## Contents

**Summary** ......................................................................................................................... 3  
Review of 2013 ....................................................................................................................... 3  
Prospects for 2014 ................................................................................................................... 4  

### Cattle and Beef ................................................................................................................. 5  
Cattle Disposals ...................................................................................................................... 6  
Distribution of Irish Beef Production ..................................................................................... 8  
Live Cattle Exports ................................................................................................................ 10  
Cattle Prices ........................................................................................................................... 11  
Markets for Irish Beef ........................................................................................................... 12  
Outlook for 2014 .................................................................................................................... 13  

### Pigs and Pigmeat .............................................................................................................. 18  
Pig Disposals ........................................................................................................................... 18  
Distribution of Irish Pigmeat Production .............................................................................. 19  
Markets for Irish pigmeat ..................................................................................................... 21  
Outlook for 2014 .................................................................................................................... 23  

### Sheep and Sheepmeat ...................................................................................................... 26  
Sheep Disposals ..................................................................................................................... 26  
Distribution of Irish Sheepmeat Production ........................................................................ 27  
Lamb Prices ............................................................................................................................ 29  
Markets for Sheepmeat ....................................................................................................... 29  
Outlook for 2014 ................................................................................................................... 30  

**Statistical Appendix:** ........................................................................................................ 32
Summary

Review of 2013

Irish Meat & Livestock Exports

<table>
<thead>
<tr>
<th>Species</th>
<th>2012 (€m)</th>
<th>2013 (e) (€m)</th>
<th>2013/2012 % +/−</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef</td>
<td>1,900</td>
<td>2,090</td>
<td>+10</td>
</tr>
<tr>
<td>Pigmeat</td>
<td>510</td>
<td>525</td>
<td>+3</td>
</tr>
<tr>
<td>Poultry</td>
<td>221</td>
<td>230</td>
<td>+4</td>
</tr>
<tr>
<td>Sheepmeat</td>
<td>212</td>
<td>220</td>
<td>+4</td>
</tr>
<tr>
<td>Live Animals</td>
<td>217</td>
<td>240</td>
<td>+11</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>3,060</strong></td>
<td><strong>3,305</strong></td>
<td><strong>+8</strong></td>
</tr>
</tbody>
</table>

*Source: Bord Bia estimates*

- The **combined value of meat and livestock exports increased by 8% or almost €245m to reach over €3.3 billion** and this equates to around one third of total food and drink exports.

- A combination of stronger prices in some categories, most notably beef and pigmeat helped drive output value.

- The value of **beef** exports is estimated to have increased by 10% driven by a 5% rise in output and a similar jump in average prices. As a result, exports were valued at €2.1 billion.

- Despite a decline in supply, a 5% rise in average pig prices helped to boost the value of Irish **pigmeat** exports by 3% or €15m in 2013.

- The poultry sector continued to face a competitive export market environment with little scope for price increases while volumes were marginally higher. For the year, the value of Irish **poultry** exports is estimated to have increased by around 4% to reach an estimated €230m.
A strong increase in sheepmeat export availability, reflecting a jump of 4% in output and a slower domestic demand in the latter half of the year, helped offset some easing in lamb prices. For the year the value of Irish **sheepmeat** exports increased by 4% to reach €220m.

Live cattle exports increased by 30% to reach 209,000 head in 2013. Pig exports to Northern Ireland were down while sheep exports were up 84%. Overall, the value of **livestock** exports is estimated to have increased by 11% to €240m.

**Prospects for 2014**

- The prospects for the meat & livestock sector in 2014 remain broadly positive with a tight supply across Europe for most species expected to match demand levels. However, feed price developments will play a critical role, particularly in the pig and poultry sectors.
- Total finished cattle supplies at export meat plants are expected to increase by around 100,000 or 7% in 2014 with most of the increase from steers and heifers.
- A tighter sheepmeat supply is anticipated for 2014 with hogget supplies down reflecting a reduction in the breeding flock and the strong hogget disposals evident in early 2013.
- Irish pigmeat production is expected to increase by 2% in 2014 reflecting the recovery in the pig breeding herd and advancement in productivity levels.
Cattle and Beef

A further tightening of EU beef output helped offset an increase in imports, slow demand in a number of key markets and reduced exports to International markets in 2013.

