

Bord Bia – DAFM Live Exporters Meeting

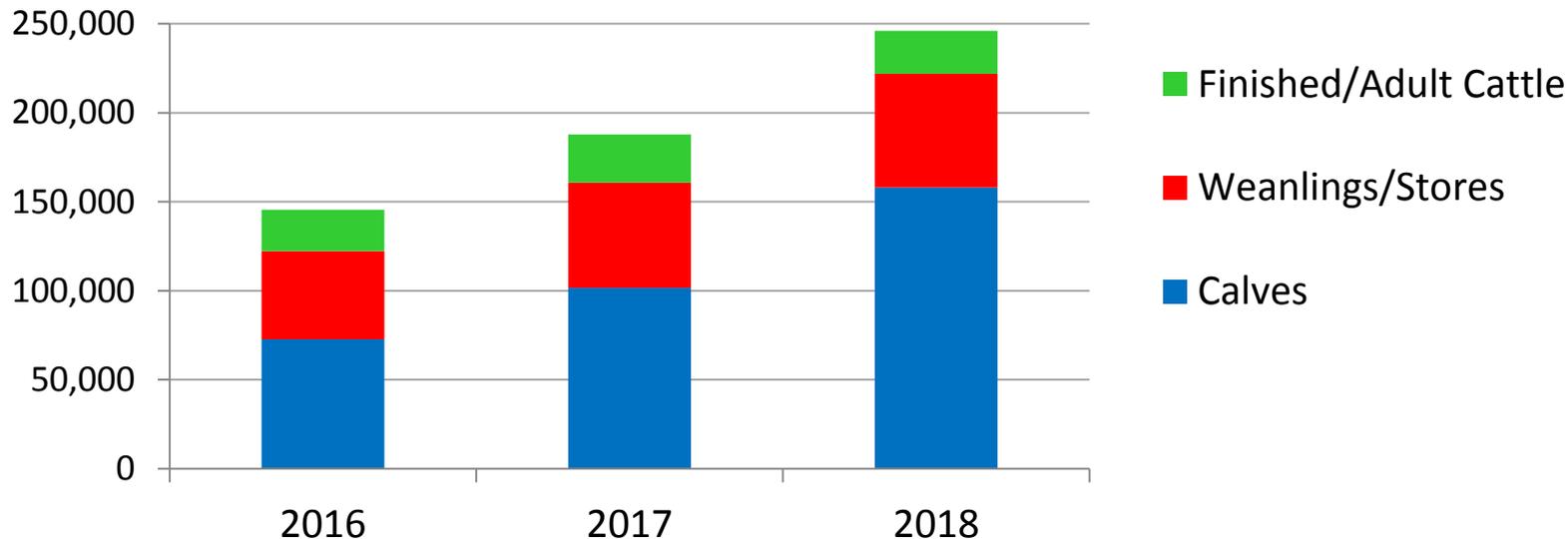
Joe Burke

January 2019

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

Live Cattle Exports by Category (2016 - 2018)



- Overall exports 31% higher, at 246,000 hd
- Calf exports 55% higher, at 158,000 hd
- Weanlings & stores up 8%, to 64,000 hd
- Adult cattle declined by 11%, to 24,000 hd

Live Cattle Exports 2018

Distribution of Live Exports from Ireland to w/e. 30th Dec.

(head)	2017	2018	% change
Total	187,870	246,226	+31%
NI	26,073	24,645	-5%
GB	5,851	5,488	-6%
Italy	19,441	24,145	+24%
Spain	50,451	92,495	+83%
Netherlands	41,848	48,922	+17%
Belgium	5,525	13,459	+144%
Other EU	5,709	17,349	+200%
Turkey	30,562	12,870	-58%
Other int. mkt.s	2,410	7,068	+193%



Live Sheep Exports 2018

Distribution of Live Sheep Exports from Ireland 2017 vs 2018

(000' head)	2017	2017	% change
Total	35,349	20,805	-41%
Belgium	4,653	1,510	-67%
France	15,837	16,768	+6%
Netherlands	8,112	2,077	-74%
Others	6,747	450	-93%



- Average sheepmeat price was 6% higher, at €5.05/kg
- Factory throughput reached over 3.0m hd, a 10 year high
- 64% of sheep exports (13,300) occurred in August (Eid al-Adha)

