

SHEEP OUTLOOK EU SHEEP FORECAST APRIL 2016

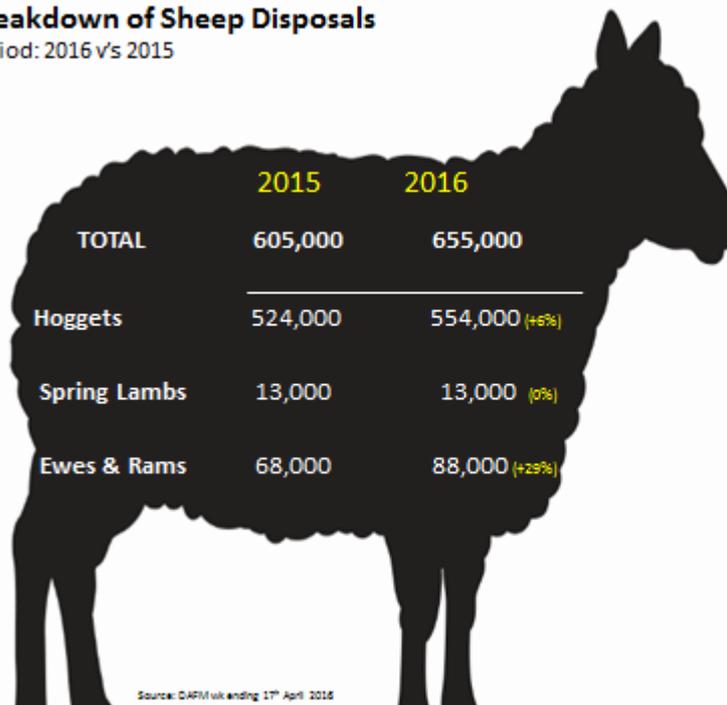
Rise in supplies and net production anticipated

Total sheep supplies so far this year are up on 2015 levels with throughput levels of around 655,000 head up to the 16th of April 2016. This has been driven by a 6% rise in throughput of hoggets due to Easter being earlier this year and a higher carryover of hoggets from last year. So far this year Spring lamb numbers are on a par with 2015 levels and good rates of prolificacy have been reported. Weather has been quite mild over the winter and grazing conditions have been relatively good. Carcase weights have also shown some rise averaging around 20.98kg so far this year.

Graph 1: Sheep Throughputs 2016 v's 2015 (Up to w/e 15th April)

Breakdown of Sheep Disposals

Period: 2016 v's 2015



This rise in throughput numbers coupled with a rise in carcase weights is likely to see a rise in net production for the year. Weakening of the sterling versus the euro has also led to an influx of live sheep from Northern Ireland so far this year.

Small rise in sheep flock

Strong trade for store lambs in the latter part of 2015 coupled with reports of good breeding sales has maintained confidence among producers. It is expected that the breeding flock will see a further increase by around 1% with the overall flock expected to remain relatively steady.

Trade

Exports for the full year are likely to rise in line with an expected rise in net production. The vast majority of our exports are to European markets with France and the UK remaining our most important markets accounting for over 60% of our exports in 2015. Key growth markets over the last year have been Nordic markets and Belgium and Germany. For 2016

much will depend on supply in our key export markets, nationalisation of demand, exchange rates and competition from non EU sources.

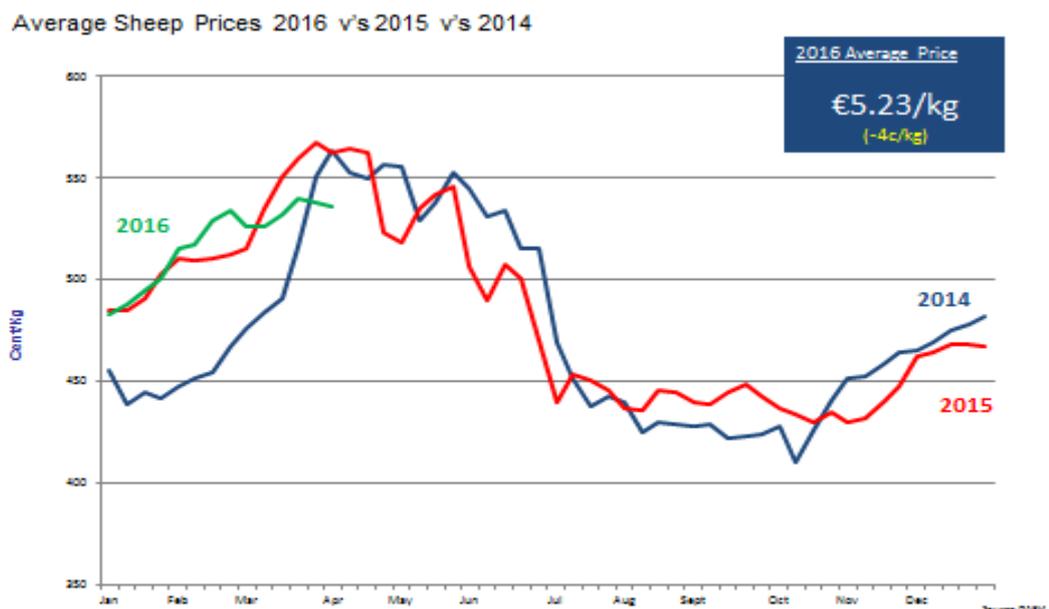
In terms of imports, imports are likely to show some rise particularly due to a stronger euro with most imports coming from the UK.

Little change in Live Trade

Exports in live sheep have continued to fall significantly on the record highs of 2013 largely due to the absence of live trade to Libya. So far little trade has been reported with the bulk of the live exports expected later in the summer and autumn. However it must be noted that the live sheep trade accounts for a small proportion of the overall ovine sector.

Average Sheep prices

At €5.23/kg average prices for the year to date were down marginally by around 4 cents per kilo or 1% compared to the same period in 2015. Steady demand coupled with an early Easter and stable throughputs maintained prices. For the remainder of the year it is anticipated that price will follow seasonal patterns.



Consumption

Lamb consumption recorded a decline last year due mainly to availability of cheaper competitively priced proteins. The latest data is pointing towards a recovery in lamb consumption so far this year while it is hoped promotional campaigns will maintain this trend for the full year.