Market Transparency in the Food Supply Chain

Beef Market Example

Joe Burke, Bord Bia - Irish Food Board

11th Sept 2018

Bord Bia

Irish Food Board

Who are we?

….. ….. the ***State Agency*** responsible for the ***Market Development and Promotion*** of Irish Food, Drink and Horticulture

Growing the success of Irish food & horticulture

Bord Bia

Irish Food Board

The Role of Bord Bia

- Semi State Organisation
- Marketing & Promotion of Irish Food
- Implement Quality Assurance & Sustainability programmes
- Market & Consumer Insight

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Background – EU Cattle Sector

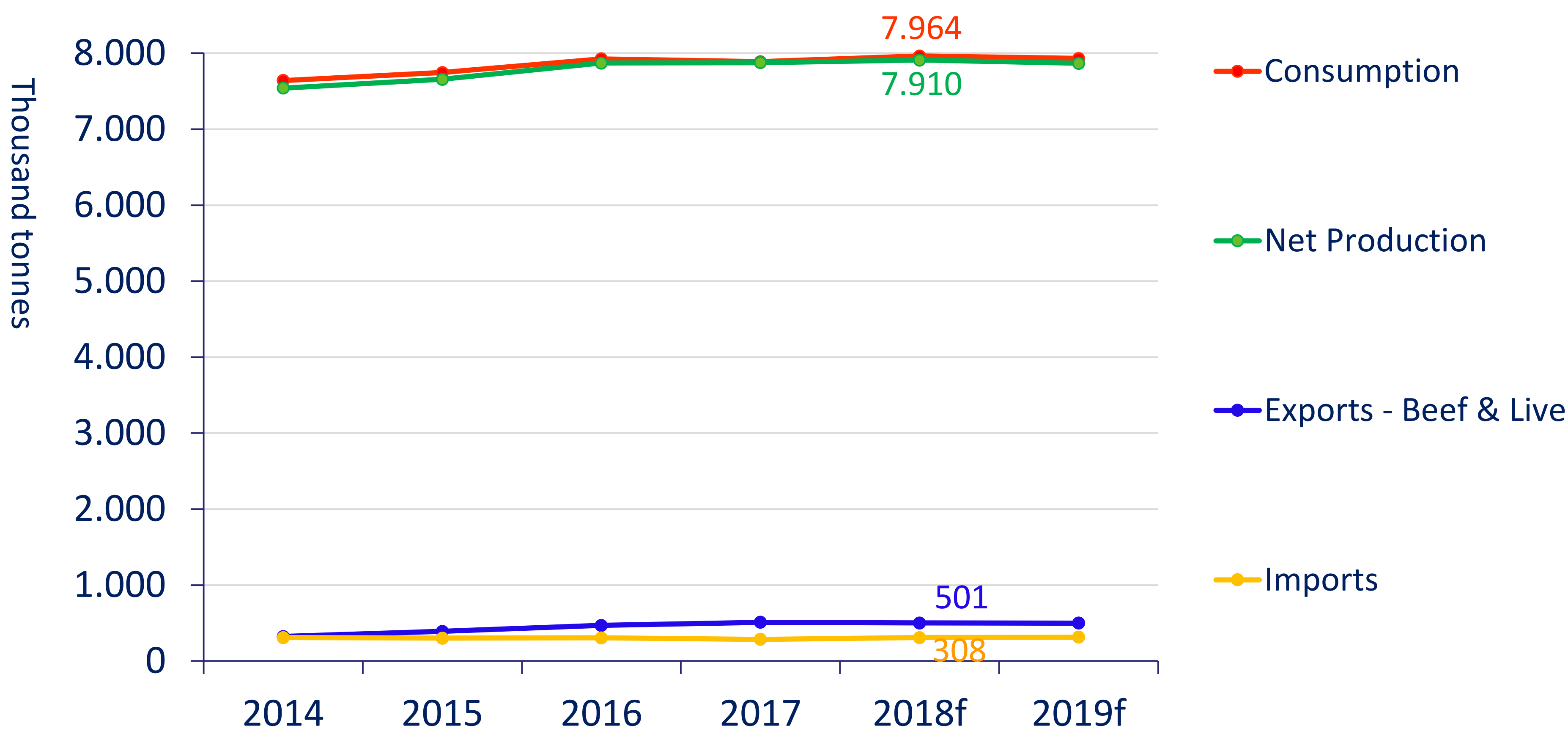
- 1.85 million EU farm holdings with bovine enterprise (17%):
- Utilise 31% of the agricultural land in the EU
- Keep 47% of the EU livestock units

