# HCC Market Bulletin

February 2021

**Following the release of the December trade figures by HMRC, it can be seen that there was a shift in demand due to Covid-19 which led to decreased exports for both beef and lamb during 2020, whilst pork export volumes remain strong due to demand from the Asian regions. This month's market bulletin will look at the trade data in greater detail.**

## BEEF AND VEAL

From March onwards, monthly beef & veal **export** volumes (fresh/frozen) trended below year-earlier levels for most of 2020. Despite exports during December being up 9.5% on the year at 11,100 tonnes, the total volume exported in 2020 was down 13.8% on year-earlier levels at 117,000 tonnes. The total value of exports was down 17.3% on the year to £384.1 million. Shipments to the EU decreased by 20.8% on the year, with the Netherlands receiving over 12,000 tonnes less than in 2019. However, non-EU countries experienced a 18.7% increase in the volume of beef - mainly due to an additional 1,500 tonnes exported to Hong Kong. As a result, Hong Kong accounted for over 10% of the total volume shipped – compared to just 8% in 2019, and 6.5% in 2018. The volume of beef offal exported during 2020 was up 1.3% on the year at almost 50,000 tonnes, with the value falling by 2.4% to £69.1 million.

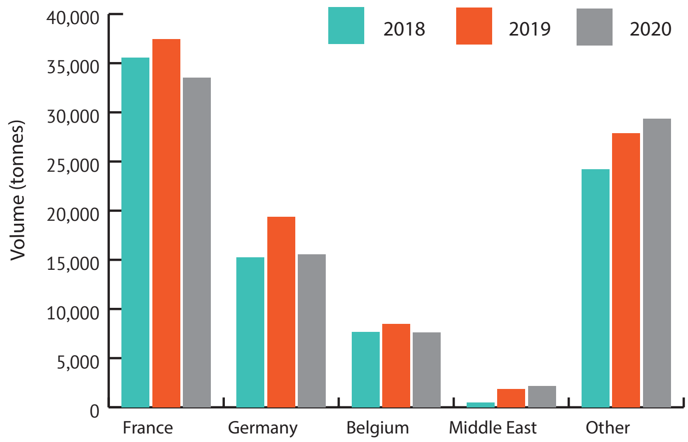
**+18.7%**
**y-o-y**
**Volume of Beef and Veal Exported to non-EU Countires in 2020**

The total volume of beef & veal (fresh/frozen) **imported** to the UK during 2020 stood at 242,800 tonnes – down 3.3% on the year, whilst value was also down by 2.9% to £962.6 million. Despite imports from Ireland being down by almost 5% on the year during the first half of 2020, shipments recovered during the second half which bought the overall volume to be just 0.6% below year-earlier levels. Over 2,000 tonnes less of product was imported from the Netherlands during the time period, with imports of beef from Poland being down 0.5% on the year.

## SHEEP MEAT

HMRC figures reveal that a total of 88,200 tonnes of fresh/frozen sheep meat was **exported** from the UK during 2020, with the value of exports standing at £437.9 million. When compared to year-earlier levels, total volume was down by 7.2% (or 6,850 tonnes), whilst value increased by almost 10%. The total volume sent to the EU fell by 10.8% on the year, mainly due to a decrease in demand from the foodservice sector, coupled with an overall decrease in sheep meat production in the UK. France remains to be the main destination and accounted for 38% of total shipments during 2020, despite volume exported to this destination being 10.4% lower than 2019. Both Germany and Belgium received 10.9% and 10.3% less volume, respectively, during the year too – although levels were similar to that of 2018. Countries in the Middle East continued to see positive growth, with volume up 18.3% on 2019, whilst value increased by 37.4% on the year to total £13.5 million. In a similar manner to the fresh/frozen product; the volume of offal exported from the UK during the year was down 6.9% on the year, whilst value was up by 3.2%.

