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MEAT PROMOTION WALES

HCC Market Bulletin

July 2021

Defra has recently released the UK abattoir throughput figures for June, and so it is now possible to review throughput levels for the first half of 2021, and how the supply may have impacted on farmgate prices. This month's Market Bulletin will look at these figures in greater detail.

BEEF & VEAL

UK Cattle throughput lowest since 2015 at **1.3million head**

For the first half (H1) of 2021, the total throughput of cattle at UK abattoirs stood at 1.3million head according to the latest figures released by Defra. When compared to year-earlier levels, this is 4.3% (or 59,700 head) lower, and is the lowest recorded since the first half of 2015. This tight supply in cattle would have given support to the firm farmgate prices experienced during the first six months of 2021.

The throughput of adult cattle decreased by 4.1% to 306,300 head during the first half of the year, and contributed to the overall decrease in total cattle slaughterings. For prime cattle alone, throughput stands at 995,700 head for H1 of 2021 – a decrease of 2.9% (or 30,100 head) on year-earlier levels, but similar to throughput recorded during 2019. Both steers and heifers recorded a year-on-year decline in numbers (down 3.7% and 2.8%, respectively) whilst young bulls recorded a slightly increase in throughput numbers (up by 0.6%). The prime cattle slaughter mix was similar in make up to that seen in 2020 with 50% of the animals being steers, whilst heifers and young bulls represented 41% and 9% of the mix respectively. Whilst there was an increased throughput of young bulls, the average carcase weight of those animals was also 6.1kg heavier at an average of 347.3kg per head. As a result of decreased throughput, the total production of beef and veal in the UK for the H1 of 2021 stood at 447,100 tonnes – down 2.9% on year-earlier levels, and the lowest level of production recorded since H1 of 2018.

SHEEPMEAT

UK lamb throughput during H1 of 2021 **down 8.8%** *on the year*

Prime lamb throughput during each month so far in 2021 has been recording below year-earlier levels. As a result, the total throughput of lambs at UK abattoirs during H1 of 2021 was down by 8.8% (or 491,000 head) on the year at 5.1million head. This is the lowest level of throughput since H1 of 2012, whilst the average carcase weights of the lambs are slightly heavier at 20.3kg (0.2kg heavier than year-earlier levels). The decrease in the throughput of lambs during H1 of 2021 was to be expected due to the slightly smaller lamb crop size, coupled with the increased number of lambs that came forward during the end of 2020 prior to the Brexit deadline. In a similar manner to cattle; the tight supply of lambs has given some support to farmgate prices.

The throughput of both cull ewes and rams during H1 was also significantly lower than year-earlier levels - down 24.1% at 521,600 head. Despite the reduced number of adult sheep coming forward, the average carcase weights were some 1.7kg heavier than last year at 28.0kg per head. Looking at the total throughput of sheep and lambs, numbers are down 10.4% (or 656,400 head) on the year at 5.6million head. As a result, the total production of sheepmeat so far in 2021 stands at 118,600 tonnes. This is down 9.5% on year-earlier levels, and is the lowest volume produced during a H1 period since 2010.