  (including approx. 23m. dairy cows and 12m. beef cows)
- Employ 26% of the EU agricultural labour force
- Accounted for 23.5% (€85 billion) of EU-28 agricultural output (2017)

  (incl. dairy: 15% / €54.5bn and cattle 8.5% / €30.5bn

EU Commission: Study: The EU Cattle Sector 2017 & Eurostat, Economic Accounts for Agriculture

EU-28 Beef & Veal Market Balance (t CWE)

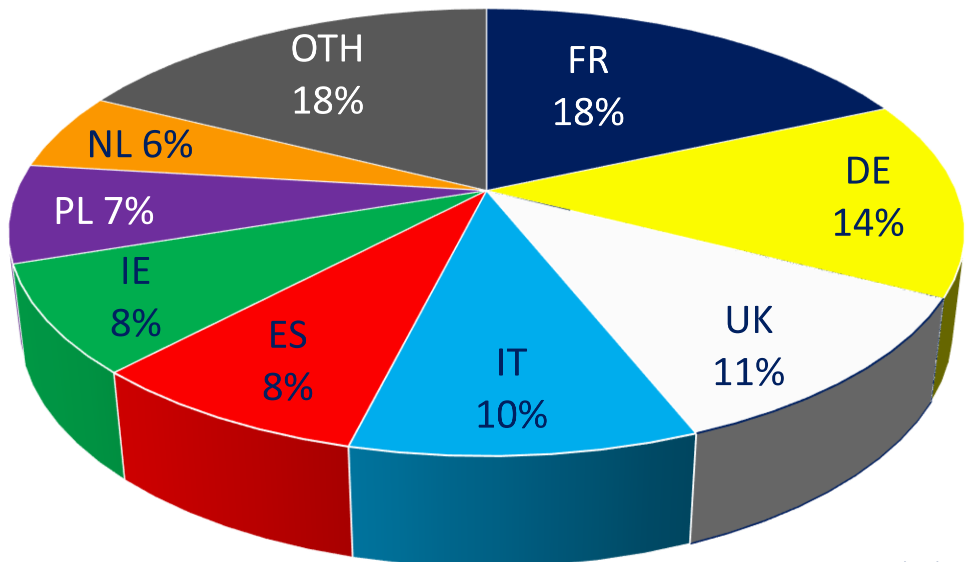


EU Commission: Short-term Outlook for Agricultural markets — Summer 2018

EU-28 Beef & Livestock Sector

- 4 member states produce 53% of EU beef: FR, DE, UK, IT
- However, these also account for 57% of consumption

