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Approved by:
Thomas A. Hamby
U.S. Embassy, London
Prepared by:
Michael Hanley

Report Highlights:
Strong export markets for cattle on the hoof has led to a reduction in Irish cattle inventories. As a result beef supplies are expected to decline in the short to medium term. Egypt is now Ireland's principal market for beef as Irish exporters continue a strong marketing campaign in EU markets to regain market share lost since 1996.

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SECTION I. SITUATION AND OUTLOOK

Cattle and beef

For the first time in a number of years, the annual census of the Irish cattle population, taken in December 1999, showed a decline in cattle numbers. The overall decline of 5 percent masked even greater declines in some age categories. There was a decline of more than 9 percent in cattle aged two years or over which reflected the increase in cattle disposal during 1999. There was a decline of more than 6 percent in the number of cattle in the one to two-year-old category as a result of increased exports of live cattle in 1999 while an extremely buoyant export trade in calves and weanlings resulted in a 8 percent decline in young animals.

There was a considerable increase in the number of live cattle exported during 1999 and this trend has continued into 2000. Analysis of the 1998 and 1999 export statistics indicates that the bulk of the exports was made up of top quality, continental store/young heifers destined for continental EU markets. Of total exports in 1999, it is estimated that 206,000 cattle (146,000 heifers and 60,000 steers/young bulls) were exported to the EU. Analysis of exports to non-EU markets indicates that almost two thirds of animals exported in 1999 to Lebanon were steers with the remaining one third bulls. Of more significance however is the twofold increase in the number of bulls exported compared with 1998. There was also a twofold increase in the number of bull slaughtered in 1999 indicating an overall sizable increase in bull production in Ireland in the past few years.

The numbers of live cattle exported continue to increase. Preliminary data to the end of June 2000 indicate a 30 percent increase (or an additional 58,000 heads) compared with the same period in 1999. Much of this is accounted for by an increase in the number of animals which were exported to continental EU. There has been a strong trade for calves especially to Spain and the Netherlands and as a result calf prices at markets have increased. Exports to the UK and Northern Ireland are also believed to be strong because of favorable currency exchange rates. Meanwhile, exports to non-EU destinations are also continuing to increase. Exporters are now eagerly awaiting new tender opportunities with Libya. The Libyan market has been closed to Irish cattle and beef since the 1996 BSE scare; but the Irish and Libyan veterinary authorities have just agreed protocols which will allow Irish cattle and beef imports to resume. In the past, up to 70,000 Irish cattle were exported to Libya annually. At present there is some indication that Libya may in future opt for imports of carcass beef rather than live animals.

Cattle numbers in the short to medium term should continue to fall. Factors such as the continuation of the now revitalized strong export market for live animals and the upcoming reform of the headage payment system of the Common Agricultural Policy could result in lower inventories. Until now CAP subsidy payments were linked to the ownership of cattle. This resulted in producers retaining animals to ensure continuity of their subsidy entitlements despite the prospect of low market returns.. Under new EU proposals which will change the payment system from a headage to an area-based system in disadvantaged areas, the incentive to retain the animals could eventually disappear.

Low Irish cattle prices from the start of 2000 resulted in a three-week farmer blockade of Irish slaughtering facilities which effectively ground the industry to a halt. Domestic and export supplies dropped dramatically as farmers, accusing the meat processors of price-fixing, campaigned for higher prices. The bitter row, which resulted in numerous court cases, censure and severe monetary fining of the main farming organization, resulted in an unprecedented show of support from urban dwellers for affected farmers. A brokered settlement of the dispute resulted in increased prices for producers and a soon-to-be-released detailed study by the GOI into

the price-fixing allegations.

Prices at present continue to be relatively strong but should ease somewhat as more cattle are ready for the market by September. However as noted above, the strength of the live cattle export trade is creating competition at markets and if Libyan contracts were negotiated for fall/early winter delivery this competition should continue to boost prices.

Cattle slaughtering in 1999 increased in line with increased supplies. Increased competition from exporters of live cattle as well as lower inventories will result in lower numbers slaughtered in 2000. The more long term view is that numbers slaughtered will continue to decline due to lower inventories and continued high exports of cattle on the hoof.