Cattle prices across Europe remained largely unchanged, averaging €3.91/kg. Unlike 2012 the strongest increase in cattle prices was evident in the first half with prices over 3% higher compared to the corresponding period in 2012. In the second half of 2013, prices declined by 2% compared to a year earlier.

European male cattle price trends (% change)*

The prospects for 2014 point to a modest increase in output across the EU. Supply is expected to recover in France, Germany, Italy and the UK, with reduced Belgian and Swedish output expected. The latest forecast from the European beef forecasting meeting suggest that output in the EU-15 region will increase by around 1.1% for the year.
Household purchase data from the UK shows that for the year ending the 5th January, the volume of beef purchased by UK households fell by 3%. Figures for France show overall consumption down by 2.6% for 2013.

Consumer decisions will continue to be closely related to economic developments, with most of our main European markets continuing to adjust to austerity changes. This is expected to lead to similar consumption levels with the latest European working beef forecasting meeting indicating little or no change for 2014.

Cattle Disposals

Total Irish cattle disposals in 2013 were almost 7% higher than the previous year’s levels at 1.5 million head. This reflected a higher carryover of stock into 2013 following lower live exports of calves and weanlings in 2011, which boosted finished cattle availability. The key trends in disposals during 2013 were as follows:

- Export meat plant supplies up 7%.
- Live exports up over 30%.

**Irish cattle disposals, 2013 vs. 2012 (’000 head)**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>% Ch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export meat plants</td>
<td>1,401</td>
<td>1,499</td>
<td>7.1</td>
</tr>
<tr>
<td>Live exports</td>
<td>160</td>
<td>209</td>
<td>30.6</td>
</tr>
<tr>
<td>Local abattoirs</td>
<td>84</td>
<td>90</td>
<td>7.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,645</td>
<td>1,798</td>
<td>9.3</td>
</tr>
</tbody>
</table>

*Source: Bord Bia estimates*

**Export meat plant supplies up 7%**

Cattle throughput at meat export plants increased by around 7% to reach 1.49 million head. Prime cattle supplies also increased by over 7% to 1.46 million head. For the first half of the year, throughput of prime cattle was almost 9% or 45,000 head higher, with supplies around 3% or 16,000 head higher for the second half of the year.
In terms of the different categories of cattle, steer supplies increased by 12% to 527,000 head. The majority of this increase was due a drop in live exports of 60,000 head in 2011.

Supplies of heifers were almost 22,000 or 6% higher at 374,000 head while young bull throughput decreased by almost 11% or 22,000 head to 185,000 head which may reflect the costs in finishing young bulls.

**Irish export meat plant supplies, 2013 vs. 2012 ('000 head)**

![Bar chart showing the comparison of cattle supplies between 2013 and 2012.](image_url)

*Source: Department of Agriculture, Food and the Marine*

**Carcase weights decline**

Carcase weights for all categories fell during 2013 due largely to poor grazing conditions and feed supplies in the first half of the year. On average, carcase weights for prime cattle decreased by 3%.

- Steers showed the largest decrease with average weights 4% behind 2012 figures.
- Carcase weights for young bulls fell by 4%.
- Cow carcase weights were almost 3% or 9kg lower.
- Heifer carcase weights were 2kg lower.
Average Carcase weights at export meat plants (kg)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>(%Ch)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steers</td>
<td>365</td>
<td>349</td>
<td>-4.4</td>
</tr>
<tr>
<td>Heifers</td>
<td>306</td>
<td>304</td>
<td>-0.7</td>
</tr>
<tr>
<td>Cows</td>
<td>311</td>
<td>302</td>
<td>-2.9</td>
</tr>
<tr>
<td>Young bulls</td>
<td>372</td>
<td>357</td>
<td>-4</td>
</tr>
</tbody>
</table>

Source: Department of Agriculture, Food and the Marine

Distribution of Irish Beef Production

A decline in prime carcase weights by 3% due in part to extremely poor grazing conditions in the early part of 2013 was offset by a 7% increase in total cattle throughput at meat export plants. Prime cattle supplies were up 7% on 2012 levels. This left beef output almost 5% higher at 518,000 tonnes in 2013.

