HCC Market Bulletin

October 2021

Defra recently released provisional data for the UK June 2021 Survey of Agriculture and Horticulture which revealed that the total number of cattle and sheep have decreased during the last 12 months, whilst pigs recorded a 4% increase. This month's Market Bulletin will look into the data further.

Cattle

UK cattle breeding herd: **3.3 million head**

- 0.9% yoy

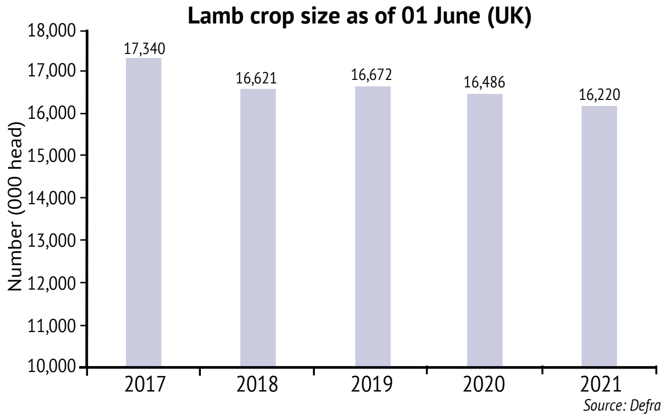
Provisional data recently released by Defra has revealed the total number of cattle and calves in the UK on 01 June 2021 stood at 9.53million head. This is a decrease of 0.9% on the previous year, and continues with the downward trend seen in the UK herd during recent years. The breeding herd (beef and dairy) accounted for over a third of total cattle, but contracted by 0.9% to 3.3 million head. The driver for this was a 1.7% decreased in the suckler herd size to 1.5 million head, whilst the dairy breeding herd experienced a smaller decline (down by 0.3%) to 1.9 million head. A breeding cow in the context of this release is defined as a cow that has calved.

The total number of female cattle aged 2years or more fell by 2.2% on the year, whilst those aged between 1 and 2 years were up 0.4% on the year. However, the fall seen in beef females within these categories were the main drivers behind the decline. Male cattle of all age categories experienced a year-on-year decline in numbers – apart from those aged under 12 months old. Along with the beef female numbers, this would suggest that domestic beef production is unlikely to increase markedly over the next year, however an increase in the number of younger cattle may improve supplies during the next 12-24 months.

Sheep

The provisional Defra figures show that the total number of sheep and lambs in the UK stood at 32.4 million head on 01 June 2021. This is a decrease of 0.9% on the year, and the fourth consecutive year where numbers have been below year-earlier levels. The current flock size is similar to that recorded during 2012, with the recent decline driven by decreases seen in almost all categories of sheep. The number of breeding ewes fell by 0.6% on the year to 15.3 million head, with those intended for first time breeding falling by just 0.2% on the year and accounted for almost 17% of the breeding flock.

Following the decrease in the size of the breeding flock, the number of lambs on the ground (aged under one year old) in the UK stood at 16.2 million head. This is a 1.6% decrease when compared to the 16.5 million lambs recorded on 01 June 2020, and a further 2.7% decrease on 2019. The current 2021-22 lamb crop is a similar size to that recorded back in 2011/2012, and would suggest there is a reduced supply of lambs available to the UK market.



Source: Defra

These figures are provisional, however, and the full UK (and Wales only) results will not be published until December 2021. Lamb throughput at UK abattoirs between May and September 2021 is currently 13.2% lower than the corresponding period in 2020. This would suggest that throughput levels are below what would be expected, given the size of the lamb crop.

Pigs

UK pig breeding herd: **497,000 head**

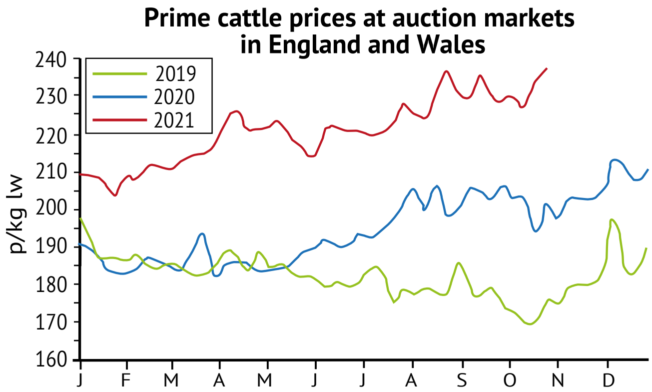
- 0.9% yoy

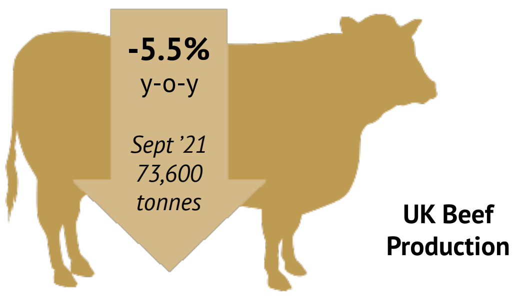
As of 01 June 2021, the total number of pigs in the UK stood at 5.3 million head – an increase of 4.4% (or 220,000 head) on the previous year. Pig numbers have therefore remained above the 5-million mark for a fourth consecutive year. Whilst there was an increase in the overall national herd size, the number of breeding pigs decreased by almost 1% on the year to 497,000 head. The category which drove the increase in the UK was a near 5% increase in the number of fattening pigs present on the ground.