At processor level, there has been a significant improvement in the spread of available supplies of finished/ready for slaughter animals throughout the year. The Irish beef industry is based on cattle fed mainly on grass. Outdoor grazing is usually from late February to late October. Feed in the winter months is mainly hay and silage supplemented with grain and other feed ingredients such as corn gluten feed. With the system so reliant on grass, the main bulk of cattle tended to emerge at markets in late summer and early fall. There has been a concerted effort since the mid 1990's, through the payment of a "deseasonalization premium," to improve supplies of cattle on a year-round basis. The success of this effort has resulted in Irish producers disqualifying themselves for the premium in 2001 because in 1999 only 30 percent of steers were slaughtered in the September to November period. The threshold to qualify for the premium is 35 percent.

There has been a notable decline in the average carcass weight of animals slaughtered and this is mainly attributed to producers marketing their animals earlier than previously. The earlier marketing to take advantage of the deseasonization premium has also reduced producer costs of feed in non-grazing months.

The Irish Food Board - Bord Bia (BB) is continuing in its efforts to reinstate Irish beef in EU markets to its position prior to the 1996 BSE crisis. Irish beef exports in 1999 recovered some ground with exports to the UK market increasing by about 12 percent. According to BB, it was a record year for exports to the Netherlands with exports there up almost a third on year earlier levels. Both of these increases can be attributed to solid marketing efforts by BB to encourage the main UK and continental EU retailers to stock Irish beef. This has resulted in a huge effort through advertising and consumer research to identify Irish beef in the major retailers by labeling the beef as Irish. This labeling initiative is in advance of compulsory labeling in the EU.

BB has also been focusing its marketing efforts in other EU markets on consumers. Since 1996, exports to other EU destinations have been improving and volumes increasing. However much of the volume increase has been in sales to wholesalers/distributors or to caterers and has tended to be at lower price levels.

International (non-EU) exports from Ireland have in recent years tended to be dependent on two major markets: Russia and Egypt. While Irish beef exports to Russia have declined considerably since the financial crisis there, it still remains an important outlet for Irish beef. The volumes shown in the trade matrix for 1999 consist mainly of food aid but some commercial sales are also included. The decline in commercial sales to Russia has been more than offset by increased volumes to Egypt which is now the single most important market for the Irish beef industry.

The long term strategy for the Irish beef industry is to develop sustainable, high value markets for Irish beef

within the EU while retaining its position as one of the EU's leading exporters to international markets. To achieve this, BB is focusing its efforts on farmers producing the right type of animal to suit market needs within the EU. BB has identified, within the EU, the specific market requirements such as fat and muscle color and is encouraging targeted breeding to address such quality issues. As an exporter to international markets, the Irish beef industry is continuing to develop markets other than the main two destinations, Russia and Egypt, such as South Africa, Algeria and Saudi Arabia. The new veterinary protocol with Libya should reopen this market as an outlet for both live animals and carcass beef.

There were 492 cases of bovine spongiform encephalopathy (BSE) discovered in Ireland in the period from January 1989 to June 2000. The annual incidence has been as follows:

Year:	Cases:
1989	15
1990	14
1991	17
1992	18
1993	16
1994	19
1995	16
1996	73
1997	77
1998	79
1999	89
Total to 1999	435

In the six months to June 2000, there were 57 cases discovered. The Irish Department of Agriculture, Food and Rural Development (DAFRD) has increased its surveillance for BSE since 1995 and this has impacted on the annual results as noted in the table above. Since 1989 all herds where a case of BSE is detected are depopulated. Now all animals in the herds and their cohorts are examined for BSE pathology. In addition to the cases discovered since 1989 in the table above, examinations of the brains of cattle in the depopulated herds and cohort animals have uncovered 14 additional cases (in cohort animals).

U.S. exports of livestock products to Ireland are negligible. Import penetration is limited by strict, animal health-based import regulations, restrictions resulting from the U.S. - EU hormone dispute and Ireland's self sufficiency in livestock products. The principal area of opportunity for U.S. exporters continues to be in the export of genetic material such as embryos and semen. Imports of U.S. bovine semen grew rapidly from a very low base since the successful negotiation of the Irish import protocol in 1988. Irish trade data for 1999 indicate that imports of U.S. semen were valued at US$249,800 an increase on the 1998 value of $154,900. It is also

suspected that there may be additional imports from the U.S. transhipped via the UK or the Netherlands which the Irish trade statistics record as import from those two countries.

According to DAFRD data, the overall level of cattle artificial inseminations declined by 5 percent in 1999 as producers opted for natural service from bulls.