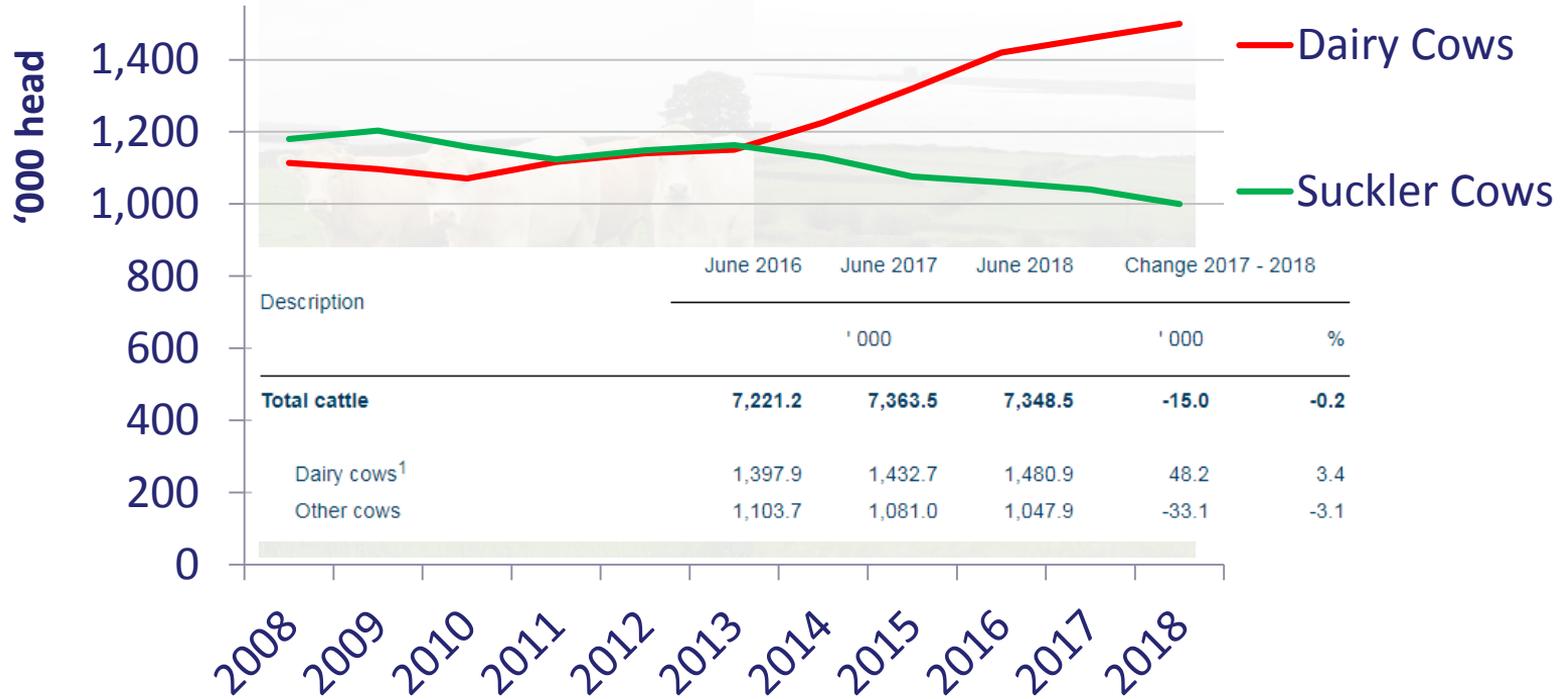
Herd Profile / Calf Births



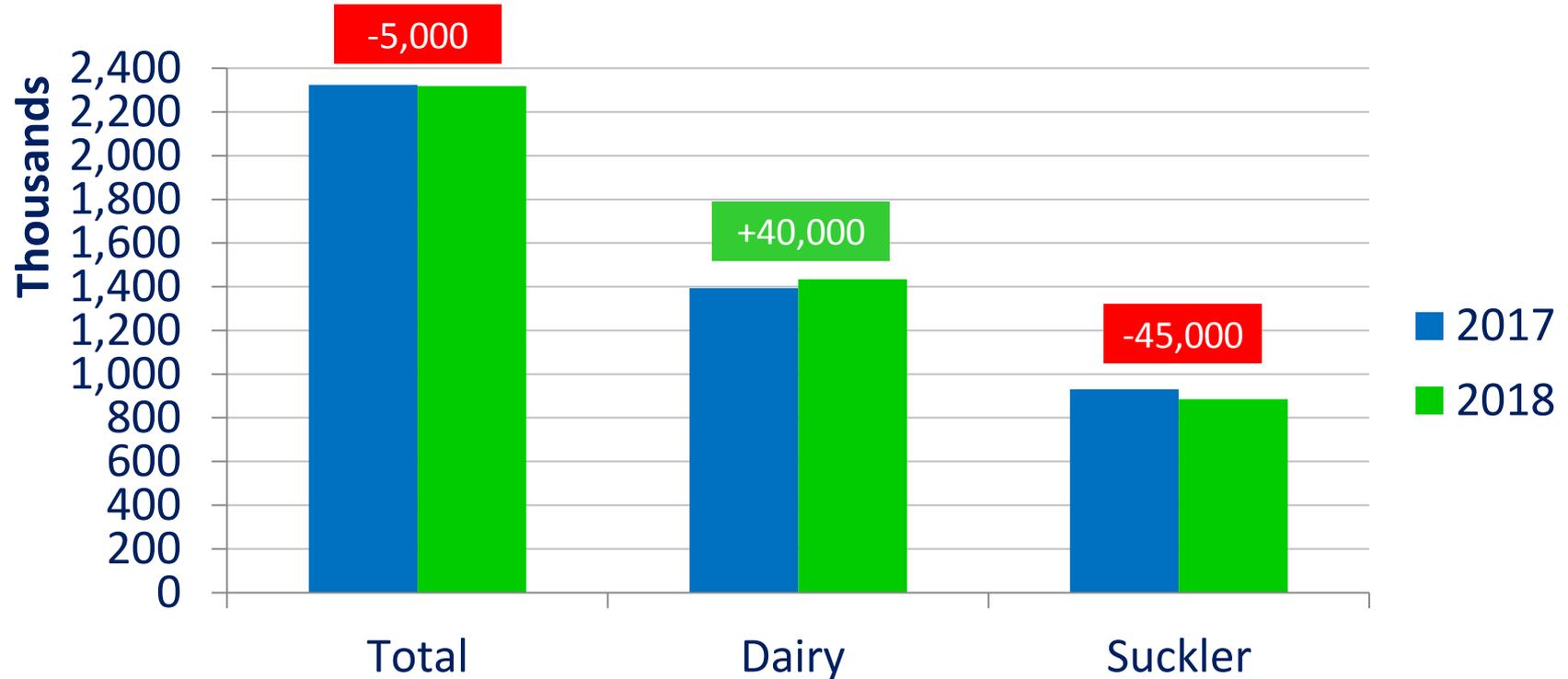
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National Cattle Herd (2008 – 2018)