Beef imports for the year fell by over 20% to 35,000 tonnes, reflecting the recovery in domestic supplies combined with tighter availability of product across Europe. Beef consumption fell by over 2% to 87,000 tonnes, with Kantar retail data for the 52 weeks ending January 2014 showing a drop of 4% in volumes. This reflects a rise of 3% in average retail prices which led to lower volumes per buyer and reduced purchase frequency.

These factors contributed towards beef availability for export being 3% higher at 466,000 tonnes.
Beef Supply Chain

Export Meat Plants: 489,000
Local Abattoirs: 29,000

Total Production: 518,000t

Beef Imports: 35,000t

Total Beef Availability: 553,000t

Exports: 466,000t
Consumption: 87,000t

Source: Bord Bia estimates
Live Cattle Exports

Live cattle exports reached 209,000 head in 2013, which was almost 30% higher than the level recorded in 2012. Recovery in international markets such as the reopening of the Libyan market helped this increase while stronger exports to continental Europe were also reported. Increased exports of calves in particular to the Netherlands and Spain boosted export levels. This helped offset a decline in shipments to the Italian market.

1. For the year, calf exports are estimated to have decreased by 137% to around 90,600 head, with the Netherlands accounting for 35% of the total.

2. Exports of weanlings and store cattle had a mixed year, with exports of weanlings falling by 14% while shipments of stores jumped by 24% to 37,500 head. Shipments to the two traditional markets, Italy and Spain showed contrasting fortunes. Exports to Italy were 33% lower at 24,400 head, whereas in Spain live exports more than doubled to reach 5,600 head.

3. Exports to the UK decreased by around 8,000 head to reach 66,000 with around 56,000 of the total destined for Northern Ireland. Exports of finished cattle to Northern Ireland were back 13% to 38,400 head.

4. Exports to international markets were up by around 75% to reach 20,000 head driven largely by the opening of the Libyan market.

Irish live cattle exports, 2013 vs. 2012

Source: Dept. of Agriculture, Food and the Marine
Cattle Prices

Average prices across all categories showed a further increase throughout 2013 particularly in the early part of the year, as trade continued to strengthen in the first half of the year reflecting tight beef availability on the European market. Steer prices were on average 5% higher at €4.06 kg dw excl. VAT. The highest prices were recorded in July, with prices 9% ahead of prior year levels at €4.41 kg dw excl. VAT.

Irish R3 steer prices, 2013 v 2012 (c/kg dw excl VAT)

![Graph showing Irish R3 steer prices, 2013 vs 2012 (c/kg dw excl VAT)](image)

Source: Dept. of Agriculture, Food and the Marine

R3 heifer price trends were similar, rising by 6% to €4.24/kg dw excl. VAT.

Cow prices were weaker as the year progressed with O3 Cow prices for the year 1% lower at €3.26/kg excl. VAT.
Markets for Irish Beef

Distribution of Irish beef exports, ‘000 tonnes

Source: Bord Bia estimates

Volumes of Irish beef destined for the United Kingdom increased during 2013, reflecting higher availability and the relatively high cattle prices prevailing in the UK. For the year shipments are estimated to have increased by 4.6% to 248,000 tonnes or 53% of total exports. In value terms, trade was worth an estimated €1.1 billion, a rise of almost €90 million on year earlier levels.

Exports to the Continent faced some price resistance during the year in response to slow consumer demand and relatively high beef prices. Exports to Continental European markets were unchanged at 211,000 tonnes. Trade was valued at around €960m, a rise of €60m on 2012 levels. Major markets such as Germany, France, Netherlands and Scandinavia all recorded increased trade which helped offset a slower trade to Italy.

Exports of Irish beef to International markets increased on 2012 levels, rising from 5,000 to 8,000 tonnes. This increase was driven by stronger trade to Switzerland and to a lesser extent Russia and Africa, which helped offset slower trade to some other markets. For the year, it is estimated that Irish beef exports outside of the EU were worth over €25 million.
Outlook for 2014

The prospects for the EU market in 2014 point to a modest increase in output with demand remaining somewhat slow. In terms of demand, much will depend on consumer spending levels. It is interesting to note that the meat consumer price index for the eurozone was ahead of overall food inflation for much of 2013, which helped boost returns somewhat. However, it also puts pressure on purchase volumes among relatively high priced meat such as beef with retail sales showing a drop of 3% in some markets. Some recovery in economic growth within the Eurozone region coupled with the relative price of beef to other proteins is likely to impact consumer demand.

