

# THE IRISH BEEF PROCESSING INDUSTRY

Agri Aware's Farm Walk and Talk  
for second level students  
3-7 March 2014



 family farm

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Agri Aware and Dublin Zoo  
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## Meat Industry Ireland

Meat Industry Ireland (MII) is a business sector within IBEC, which represents the beef and lamb processing industries in Ireland. Meat Industry Ireland (MII)

member companies process and market approximately 85% of all Irish beef and lamb. Members are involved in slaughtering the animals, cutting and further processing the meat (retail packing, burger manufacture, ready-meals, etc.).

Beef production remains the dominant enterprise on most Irish farms, with up to 100,000 farms having a beef enterprise and approximately 68,000 farms involved in specialist beef production. Cattle sales account for over 33% of gross agricultural output. Beef processing is one of Ireland's largest indigenous industries. The Irish beef processing industry has been transformed from a frozen commodity business with heavy reliance on intervention and exports to third world countries in the early 2000's, to a key fresh chilled beef supplier to blue-chip retail and food service customers across the UK and Europe. In 2012, the value of our beef exports was €1.9bn.

## Beef processing in Ireland

There are approximately 30 major beef slaughter houses in Ireland processing in the region of 1.5-1.6m cattle per annum. These processing plants are approved and licenced under EU hygiene legislation, by the Department of Agriculture and also operate under an IPPC licence from the EPA. A typical beef processing facility involving a slaughter hall and cutting plant will process approximately 55,000 head/annum into 18,000 tonne of carcass beef or 14,400 tonne of boneless beef. It provides direct employment to 200-250 people plus 200-250 people through indirect jobs.

### Statistics file

- 6.9m animals in National herd
- 2.3m cows (50:50 dairy and beef)
- 1.5-1.6m annual kill (90% exported)
- 500,000 tonne beef produced
- €1.9bn beef export sales
- 7,000 jobs in beef processing

For further statistics: see [www.cso.ie](http://www.cso.ie) and [www.bordbia.ie](http://www.bordbia.ie)

## Irish beef exports

The beef from 9 out of every 10 cattle produced in Ireland is exported. Figure 1 demonstrates the main destinations and volume flows for Irish beef sales. Figure 2 demonstrates the distribution (market segment) channels for Irish beef exports.

Figure 1: Irish beef exports (tonne)

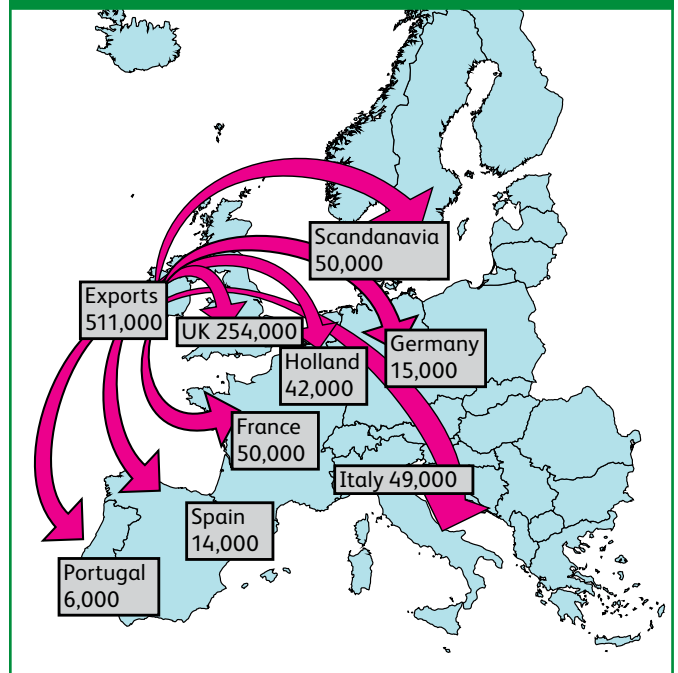
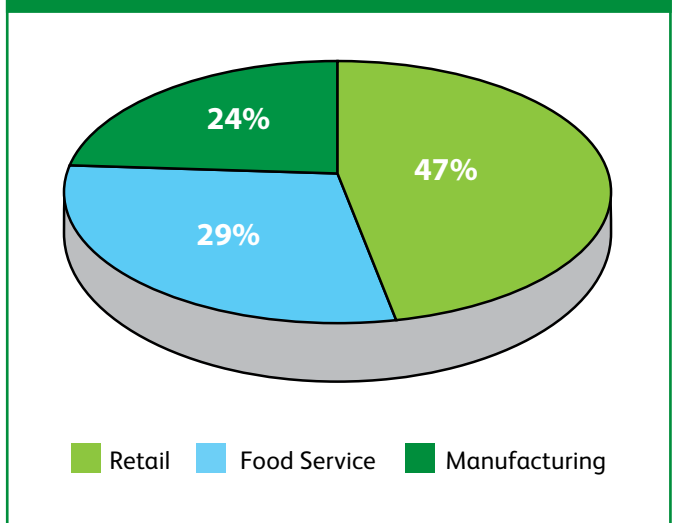