EU 28 Net Production of Beef & Veal (2017) 7.9m. T. CWE

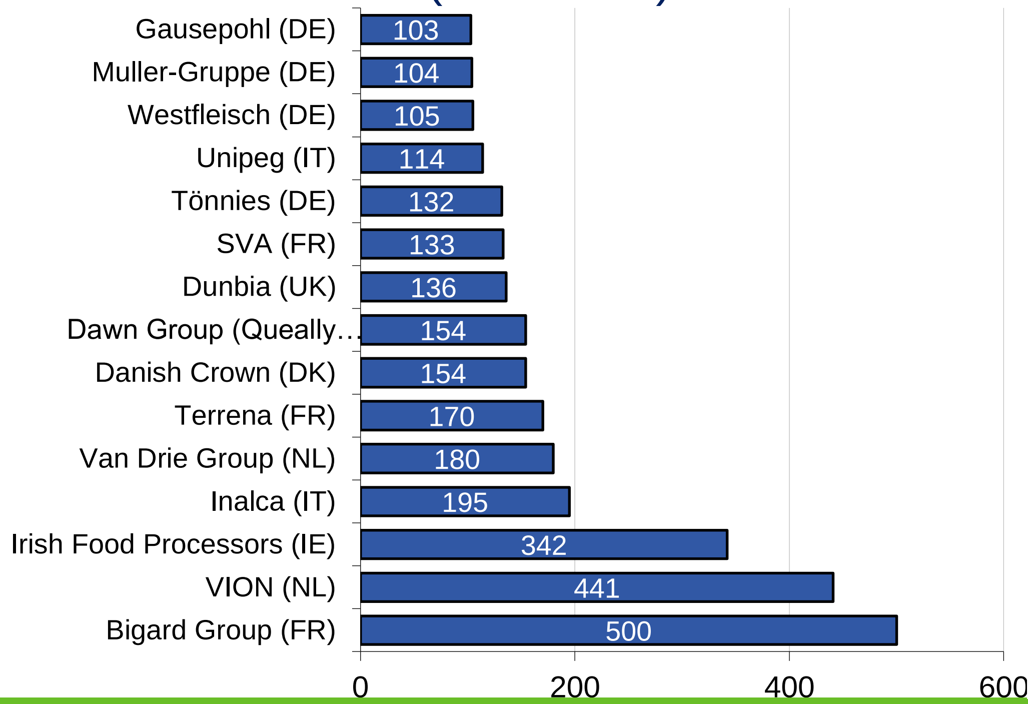


EU Commission: Beef Forecast Working Group 2018

EU Beef & Veal Sector

- Diversity of production systems across regions: white/rosé veal, intensive young bull, grass-based steer etc.
- Processing is generally fragmented & nationally-orientated

Top 15 EU beef & veal companies in volume ('000 t cwe)



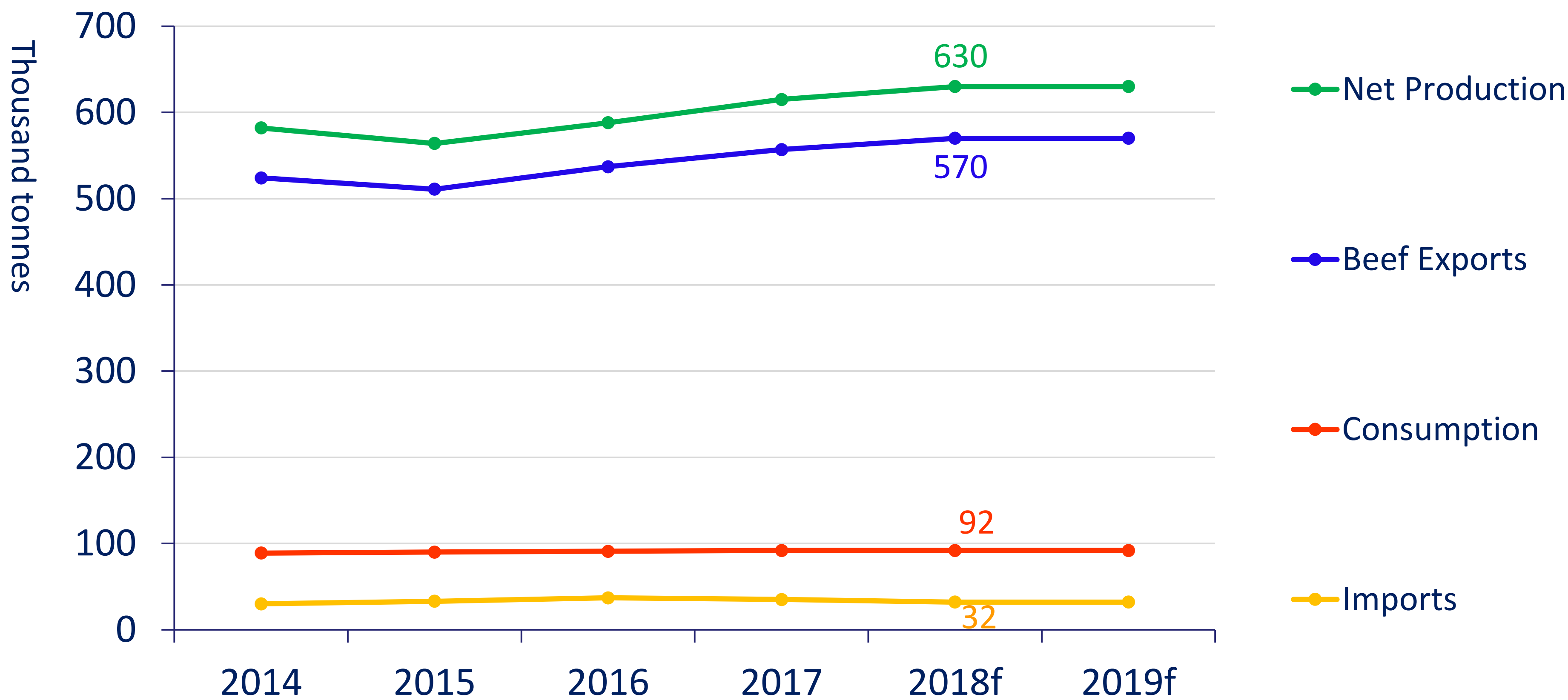
2012: Top 15 beef & veal companies held 36% of EU prodn.

