

Sheepmeat Sector Update and Outlook

January 2024

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Irish Sheepmeat Production 2023

Throughput

- 2.87 million sheep processed
- Hogget kill: +80,000 head
- Lamb kill: -75,000 head
- Ewe/Ram kill: -53,000 head

Live Trade

- 430,000 imported from NI
- 340,000 for direct slaughter
- 90,000 store/breeding sheep
- 30,000 sheep exported

Quality

- 18-22kg carcass are the target
- Lighter carcass weights
- More under finished lambs
- Challenging production conditions impacting performance

Supply

- Ewe flock -3% in June 2023 (CSO)
- Indications of a smaller 2023 lamb crop
- Later lambing
- Carryover of +40,000 into 2024



Lamb Deadweight Trade 2023



January/February 2023

- More difficult trading environment
- Increased hogget supplies
- Weaker consumer demand



March-May 2023

- Higher levels of ewe lamb kill
- High input costs further impacting profitability
- Increasing competition in key markets



June-September 2023

- Changing supply pattern
- Poorer lamb performance
- Quality impacting producer returns



October-December 2023

- Trade on par with 2022 levels
- Some improvement in demand
- Reduced availability in some key export markets

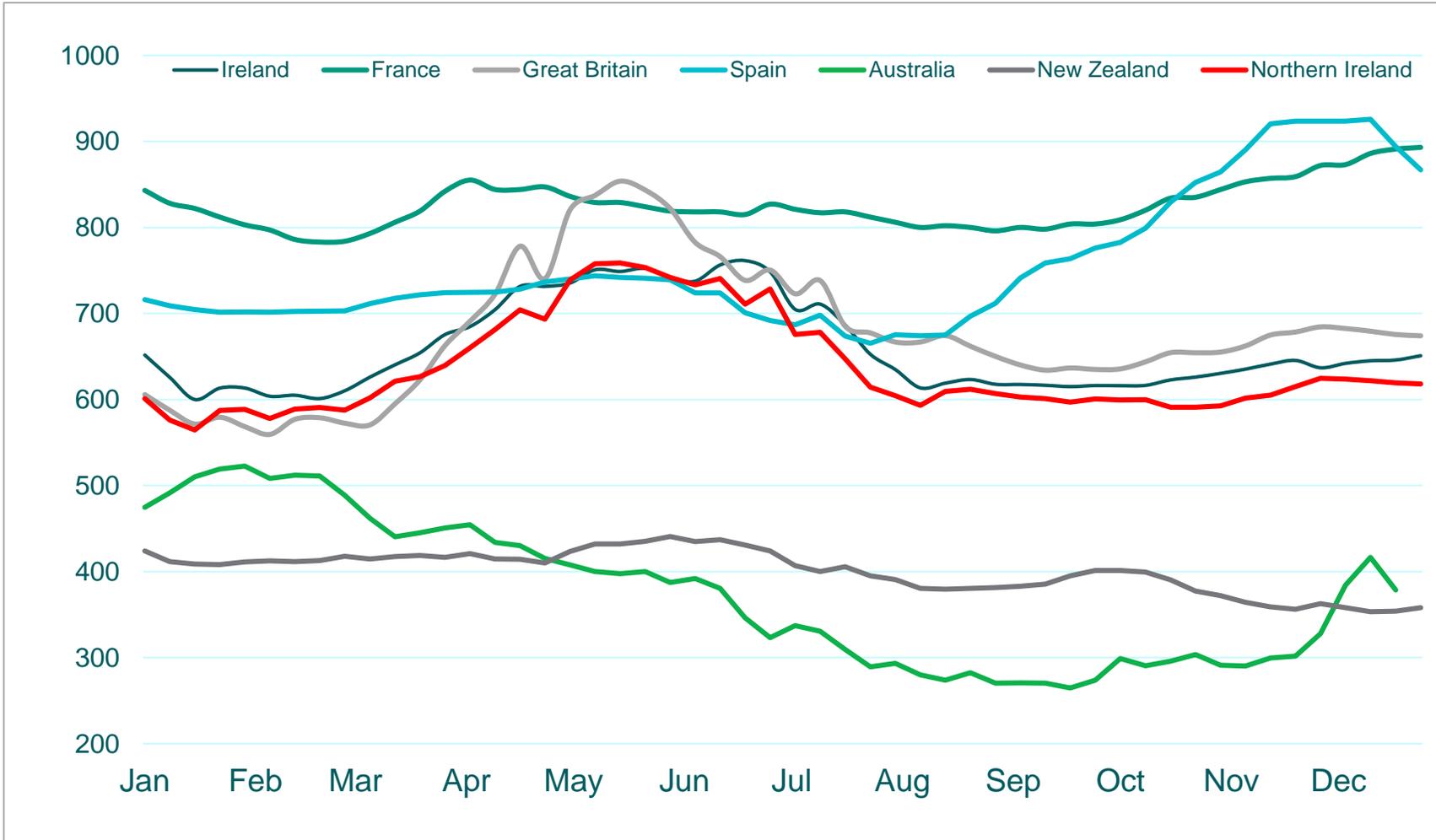
Quarterly Irish deadweight lamb prices (c/kg)

c/kg	2022	2023
Q1	685	625
Q2	755	737
Q3	645	639
Q4	633	637

Source: DAFM

International Lamb Prices 2023

International Lamb/Hogget deadweight prices 2023 c/kg (Source DAFM/AHDB/LMC/MLA/BLNZ)