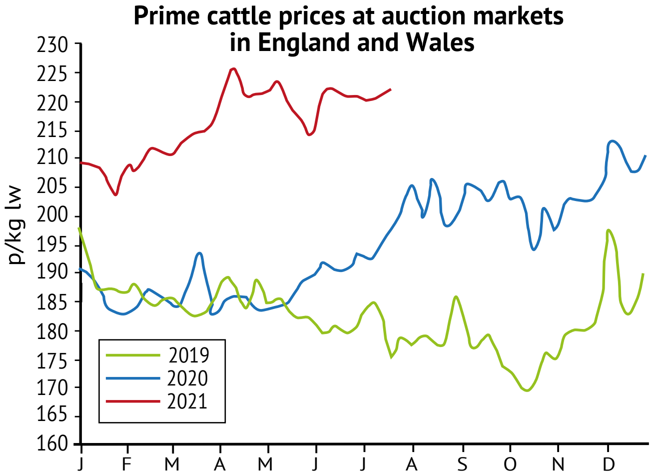
PIGMEAT

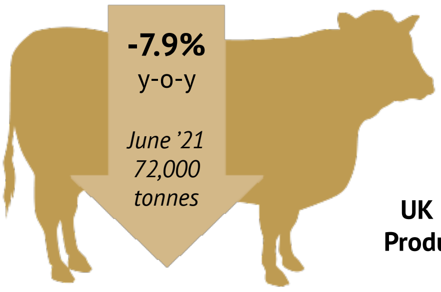
UK pig throughput during H1 of 2021 at **historically high levels**

The total throughput of pigs at UK abattoirs during H1 of 2021 stood at 5.8million head. This is 6.8% (or 370,500 head) more than the first 6 months of 2020, and is a historically high level of pigs to be processed during the H1 period. Clean pig slaughterings stood at 5.7million head for the period - an increase of 6.8% (362,200 head) on year-earlier levels, and also 8.1% higher than H1 of 2019. Adult sow and boar throughputs at UK abattoirs were also up on the year (by 7.0%) at 126,300 head. The significant increase in pig throughput during H1 has led to a 9.4% increase in total pigmeat production during the period to 519,500 tonnes.

NEW MARKET INTELLIGENCE REPORT

HCC have recently released a report which looks into the supply of cattle in GB during both the short and longer-terms, along with the potential impact of supply on the beef market. The full report, 'Beef Supply – Update and Outlook 2021' can be downloaded from the HCC website here:
https://meatpromotion.wales/en/news-industry-info/market-analysis



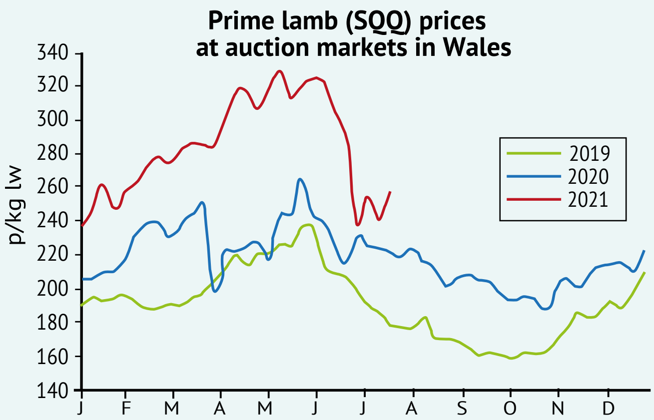


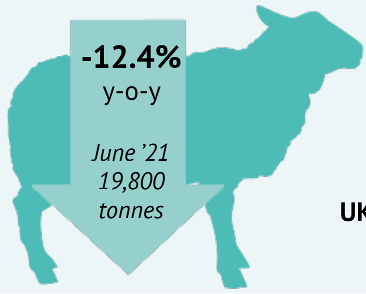
UK Beef Production

CATTLE

The prime cattle average market price in England and Wales stood at 222.0p/kg for the week ending 17 July – up 1.2p on the week. The current price remains strong when compared to historical averages, and is almost 25p above year-earlier levels, and 34p above the 5-year average (2016-20 average: 187.7p/kg). For the week ending 17 July, the average deadweight prices in England and Wales for steers stood at 397.9p/kg (steady on the previous week), which is 43p above year-earlier levels. The deadweight prices for heifers stood at 397.2p/kg (+1.0p on the week), young bulls stood at 393.3p/kg (+1.5p), and cull cows at 289.0p/kg (-0.4p).