Key beef market drivers for 2014

- Modest recovery in EU beef production.
- Slow EU consumer demand anticipated.
- Rise of 4% in global beef trade, driven by Brazil, India and Argentina.
- Rise of 6% in Irish beef production.
Global beef supplies to show little change
Little change is expected in global beef supplies in 2014 although trade levels seem set to grow further driven largely by rising import demand from China.
The main drivers of output globally in 2014 are set to be Brazil and India where output looks set to grow by 3% and 5% respectively. However, this will be largely offset by a drop of 6% in US output reflecting the drop in their cattle herd.
In terms of exports, trade by the top five exporters is forecast to rise 5% with most of this increased trade destined for Asia and the Middle East.

EU output to recover slightly
Beef output in the EU-15 region is expected to increase by around 1% in 2014 with a number of countries that experienced declines in 2013 forecasting some recovery. For example, French output is expected to increase by 2% and Italian output is to level off following a significant decline in 2013. In the Netherlands, a 3% growth in output is anticipated. Little change is anticipated in consumption levels in the EU-15 region.
In terms of trade, the EU is expected to remain a net exporter of beef and beef by-products in 2014 as increased demand from North Africa, the Middle East and Asia help trade.
EU beef imports recorded a rise of around 11% in 2013 reflecting higher shipments from Brazil, Australia in particular. For 2014 some further recovery in imports is anticipated with North American shipments likely to increase, albeit from very low levels.

EU beef market in 2013 (% change)

Source: Bord Bia estimates/ European commission
Increased supplies to affect prices

Irish cattle prices during 2013 exceeded the EU average for most of the year, particularly during the summer months. Overall for the year, steer prices stood at 104% of the EU average. Prices for R3 steers up to the middle of February were almost 4% lower at €3.84/kg compared to previous year levels. This reflects some recovery in supplies on both the domestic and key export markets.

Irish R3 steers as % of EU-15 R3 male cattle prices, 2005 to date

![Bar chart showing Irish R3 steers as % of EU-15 R3 male cattle prices from 2006 to 2013.]

Source: Bord Bia based on EU Commission

The movement in exchange rates and the growth in EU cattle prices have led to a significant reverse in the convergence between EU and global cattle prices throughout 2012. For the year Brazilian steer prices decreased on last year’s figure falling to 57% of the EU male cattle price. Similarly Argentinian cattle prices were 57% of the EU average. Uruguayan and Australian prices averaged around 66% and 60% of the EU average while US prices decreased to 87% of the EU average.

The prospects for 2014 suggest little change in these developments.
**Trends by key markets**

UK output in 2014 is expected to be similar to 2013 levels with production forecast to stay around 866,000 tonnes. Consumption in the UK declined between 2012 and 2013 but it is hoped that this trend will be reversed in 2014 with an increase in consumption of 1.5% on 2013 results anticipated. Overall import demand from the UK is likely to continue to remain strong on the back of favourable exchange movement.

Production is set to recover in France after a decline of over 5% between 2012 and 2013 with production expected to increase by around 3% in 2014. Consumption is set to ease on 2013 levels with imports expected to decline by around 7%.

German output is anticipated to recover by around 1% to 1.05 million tonnes, reflecting lower cattle numbers. Consumption is forecast to increase modestly to 1.1 million tonnes in 2013.

In Italy, despite a slight increase in output continued reduced consumption is predicted to lead to a reduced import requirement by around 2% to around 441,000 tonnes.