Price comparison: w/e 31/12/2023

- France: 893c/kg
- Spain: 867c/kg
- Ireland: 651c/kg
- Great Britain: 674c/kg
- N Ireland: 618c/kg
- Australia: 378c/kg
- N Zealand: 358c/kg

Irish Sheepmeat Exports 2023

Export Value (f)

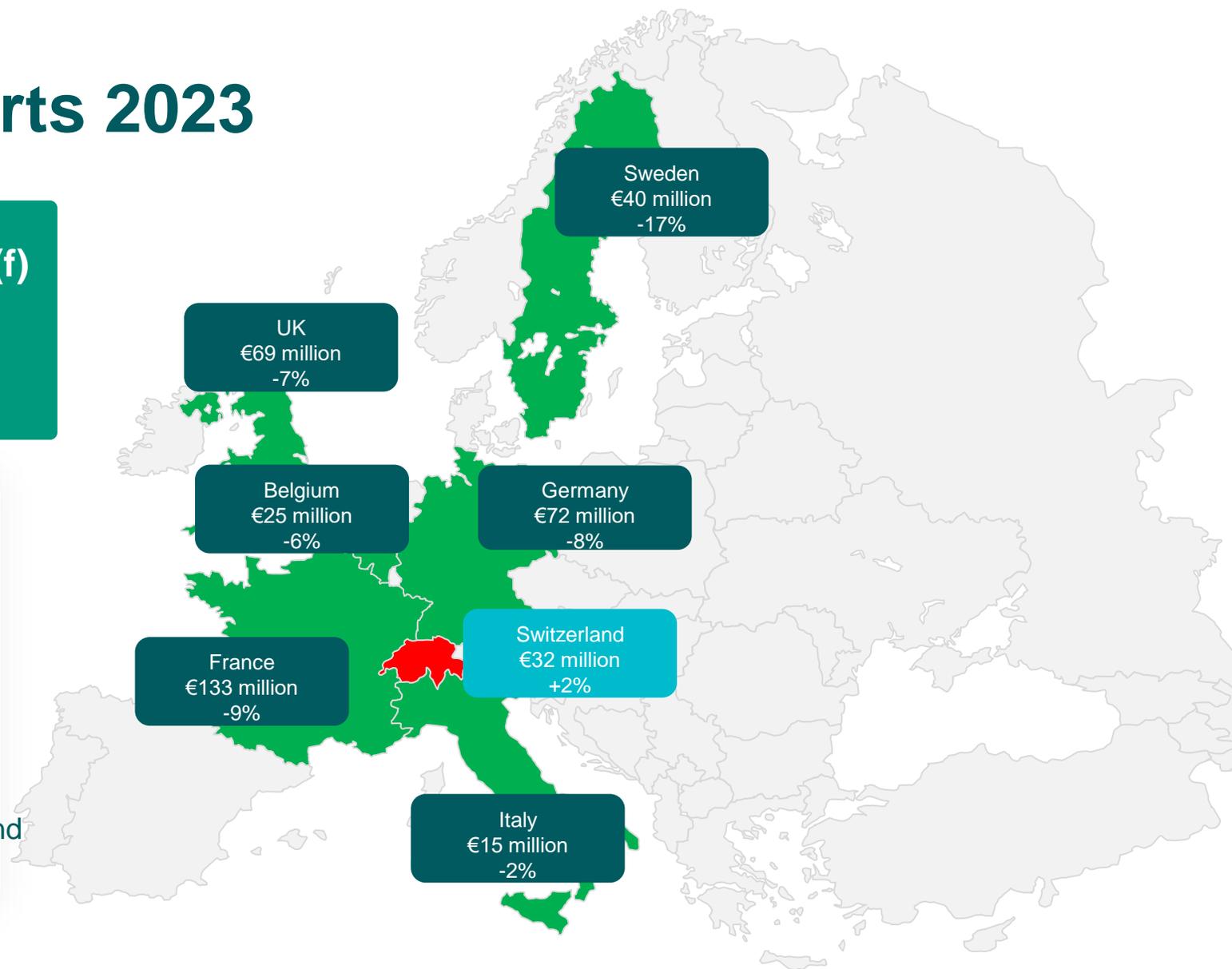
€440 million
-7%

Export Volume (f)

