



Improved weather conditions this autumn created a flush of grass and may have helped to reduce some of the inflationary pressures put on beef producers, however challenges for the industry remain – with changing consumer demand at the forefront. As the year draws to a close, this month's Market Bulletin takes a look at the beef sector.



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Prime cattle average deadweight prices in England & Wales have been strong throughout 2022, with steer deadweight prices recording prices above the £4/kilo mark for the entirety of the year. Steer deadweight prices did in fact reach highs of 442.5p/kg during mid-summer, which was almost 50p higher than year-earlier levels. It seems prime

cattle deadweight prices will close the year on a high as more recent averages have been trending near this level, and are over 30p higher than year-earlier levels. The cull cow average, conversely, continues to decline – but prices do continue to be significantly higher than both 2021 levels and the 5-year average.

SUPPLY

Throughput of cattle during the January to October period at UK abattoirs was 2% higher than year-earlier levels at 2.2 million head (source: Defra). Lighter carcass weights - likely a knock-on effect of reduced grass growth during the summer months, and producers not holding on to animals as cost of production increased – production of beef and veal for the period is just 1% higher on the year. Compared to 2021; Steers are the only category to record a year-on-year decline of 1% in throughput, whilst heifer and adult cow kill remain elevated at 2% and 4% higher, respectively.

is up 3% on the year. This confirms earlier findings that there would be an increased supply coming onto the market during the second half of this year and into 2023. Potential supply of prime cattle onto the market in the *longer-term* (i.e., beef cattle & dairy males aged 0-12 months) will likely stabilise into 2023 as numbers on the ground are 1% down on year-earlier levels. **Calf registrations** in GB during the year to September are also down some 1% on the year which would support stabilisation of supply numbers.

Cattle population data has revealed that the total number of cattle under the age of 30 months in GB stood at 5.1 million head on 01 October 2022 – up 1.5% on the year (source: BCMS). The figures suggest that the potential supply of prime cattle onto the market in the *short term* (i.e., beef cattle & dairy males aged 12-30 months)



TRADE



Trade data from HMRC is currently only available up until September. Figures for the year so far reveal that beef export volumes from the UK are recovering since the Covid-disrupted trade, but are still trending slightly behind pre-Brexit volumes. Fresh/frozen beef **exported** during the 9-month period totalled 93,200 tonnes – a near 30% increase on the year – due to an uplift in shipments to

the EU. Ireland, France, and the Netherlands have been the main recipients of volumes and are behind the increase, whilst volumes sent to non-EU countries are some 36% behind year-earlier levels at 13,650 tonnes. Demand for beef in China is forecast to grow (with pork remaining as the staple protein), with volumes exported to China so far this year almost double that of 2021.

Beef **imported** to the UK during the 9-month period is relatively stable on year-earlier levels at just over 170,000 tonnes. Irish supplies are currently 11% behind year-earlier levels, however increased supplies from Germany and the Netherlands have outweighed losses from Ireland. Future domestic production levels, along with consumer demand, are two of the main factors which will influence import trends.

DEMAND

According to Kantar, the rate of grocery price inflation has slowed with the latest 4-week inflation at 14.6%. Despite this, shoppers continue to adopt coping strategies to mitigate costs (particularly now during the run up to Christmas) with sales of own label lines at retail soaring. Demand for beef on the domestic market has changed as a result. Data released by Kantar reveals that consumers have been buying more mince at GB retail than ever before. During the 12 weeks to 30 October 2022, sales of mince

accounted for 58% of the total volume of beef sold. As mince sales usually account for around 50-53% of sales, this is a notable difference. Spend on mince alone is up 11% on the year during the latest period, with an increase of 2% in the number of buyers. The increase in consumer demand for minced beef is a worrying trend for the sector as it is increasingly difficult to maintain carcass balance.



Looking ahead, production of beef in the US is forecast to decline in 2023 following the impacts of drought on the cattle cycle. Depending on the levels of product available on the domestic market; this may provide support to UK exports. The continued inflation means that the cost of feeding and finishing stock on farm remains high, which will inevitably continue to put pressure on the beef sector and influence supply onto the market. Consumer demand and shopping patterns will continue to impact the beef sector – with the potential for beef to challenge turkey this Christmas due to price and a number of Avian Influenza outbreaks so far this year.

Monthly Market Round-Up

CATTLE

Prices – week ending 10th December

The prime cattle average price at auction markets in England and Wales stood at **254.0p/kg**. This was:

- -7.0p on the previous week,
- +13.9p compared with year-earlier levels,
- 50.5p higher than the 5-year average (2017-21 average: 203.4p/kg).

The average deadweight prices in England and Wales for steers stood at **439.7p/kg**. This was:

- -1.9p on the previous week,
- 32.5p above year-earlier levels.

The deadweight prices for heifers stood at 434.8p/kg (-2.0p on the week), young bulls at 417.8p/kg (-7.1p), and cull cows at 319.7p/kg (+1.2p).

Throughput – October 2022

- Total cattle throughput at UK abattoirs = 254,300 head – up 10% on the year
- Total prime cattle throughput = 173,200 head – up 8% on the year.
 - steers +7%, heifers +8%, and young bulls +15%.
- Average prime cattle carcase weights = 340.9kg (+0.3kg on the year).
- Adult cattle throughput = 72,400 head – up 13% on the year.

SHEEP

Prices – week ending 10th December

The prime lamb average liveweight SQQ at auction markets in Wales stood at **227.6p/kg**. This was:

- -7.9p on the previous week,
- -39.0p compared with year-earlier levels,
- 23.5p higher than the 5-year average (2017-21 average: 204.1p/kg).

Cull ewe prices at auction markets in Wales averaged **£69.00/head**. This was:

- +£1.20 on the previous week,
- £11.40 below year-earlier levels.

GB deadweight lamb prices averaged 552.2p/kg (+11.5p on the week).

Throughput – October 2022

- Total sheep throughput at UK abattoirs = 1.2 million head – down 0.4% on the year.
- Lamb throughput = 1.1 million head – down 1% on the year.
- Average lamb carcase weights = 19.9kg (similar on the year).
- Cull ewe and ram throughput = 108,100 head – up 7% on the year.

PIGS

Prices – week ending 26th November

The EU-spec All Pig Price (APP) in GB stood at **205.3p/kg**. This was:

- -0.1p on the previous week,
- +56.1p compared with year-earlier levels,
- 51.3p higher than the 5-year average (2017-21 average: 154.0p/kg).

Throughput – October 2022

- Total pig throughput at UK abattoirs = 945,600 head – similar on the year.
- Clean pig throughput = 926,000 head – down 1% on the year.
- Average clean pig carcase weights = 88.7kg (+0.2kg on the year)
- Sow and boar throughput = 19,600 head – up 53% on the year.