Consolidation / diversification by some leading companies

Long tail of local players remains in every country

Source: GIRA: Compilations and estimates (2012)

Irish Beef Market Balance (t CWE)

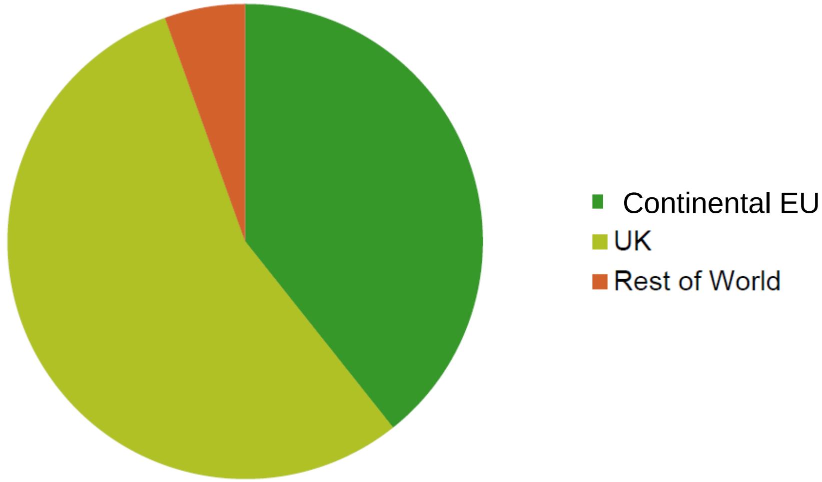


Central Statistics Office & Bord Bia Forecasts

Irish Beef & Livestock Sector

- Highly export-focused
- 1.85m. cattle processed:
- 95% by 30 export meat plants,
  (20 owned by 4 dominant groups)
- Expanding customer portfolio:
  listed by >85 EU retail chains
- Chilled boneless cuts comprise vast majority of exports
- The 20+ primal cuts coming from a beef carcase are generally sold to numerous different customers across several markets

Irish Beef Exports (cwe) 2017



Market Transparency

- “Availability of relevant market information to market participants” AMTF
- Helps participants reduce uncertainty and adapt production to market signals
- Huge amount of data available at both national & EU level
- Interpretation needed to translate into trends and insights
- Generate a well-informed market appraisal / outlook:
- Supply pattern, herd changes, trade influences, stock levels, competing proteins, seasonal factors, socio-economic, consumer preferences etc.

Agricultural Markets Task Force

Sources of Data / Information - Ireland

Department of
Agriculture, Food and the Marine
An Roinn
Talmhaíochta, Bia agus Mara

www.agriculture.gov.ie

- Publish extensive reports on production including:
- Weekly: Supplies to meat plants, Live exports, Prices

Official Steer Prices: Week ending 02/09/2018 (c/kg inc VAT)