**Import requirements by key European markets**

<table>
<thead>
<tr>
<th></th>
<th>'000t cwe</th>
<th>2013 (e)</th>
<th>2014(p)</th>
<th>(% Ch)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>451</td>
<td>441</td>
<td>-2</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>478</td>
<td>478</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>352</td>
<td>346</td>
<td>-2</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>398</td>
<td>370</td>
<td>-7</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>388</td>
<td>399</td>
<td>+0.3</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Bord Bia estimates*

**Increased Irish cattle supplies anticipated**

Following a decline of 4.5% in export meat plant cattle supplies during the 2011 – 2013 period, a further recovery in disposals is anticipated for 2014. This reflects a decline in live export levels by 60,000 in 2012 versus 2011 and an increase in calf registrations in the same period of 115,000 head.

Figures from the Department of Agriculture’s AIM database shows a 7.5% increase in cattle in the 18 to 24 month age bracket with a 5% decrease in the number of cattle aged less than
18 months on December 1\textsuperscript{st} 2013. The number of cattle between 12 and 18 months was around the same level in 2012 while numbers aged between six and 12 months of age were down 29,000 head. Both males and females experienced similar decreases in this age category. Taking these figures into account, supplies at export plants are expected to increase by around 100,000 or 7\% in 2014. The strongest increase is expected in steer disposals with a decrease anticipated in young bulls given the high feed cost situation. This would result in export availability rising by 7\% reaching almost 500,000 tonnes.

\textbf{Trends in cattle numbers by age, December 1\textsuperscript{st} 2013} (Change in head on December 2012)

Factors affecting 2014 Irish finished cattle supplies
- Increase of 100,000 in calf registrations in 2012.
- 60,000 fewer live cattle exported in 2012.
- Reduced young bull supplies due to high feed costs.
- Increased retention of breeding heifers on dairy farms.
- Rise of 4\% in Irish beef production volumes with a 10\% rise in value.
Pigs and Pigmeat

Pig Disposals
Total pig disposals in the Republic of Ireland decreased by 3% to 3.48 million head in 2013. This reflects a decrease of 2% in throughput at export meat plants. Supplies were further affected by a decrease in exports of live finished pigs to Northern Ireland and a decrease in throughput at local abattoirs.

Irish pig disposals, 2013 vs. 2012 (‘000 head)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>% Ch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export meat plants</td>
<td>2,903</td>
<td>2,838</td>
<td>-2.2</td>
</tr>
<tr>
<td>Live exports of finished pigs to NI</td>
<td>610</td>
<td>571</td>
<td>-6.4</td>
</tr>
<tr>
<td>Local abattoirs</td>
<td>69</td>
<td>66</td>
<td>-4.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,582</td>
<td>3,475</td>
<td>-3.0</td>
</tr>
</tbody>
</table>

*Source: Bord Bia, DAFM, CSO*

Pig supplies at export meat plants stood at just over 2.8 million head, 2.2% lower than 2012 levels. This slow down reflects a response to higher feed prices by producers and the impact of Porcine Reproductive & Respiratory Syndrome (PRRS) on some herds. When this decline is combined with a drop of 5% in live exports to Northern Ireland at around 571,000 head, it leaves total pig output down by over 3% in 2013. However the CSO June pig survey showed a recovery of 1% in the breeding herd, which may give some indication of increased supplies for 2014.
Quarterly finished pig supplies, 2013 vs. 2012

Source: Dept of Agriculture, Food and the Marine

Distribution of Irish Pigmeat Production

Given the prevailing market environment, Irish pigmeat exports performed reasonably well throughout 2013. Export availability was largely unchanged at 185,000 tonnes for the year. This reflects some improvement in carcase weights which left net output of pigmeat at just 1% lower. Consumption also showed some increase for the year.
Pigmeat Supply Chain

Export Meat Plants
235,000t

Local Abattoirs
4,000t

Total Production
239,000t

Pigmeat Imports
88,000t

Total Pigmeat Availability
327,000t

Exports
185,000t

Consumption
142,000t

Source: Bord Bia Estimates
Pig Prices

A better International demand for EU pigmeat combined with solid UK demand and some slowdown in production as the year progressed created a better market environment for Irish pigmeat. However pressure on producers in the form of high feed costs particularly in the early part of the year continued throughout the year. Irish pig prices increased by 5% or 8c/kg to €1.66/kg during 2013. Pig prices were strongest during the month of October where the average price was €1.73/kg.

