



Overview of the Irish Sheep Sector Markets & Production

Growing the success of
Irish food & horticulture

Bord Bia
Irish Food Board

The logo for Teagasc, featuring a stylized green and yellow wave shape to the left of the word "teagasc" in a lowercase, sans-serif font.
Teagasc
AGRICULTURE AND FOOD DEVELOPMENT AUTHORITY

The structure of Ireland's sheep flock has undergone dramatic changes over the past 15 years. In 1996 the national flock consisted of 45,853 sheep farmers with 4.72 million ewes. Since then approximately 15,000 farmers have exited sheep production and the national ewe flock has shrunk to under 2.5 million ewes.

In the 1996 National Farm Survey the average gross margin per ewe was £58 (€73.64), the corresponding figure for 2009 has declined to €46 per ewe. Without accounting for inflation, the decline of almost 38% in returns from sheep farming over the 14 year period has been a contributing factor to the downsizing of the national ewe flock and the number of farmers exiting sheep production.

This continuing decline over the past decade is not peculiar to the Irish Sheep sector, and similar rates of contraction have been seen across all the main sheep producing countries. This has resulted in lower lamb supplies worldwide and demand is now beginning to outstrip supply.

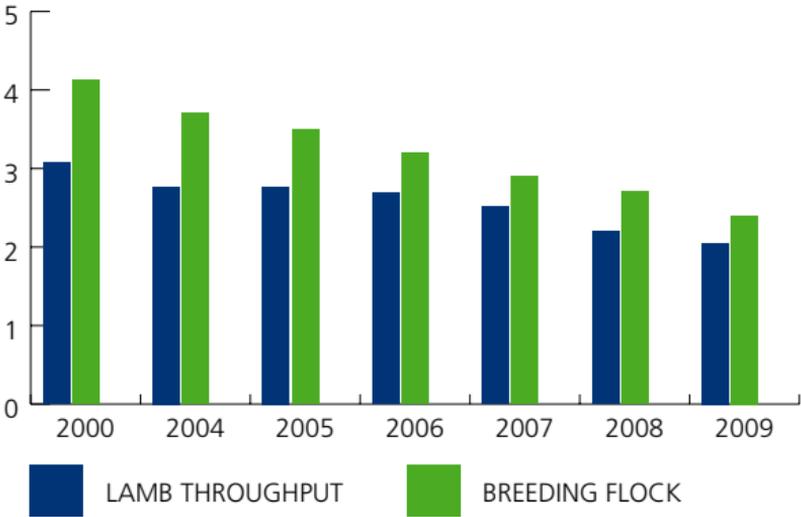
Sheep farming is still the most common enterprise on Irish farms after cattle production and in 2008 had an output value of €171 million of which 80% is derived from exports. The recent increase in sheepmeat prices together with the Sheep Grassland Scheme has given sheep farmers a much needed confidence boost. Therefore there is now an ideal opportunity to re focus on the factors that affect profit levels from sheep and capture the huge potential that exists to improve returns in the future.



Irish Production

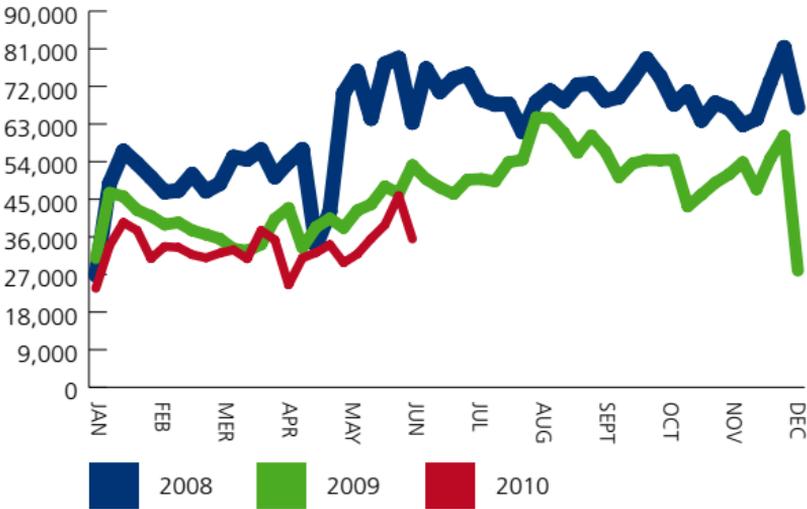
- In 2009 Ireland had a slaughter throughput of 2.7m head of sheep & lambs producing 55,000 tonnes of sheepmeat. With our domestic requirement making up less than a third of this volume, Ireland is positioned as the third largest exporter of Sheepmeat to Continental Europe after New Zealand and the UK.
- The decline in production in Ireland has been seen across all main producing states in Europe, though not always to the same extent.
- Total EU production for 2009 was 1.023m tonnes, back 1% on the previous year.

