

“ This month’s Market Bulletin takes a look at the sheep sector and the number of factors influencing the market at the moment.

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A number of factors continue to impact the sheep sector during 2023 – including elevated farm input costs, inflationary pressures on red meat consumers, and weather impacting grass growing conditions. Lamb liveweight prices in Wales have been volatile during the year to date. The year begun with averages below year-earlier levels, before reaching a new high of 356.8p/kg for new season lambs during the

end of May. During the weeks that have followed, prices recorded an overall downward seasonal trend, but have since stabilised somewhat and are now recording higher than both year-earlier levels and the 5-year average. Cull ewe prices have been more volatile in comparison to lambs, and have only shown growth against year-earlier levels during the last 2-months or so.

## SUPPLY

Defra throughput data is currently available up until September 2023. Looking at the year to date; total sheep throughput is **1.5% higher** than year-earlier levels at 10.2 million head. The throughput of both lambs and adult sheep are drivers behind this increase – lamb throughput is up 1.2% following peaks in March, June and August this year. Following a higher carryover of old season lambs into 2023, this was to be expected. Adult sheep throughput

is also elevated on the year (by 3.7%) due to higher numbers coming forward during the first 6 months of the year, but numbers have been in line with seasonal averages during August and September. Despite overall higher numbers being processed at UK abattoirs, the volume of sheep meat produced on the domestic market for the year to date currently stands 1% below year-earlier levels at 210,000 tonnes. This is due to lighter carcasses being presented at UK abattoirs – for both lambs and adult sheep.

Throughput figures for the lamb crop year so far (which runs from May onwards) indicate that 4.89 million lambs have been processed at UK abattoirs – which is similar to year-previous levels (up 0.3%). The *June Survey* results – which would highlight the size of this year’s lamb crop – are not yet available, and so it is difficult to predict how many lambs remain on the ground, however, industry reports suggest this year’s lamb crop is smaller following lower scanning and lambing percentages.

## TRADE

Trade data from HMRC is currently only available up until August. Fresh/frozen sheep meat exported during August totalled 6,400 tonnes – an 8% increase on the year – due to increased shipments to the EU. Volumes of sheep meat exported during the 8-month period are **up 10%** on the year, with 94% of the total volume destined for the EU. Some EU countries

have reported declines in production, which would benefit UK exports, along with much of NZ product continuing to be sent to China.

Volumes of fresh/frozen sheep meat imported so far in 2023 are **down 24%** on the year to 33,000 tonnes, however volumes imported in August alone experienced a notable year-on-year increase of over 30% for the first time

this year. This is due to higher volumes of Australian lamb being produced and exported following pressures on their farmgate prices, whilst also being very price competitive on the global marketplace. As domestic imports usually experience a seasonal drop during this time of the year as UK production increases, this recent change to import trends will be monitored.

## DEMAND

Grocery Price Inflation is falling, but is still historically high. As a result, consumers continue to experience higher prices at retail and therefore continue to look for ways to manage their budgets. For lamb; the average price at retail in GB has been recording notable increases for the last 18-months or so. For example, during the 4 weeks ending 1<sup>st</sup> October 2023, the average price of lamb at retail was £12.24/kg – a 21% increase on the corresponding period in 2020 where the average stood at £10.10/kg. This puts pressure on the spending power of consumers. However, data from Kantar for the latest 12-week period to 1<sup>st</sup> October does reveal that the volume of lamb sold was **2% higher** on the year, which was driven by a 5% increase in the number of buyers in the category. This suggests that consumers are returning to the category, despite the higher prices, and perhaps eating lamb as an occasional treat. Despite this; volume sales of lamb for the year to date are down 1% on the year.

### What does this mean for industry?

Reports of a smaller lamb crop would provide support to the sector – however this would lead to less product available for export. Grass growth remains plentiful – which is providing support to the store lamb market currently. Consumer demand continues to be buoyant as budgets remain tight, however there is optimism for another good Christmas in terms of demand for red meat.

# Monthly Market Round-Up

## CATTLE

### Prices – week ending 21<sup>st</sup> October

The prime cattle average price at auction markets in England and Wales stood at **263.3p/kg**. This was:

- + 4.5p on the previous week,
- + 17.0p compared with year-earlier levels,
- 57.0p higher than the 5-year average (2018-22 average: 206.3p/kg).

The average deadweight prices in England and Wales for steers stood at **477.3p/kg**. This was:

- + 0.1p on the previous week,
- 40.2p above year-earlier levels.