Irish prices reached 95% of the EU average price in 2013, an improvement of 2% on 2012. Higher prices and increased by product sales led to the value of Irish pigmeat exports in 2013 rising by 3% to an estimated €525 million.

Irish Grade ‘E’ Pig Prices, 2013 vs. 2012 (c/kg dw excl. VAT)

Source: Dept of Agriculture, Food and the Marine

Markets for Irish pigmeat

The growth in Irish pigmeat exports to International markets continues largely at the expense of Continental European markets.

Irish pigmeat performed well in a competitive United Kingdom market throughout 2013 with shipments largely maintained at 83,000 tonnes. Higher average prices led to the value of trade rising by 11% to reach €330m.
Exports to the Continental EU markets continued to lose share to markets outside of Europe. For the year, exports to the Continent are estimated to have fallen by more than 14% to around 36,000 tonnes and were worth an estimated €80m. Stronger trade to Germany and France compensated for lower shipments to most other markets.

Exports of Irish pigmeat to International markets performed strongly for much of the year, led by higher sales to Russia and solid shipments to China and the United States. Russia was driven by a strong demand for legs, the absence of US and Canadian pork and the increased number of Irish plants approved. However, some of this growth was offset by reduced trade to Japan reflecting a slow belly demand.

The Australian market reopened for uncooked pigmeat product in March. For the full year, around 1,500 tonnes is estimated to have been exported to this market.

For the year exports of Irish pigmeat to markets outside of the EU are estimated to have grown by 10% to 66,000 tonnes. This trade was valued at an estimated €115m.

### Distribution of Irish pigmeat volumes (%)

<table>
<thead>
<tr>
<th>Market</th>
<th>2012</th>
<th>2013(e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>44</td>
<td>44</td>
</tr>
<tr>
<td>Other EU</td>
<td>22</td>
<td>20</td>
</tr>
<tr>
<td>International Markets</td>
<td>33</td>
<td>37</td>
</tr>
</tbody>
</table>

*Source: Bord Bia estimates*
Outlook for 2014

The prospects for the pigmeat sector in 2014 should be helped by relatively tight EU supplies, ongoing steady global demand and some easing in feed prices. Despite EU breeding sow numbers falling by around 2% in the June 2013 livestock survey, increased productivity levels combined with some lift in gilt numbers is expected to result in a marginal rise in EU-28 net production in 2014.

However, it remains to be seen how pig prices evolve following the downward pressure evident in the latter months of 2013. Moving into 2014, some dampening in trade within the Eurozone was evident during the first 6 weeks of the year on the back of consumer demand remaining weak. This situation was compounded with the ban on EU pig and pigmeat exports to Russia after the discovery of African Swine Fever in Lithuania initially on the 26th January.

EU GIP pigmeat production in 2014 (% change on previous year)

<table>
<thead>
<tr>
<th>Year</th>
<th>Qtr 1</th>
<th>Qtr 2</th>
<th>Qtr 3</th>
<th>Qtr 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>-1.6</td>
<td>-0.9</td>
<td>-0.3</td>
<td>-1.5</td>
</tr>
<tr>
<td>2014(p)</td>
<td>0.3</td>
<td></td>
<td></td>
<td>-3.3</td>
</tr>
</tbody>
</table>

Source: EU Commission

Demand levels are expected to be helped by some further recovery in the eurozone economy. Consumption across the EU is forecast to rise by almost 1%.

Factors affecting 2014 pigmeat prospects

- Modest increase in EU output with better demand anticipated
- Global output to grow by more than 1% on back of lower feed costs and ongoing demand.
- Slight pick up in Irish supplies.
Global pork production is expected to grow by over 1% in 2014 on the back of expected lower feed costs and growing demand. This will be largely driven by higher output in China, Russia and the United States. Global trade has expanded by about 25% in just five years due to rising incomes and expanding import demand particularly in Asia and North America. Import demand across key international markets is expected to rise in 2014, with the strongest growth forecast in South Korea and China, 6% and 3% higher, respectively. Across other key markets like Russia and Japan, low single digit growth in import demand is expected.