IRISH SHEEP FLOCK (MILLION HEAD)



WEEKLY IRISH SHEEP THROUGHPUT

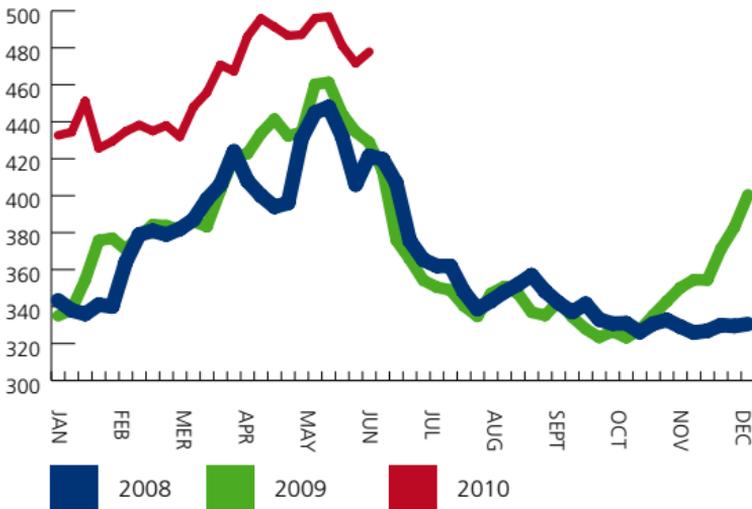
- Not only have production volumes been decreasing, but production has become more concentrated into the main season.



Irish Producer Prices

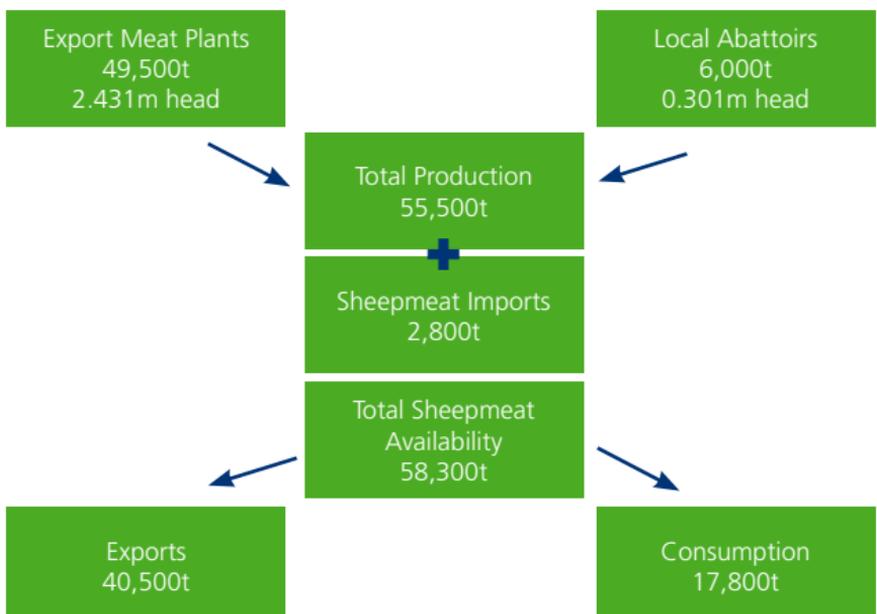
- 2009's 1% average price increase was mainly due to the stronger prices for lamb between the November to December period when lamb prices were almost 10 per cent higher during the period than a year earlier at 3.62/kg dw excl. VAT.
- Year to date, average prices have increased 12% in the UK over the same period last year, however, French prices are back 1% to €5.91.