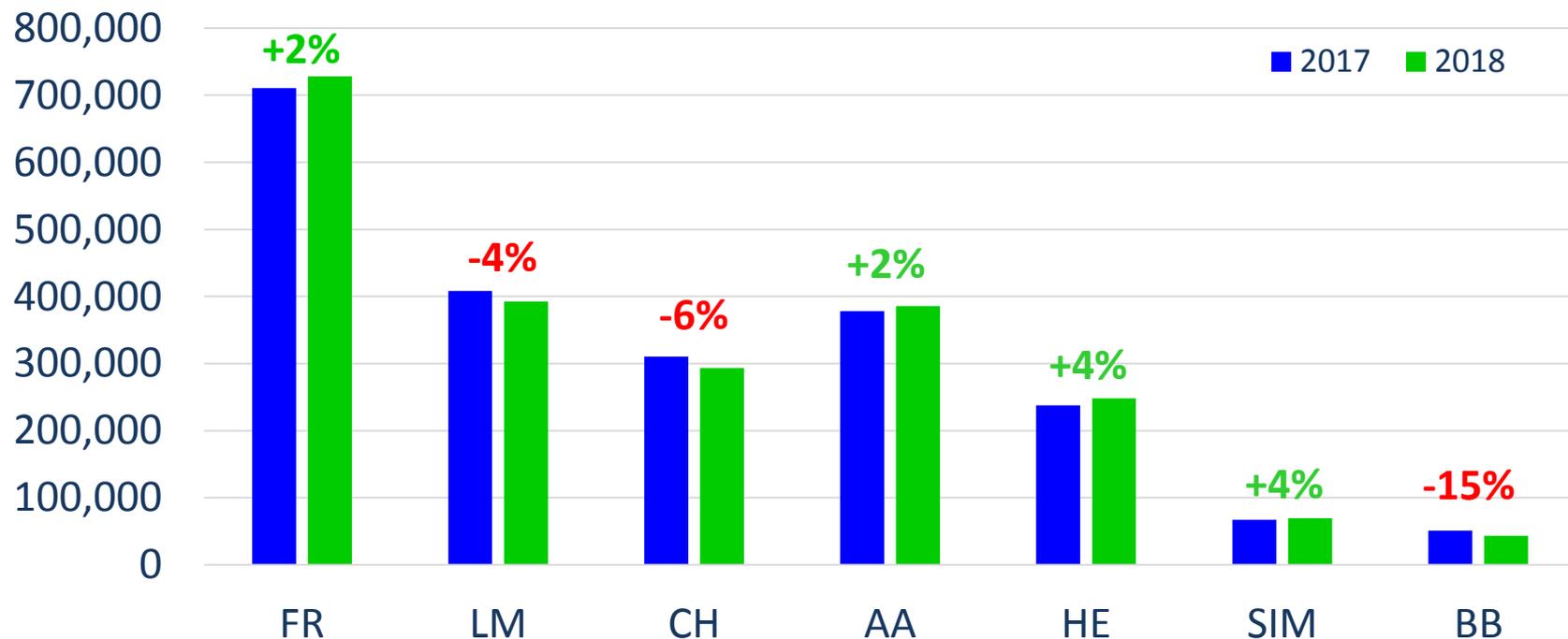


Calf Registrations marginally lower in 2018



Source - ICBF / AIM

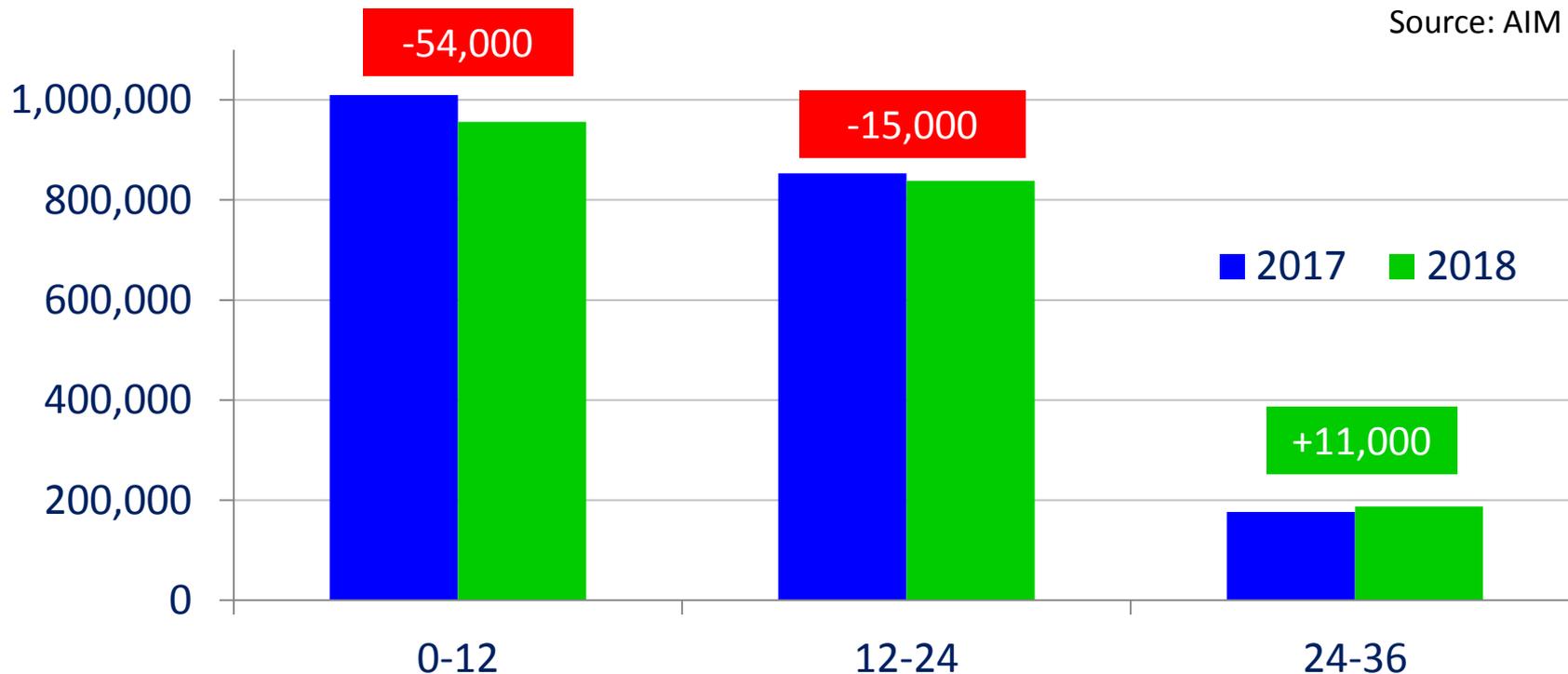
Calf Registrations by Breed Jan-Nov 2018 vs '17



Source - AIM

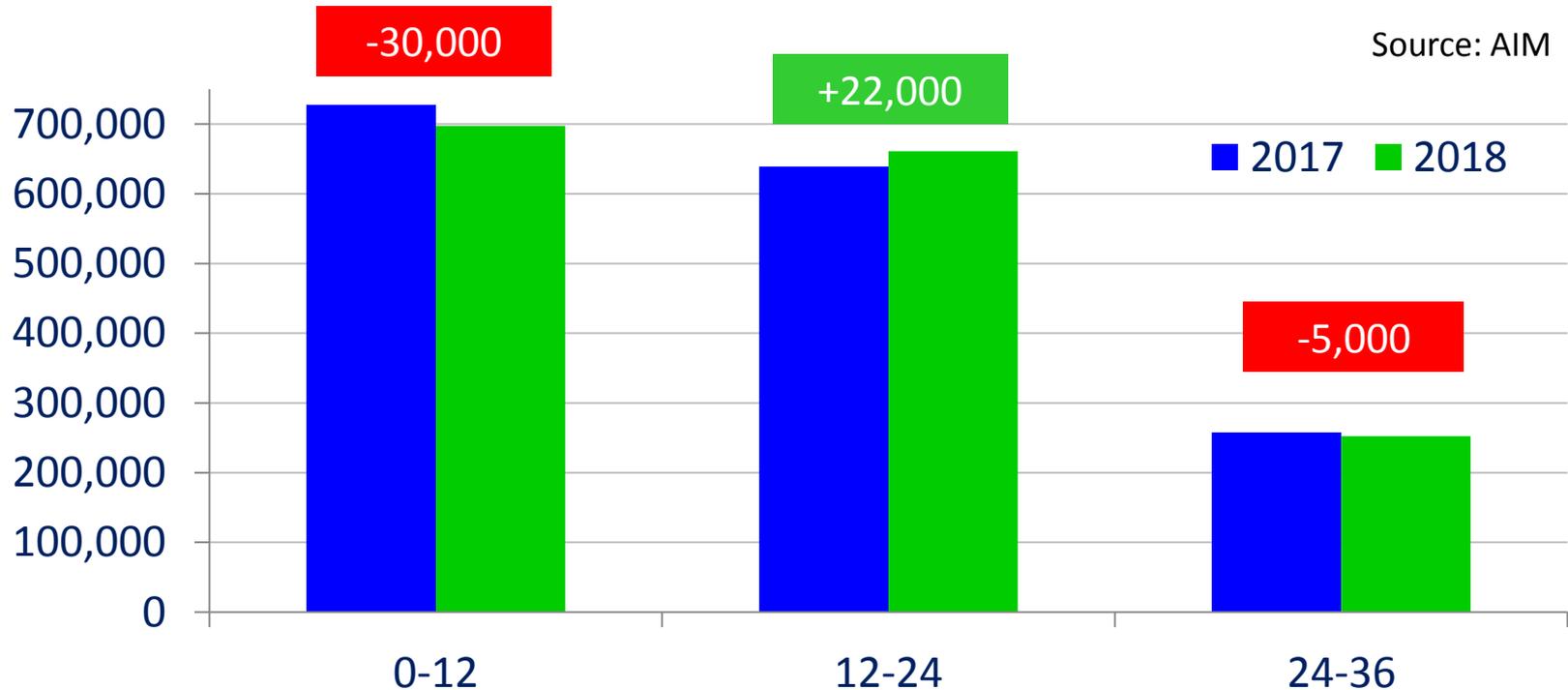
Male Cattle Numbers by Age Category on 1st of November

Source: AIM



Female Beef Cattle No.s by Age Category on 1st of November

Source: AIM



Average Prices: 300-400kg Weanling Bulls €/kg LW

	Top 1/3	Average	Bottom 1/3
2015	2.88	2.48	2.06
2016	2.75	2.35	1.82
2017	2.78	2.36	1.78
2018	2.77	2.30	1.68