Factory	U+3+	U=3+	U=2+	R+3+	R+2+	R=4+	R=3+	R=2+	O+3+	O+2+
Foyle Donegal	-	-	424.0	426.2	423.3	420.3	418.3	413.2	409.5	406.9
Jennings Ballinrobe	-	-	-	-	-	-	415.0	-	390.2	402.3
Slaney Foods	436.0	423.1	423.1	413.3	408.0	391.0	406.2	400.2	393.8	387.1
ABP Bandon	-	-	-	408.3	412.7	390.0	404.9	401.8	398.1	392.8
ABP Waterford	-	429.1	430.0	413.9	403.5	-	405.2	402.5	395.3	389.1
Kepak Watergrasshill	-	-	-	-	408.0	384.0	408.3	402.0	388.8	-
Liffey Meats Hacketstown	-	-	420.0	402.1	404.7	-	399.2	407.1	390.0	-
Dunbia, Slane	-	415.1	408.0	405.4	410.1	388.1	401.6	411.7	386.1	385.9
Kepak Athleague	423.0	417.1	412.4	404.5	404.5	379.0	402.5	397.0	389.0	382.0
ABP Clones	432.6	418.8	425.0	407.7	405.5	396.2	400.9	402.1	394.4	381.9
Dawn Ballyhaunis	-	420.0	417.1	405.4	404.8	-	400.5	401.4	390.7	385.7
Dawn Charleville	421.0	412.7	420.0	405.8	408.0	384.0	404.0	399.5	395.6	381.2
Dawn Meats Grannagh	430.0	420.0	420.0	405.8	408.0	398.1	399.3	398.9	387.7	383.3
ABP Cahir	-	-	420.0	408.0	408.0	417.0	399.7	394.9	393.6	383.9
Liffey Meats	414.0	410.8	411.4	408.3	408.8	-	406.1	396.8	386.5	393.5
Ashbourne Meats	-	415.4	422.0	406.8	409.1	391.4	402.0	402.0	383.3	372.4
ABP Rathkeale	-	431.0	-	396.0	396.5	394.3	393.9	-	395.9	372.8
Euro Farm Foods, Duleek	411.1	407.7	414.0	403.7	400.9	389.0	399.6	398.0	390.3	377.6
ABP Nenagh	-	416.4	417.8	405.2	401.8	-	396.3	398.4	390.5	384.1
Meadow Meats	426.0	416.9	420.0	405.7	407.5	-	399.2	398.2	387.9	377.2
Kepak Clare	-	-	417.1	405.2	404.1	-	397.9	-	393.5	399.0
Kepak Clonee	-	-	-	400.2	403.8	-	396.1	397.5	390.3	379.8
Kepak, Kilbeggan	-	422.1	416.8	404.8	400.3	-	399.7	397.0	392.5	373.6
Kildare Chilling Company	411.6	421.9	416.6	405.7	408.0	385.4	397.0	401.0	385.7	384.3
Moyvalley Meats	426.0	414.1	420.0	398.7	399.5	385.9	398.0	397.5	379.9	381.4
Liffey Meats, Ballinasloe.	426.0	390.0	410.8	398.2	399.7	-	396.3	397.0	387.5	379.0
National Average	423.1	417.9	416.5	406.0	406.0	392.2	401.2	399.8	391.9	384.4
LastWeek	423.9	419.0	418.5	406.8	406.2	390.3	402.9	401.3	394.0	385.4
Difference	-0.8	-1.1	-2.0	-0.8	-0.2	1.9	-1.7	-1.5	-2.1	-1.0

*A.B.G - average of base grades. Factories are ranked on the average of the reported prices paid for the QPS base grades (i.e. animals grading R= and R- on conformation and from 2+ to
on eligible animals and/or other bonuses. Prices include VAT @ 5.4%. A full breakdown of prices paid for all grades is available each week at www.farmersjournal.ie. The Department give
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Info analysed and interpreted by other commentators:

e.g. Bord Bia

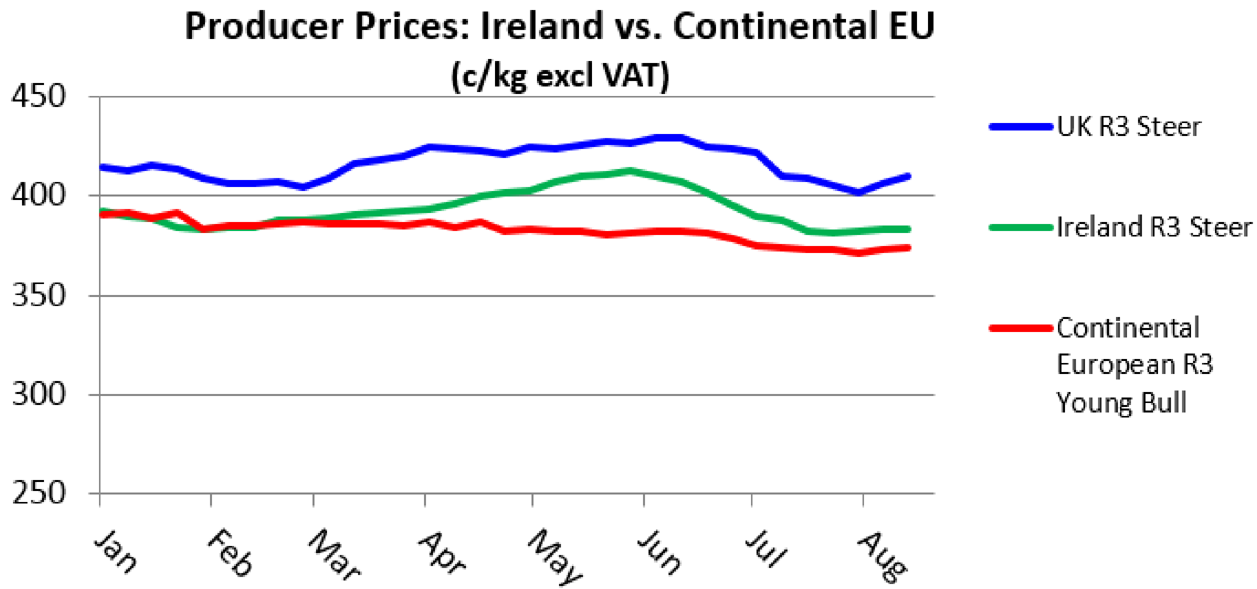
Agri-media

Sources of Data / Information - Ireland

- www.agriculture.gov.ie also publishes monthly reports incl:
- Calf registrations, Profile of national herd, carcase weights, carcase classification
- CSO www.cso.ie also publish monthly production data:
- Cattle throughput, output volume (t CWE)
- Also report exports by market (volume and value), which provides useful trends and insights

Sources of Data / Information - EU

- Prices across member states collated weekly by DG-AGRI
- Published on www.ec.europa.eu
- Key assessment of sector / market performance



Sources of Data / Information - EU

- Other information regularly updated on www.ec.europa.eu
- National cattle supplies (latest available Jan- May)
- Presentations summarising EU beef & veal market situation
- Short-term outlook for EU agricultural markets

BEEF

Market developments in the EU

	2017	2018
Production	+0.1%	+0.5%
Exports	+9.1%	-6.0%
Imports	-6.2%	+8.0%
Consumption	-0.7%	+0.7%

Compared with previous year, net production and meat trade

Sources of Data / Information

- Fewer data publicly available post-production stage
- Some on retail sales (volumes, prices e.g. Kantar WorldPanel)
- Foodservice and manufacturing channels also significant

Retail consumption

Last Updated:	31 August 2018
Contact:	econ@ahdb.org.uk
Website:	http://beefandlamb.ahdb.org.uk
Source:	Kantar Worldpanel
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AHDB
BEEF & LAMB

Period ending 12th August 2018

Fresh & Frozen Beef

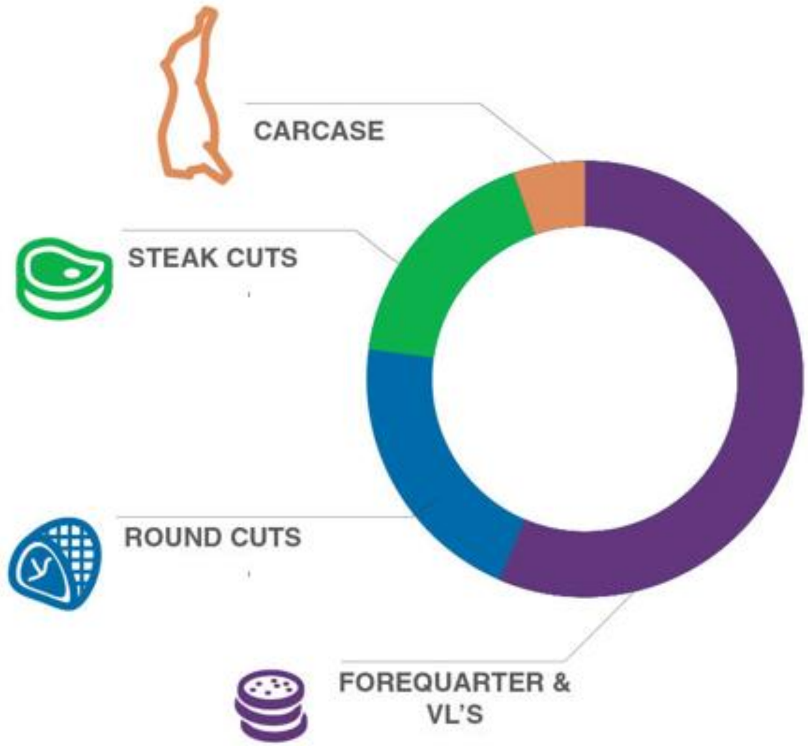
	4 weeks ended: 12th August 2018	12 weeks ended: 12th August 2018	52 weeks ended: 12th August 2018
Expenditure (£ million)	**142.0**	**424.9**	**2,215.0**
annual change %	-4.0	-4.0	-0.3
Volume (tonnes)	**17,523**	**53,146**	**281,688**
annual change %	-8.1	-4.7	-1.9
Average price (£/kg)	**8.10**	**7.99**	**7.86**
Penetration (%)	**50.0**	**68.6**	**86.7**