WEEKLY IRISH SHEEP PRODUCER PRICES (AVERAGE PRICES EX VAT)



	2007	2008	2009	Year to date (05.06.10)
IRL Producer price / kg (deadweight lamb prices ex vat)	€3.54	€3.70	€3.75	€4.60
% change on previous year	+2%	+4%	+1%	+14%

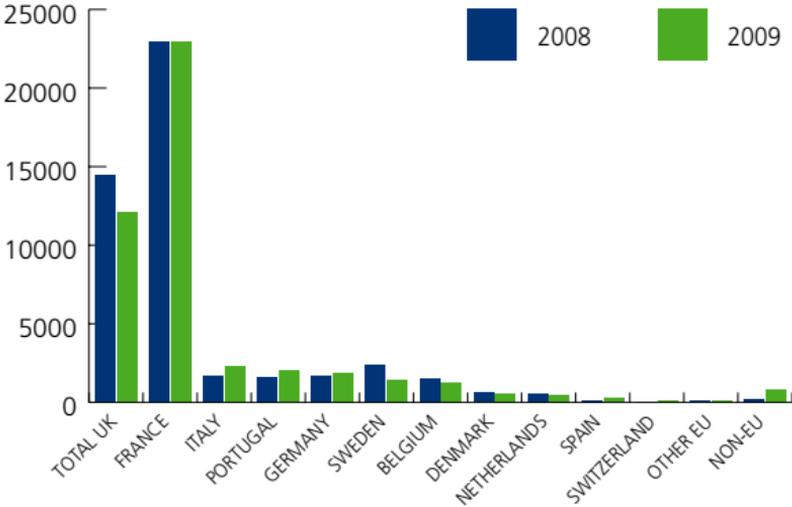
IRISH SHEEPMET SUPPLY CHAIN 2009



Irish Sheepmeat Exports

- As the target consumer of lamb in Europe, France accounts for half of Irish exports.
- There has been growth in less traditional markets across Northern and Central Europe. Although these are small volume markets, they tend to demand higher value boneless cuts.
- There has been steady growth in the volume of chilled boneless lamb being exported overseas. In 2009, the CSO reports total chilled boneless volumes at 30% of all exports.

IRISH SHEEPMEEAT EXPORTS (TONNES)

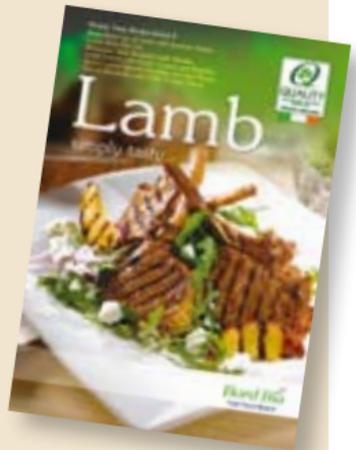


IRISH SHEEPMEEAT EXPORTS 2005-2009

Year	Volume (tonnes)	Value €m
2005	61,000	190
2006	57,900	188
2007	56,200	177
2008	47,800	161
2009*(p)	40,500	166