The total value of semen imports from all sources in 1999 was US$2.0 million which also showed an increase on a year earlier levels of $1.49 million. Importers believe that the demand for quality semen will continue. No details on the quantity of straws imported are available although some sources say that about 30,000 straws of U.S. semen were imported annually in recent years. Holstein is the main U.S. breed imported.

The latest BB survey on Irish retail sales of beef shows a continued increase (albeit slight) in beef consumption in the home. The data show that beef was purchased by 88 percent of Irish households in 1999. However, as in the past, beef continues to face strong competition from other meats especially white meats. As a marketing tool many retailers are now offering consumers traceability from farm to store as an added assurance of the quality of beef. This traceability option is helped by the computerized inventory of cattle which DAFRD now possesses. The path of an animal from birth to slaughter is now fully computerized and this is instilling confidence in consumers.

There are no intervention stocks currently held in Ireland. Stocks noted in the PS&D table reflect estimates of commercially held stocks.

Hogs and Swine meat

The Irish hog herd showed a decline in the census taken in December 1999. Overall hog numbers fell by 2 percent reflecting a year of considerable economic difficulty for hog producers. Nevertheless the hog population, at 1.76 million head, is the second highest ever recorded. Profitabilty in the sector recovered somewhat during 1999 and further growth in hog numbers will depend on producers perception on the future econiomic viability of the sector. In general it is expected that numbers will slowly increase in the medium term.

Despite the low prices, the number of hogs slaughtered in 1999 increased by over 4 percent compared to 1998. There was further improvement in carcass composition and the shift toward pork production continues as more export markets are developed for pork. The product mix continues to shift from carcasses to boneless products, and from frozen to higher priced chilled cuts. Recent data suggest a 8 percent decline in slaughterings in the six months to June 2000 and current forecasts suggest that slaughterings in 2000 will be lower than in 1999.

There was a slight increase in consumption of pigmeat in 1999. Domestic sales continue to shift from bacon to pork and ham. No dramatic change in domestic consumption is expected in 2000. According to BB, the domestic market for pork remains relatively strong, mainly as a result of favorable prices, pork being used as a substitute for beef, product versatility and improved image at consumer level.

As a growing percentage of Irish pigmeat output is export oriented, domestic hog prices continue to be determined by developments in international swine meat markets.

Pork accounts for over 70 percent of exports and an increasing proportion of exports are in meat in value-added

formats. The UK continues to be the largest single market for Irish product and in 1999 accounted for 47 percent of total exports. Continental EU markets accounted for another 26 percent of exports with the remainder destined for non-EU markets. The main EU markets continue to be Germany, France and Italy. There continues to be a change from frozen bone-in products to chilled cuts. Exports of frozen product to non-EU countries almost doubled to 28,482 tons (product weight) in 1999. Exports to the U.S. declined while increases were recorded in exports to Hong Kong and Russia. Exports to Japan more than doubled in 1999 as Irish pork increased its exposure and competitivity due to currency exchange rates. Trade sources have indicated that the Japanese market continues to be strong for Irish exports in 2000 as a result of the outbreak of FMD in South Korea, favorable currency exchange and Japanese expectation of lower international supplies later in 2000.

Bacon exports are mainly confined to the UK market. According to trade sources, there has been a preference shift in the marketplace from Wiltshire sides to boneless primals and consumer joints.

The strongest growth area in processed pigmeat exports has been in meat ingredients for products such as pizza topping and cooked bacon.

Exports in the short to medium term are not expected to change from their current levels. Exporters will endeavor to retain and develop internmational markets. However, the economic attractiveness of these markets will always be dependent on favorable exchange rates.

SECTION II. STATISTICAL TABLES

Cattle Numbers

PSD Table						
Country	Ireland					
Commodity	Animal Numbers, Cattle				(1000 HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Total Cattle Beg. Stks	7093	7093	6708	6708	0	6451
Dairy Cows Beg. Stocks	1496	1496	1467	1467	0	1474
Beef Cows Beg. Stocks	1271	1271	1233	1233	0	1240
Production (Calf Crop)	2287	2287	2232	2293	0	2304
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	9380	9380	8940	9001	0	8755
Intra EC Exports	341	341	340	420	0	400
Other Exports	69	69	80	80	0	100
TOTAL Exports	410	410	420	500	0	500
Cow Slaughter	412	412	360	360	0	350
Calf Slaughter	23	23	20	20	0	20
Other Slaughter	1627	1627	1240	1520	0	1430
Total Slaughter	2062	2062	1620	1900	0	1800
Loss	200	200	200	150	0	150
Ending Inventories	6708	6708	6700	6451	0	6305
TOTAL DISTRIBUTION	9380	9380	8940	9001	0	8755
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Meat, Beef and Veal PS&D Table