Source - IFJ Martwatch

-0.6%

-2.4%

-5.6%

Average Prices of male dairy calves €/hd each spring

2015	2016	2017	2018
€123	€97	€105	€89

Source - ICBF

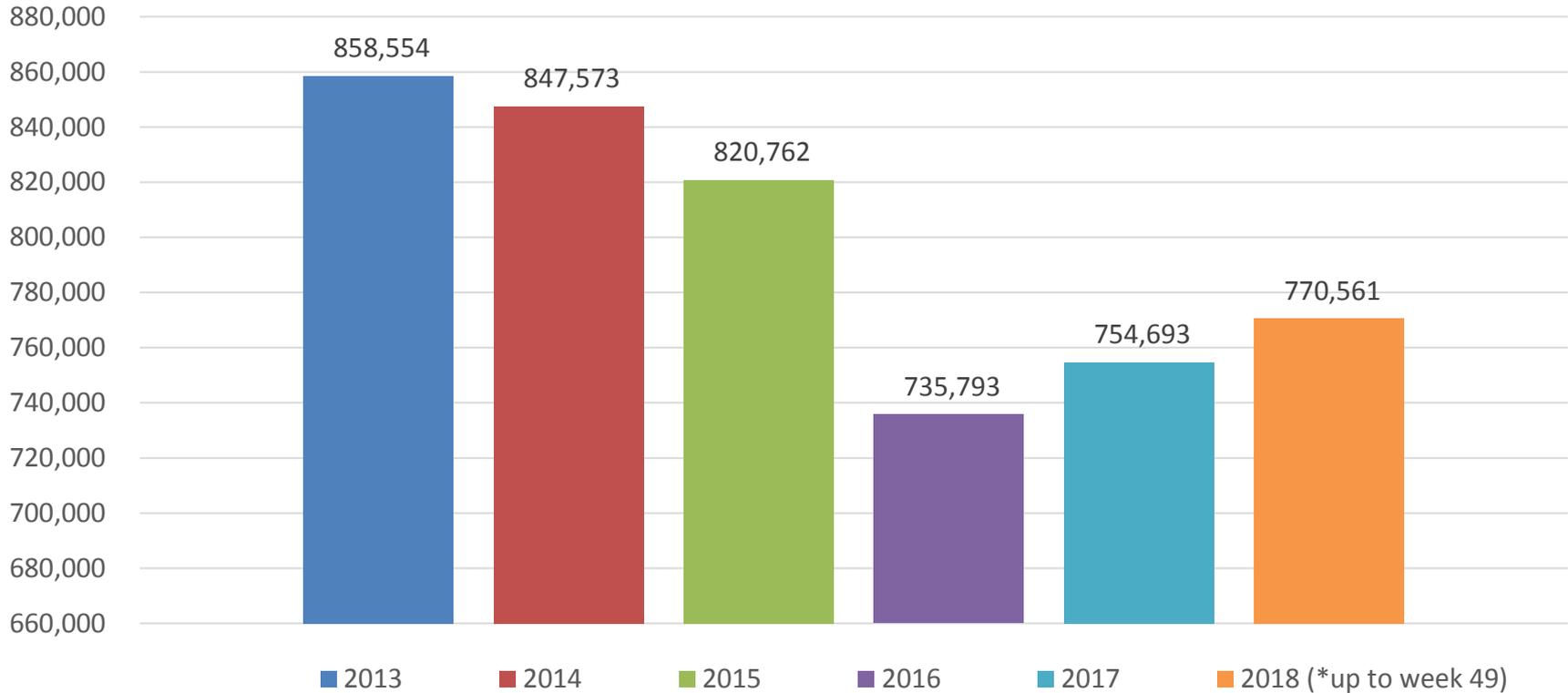
The Netherlands



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Live Calf Imports – NL (2013 – 2018)



(source: RVO)

Live Calf Imports – NL (2017 – 2018)

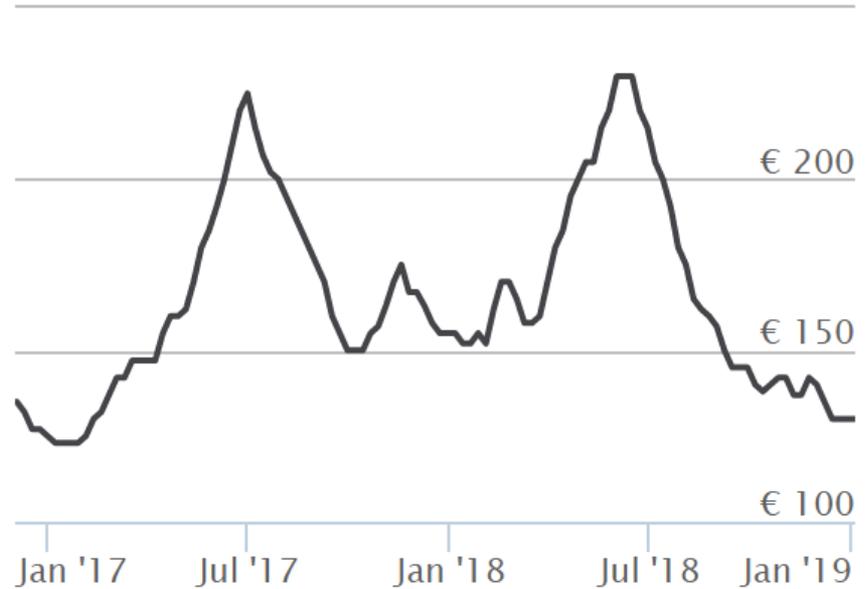
Origin	≥ Week 49 2017	≥ Week 49 2018	%Change YOY
Bel/Lux	59,830	116,612	+95%
Germany	531,619	521,880	-2%
Denmark	22,746	22,488	-1%
Ireland 2017	35,667	45,719	+28%
Estonia	14,715	11,101	-25%
Latvia	24,928	27,085	+9%
Lithuania	9,065	10,490	+16%
Poland	2,915	2,032	-30%
Czech Republic	17,042	13,058	-23%
Slovakia	1,703	96	-94%
Romania	0	0	
Total	720,230	770,561	+7%

Ireland is the third largest exporter of calves to NL after Germany and Bel/Lux, with imports increasing strongly

(source: RVO)

Dutch Strong - Calf (50+kg) Prices 2017-18

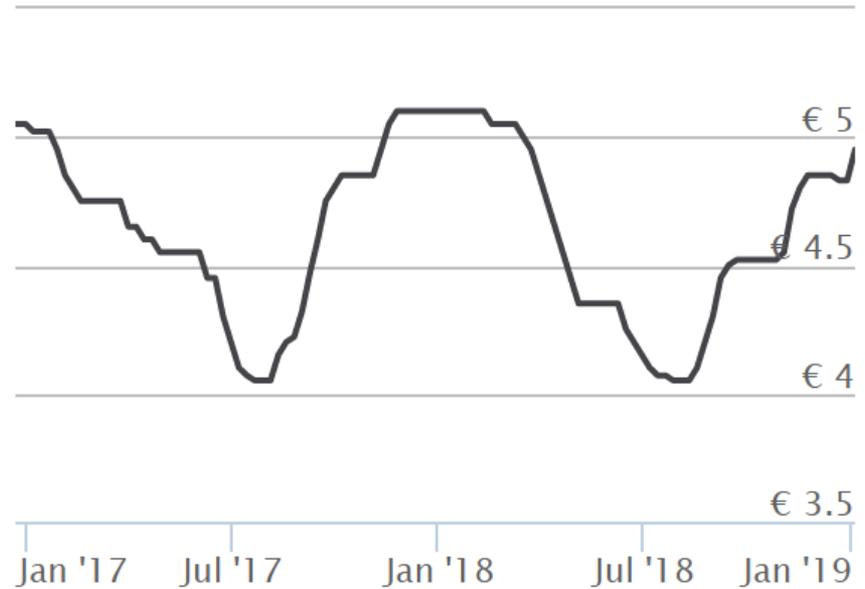
YEAR	HIGH	LOW
2018	€230/head	€130/head
2017	€225/head	€123/head