**Global pigmeat production trends, 2014 (% change on 2013)**

![Graph showing pigmeat production trends](image)

*Source: Bord Bia based on USDA/GIRA*

**Some recovery in Irish pig supplies**

During 2014 Irish finished pig supplies are likely to show a slight recovery. This is based on continued improvement in productivity levels along with PRRS having a reduced risk on output levels. This combined with a 1% increase in breeding pig numbers to 147,500 head in the June 2013 livestock survey should help boost supplies by around 2%.

**Weaker feed prices anticipated**

Weather conditions have had a major impact on global grain prices over the last number of years. Good weather conditions over the last year have led to a recovery in global stock levels with prices easing. The latest USDA monthly cereals report (December) raised its
forecast for world wheat stocks for the 2013/14 marketing season by another 4.3 million tonnes to 182.8 million tonnes, citing the Canadian crop upgrade, and higher hopes for Australia’s harvest too.

Chinese imports of wheat are expected to treble in 2013/14 to 8.5 million tonnes compared to the previous marketing season.

This recovery in global wheat production is illustrated by the Liffe UK wheat futures market with all prices reported lower.

- Nov 12  £204/tonne
- Nov 13  £163/tonne down 20% on 12 levels
- Nov 14  £156/tonne down 4% on 13 levels

Global maize and soya bean output for the 13/14 season is expected to be 12% and 6% higher to 964 million tonnes and 285 million tonnes respectively. This reflects improved weather conditions and increased planting which has helped boost yields.

Rabobank’s agri commodity outlook released in December 2013 suggests that 2014 is shaping up as a relatively balanced year for most agri commodities. Global stock levels were replenished to varying degrees in 2013 and with further output increases likely in the 2013/2014 season, Rabobank expect some further softening in grain and oilseed prices.

Rabobank agri commodity price forecasts suggest the following trends in price levels:

**Agri commodity price forecasts, 2014 (USc/bushel)**

![Graph showing price trends for Soybeans, Wheat (CBOT), and Corn from Q1'13 to Q4'14](image)

*Source: Rabobank, 2013*
Sheep and Sheepmeat

Sheep Disposals

Total sheep disposals increased by around 8% during 2013 to reach 2.95 million head. A strong increase in export meat supplies was responsible for the majority of the increase. Live sheep exports continued to increase rising by 31,000 head, albeit from a relatively low level. Disposals at local abattoirs were marginally ahead of 2012 levels at 261,000 head.

Irish sheep disposals, 2013 vs. 2012 (’000 head)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>% Ch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export Meat Plants</td>
<td>2,431</td>
<td>2,616</td>
<td>+7.6</td>
</tr>
<tr>
<td>Live Exports</td>
<td>38</td>
<td>69</td>
<td>+84</td>
</tr>
<tr>
<td>Local Abattoirs</td>
<td>259</td>
<td>261</td>
<td>+0.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,728</td>
<td>2,946</td>
<td>+8</td>
</tr>
</tbody>
</table>

*Source: Bord Bia, DAFM, CSO*

Lamb supplies at export meat plants were 6% higher in 2013 at approximately 2.24 million head, reflecting fewer cull ewe disposals and higher demand particularly in the early part of 2013. Cull ewe and ram disposals increased by around 21% on 2012. Overall, sheep throughput at export meat plants increased by 7% during 2013 due in part to a rise in hogget supplies of 26%.
Quarterly lamb supplies at export meat plants,

Source: Dept of Agriculture, Food and the Marine

**Distribution of Irish Sheepmeat Production**

Difficult grazing conditions in the first half of the year contributed to a 3% reduction in average carcase weights with average carcase weights of 19.5kg. Net output increased, by over 4% to 56,000 tonnes, despite the difficult weather conditions that were prevalent throughout the first half of 2013.

Within the lamb segment, Kantar data shows decreases in purchases of loin chops, whole leg, mince, while lamb stir fry and lamb steaks showed the biggest increases. Overall consumption decreased by around 4% to 15,500 tonnes, with most of this in the retail sector where sales fell 8% on the week ending 5th of January 2014.