CATTLE

The prime cattle average market price in England and Wales stood at 237.1p/kg for the week ending 23 October – up 3.5p on the week. The current price remains strong when compared to historical averages, and is 36p higher than year-earlier levels, and almost 49p higher than the 5-year average (2016-20 average: 188.3p/kg). For the week ending 23 October the average deadweight prices in England and Wales for steers stood at 408.4p/kg (up 0.7p on the previous week), which is 44.9p above year-earlier levels. The deadweight prices for heifers stood at 405.7p/kg (+3.0p on the week), young bulls at 397.2p/kg (-0.5p), and cull cows at 262.1p/kg (-3.0p).

Total cattle throughput at UK abattoirs stood at 223,600 head for September – down 6.8% on September 2020, and 9.6% lower than the corresponding month in 2019. Prime cattle throughput was down 5.3% on the year at 160,600 head (the 2nd lowest monthly throughput recorded so far this year). All categories reported a year-on-year decline in throughput, with steers down 6.5%, heifers down 3.6%, and young bulls down 5.6%. Adult cattle throughput was down 10.8% on the year at 56,300 head. As a result of the tight supply, total beef production for September was down 5.5% on the year. Looking at the first 9 months of this year, total cattle throughput was down 5.1% on the year, whilst production is down by 3.9%.

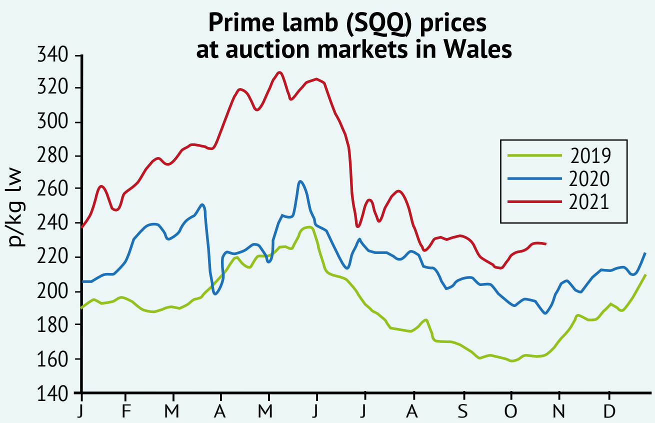


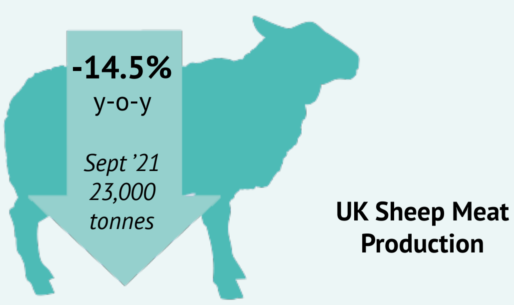


SHEEP

The average prime lamb liveweight SQQ at auction markets in Wales recorded price increases for three consecutive weeks, but fell by 0.5p during the most recent week ending 23 October to 228.9p/kg. Overall, prices have been trending closer to seasonal levels, but the current price remains almost 42p higher than year-earlier levels, and 64p higher than the 5-year average (2016-20 average: 164.9p/kg). Cull ewe prices at auction markets in Wales averaged £57.40/head – up 50p on the previous week, and £4.10 higher than year-earlier levels. Deadweight lamb prices in GB stood at 529.9p/kg for the week ending 23 October (+88.8p on the year).

Total sheep throughput at UK abattoirs stood at 1.12 million head for September – down 16.3% on the year. Within this, lamb throughput was down 16.4% on the year at 1.0 million head – which is also down 14.9% on 2019. Despite the decrease in throughput, the average carcase weights were up 0.5kg on the year at 19.8kg. Cull ewe and ram throughput numbers were also down on the year by 14.9% on the year to 108,100 head. The total volume of sheep meat produced during September decreased by 14.5% on the year to 23,000 tonnes. Looking at the first 9 months of this year, total sheep throughput is down 12.5% on the year, whilst production is down by 11.4%.





PIGS

Pig prices have been experiencing some turbulence during recent weeks, and have recorded week-on-week price decreases for most weeks since the end of July. For the week ending 16 October, the EU-spec All Pig Price (APP) decreased by 3.0p on the previous week to 153.5p/kg. The current price is 8.1p below year-earlier levels, and 1.9p lower than the 5-year average (2016-20 average: 155.3p/kg). Industry reports suggest that labour shortages in local abattoirs is putting pressure on the pig sector, along with the continued decrease in pork exports from the EU adding to the volume on the domestic market.

Total pig throughput at UK abattoirs stood at 816,900 head for September – down 12.4% on the year, and the lowest monthly throughput recorded since May 2020. Clean pig throughput decreased by 12.9% on the year to 792,000 head, whilst their average carcase weights were 1.7kg heavier on the year at 88.8kg. Sow and boar throughput was up 9.5% on year-earlier levels at 24,900 head. As a result of lower throughputs, pork production was down 10.4% on the year at 74,000 tonnes during September, bringing the total volume produced so far to stand 4.6% above year-earlier levels.