Figure 2: Distribution channels for Irish beef



## Beef carcasses and cuts

Very few customers buy all cuts that come from a single carcass. More typically, the cuts from a batch of carcasses may go to numerous customers in several different markets. For example, the topside, silverside and flank might go to the UK, rib roasts to France/Belgium, fillets and striploins to Spain, sirloin to the home market, chucks to Holland, shoulder cuts to Italy and manufacturing off-cuts to Sweden. (See Annex 1 for Beef cuts chart)

Typically, the 'steak' cuts, defined as the fillet, striploin, cuberoll and sirloin account for 13% of the carcass, but deliver 37% of the value. The most notable premium steaks are the striploin and fillet and these generally account for only 6% of the volume and 23% of the value (depending on specification). The value of these cuts varies significantly according to size/weight. Heavy steak cuts are often discounted because most customers prefer lighter weight cuts. For example, a striploin of 8-9kg usually sells for €2/kg less than a striploin weighing 6-7kg. Further discounts apply as the weight continues to increase.

## Beef carcass classification

Under EU legislation, each carcass is quality graded according to the EU beef carcass classification system. The carcass is scored for conformation (carcass shape and muscle definition) and fat cover. Uniquely in Ireland, almost all processors use automated carcass grading technology based on Video Image Analysis (VIA). Unlike the old manual grading system, VIA provides objective automated measurement of carcass grade and ensures consistency in grading across the industry. Conformation is scored according to the EUROP scale (E being best, P being poorest). Fat score runs from 1 to 5 (1 being lean and 5 being fattest).

In Ireland, a 15-point scale is used, meaning that each main conformation and fat class is divided into 3 sub-classes (+, =, -) as per the grading chart shown in Figure 3. This grade analysis, together with other quality measures (age, sex, breed, adherence to good farm management standards, etc.) is used as the basis for calculating the price that the farmer is paid under a national Quality Payment System (QPS). The QPS is designed to reward producers that supply better quality animals that meet market specifications. The QPS payment criteria are underpinned by independent scientific meat yield research on carcasses of different quality grades, undertaken by Teagasc.



Figure 3: Beef carcass classification

		Carcass Conformation Score																
		E			U			R			O			P				
		+	=	-	+	=	-	+	=	-	+	=	-	+	=	-		
Carcass Fat Score	1	+																
		=																
		-																
	2	+																
		=																
		-																
	3	+																
		=																
		-																
	4	+																
		=																
		-																
	5	+																
		=																
		-																

## Meeting market requirements

The production of animals to meet marketplace requirements is critical to the future success and development of the beef sector in Ireland. Most specifications require that cattle come from Quality Assured farms and meet certain other market specifications. Customers from the different markets have various preferences for specifications in relation to age, gender (steers/heifers/young bulls), carcass weight, conformation and fat class.

The success of Irish beef in the UK and European markets is largely attributable to our unique offering of grass-fed steer and heifer beef. Our best prospects for further premiumising Irish beef sales will be to continue to focus on steer rather than young bull beef production.

### In general:

- Beef from accredited Quality Assured farms is absolutely essential to access the best customers.
- Steer and heifer carcasses of 280-380 kg and <30 months old will gain access to all premium outlets.
- Other outlets exist for limited volumes of cuts from carcasses weighing as low as 220kg and up to 420kg.
- For the UK retail market, young bulls need to be <16 months old. Apart from their age, many of the young bulls are often too lean (fat class below <2+) or too heavy (carcass weight >420kg) for customer requirements.



- A limited number of EU customers accept young bulls up to 20 months old. However, producers must be aware that as age increases, eating quality deteriorates.
- There is growing consumer demand for environmentally-friendly and sustainably produced food. Ireland's grass-based beef production system means that there is a positive perception of Ireland as a supplier, with strong environmental credentials. Most continental livestock are reared indoors from birth to slaughter. As such, grass-fed Irish beef is both unique and appreciated in most European markets.
- Several breed-specific beef ranges have been successfully marketed in recent years. This involves meat companies, breed societies and producers working in co-operation to market beef from breeds such as Angus and Hereford.
- Farmers must be aware of the impact of feeding on the performance of beef cattle. Growth rates will depend on the type and amount of feed offered to animals.

## Fact file

- Irish beef is supplied to the top 70 retail chains in Europe as well as to blue-chip food service clients.
- 1 in 5 beef burgers eaten in McDonalds across Europe is made from Irish beef.
- Ireland is the largest net exporter of beef in the northern hemisphere.
- In the UK, almost 1kg in every 4kg of beef consumed is Irish.
- Due to Ireland's grass-based system, the carbon footprint of Irish beef is amongst the lowest in the world.
- Ireland produces enough beef annually to meet the consumption requirements of >30 million European consumers.