**UK Sheep Meat Export Trade (Fresh/Frozen)**



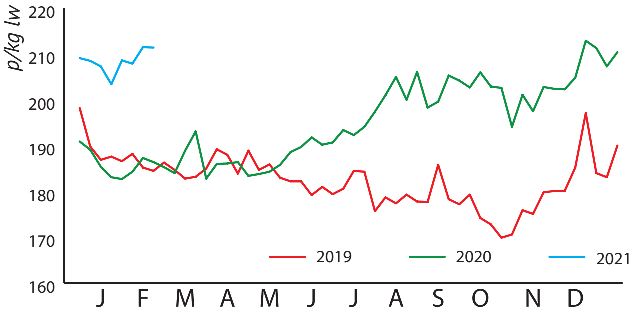

UK **imports** of sheep meat (fresh/frozen) also fell during 2020 - down 6.6% - to total 58,500 tonnes, whilst value increased marginally by 0.9% to £314.5 million. Fewer shipments from New Zealand drove this decline, with volume down 2.4% on the year and therefore accounting for 65% of total volume imported. When looking at imported product from Australia, volume was up 19% on 2019, but down 12% on 2018. Of the fresh/frozen product imported, frozen sheep meat accounted for 31.4% of the total imported, whilst fresh product accounted for 68.6% - which is down from 69.2% in 2019, and likely as a result to the shift in demand during the Covid-19 pandemic.

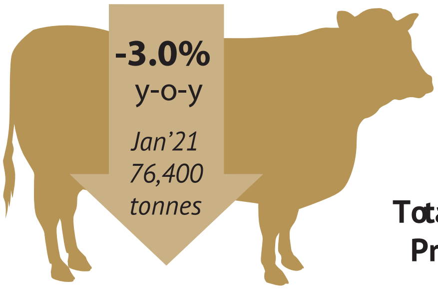
## PORK

During 2020, the value of pork **exported** from the UK was almost 8% higher than 2019 at £421.7 million. In volume terms; an additional 15,000 tonnes of pork were exported during the year, bringing the total to 259,400 tonnes. Almost 40,000 tonnes more pork was exported to China when compared to year-earlier levels. As a result, China alone accounted for almost half (46.6%) of the total pork exported – up from 33% in 2019 and 19% in 2018. This is due to the continued strong demand for pork and other red meat from the Asian regions following the African Swine Fever (ASF) outbreak. The volume of pork offal exported during 2020 was up 12.9% (or 12,200 tonnes) on year-earlier levels. In terms of imports, the total volume of pork **imported** during the 12-months stood at 384,150 tonnes – 14.2% (or 63,800 tonnes) less than 2019, and 16.1% less than 2018. This significant decline in imports is a result of a number of countries shipping considerably less product to the UK, such as; the Netherlands -14,900 tonnes, -Ireland 12,300 tonnes, and both Denmark and Spain sent over 10,000 tonnes less each. Total pig meat (including offal) imported to the UK was down 9.2% on the year due to disruptions to the UK foodservice sector, combined with a slight increase of nearly 3% in pork production on the domestic market.

**+48.7%**
**y-o-y**
**Volume of Pork Exported to China during 2020**

## Prime Cattle Prices at Auction Market in England and Wales



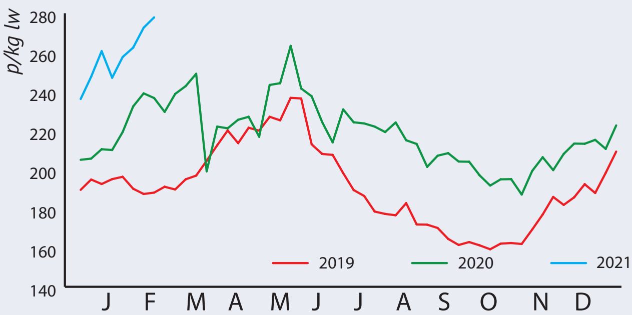

**Total UK Beef Production**

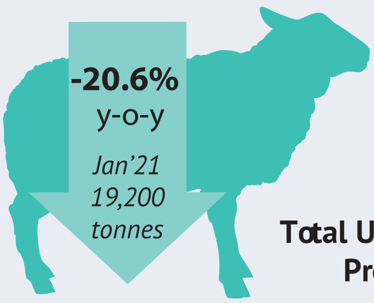
## CATTLE

The all prime cattle average market price in England and Wales stood at 211.4p/kg for the week ending 20 February – down 0.1p on the week. Despite this slight fall, prices have been strong during recent weeks when compared to historical prices. The current price is 25p above year-earlier levels and also nearly 25p above the 5-year average (2016-20 average:186.9p/kg). For the week ending 20 February, the average deadweight prices in England and Wales for steers stood at 371.3p/kg (-1.0p on the week) which is 39.8p above year-earlier levels. The deadweight prices for heifers stood at 369.3p/kg (-1.8p on the week), young bulls stood at 351.8p/kg (-2.1p), and cull cows at 250.8p/kg (-0.2p).