(source: De Kalverhouder)

Dutch White Veal Prices 2017-18

YEAR	HIGH	LOW
2018	€5.10/kg	€4.05/kg
2017	€5.10/kg	€4.05/kg



(source: De Kalverhouder)

Dutch Rosé Veal (<8 months) Prices 2017-18

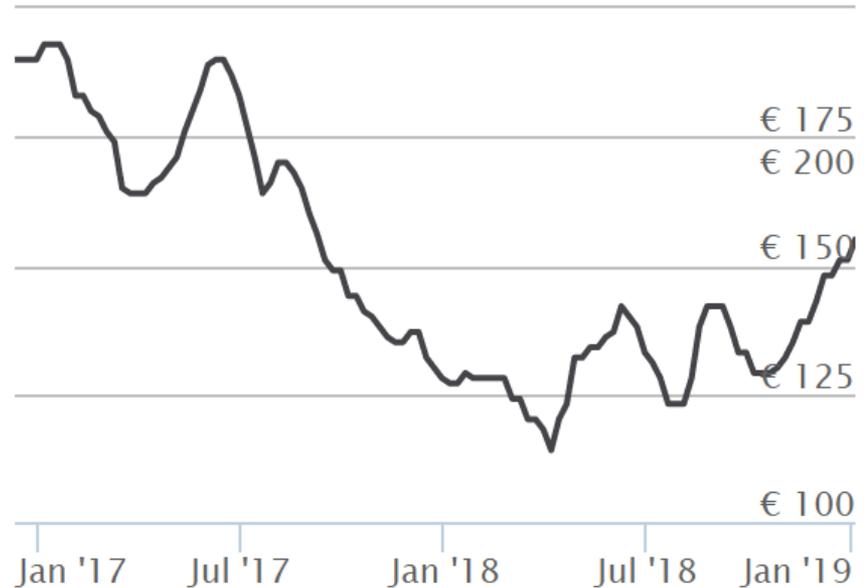
YEAR	HIGH	LOW
2018	€4.02/kg	€3.43/kg
2017	€4.10/kg	€3.38/kg



(source: De Kalverhouder)

Dutch Milk Powder Prices 2017-18

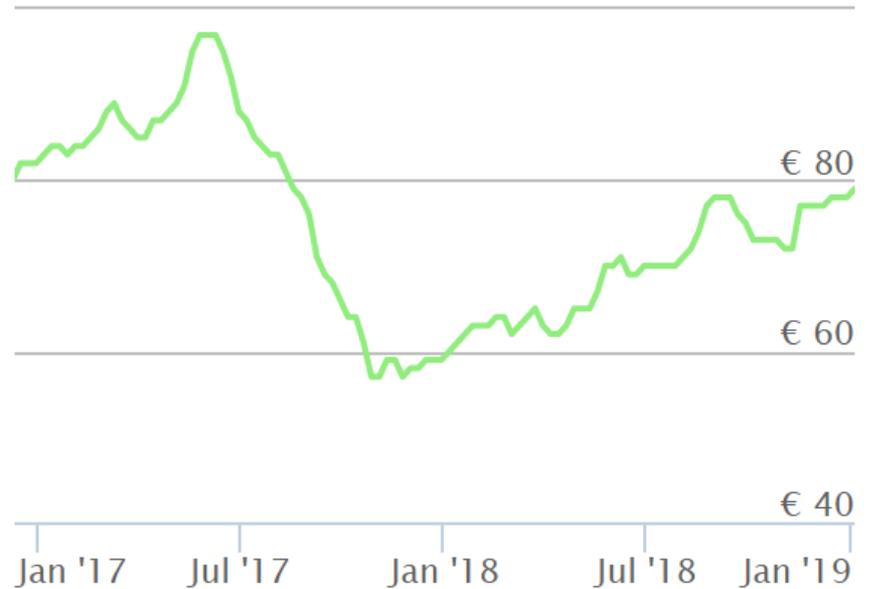
YEAR	HIGH	LOW
2018	€151/100kg	€114/100kg
2017	€193/100kg	€135/100kg



(source: De Kalverhouder)

Dutch Whey Powder Prices 2017-18

YEAR	HIGH	LOW
2018	€78/100kg	€60/100kg
2017	€97/100kg	€57/100kg



(source: De Kalverhouder)

The Netherlands 2018

- Lower supply of Dutch calves is leading to a higher demand
- Calf purchase prices rose steadily up to June 2018, before declining (Av. Price for 50kg+ calves was €169/head, compared to €150/head in the first half of the year to a low of €4.05/kg before recovering in the second half of the year)
- White veal prices continued a similar seasonal trend to pig prices in the first half of the year to a low of €4.05/kg before recovering in the second half of the year
- Rosé veal prices (<8 months) started strong in spring 2018, but declined in the summer. Prices recovered in the second half of the year
- Milk powder prices were significantly lower than during 2017, but recovered to their highest levels of the year.

Irish calf advertisements in De Kalverhouder



**Ruime aanvoer
Ierse kalveren
van februari
tot en met mei**

**Ierland is een betrouwbare leverancier
van gezonde kalveren van hoge kwaliteit
voor de Nederlandse kalfsvleesproducent.**

Er zijn grote aantallen Ierse stierkalveren van hoge kwaliteit beschikbaar voor export naar Nederland in de periode februari tot en met mei 2018. De kalveren, voornamelijk Holstein-Friesian, komen van een melkveestapel die het grootste deel van het jaar buiten graast. De kalveren zijn afkomstig van grasgevoerde koeien en worden speciaal door onze gecertificeerde exporteurs van levende dieren geselecteerd en vervoerd.

Neem contact op met Bord Bia, de Ierse voedings- en levensmiddelenorganisatie:
tel.: 020-7546969
e-mail: amsterdam@bordbia.ie
website: www.bordbia.ie