PSD Table						
Country	Ireland					
Commodity	Meat, Beef and Veal				(1000 MT CWE)(1000 HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Slaughter (Reference)	2062	2119	1620	1900	0	1800
Beginning Stocks	179	179	102	137	0	117
Production	620	640	490	570	0	540
Intra EC Imports	12	7	12	7	0	7
Other Imports	3	3	0	3	0	3
TOTAL Imports	15	10	12	10	0	10
TOTAL SUPPLY	814	829	604	717	0	667
Intra EC Exports	350	291	220	280	0	280
Other Exports	300	338	249	257	0	220
TOTAL Exports	650	629	469	537	0	500
Human Dom. Consumption	62	63	62	63	0	63
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	62	63	62	63	0	63
Ending Stocks	102	137	73	117	0	104
TOTAL DISTRIBUTION	814	829	604	717	0	667
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Swine Numbers:

PSD Table						
Country	Ireland					
Commodity	Animal Numbers, Swine				(1000 HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
TOTAL Beginning Stocks	1801	1801	1737	1763	0	1793
Sow Beginning Stocks	148	144	147	147	0	150
Production (Pig Crop)	3922	3835	3914	3806	0	3937
Intra EC Imports	10	4	10	4	0	4
Other Imports	0	0	0	0	0	0
TOTAL Imports	10	4	10	4	0	4
TOTAL SUPPLY	5733	5640	5661	5573	0	5734
Intra EC Exports	300	244	300	250	0	250
Other Exports	0	0	0	0	0	0
TOTAL Exports	300	244	300	250	0	250
Sow Slaughter	0	0	0	0	0	0
OTHER SLAUGHTER	3526	3503	3474	3400	0	3550
Total Slaughter	3526	3503	3474	3400	0	3550
Loss	170	130	130	130	0	134
Ending Inventories	1737	1763	1757	1793	0	1800
TOTAL DISTRIBUTION	5733	5640	5661	5573	0	5734
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Swinemeat, PS&D Table

PSD Table						
Country	Ireland					
Commodity	Meat, Swine				(1000 MT CWE)(1000 HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Slaughter (Reference)	3526	3503	3474	3400	0	3550
Beginning Stocks	1	1	2	2	0	4
Production	245	251	250	243	0	251
Intra EC Imports	35	30	35	30	0	30
Other Imports	0	2	0	1	0	1
TOTAL Imports	35	32	35	31	0	31
TOTAL SUPPLY	281	284	287	276	0	286
Intra EC Exports	96	102	99	90	0	99
Other Exports	36	31	37	32	0	34
TOTAL Exports	132	133	136	122	0	133
Human Dom. Consumption	147	147	147	148	0	148
Other Use, Losses	0	2	0	2	0	2
TOTAL Dom. Consumption	147	149	147	150	0	150
Ending Stocks	2	2	4	4	0	3
TOTAL DISTRIBUTION	281	284	287	276	0	286
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	3	3	3	3	0	0

Prices - Cattle:

Prices Table			
Country	Ireland		
Commodity	Animal Numbers, Cattle		
Prices in	Irish pence	per uom	kilogram
			dead weight
Year	1999	2000	% Change
Jan	169.9	180.4	6.18%
Feb	170.4	194.7	14.26%
Mar	171.9	193.6	12.62%
Apr	179.7	195.1	8.57%
May	178.7	200.2	12.03%
Jun	185.0	209.7	13.35%
Jul	185.0	206.7	11.73%
Aug	180.8		
Sep	177.9		
Oct	176.3		
Nov	176.5		
Dec	178.0		
Exchange Rate	0.84	Local currency/US $	

Average factory price paid to the farmer (carcass basis), EU grade R3, mid-month quote.
Source: Irish Food Board.