Bord Bia Promotional Strategy

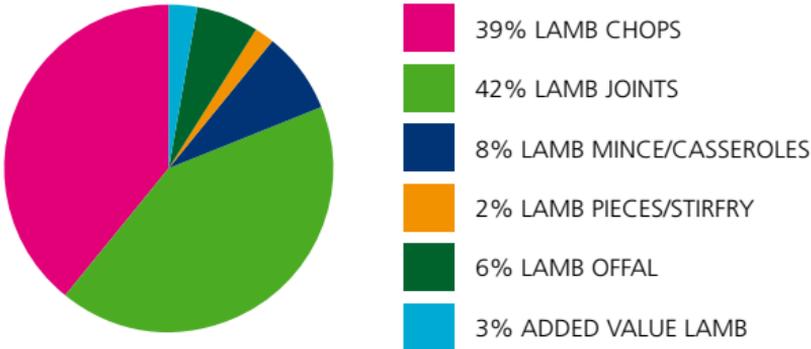
- Increase consumption of lamb in Ireland, with a focus on the Quality Mark.
- Continue with "Agneau Presto" Generic Lamb promotion, France. The campaign aims to reverse the decline in consumption by targeting younger consumers.
- Assist Exporters in diversifying into new markets/niches and increasing boneless export, by means of promotional activities with end customers.



The Irish Lamb Market

- The Irish market accounts for approximately 30% of total output.
- With tightened consumer spending, demand for lamb in Irish retail has decreased since 2007.
- In 2009 lamb represented 7% of all meat sales in Irish retail.
- In 2009 average retail prices for Irish lamb was €9.99 per kilo, back 4% on the previous year.
- Approximately 5,000 tonnes of sheep meat are sold to the Irish catering channel.

IRISH RETAIL - PERCENTAGE BREAKDOWN OF LAMB SALES (VOLUMES)

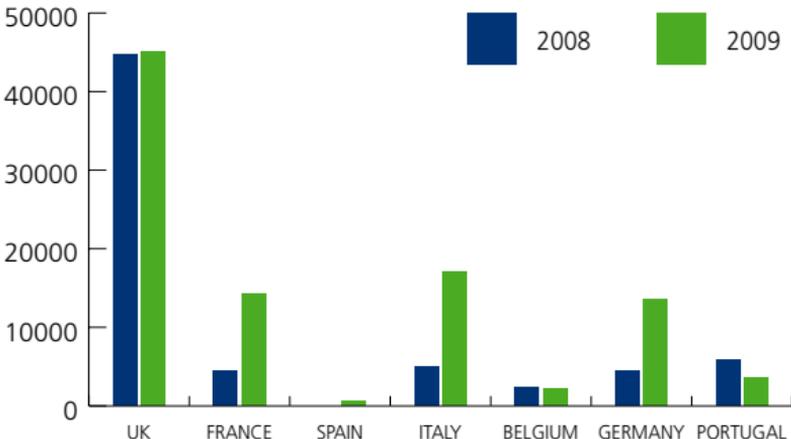


	2007	2008	2009
Irish retail Volumes (tns)	13,991	11,638.6	10,282
% change	+1%	-17%	-12%

Live Sheep Exports

- Muslim festivals form an integral part of Ireland's live export business.
- Demand for live sheep for the Eid al-Adha festival in October accounted for 18% of all exports for 2009.
- The 2010 dates for the main Muslim Festivals that influence the Irish live shipping trade are:
 - Ramadam (11 Aug – 9th Sept)
 - Eid al-Adha (17th Nov).

2009 – IRISH LIVE EXPORTS 97,000 HEAD +33% ON 2008



Sheepmeat Market Specifications

Supermarket Specification

Weight range: 18–21 kg
EUROP Grade: E3, U3, R3
Season: All year (weight range varies over course of season)

French Lamb

Weight range: 16–21 kg
EUROP Grade: E2/3, U2/3, R2/3, R2H
Age: 12 WEEKS +
Season: All year (weight range varies over course of season)

Butcher lamb

Urban

Weight range: 19–21 kg
Fat score: 2–3

Rural

Weight range: 22–25 kg
Fat score: 2–3

Belgium

Weight range: 16–19 kg
EUROP Grade: E2, E3L, U2, U3L

Germany

Weight range: 17–20 kg
EUROP Grade: E2, E3, U2, U3, R3, R2

Spring lamb

Weight range: 16–20 kg
EUROP Grade: E2/3, U2/3, R2/3
Age: 12 weeks +
Season: April - June
Market destination: Home & Export markets

Light lamb

Weight range: 8–12.5 kg
EUROP Grade: E2/3, U2/3, R2/3, O3
Season: September onwards
Market destination: Italy, Portugal, Spain and Irish markets