Italy

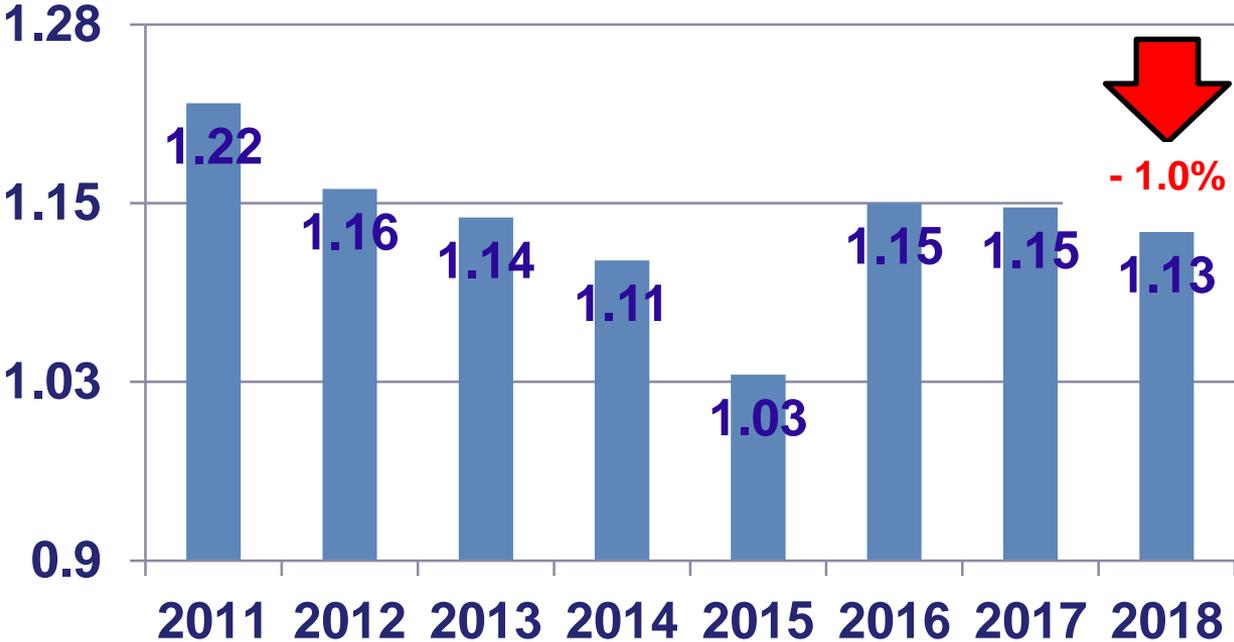


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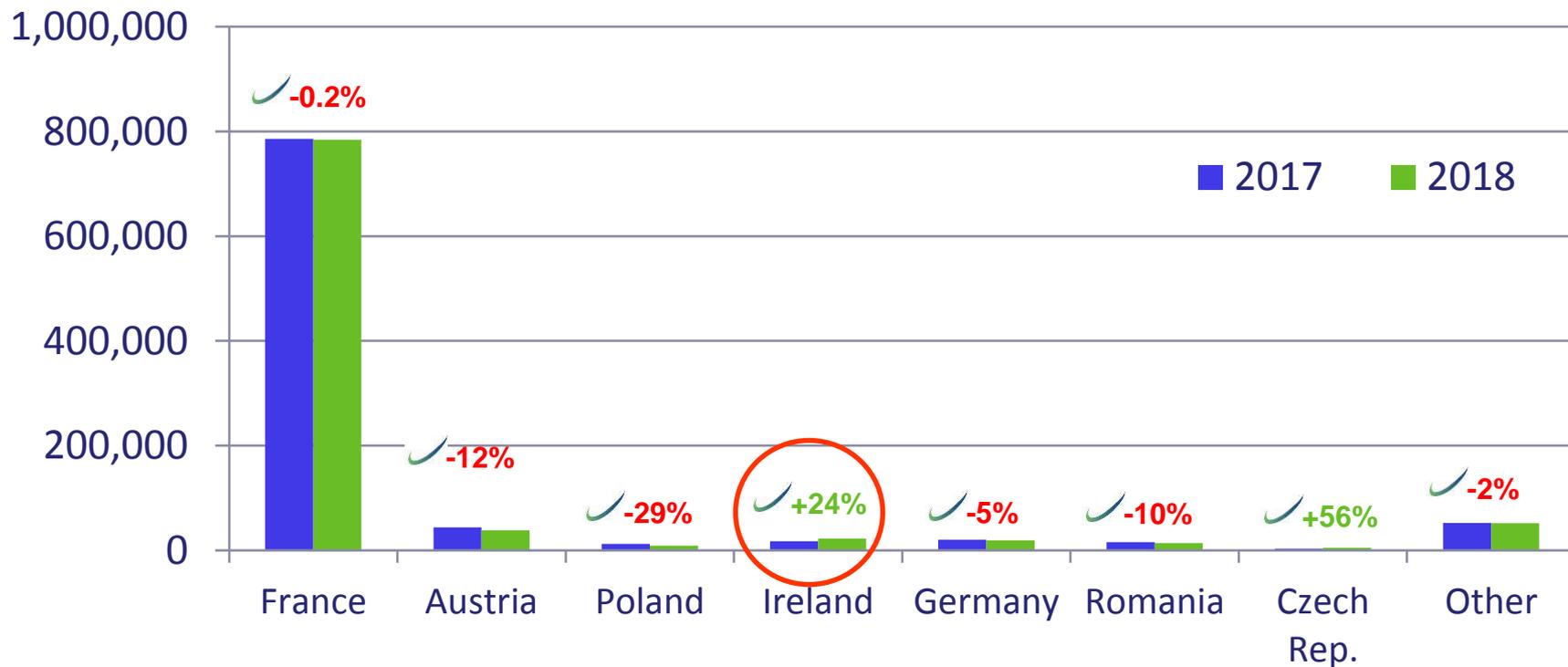
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Irish Food Board