Prices - Swine

Prices Table			
Country	Ireland		
Commodity	Animal Numbers, Swine		
Prices in	Irish pence	per uom	kilogram
Year	1999	2000	% Change
Jan	71.0	86.2	21.41%
Feb	70.2	87.8	25.07%
Mar	75.0	93.2	24.27%
Apr	76.2	98.9	29.79%
May	77.9	102.4	31.45%
Jun	81.8	107.6	31.54%
Jul	88.9		
Aug	88.3		
Sep	89.0		
Oct	88.4		
Nov	86.9		
Dec	86.3		
Exchange Rate	0.84	Local currency/US $	

Average factory price paid to the farmer (carcass basis), EU grade E, mid-month quote.
Source: Irish Food Board.

Trade Matrix - Live Cattle, Exports:

All trade have been compiled from basic trade data as supplied by the Central Statistics Office. Note however that supplementary data from the Irish Food Board have been used to compile the trade matrix for live cattle exports in 1999.

Export Trade Matrix				
Country	Ireland		Units:	head
Commodity	Animal Numbers, Cattle		Partial Begin	January
			Partial End	February
Exports for:	1998	1999	1999	2000
	Full	Full	Partial	Partial
U.S.				
Others				
Spain	48409	196000	10115	13618
Netherlands	20865	49120	4754	9879
Italy	25118	75000	5723	7213
Other EU	11812	7522	3580	4122
Lebanon	29213	88357	11356	14436
Total for Others	135417	415999	35528	49268
Others not Listed	900	1	0	1127
Grand Total	136317	416000	35528	50395

Trade Matrix: Meat, Beef and Veal - Imports

Import Trade Matrix				
Country	Ireland		Units:	metric tons
Commodity	Meat, Beef and Veal		Partial Begin	January
			Partial End	February
Exports for:	1998	1999	1999	2000
	Full	Full	Partial	Partial
U.S.				
Others				
U.K.	6882	4891		
Other EU	2554	835		
Brazil	347	1099		
Uruguay	285	237		
New Zealand	204	121		
Total for Others	10272	7183	0	0
Others not Listed	1274	138	639	784
Grand Total	11546	7321	639	784

Trade Matrix: Meat, Beef and Veal - Exports

Export Trade Matrix				
Country	Ireland		Units:	metric tons
Commodity	Meat, Beef and Veal		Partial Begin	January
			Partial End	March
Exports for:	1998	1999	1999	2000
	Full	Full	Partial	Partial
U.S.				
Others				
U.K.	73326	97428	19270	23031
France	31836	45705	9029	7921
Netherlands	19522	25668	5139	4768
Other EU	52330	72695	n.a.	n.a.
Israel	10644	5568	2340	1554
Egypt	81774	110046	18931	42915
Russia	38826	56530	8232	500
Saudi Arabia	24813	20515	3304	4320
Algeria	16637	12883	5457	1003
Phillipines	99	7865	n.a.	2014
Total for Others	349807	454903	71702	88026
Others not Listed	27632	35353	28894	20514
Grand Total	377439	490256	100596	108540

Trade Matrix - Swinemeat - Imports

Import Trade Matrix				
Country	Ireland		Units:	metric tons
Commodity	Meat, Swine		Partial Begin	January
			Partial End	February
Exports for:	1998	1999	1999	2000
	Full	Full	Partial	Partial
U.S.	61	341		
Others				
U.K.	16464	13254		
Netherlands	5050	3644		
Denmark	4119	3418		
France	3801	2238		
Germany	2299	2305		
Other EU	770	3490		
Total for Others	32503	28349	0	0
Others not Listed	348	1224	4713	4005
Grand Total	32912	29914	4713	4005

Trade Matrix, Swinemeat - Exports

Export Trade Matrix				
Country	Ireland		Units:	
Commodity	Meat, Swine		Partial Begin	January
			Partial End	March
Exports for:	1998	1999	1999	2000
	Full	Full	Partial	Partial
U.S.	2916	3201	n.a.	839
Others				
U.K.	66912	54669	8585	7925
Germany	14984	13745	2974	2651
France	8993	5010	n.a.	848
Italy	9506	4366	n.a.	879
Other EU	10158	8261	n.a.	n.a.
Japan	6973	15401	n.a.	2962
Hong Kong	2383	2803	n.a.	61
Russia	1597	4046	n.a.	412
Total for Others	121506	108301	11559	15738
Others not Listed	3309	5771	5108	1668
Grand Total	127731	117273	16667	18245