Milk Lamb

Weight range: 9–12 kg
EUROP Grade: E2, E3, U2, U3, R3
Age: 5 weeks +
Season: Early – Easter trade
Market destination: Belgium, France

Live Sheep Market Specifications

Live Exports Light Lamb

Weight range: 32–35 kg
Confirmation: R, U, O
Cover: Well-fleshed
Season: Easter onwards
Markets: France, Italy

Live Exports France

Weight range: 38–43 kg
Confirmation: U
Cover: Well-fleshed, not fat
Season: Year round
Markets: Northern France
Lamb type: Ewe, ram

Live Exports Muslim Markets

Weight range: 44–55 kg
Confirmation: R, U
Cover: Well-fleshed
2010 Season: Ramadam August 11th – September 9th, Eid al-Adha 17th Nov (purchasing takes place up to a month in advance)
Suitable breeds: Texel / Suffolk cross
Lamb type: Long-tailed ram lambs

Live Exports Germany

Weight range: 45–48 kg
Confirmation: U, R
Cover: Well-fleshed, not fat
Season: Year round
Lamb type: Ewe, whether, ram

Milk Lamb

Weight range: 25–27 kg
Confirmation: R, O, P
Cover: Well-fleshed
Season: Easter onwards
Markets: Italy
Lamb type: Ewe, whether, ram

Selecting Lambs for Slaughter

- Weigh and handle for fat cover.
 - Pre weaning – weekly
 - Post weaning - fortnightly
- Know your target carcass weight.
- Draft within 5 kg live weight range.
- Estimate Kill out %.
- Meal fed lambs 1 - 2% higher kill out.

Lamb Age	Estimate Kill Out
Pre Weaning	
10 –13 weeks	50%
14 weeks	48%
Post Weaning	
Late Summer	45%
Autumn/Winter	43%

- Single lambs 6.5kg heavier at weaning.
- Singles 1.2 kg heavier at same level of fatness.
- Ewe lambs 1 kg lighter at same level of fatness.
- Select ewe lambs 2 kg lighter.

Birth Type	Birth wt (kg)	Weaning wt (kg)	Carcass wt* (kg)
Singles	5.7	38.2	19.8
Twins	4.3	31.7	19.1
Sex			
Female	4.3	33.1	18.8
Wether	4.5	34.3	19.3

*Adjusted to equal fat score J.P.Hanrahan 1999

Lamb Presentation for Slaughter

Clean Lambs:

- Tail dock.
 - Dag and crutch if necessary.
 - Belly clip lambs on autumn/winter forage.
 - Fast for at least 1 hour prior to transport.
 - In wet conditions house on straw bedding prior to transport for slaughter.
 - Transport in clean dry vehicle.
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Handling Lambs

- Rough handling can damage the carcase.
- Avoid catching and pulling by the wool.
- Don't over load in pens or transport.



Correct Handling



Avoid

Breeding for Quality

- Select replacements from best performing ewes.
- Use Lamplus performance indexes for ram replacements.
- Select maternal sires with 5 star maternal and lambing indexes to breed replacements.
- Crossbreed for hybrid vigour.
- Select terminal sires with 5 star production indexes.
- Use rams with good functional and carcase attributes.

Lamb Growth Rate

Achieve target growth rates by;

- Monitoring lamb performance.
- Grazing quality grass / appropriate heights.
- Controlling disease / parasites.
- Feeding concentrates when necessary.

Target Lamb Growth Rates		
Birth Type	Single	Multiple
Pre weaning	2.4kg / week	2kg / week
Post weaning	1.5kg / week	1.3kg / week

Recommended Sward Height (cm) for target lamb growth rates			
Month	Grazing System		
	Rotational grazing Pre	Post	Set Stocking
Mar – April	5 - 6	3.5 - 4	5 - 6
May	6 - 7	4.5 - 5	5 - 6
June	7 - 8	5.5 - 6	6 - 7
July – August	8	6	7 - 8
September	8	6	8



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