Total cattle throughput at UK abattoirs stood at 226,100 head for January – 5% lower than January 2020. Prime cattle throughput for the month was down 2.3% on the year at 166,200 head, with a 3.9% decrease in steer throughput leading this change. Adult cattle numbers were down by 5.8% to stand at 56,400 head. As the average carcase weights were slightly heavier on the year, total beef production for January stood at 76,400 tonnes – down 3% (or 2,400 tonnes) on the year.

## Prime Lamb (SQQ) Prices at Auction Markets in Wales



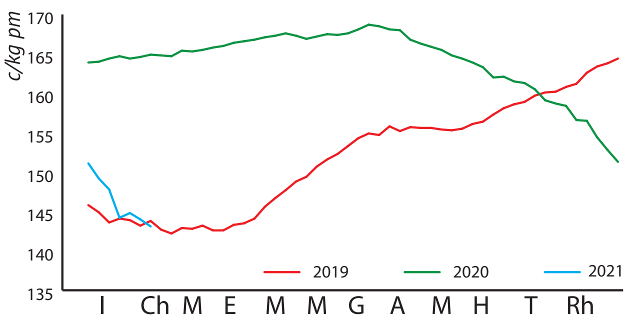

**Total UK Sheepmeat Production**

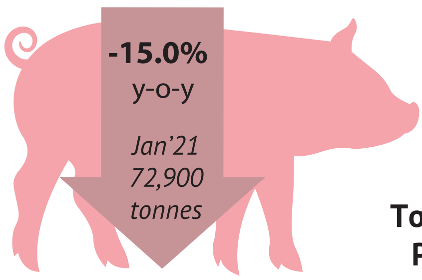
## SHEEP

During recent weeks, the average Welsh prime lamb liveweight SQQ at auction markets has been increasing week by week and remains strong on the year. For the week ending 20 February, the price increased by 5.3p on the previous week to average 277.9p/kg. This is 41.3p higher than the corresponding week in 2020, and almost 83p above the 5-year average (2016-20 average: 195.0p/kg). Cull ewe prices at auction markets in Wales averaged £74.30/head – up £3.70 on the previous week, but £1.10 below the corresponding week in 2020. Deadweight lamb prices in GB stood at 609.1p/kg for the week ending 20 February (+ 77.1p on the year).

Total sheep throughput at UK abattoirs stood at 929,300 head for January – down 20.3% on the year. Within this, prime lamb throughput was down 18.2% at 850,300 head, whilst cull ewe and ram throughput fell by 38.0% on the year to 79,000 head. Cull sheep throughput during January is the lowest on record since March 2001. The decrease in total sheep throughput is reflected in the volume of sheep meat produced – down 20.6% (or 5,000 tonnes) on the year to total 19,200 tonnes.

## GB Average All Pig Price (EU-Spec)




**Total UK Pork Production**

## PIGS

Pig prices continue with their downward trajectory into February, with the EU-spec All Pig Price (APP) in GB for the week ending 13 February standing at 143.1p/kg. This is down 0.9p on the previous week, and is 8p lower than the average during the first week of January. Additionally, the current average has fallen below 2019 levels for the first time this year (0.7p below). For the week ending 13 February, neither the average 30kg weaner price in GB nor the 7kg weaner price was available for the most recent week.

Total pig throughput at UK abattoirs stood at 791,600 head for January – down 19.2% on the year, and the lowest monthly throughput since 2014. The decrease on the year was mainly driven by 181,900 fewer clean pigs being processed during the month (down 19.0% on the year), whilst sow and boar throughput for January was 28.9% lower January 2020. The average carcase weight of clean pigs for the month were up 4.5kg on the year at 90.6kg – the heaviest on record, and likely as a result of pigs being backed-up on farm. Despite heavier average carcase weights, the total production of pork during the month was 15% below year-earlier levels at 72,900 tonnes.