The deadweight prices for heifers stood at 471.8p/kg (+0.2p on the week), young bulls at 460.0p/kg (+0.1p), and cull cows at 305.3p/kg (-7.5p).

### Throughput – September 2023

- Total cattle throughput at UK abattoirs = 219,800 head – down 3% on the year.
- Total prime cattle throughput = 161,200 head – down 1% on the year.
  - steers +1%, heifers -2%, and young bulls -5%.
- Average prime cattle carcass weights = 340.3kg (-1.25kg on the year).
- Adult cattle throughput = 49,900 head – down 5% on the year.

## SHEEP

### Prices – week ending 21<sup>st</sup> October

The prime lamb average liveweight SQQ at auction markets in Wales stood at **250.9p/kg**. This was:

- - 2.6 p on the previous week,
- + 30.4p compared with year-earlier levels,
- 56.3p above the 5-year average (2018-22 average: 194.6p/kg).

Cull ewe prices at auction markets in Wales averaged **£64.90/head**. This was:

- + £1.60 on the previous week,
- £12.30 above year-earlier levels.

GB deadweight lamb prices averaged 570.5p/kg (+13.8p on the week).

### Throughput – September 2023

- Total sheep throughput at UK abattoirs = 1.1 million head – down 3% on the year.
- Lamb throughput = 993,500 head – down 4% on the year.
- Average lamb carcass weights = 19.6kg (similar on the year).
- Cull ewe and ram throughput = 145,500 head – up 2% on the year.

## PIGS

### Prices – week ending 14<sup>th</sup> October

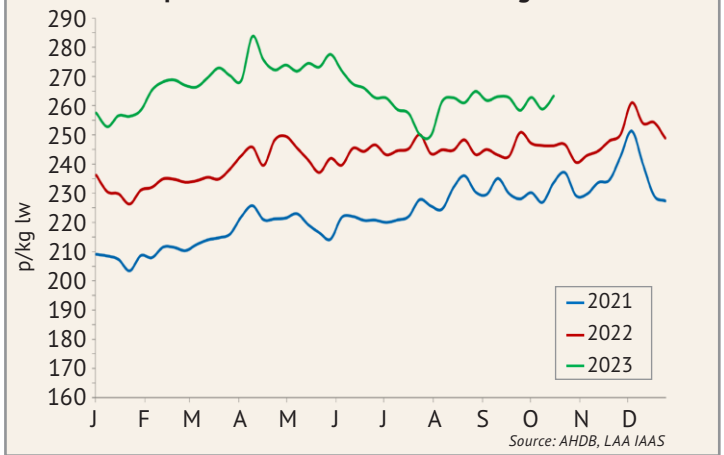
The EU-spec All Pig Price (APP) in GB stood at **220.1p/kg**. This was:

- - 1.0p on the previous week,
- + 16.2p compared with year-earlier levels,
- 54.1p higher than the 5-year average (2018-22 average: 165.8p/kg).

### Throughput – September 2023

- Total pig throughput at UK abattoirs = 801,200 head – down 11% on the year.
- Clean pig throughput = 779,800 head – down 11% on the year.
- Average clean pig carcass weights = 89.7kg (+1.0kg on the year)
- Sow and boar throughput = 21,300 head – down 7% on the year.

Prime cattle prices at auction markets in England and Wales



UK Beef & Veal  
Production  
September '23

70,700 tonnes  
-3% y-o-y



Prime lamb (SQQ) prices at auction markets in Wales

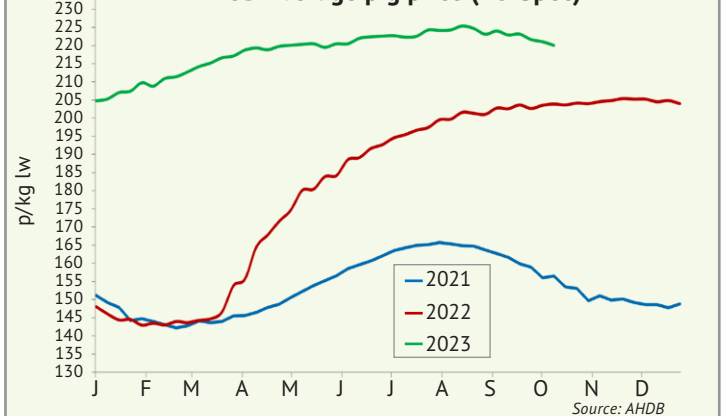


UK Sheep Meat  
Production  
September '23

22,700 tonnes  
-4% y-o-y



GB Average pig price (EU-Spec)



UK Pork  
Production  
September '23

73,000 tonnes  
-10% y-o-y