Italian Live Cattle Imports in 2018

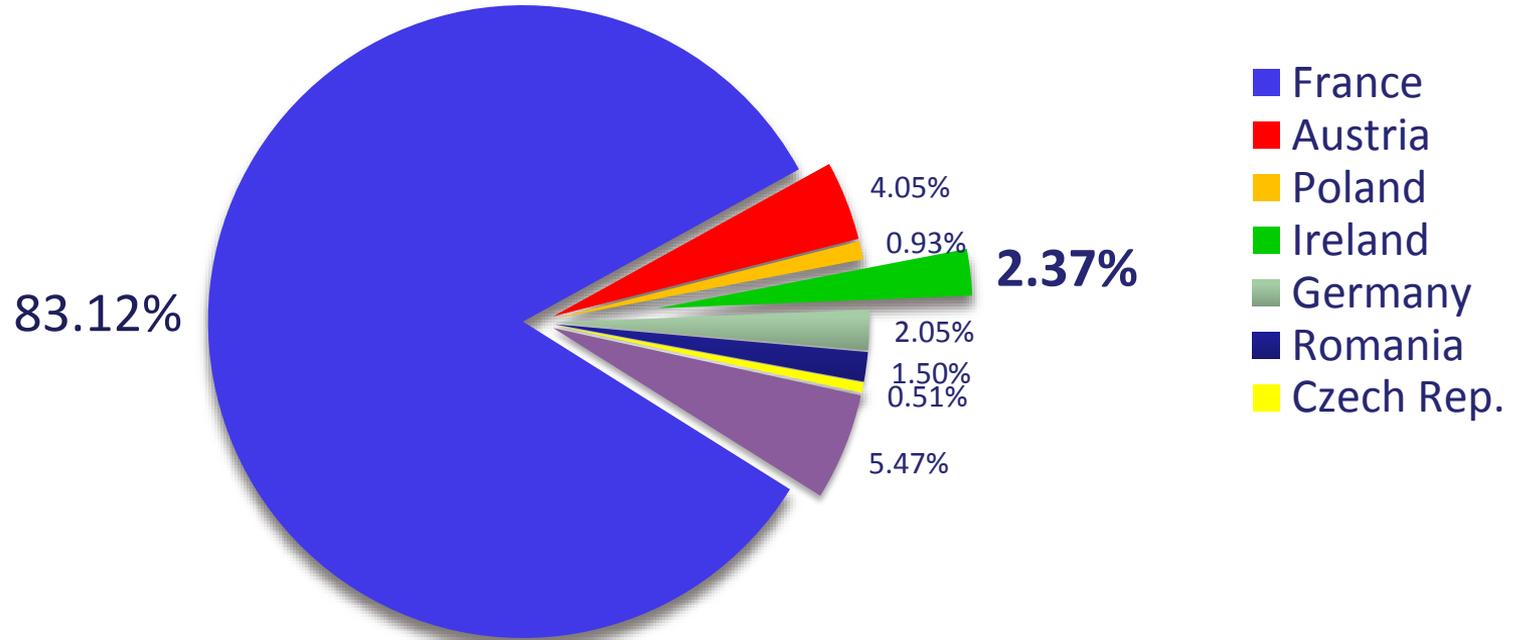
■ million head



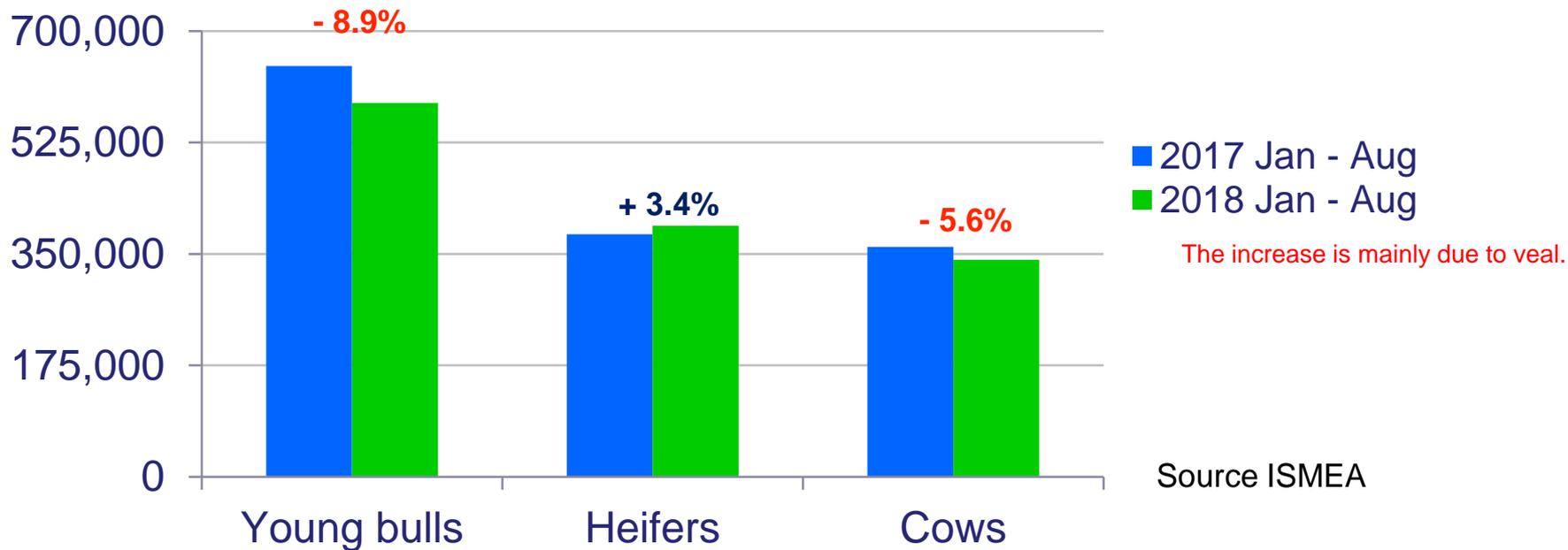
Italian Live Cattle Imports by Country (Jan-Oct)



Italian Live Cattle Imports - % Market Share 2018



Increase in Italian Cattle Slaughtering in 2018 (+3.5%)



Italian Market Summary 2018

- Small decrease in cattle imports of about 1%
- Cattle imports from Ireland were 24% higher
- French weanlings continue to dominate, with >83% of imports
- Overall increase of about 3.5% in cattle slaughterings
- Finished cattle prices performed poorly but recovered steadily, reaching €4.26/kg for U3 bulls in Dec. '18
- The decline in beef consumption looks to have stabilised. However, South American beef is prevalent on the foodservice market.

Spain



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Slaughterings (hds) & Production (tn)



+3.1%

■ National Kill (Heds)

■ National Kill (tn)

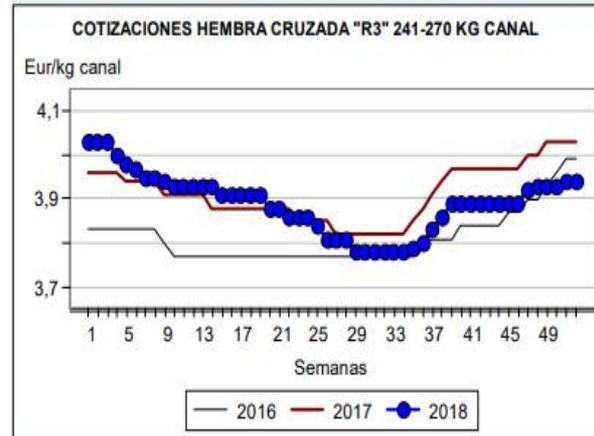
+1.4%

Spanish Market Performance June 2018

- 2.1% growth in the Spanish herd (May census 6.7M; 2.5M < 1yr old)
- Beef production keeps increasing (+1.4) focusing on Exports, as domestic consumption remains weak
- Beef imports decreased by -3.7 %
- Beef exports increased by 12% to 77,200tn.
- Up to June, cattle imports increased by nearly 10% and exports by 59%
- Calves <80kg imports are becoming even more relevant >70% of imports
- Strong cereal prices but stable
- Irish exports to Spain increased by 83%, reaching a figure of 92,500 heads.

Friesian "O" >220kg, R-3 Heifer 241-270kg & R-3 YB +371kg

Price Evolution 2016-2018
(€/kg carcass)

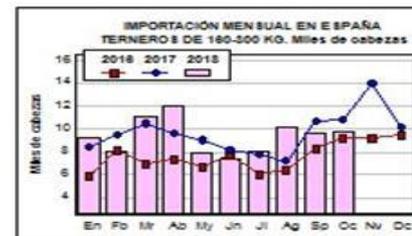
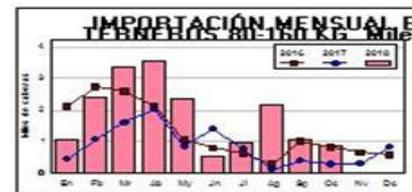


Imports by Origin Jan-Oct

Países	Enero-enero			
	2016 (Definitivo)	2017 (Definitivo)	2018 (Provs.)	2018%17
Terneros mamonos <= de 80 kg. Cabezas				
Polonia	19.480	13.320	9.552	-28%
Rep. Chec	16.042	17.868	13.920	-22%
Alemania	63.428	61.978	80.791	+30%
Irlanda	23.961	31.855	44.330	+39%
R. Unido	11.817	10.900	18.029	+65%
Holanda	9.335	13.382	8.959	-33%
Francia	132.974	157.196	177.246	+13%
Bélgica	18.027	18.702	15.254	-18%
Otros	32.213	24.593	21.852	-11,1%
Total	327.277	349.794	389.933	+11%

Terneros ligeros de 80-160 kg. Cabezas				
Francia	1.215	1.933	4.222	+118%
P. Bajos	1.032	1.893	6.776	+258%
Alemania	3.778	235	142	-40%
Portugal	0	1.456	113	-92%
Italia	406	536	1.634	+205%
Irlanda	0	0	516	
Rumanía	7.151	2.218	3.323	+50%
Otros	726	756	1.564	+107%
Total	14.308	9.027	18.290	+103%

