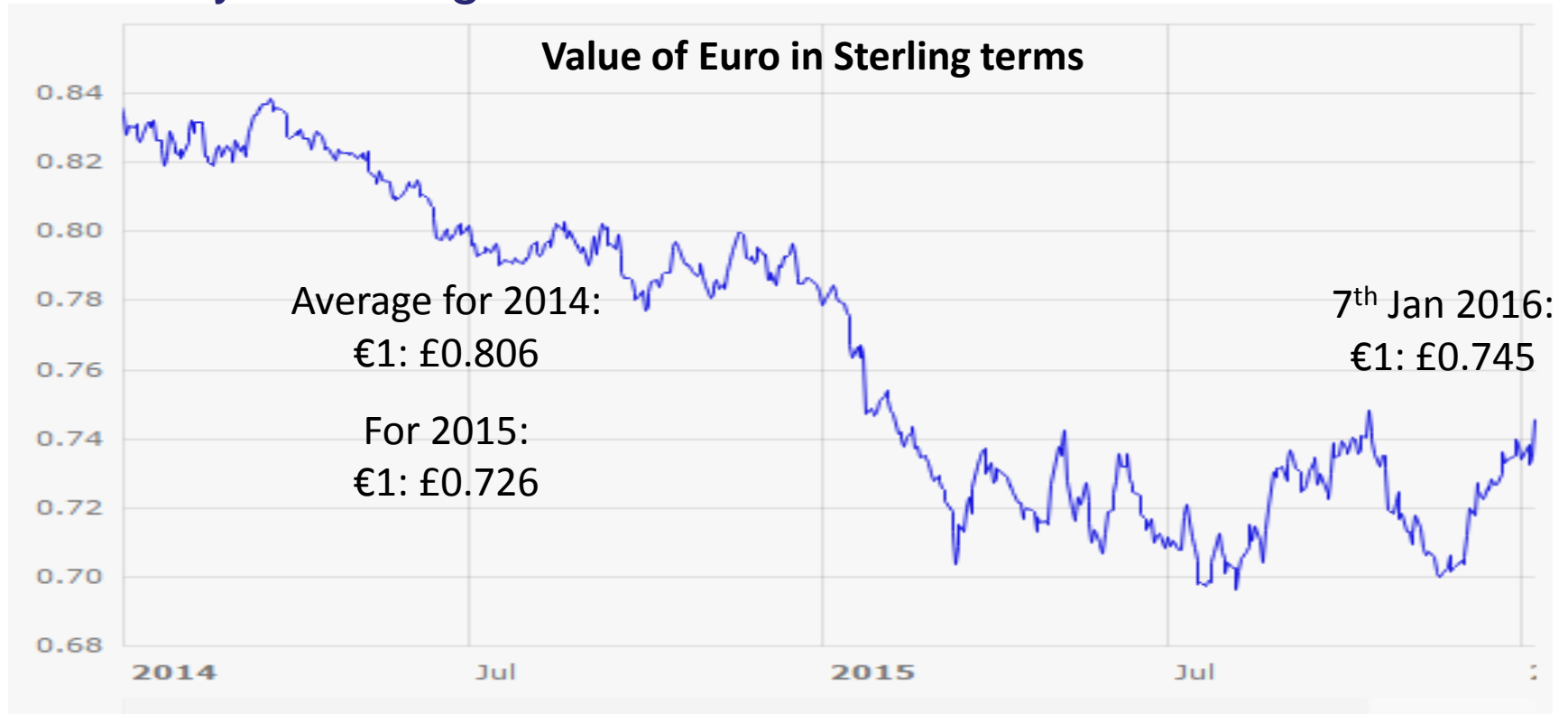
(c/kg excl VAT)



During 2015, Irish R3 steer price 17% below average UK price (82c)

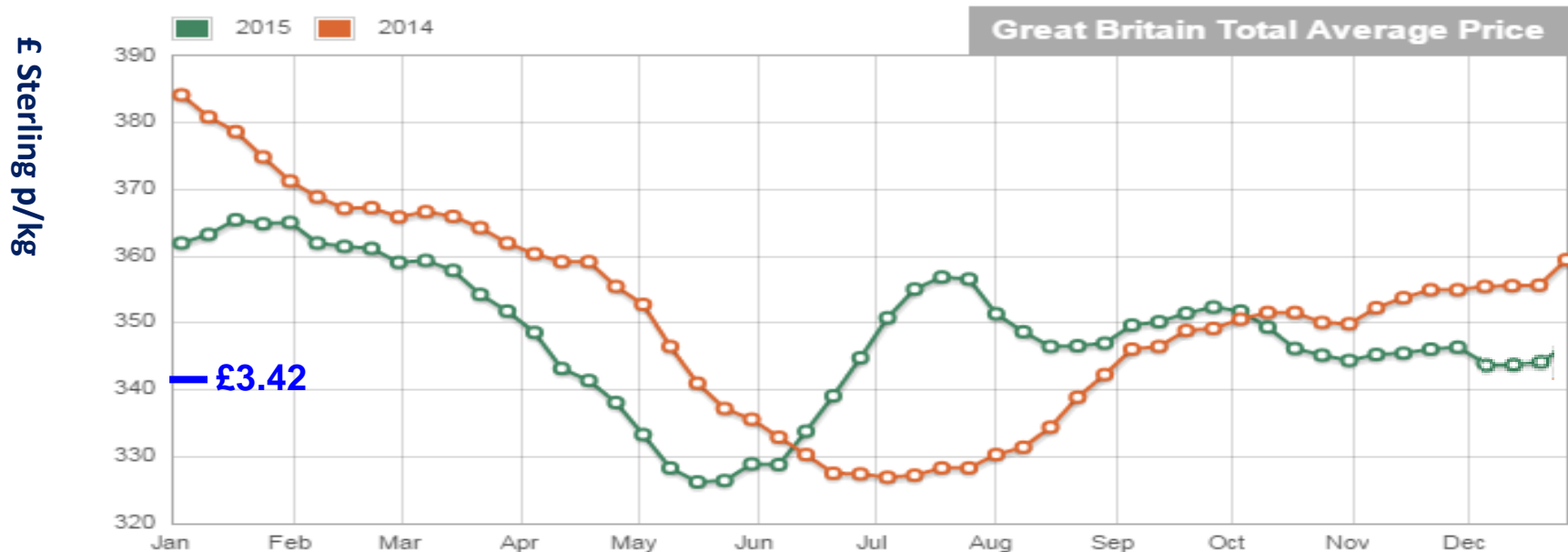
(w/e 26/12) Irish Price €3.79/kg vs. UK: €4.60/kg

Currency Exchange Rates



GB Producer Price Development in Sterling terms

All Steers



Summary

- Irish beef production declined by 5% (head) / 3.5% (volume)
- Higher EU beef production as a result of herd expansion & culling
- Recovery in Irish finished cattle prices
- UK cattle prices lower - in sterling terms
- Weak Euro of major benefit to Irish beef exports during 2015 (+10%)
- Continental beef prices generally fell slightly compared with the previous year



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