77,000 tonne
n/c

A more challenging trading environment in 2023

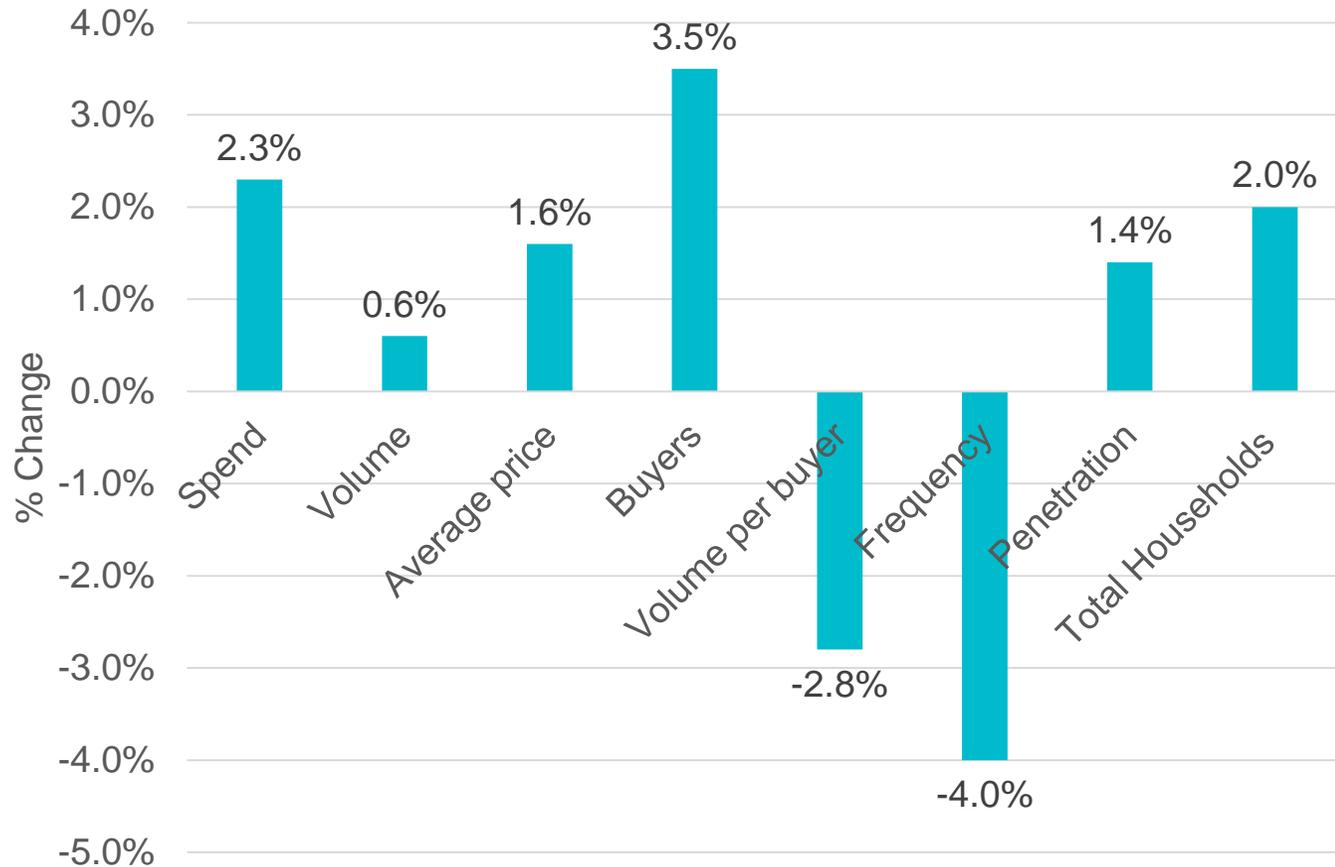
- Export volumes maintained but value decline
- EU remains our primary focus:
€324 million in 2023 (-7%)
- Contraction in trade with the UK
€69 million in 2023 (-7%)
- International market trade dominated by Switzerland
€49 million in 2023 (-1%)