Imports for the year increased 10% to reach around 4,400 tonnes. Against a backdrop of weaker domestic consumption, a combination of increased imports and higher domestic supplies, led to a rise in export volumes by over 8% to 45,000 tonnes.
Sheepmeat Supply Chain

Export Meat Plants 51,000

Local Abattoirs 5,000

Total Production 56,000t

Sheepmeat Imports 4,400t

Total Sheepmeat Availability 60,400t

Exports 45,000t

Consumption 15,400t

Source: Bord Bia Estimates
Lamb Prices

On average, Irish lamb prices were around 1% lower in 2013 at €4.57/kg dw excl. VAT. The highest prices were recorded in May with the lowest prices evident in the first two months of the year.

Irish Lamb Prices, 2013 vs. 2012 (c/kg dw excl. VAT)

Source: Dept of Agriculture, Food and the Marine.

Markets for Sheepmeat

The domestic market continues to account for almost 30% of total sheep output. The core export markets remain France and the UK. However, their share of exports fell from 70% to less than 60% in 2013 reflecting a significant drop in trade to the UK. Exports to France were up slightly at 18,500 tonnes, which was valued at around €90 million. Trade to the United Kingdom was back by over 20% to around 9,500 tonnes as increased domestic supplies and alternative markets elsewhere affected shipments. The growth markets of Belgium, Germany and Sweden continued to outperform other market destinations as they delivered double digit export growth. Sweden is now our third most important market destination for Irish lamb exports with shipments around 35% higher for the year.

Irish sheep processors continue to strengthen their positioning within the Belgian market with shipments estimated to have grown by over 40% to 3,000 tonnes. Emerging International markets continued to grow with Hong Kong being the primary destination of Irish sheep meat exports with shipments doubling to almost 1,200 tonnes cwe. Tunisia was also an important
destination for sheep exports in 2013 importing over 500 tonnes. Albeit volumes are small relative to other markets, Switzerland is delivering a strong value return with exports reaching around 800 tonnes in 2013. Securing access to Canada in 2013 has delivered new business while the anticipated opening up of the US will provide a further boost.

**Distribution of Irish sheepmeat volumes 2013 (%)**

![Graph showing distribution of Irish sheepmeat volumes 2013](image)

*Source: Bord Bia estimates*

**Outlook for 2014**

Ongoing tight EU sheep supplies and a reduced presence of New Zealand lamb should help provide a reasonably stable market for Irish sheepmeat in 2014. However, much will continue to depend on consumer demand for lamb. All things considered 2014 should provide a solid year for the sheepmeat sector.

**Factors affecting 2014 sheepmeat prospects**

- Further slight fall in EU sheepmeat production.
- Slow consumer demand.
- Reduced availability of NZ and UK lamb.
- Tighter Irish sheep supplies.
Tightly supplied EU market anticipated
Some further fall is anticipated in EU output for 2014 as breeding ewe flocks in some key European producing regions show some decline. By the end of 2013, the breeding ewe flock in the UK and France is expected to be 4% and 3% lower respectively. Import demand is expected to be at least maintained. In this scenario the level of imports into the EU will play a major role in determining price levels. New Zealand production forecasts for the 2013/14 marketing year, which commenced on the 1st October, suggest a drop of 5% in lamb production. This decline reflects the severity of the widespread drought on both islands in summer/autumn 2012/13. The distribution of NZ lamb exports continues to lean towards Asia with China accounting for 34% of shipments during the first 10 months of 2013, similar to the EU.

Distribution of New Zealand sheepmeat export volumes (%)

Source: GTIS

At a time when global sheepmeat demand is growing particularly in the Middle East and China and NZ supplies are back, global sheep prices are expected to strengthen.

Lower Irish sheep output anticipated

According to the CSO June livestock survey 2013, the Irish breeding flock declined by almost 1% with numbers under two years of age down by 2.6%. This will impact on the 2014
lamb crop. Similarly, the carryover of hoggets into 2014 is likely to be considerably lower than recent years. These factors are expected to combine to result in sheep disposals falling by 2% to 2.56m head in 2014. Assuming stable domestic consumption this would result in export availability rising by a similar percentage to 42,500 tonnes.

**Irish breeding flock vs. lamb supplies at export meat plants, ('000 head)**

![Graph showing Irish breeding flock vs. lamb supplies at export meat plants](image)

*Source: Bord Bia based on CSO/DAFM*

**Statistical Appendix:** For statistical appendix please [click here](#)