Annual volume change %

	4 weeks ended: 12th August 2018	12 weeks ended: 12th August 2018	52 weeks ended: 12th August 2018
Fresh & frozen beef	-8.1	-4.7	-1.9
- Roasting	-31.3	-27.0	-12.3
- Stewing	-27.7	-22.6	-5.0
- Frying/grilling steak	+16.7	+13.8	+4.8
- Mince	-9.4	-4.1	-0.6
- Marinade	+41.1	+21.3	+18.4
Burgers and grills	+21.6	+14.7	+7.4
Chilled ready meals	-3.0	+1.8	+1.0
Frozen ready meals	-8.0	-2.9	+5.0
Fresh pre-packed hot pies	-14.6	-18.7	-5.3
Fresh pre-packed pasties	-15.5	-6.5	+0.2
Frozen pies/puddings	-18.6	-13.2	-3.9

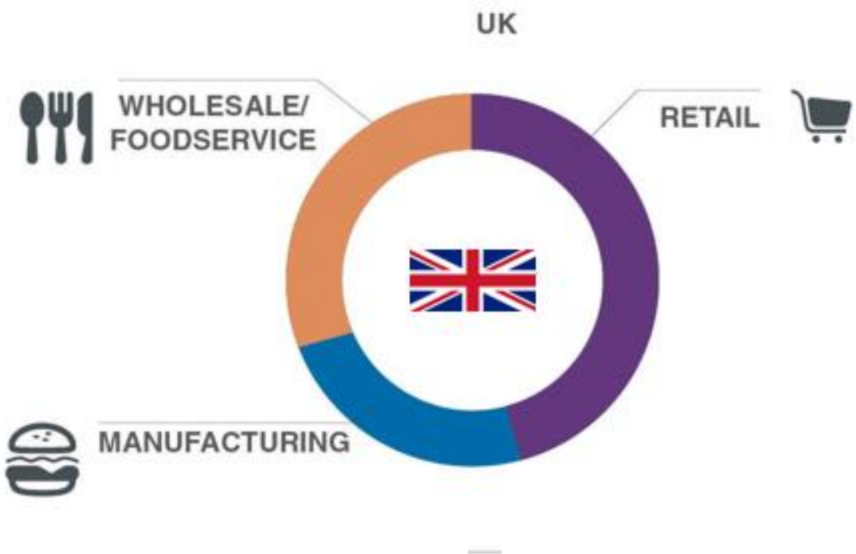
Please note Kantar data may be revised on a monthly basis.

Irish Beef Exports – Analysis by Product Type



Bord Bia - Industry Data, Irish Beef Roundtable

Irish Beef Exports – Analysis by Market Channel



Bord Bia - Industry Data, Irish Beef Roundtable

Sources of Data / Information

- Fewer data publicly available post-production stage
- Some on retail sales (volumes, prices e.g. Kantar WorldPanel)
- Foodservice and manufacturing channels also significant
- Identifying trends potentially more beneficial than specific prices
- Allow for more informed production and marketing decisions
- Possible difficulties of a complex reporting structure include:

  Many actors involved: generate timely, representative data?

  Wide variability across markets, channels, customers

  Sharing of prices potentially disruptive: competitors

Thank you for your attention.

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