Terneros pesados de 160-300 kg. Cabezas				
Francia	64.776	85.561	131.773	+54%
P. Bajos	0	761	1.986	+161%
Polonia	0	0	2.558	
Portugal	6.218	4.791	8.349	+74%
Irlanda	269	200	487	+143,5%
Otros	1.587	440	841	+91,1%
Total	72.850	91.753	145.994	+59%



Spanish Exports Jan-Oct '18

(´000hds)

	ene	feb	mar	abr	may	jun	jul	ago	sept	oct	nov	dic	ene-oct
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AL LÍBANO

2015	4.509	1.132	3.375	4.529	8.036	9.956	9.004	5.782	4.676	5.906	4.370	3.378	56.905
2016	3.369	3.191	1.780	3.009	2.554	8.683	1.268	5.846	1.864	3.126	2.878	3.263	34.690
2017	3.606	3.092	3.539	3.630	3.772	3.556	5.941	1.670	2.972	1.163	1.710	2.616	32.941
2018	4.506	1.739	4.391	2.601	4.658	4.741	3.894	3.768	6.657	4.588	--	--	41.543
18%17	+25%	-44%	+24%	-28%	+23%	+33%	-34%	+126%	+124%	+294%			+26%

A LIBIA

2015	1.060	2.560	4.185	2.092	3.417	4.723	4.398	2.305	2.721	5.225	3.964	2.684	32.686
2016	1.919	2.837	668	3.850	6.930	8.000	6.728	4.134	2.885	7.274	2.834	3.087	45.225
2017	3.230	1.820	3.228	7.662	10.794	8.965	3.499	4.623	3.374	4.134	3.471	4.932	51.329
2018	2.759	3.306	2.325	3.949	9.630	12.031	9.064	5.801	2.189	3.227	--	--	54.281
18%17	-15%	+82%	-28%	-48%	-11%	+34%	+159%	+25%	-35%	-22%			+6%

A ARGELIA

2015	33	0	450	586	0	636	0	0	0	111	39	0	1.816
2016	784	0	0	0	821	0	830	0	32	0	47	0	2.467
2017	749	0	0	793	839	971	659	892	931	1.399	977	725	7.233
2018	2.071	1.709	967	2.435	2.967	994	350	0	0	800	--	--	12.293
18%17	+177%			+207%	+254%	+2%	-47%	-100%		-43%			+70%

A TURQUÍA

2017	0	0	0	0	2.348	2.151	5.740	3.384	8.704	6.455	932	1.985	28.782
2018	2.402	4.291	0	5.069	4.658	10.532	12.925	6.949	4.568	0	--	--	51.394
18%17					98%	+390%	+125%	+105%	-48%	-100%			+79%

A EGIPTO

2015	0	0	0	0	0	0	0	1.267	0	0	0	2.135	1.267
2016	1.074	1.080	1.127	2.158	2.412	1.080	1.069	4.222	0	1.096	1.087	0	15.318
2017	0	0	4.265	3.521	9.692	2.425	149	3.157	2.665	0	5.309	2.819	25.874
2018	0	0	2.505	--	2.471	0	0	0	0	0	--	--	4.976
18%17			-41%		-75%	-100%	-100%	-100%	-100%				-81%

A ITALIA

2015	1.602	856	1.765	1.384	1.368	1.673	1.954	1.428	1.278	1.635	1.472	1.250	14.943
2016	1.404	1.203	1.587	1.295	1.120	1.196	1.152	1.315	1.486	1.256	1.266	1.489	13.014
2017	1.176	941	1.634	1.127	1.047	897	1.343	832	1.085	848	1.210	1.534	10.930
2018	1.001	1.359	1.490	1.005	1.371	875	1.126	1.555	1.404	1.637	--	--	12.823
18%17	-15%	+44%	-9%	-11%	+31%	-2%	-16%	+87%	+29%	+93%			+17%

A MARRUECOS

2015	0	139	517	260	693	204	469	0	247	597	627	485	3.126
2016	284	160	501	0	497	0	0	225	234	349	371	661	2.250
2017	353	783	795	559	825	105	1.151	0	842	1.239	969	1.179	6.652
2018	851	922	1.057	2.079	972	904	1.687	510	1.906	1.049	--	--	11.937
18%17	+141%	+18%	+33%	+272%	+18%	+761%	+47%		+126%	-15%			+79%

2018 Summary

- Spain reaching a turning point: too much cattle available relying in very instable live export markets
- The fear on the volatility of live exports markets hit at the summer - the sector has been nervous since then:
 - Closure of Turkish Market
 - Problems with Letters of Credit from the Lebanon
 - Competition from South America in Turkey
- The weakness in demand for light carcasses from Portugal and the strong competition from Holland hasn't helped
- Domestic consumption remains weak

2019 Outlook

- Spanish bovine sector keen to shift a higher proportion of livestock exports to beef exports & more politically-stable markets
- Weak domestic consumption remains a key concern
- Despite the fall in Spanish livestock exports in the second half of 2018 and continued uncertainty, demand for calves will remain strong in 2019 as in recent years the sector had invested heavily in premises and facilities.
- Growing interest in Angus/Hereford cattle and breeding animals



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Live Bovine Imports in MENA



ALGERIA

- Imports increased by 4% in 2017, and reached 84k heads
- Live imports were blocked during 5 months in 2017 and 6 months in 2018 due to foot and mouth disease
- The major supplier for both Bulls and Dairy heifers remains France, Spain has gained more market share (+265% in 2017), especially on finished bulls
- Market figures are expected to be very similar in 2018
- Algerian importers are mostly interested by high quality bulls
- Demand is expected to grow significantly in 2019 due to lack of animals in the market



EGYPT

- Imports have reached 144k heads in 2017, increasing by 20%
- The Egyptian market is very competitive and driven by low cost countries
- Top 3 suppliers are; Brazil, Sudan and Spain
- 2018 figures are expected to be slightly higher than 2017, confirming the recovery of the Egyptian Economy
- Volume for the New Year will depend on the stability of the Egyptian Pound



LIBYA

- Imports reached 145k heads in 2017, a decrease of 6%
- Spain exported more than 140k heads and became the main supplier for bulls
- Payment issues were resolved during last year, market is expected to grow significantly during the next few years
- Libyan buyers are looking for mixed quality loadings, with competitive prices
- Three shipments of Irish cattle were sent to Libya during 2018 for approximately 7000 heads
- The country is still very unstable, but experts are expecting 2019 to see the official confirmation of economic recovery



MOROCCO

- Import of live bovine reached 37k heads in 2017, increasing by 50%
- This increase was mainly driven by demand for young bulls
- France remains the major supplier of the Moroccan market combining dairy heifers and young bulls
- Spain has exported 14k heads of young bulls in 2017 (+321% compared to 2016)
- Ireland didn't export to Morocco in 2017 although some trucks were shipped in 2018
- Morocco will import more bulls in 2019, according to local experts

Summary



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Summary

- Live exports increased by 31% in 2018.
- Irish prices declined, as did other EU countries
- Exports increased to most markets.
- Calf markets appear quite positive:
Dutch demand to improve over the springtime:
fewer domestic supplies, welfare a key factor
- Spain to remains our strongest market for quality calves, potential for other categories
- French weanlings highly dominant in Italy.
- Continued focus on International markets



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