

“ Trade flows were impacted world-wide during 2021 due to changes in production levels and Covid-19. UK farmers received firm prices for both cattle and sheep as a result of a tightening in supply and continued strong retail demand from consumers. This resulted in a decreased availability for export; which was one of the main factors behind the 22% drop in export volumes for 2021 for both sectors. HMRC have recently released trade figures for January 2022 which reveal the patterns seen in red meat when compared to January 2021 (the first month of trade post-Brexit) and January 2020 (pre-Covid). This month's Market Bulletin will look at these trade patterns in more detail



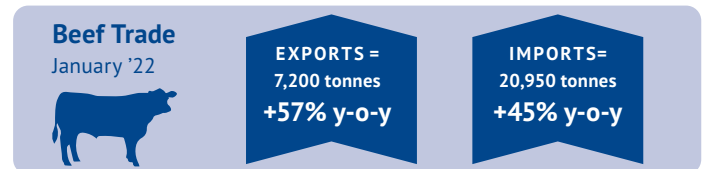
Glesni Phillips – Data Analyst

BEEF & VEAL

Figures from HMRC for January 2022 show that beef **exports** have recovered since the post-Brexit difficulties of January 2021. The total volume of fresh/frozen beef exported during the month stood at 7,200 tonnes – an increase of 2,600 tonnes (or 57%) on January 2021. Export volumes rose despite figures from Defra revealing UK beef production was down 8% on the year. Volumes for January 2022 are however down 31% when compared to December 2021. The total value of fresh/frozen beef exports increased by 86% on the year to £26.3 million.

Whilst exports grew, **imports** of fresh/frozen beef during January also increased with volumes totalling 20,950 tonnes. This is 45%

more than in January last year, but 10% down on December 2021, in line with seasonal trends. Ireland continued to be the main exporter of beef into the UK (accounting for 72% of all imports), and recorded a 21% increase in total import volumes year-on-year. The total value of fresh/frozen beef imports increased by 75% on the year to £101.5 million.



SHEEP MEAT

The total volume of fresh/frozen sheep meat **exported** during January totalled 4,100 tonnes – up 13% (or 500 tonnes) when compared to January 2021. Despite the year-on-year recovery, current volumes remain significantly lower than pre-Brexit levels and the 5-year average for January (2016-2020 = 6,500 tonnes). Their total value, however, increased by 27% on the year to £27.2 million in January - a reflection of higher UK farmgate prices. France received 250 fewer tonnes from the UK during the month, whilst an additional 400 tonnes were sent to Ireland.

Imported volumes of fresh/frozen sheep meat increased by 13% to total 4,450 tonnes. Whilst the UK is predominantly a net importer during January, import volumes have been decreasing during

recent years. However, the current level is 13% higher than January 2020 too. Volumes imported from New Zealand were down 11% on the year at 2,100 tonnes, whilst an additional 400 tonnes and 140 tonnes were received from Australia and Ireland, respectively. The demand for sheep meat on the UK market has remained firm following changes in consumption habits during Covid-19, which likely increased import demand.



PORK

Total fresh/frozen pork **exports** during January were up 64% on last year at 15,800 tonnes. Shipments to China continued to be strong at almost 7,500 tonnes - an increase of 2,000 tonnes on the year, whilst an additional 870 tonnes were exported to Ireland. Increased exports occurred alongside an 8% increase in pork production.

Total fresh/frozen pork **imports** increased by 88% (or 12,500 tonnes) when compared to January 2021 to 35,300 tonnes.

Germany, France, and Spain all contributed to the overall increase in volume – with some industry reports suggesting that greater production in the EU during 2021 has led to additional product entering the UK market.



Looking Ahead

Russia's invasion of Ukraine has led to grain market prices rising significantly, with some industry reports suggesting that commercial ship movements and the use of ports have been suspended in both countries. This will inevitably impact trade flows of products. Both Russia and Ukraine are significant grain producers, whilst Russia also imports large volumes of

beef. Disruptions to these trade flows will unavoidably impact other markets around the world, including the UK, in terms of product movement, and the cost of inputs such as feed stuffs, fuel and fertiliser. As inflation continues to rise at a rapid rate, it is difficult to forecast demand trends for red meat as consumers feel the squeeze on their household expenditure.

HCC will be releasing a new report which looks at the global trade of red meat in more detail, along with the future supply of red meat on the world market. [Be sure to sign up to our newsletter or keep an eye out on the HCC website here to read the report.](#)

Monthly Market Round-Up

CATTLE

Prices – week ending 19 March

The prime cattle average price at auction markets in England and Wales stood at **234.9p/kg**. This was:

- -0.6p on the previous week,
- +20p compared with year-earlier levels,
- Almost 40p higher than the 5-year average (2017-21 average: 195.1p/kg).

The average deadweight prices in England and Wales for steers stood at **416.2p/kg**. This was:

- +4.4p on the previous week,
- +30.5p above year-earlier levels.

The deadweight prices for heifers stood at 414.0p/kg (+5.0p on the week), young bulls at 397.2p/kg (+6.6p), and cull cows at 325.0p/kg (+10.9p).

Throughput – February 2022

- Total cattle throughput at UK abattoirs = 215,800 head – down 1% on the year
- Total prime cattle throughput = 158,900 head - down 1% on the year.
 - steers -2%, heifers +1%, and young bulls -3%.
- Average prime cattle carcase weights = 350.8kg (+2.1kg on the year).
- Adult cattle throughput = 52,100 head - down 1% on the year.

SHEEP

Prices – week ending 19 March

The combined average prime lamb liveweight SQQ at auction markets in Wales stood at **258.3p/kg**. This was:

- +4.7p on the previous week,
- -27.6p compared with year-earlier levels,
- Almost 28p higher than the 5-year average of 230.3p/kg.

Cull ewe prices at auction markets in Wales averaged **£93.70/head**. This was:

- +£5.10 on the previous week,
- + £5.80 above year-earlier levels.

GB deadweight lamb prices averaged 566.9p/kg (+1.8p on the week).

Throughput – February 2022

- Total sheep throughput at UK abattoirs = 960,800 head – up 10% on the year.
- Lamb throughput = 864,900 head – up 10% on the year.
- Average lamb carcase weights = 21.0kg (+0.6kg on the year).
- Cull ewe and ram throughput = 95,900 head – up 10% on the year.

PIGS

Prices – week ending 12 March

The EU-spec All Pig Price (APP) in GB stood at **144.7p/kg**. This was:

- +0.4p on the previous week,
- +1.0p compared with year-earlier levels,
- 6.2p lower than the 5-year average (2017-21 average: 150.9p/kg).

A number of challenges within the sector continues to put pressure on the market, with limited processing capacity at some plants reducing throughput week-on-week. Throughput figures for February demonstrate heavier pigs being processed as a result of many being on farm for longer than anticipated.

Throughput – February 2022

- Total pig throughput at UK abattoirs = 939,700 head – up 1% on the year.
- Sow and boar throughput = 23,500 head – down 1% on the year
- Clean pig throughput = 916,200 head – up 1% on the year.
- Average clean pig carcase weights = 94.0kg, 4kg heavier on the year (reflecting the backlog of pigs which remain on farm).