Total cattle throughput at UK abattoirs stood at 214,000 head for June – down 8.2% on June 2020, and 1.1% lower than the corresponding month in 2019. Prime cattle throughput for the month was down 4.2% on the year at 163,300 head, with decreased numbers of steers and heifers driving this decline. Young bull throughput was up by 0.3%, with figures showing their average carcase weights were also 6.4kg heavier than year-earlier levels at 356.7kg. Adult cattle throughput was down 21.0% on the year at 46,200 head. Beef production for June was down 7.9% on the year due to the tight supply of cattle.



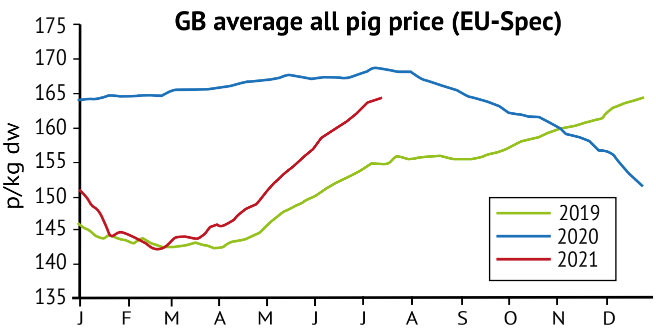


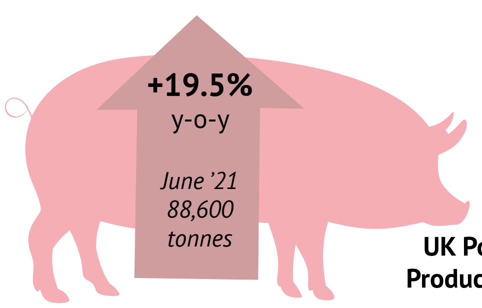
UK Sheep Meat Production

SHEEP

During recent weeks, the average prime lamb liveweight SQQ at auction markets in Wales has been trending nearer to levels seen last year. For the week ending 17 July, the average increased by 15.3p on the week to stand at 257.2p/kg. This is 35.3p higher than year-earlier levels, and 61.3p higher than the 5-year average (2016-20 average: 196.0p/kg). Cull ewe prices at auction markets in Wales averaged £74.20/head – down £2.10 on the previous week, but £13.00 higher than year-earlier levels. Deadweight lamb prices in GB stood at 548.5p/kg for the week ending 17 July (+68.6p on the year).

Total sheep throughput at UK abattoirs stood at 962,100 head for June – down 12.5% on the year. Within this, lamb throughput was down 11.0% at 881,100 head, whilst cull ewe and ram throughput fell by 26.5% to 81,000 head. The average lamb carcase weight during June was 19.8kg (similar to June last year), whilst the average carcase weight of culls stood at 29.5kg – almost 2kg heavier than year-earlier levels. As a result of the decreased throughput, the total volume of sheepmeat produced during June decreased by 12.4% on the year to 19,800 tonnes.





UK Pork Production

PIGS

Pig prices have continued with their upward momentum that's been experienced for several months, with the most recent EU-spec All Pig Price (APP) for the week ending 10 July increasing by 0.8p on the week to 164.3p/kg. The gap between this year and last year's high prices has continued to narrow, with the current average standing just 4.4p below year-earlier levels. The current price is the highest average recorded since September last year, and is 9.5p higher than the 5-year average (2016-20 average: 154.8p/kg). Industry reports suggest the firm demand at retail is giving support to current prices, although profitability may be hampered by the rising feed costs.

Total pig throughput at UK abattoirs stood at 1.0 million head for June – up 18.4% on the year, and 22.0% higher than June 2019. The increase on the year was mainly driven by an additional 152,600 clean pigs coming forward, whilst their average carcase weights were also 0.8kg heavier on the year at 86.4kg. Sow and boar throughput increased by almost 24.1%, whilst their average carcase weights were also heavier than year-earlier levels (up 1.5kg). The combination of higher throughputs and heavier average carcase weights led to a near 20% increase in pork production during June at 88,600 tonnes.