Domestic and EU Market Performance 2023

Last Occasion Purchase of Lamb Q4 2023

Irish retail sales 52 w/e 24 December 2023



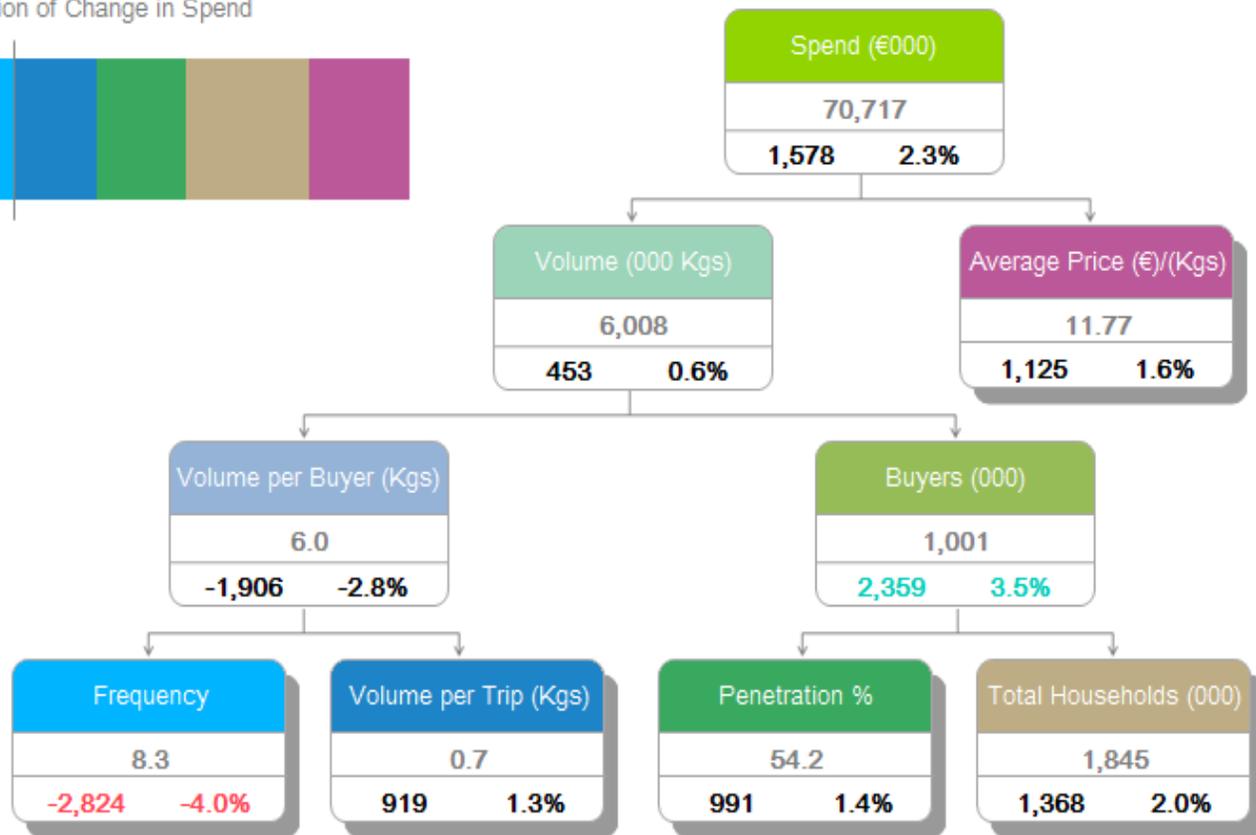
Source: Kantar

Q4 2023 YOY Change Change Vs 2021

	14%	+1%	+1%
	12%	+3%	-1%
	9%	+3%	+3%
	9%	+5%	+5%
	9%	+2%	+2%
	8%	0%	0%
	7%	0%	0%

Source: Bord Bia Market Insights

Attribution of Change in Spend



KEY

- = > 3% Change
- = < -3% Change

Increasing competition on EU markets

Changing trading landscape

- Decline in EU sheepmeat production in 2023
 - Flock contraction
 - Lower carcass weights
- Demand for sheepmeat impacted by inflation /consumer spending power
 - Annual consumption holding stable
 - Some improvement in Q3 and Q4
- Shift in product demand from key markets
 - Growing demand for carcass
 - Less opportunity to add value
- Contraction in EU sheepmeat exports

EU Trade Balance 2023/2024 (f)

	<u>2023e</u>	<u>2024f</u>
 Consumption	+0.7%	+0%
 Production	-2.5%	-1%
 Imports	+11%	+5%
 Exports	-8%	+3%
 Producer Price	+2%	

Source: GIRA

Increasing competition from imported product



United Kingdom
Exports to the EU +12%



New Zealand
Exports to the EU +7%



Australia
Exports to the EU -33%

Sheepmeat Outlook 2024

Supply Prospects 2024

- Higher carryover of store lambs into 2024
- Continued reduction in Irish ewe flock expected
- Continued decline in EU sheep flock expected
- Likely growth in EU sheep meat imports

Market Prospects 2024

- Prices starting 2024 ahead of 2023 levels
- Some recovery in export demand but shift in product type
- Impact of competition from non-EU imports
- Chinese import demand will influence world market trends
- Religious festivals 2024:

