HCC Market Bulletin

May 2022

Recently released carcase classification data for 2021 has revealed that lambs processed at abattoirs in Great Britain were leaner when compared to year-earlier levels. Prime cattle on the other hand were heavier on the year, with an increased proportion of animals hitting the target specifications. This month's market bulletin will look at this data in greater detail.

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LAMBS

Information collected from over 116,000 lamb carcases at abattoirs in GB during 2021 provides insight into how finished carcases were distributed across the EUROP classification grid during the year. Overall, the figures reveal almost 59% of the lamb carcases in the deadweight sample were classified with an **R** conformation – up 1.4 percentage points when compared to 2020, and a further increase of 3.9 percentage points when compared to 2019. This suggests that the majority of the lambs processed had a good conformation. Due to a rise in the proportion classified with an **R** conformation, the proportion of lambs achieving either an **E** or **U** conformation was down when compared to both year-earlier and 2019 levels. The mean weight of all carcases stood at 19.7kg for 2021 – which is up from 19.6kg in 2020. This would suggest that although carcases were heavier on the year overall, a higher proportion of lambs achieved the target conformation of **R**.

The numeric (1-5) assessment for fatness revealed that carcases were leaner on average when compared to year-earlier levels. The majority (52.7%) of lambs were recorded in the **3L** fat class - up 2.7 percentage points on the year, and an increase of 3.1 percentage points when compared to 2019. The proportion of lambs given a leaner fat classification of **2** also increased by 2.7 percentage points on the year to account for 19.5% of total throughput. As a result, almost 63% of lambs processed at GB abattoirs achieved the target grades (i.e., **E**, **U** or **R** conformation, and **2**, or **3L** fatness) during 2021 – a significant increase from 57% in 2020. The proportion of carcases which achieved an **R3L** grade classification stood at 31.1% - an increase of 2.5 percentage points on year-earlier levels, and up 3.6 percentage points on 2019. This grade would typically achieve the base price of a processor, and is therefore beneficial to see an increase of lambs achieving this classification.

Percentage of All Lamb Carcases by Fat and Conformation Classes at Abattoirs in GB, 2019 - 2021

Conformation Class

	E	U	R	O	P
2019	5.6	26.9	54.8	12.5	0.2
2020	4.3	25.9	57.3	12.3	0.1
2021	3.3	25.7	58.7	12.0	0.2

Fat Class

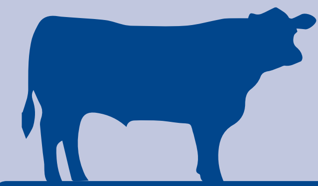
	1	2	3L	3H	4L	4H	5
2019	0.7	14.8	49.6	27.9	6.0	0.8	0.2
2020	0.8	16.8	50.0	26.8	5.0	0.5	0.1
2021	1.0	19.5	52.7	22.6	3.9	0.3	0.0

Source: AHDB

PRIME CATTLE

The survey results for prime cattle in 2021 are based on almost 1.7 million carcases from abattoirs in Great Britain. Figures indicate that the number of prime cattle that achieved an **R** conformation during the year increased by 1.5 percentage points on 2020 figures to total 47.8% - which is also an increase of 2.6 percentage points on 2019. Whilst the number of cattle classified with an **O+** conformation was similar to year-earlier levels, the **R** and **O+** conformations combined accounted for almost 73% of the prime cattle conformations for the year. This is an improvement on both year-earlier levels (up 1.6 percentage points), and on 2019 levels (up 3.3 percentage points).

In general; there was a decrease in the proportion of leaner cattle which were processed at GB abattoirs in 2021, with an increase in the number of cattle achieving **4L**, **4H** and **5L** fat class grades when compared to year-earlier levels. Prime cattle farmgate prices were strong during 2021, which may have encouraged producers to achieve heavier weights. An increasing proportion of prime cattle have been achieving the target grades of **R3** or **R4L** during recent years. In 2021, 38% of cattle achieved these target grades - up 1.1 percentage points on the year, and 2.3 percentage points higher than in 2019. These classifications would typically achieve a GB processor's average base price, and so this is positive news for the beef sector.



38%

OF PRIME CATTLE ACHIEVED THE TARGET GRADES OF R3 OR R4L IN 2021

Meeting customer and market specifications should be seen as the aim for both lamb and beef producers – particularly during a time where farm input costs are experiencing significant increases which will inevitably impact producer profits. These specifications are established by understanding customer requirements while trying to achieve production and processing efficiencies. Any carcases (lamb or beef) produced outside these specifications will invariably lead to penalties and increased costs for those in the supply chain.

The results are based on a sample survey conducted at abattoirs across GB that classify carcases according to the EUROP classification grid. Data sourced from AHDB.

Monthly Market Round-Up

CATTLE

Prices – week ending 21 May

The prime cattle average price at auction markets in England and Wales stood at **237.1p/kg.** This was:

- -4.3p on the previous week,
- +21p compared with year-earlier levels,
- 43p higher than the 5-year average (2017-21 average: 194.1p/kg).

The average deadweight prices in England and Wales for steers stood at **437.9p/kg.** This was:

- -0.3p on the previous week,
- +46p above year-earlier levels.

The deadweight prices for heifers stood at 437.8p/kg (+0.8p on the week), young bulls at 430.8p/kg (+2.4p), and cull cows at 357.6p/kg (+0.5p).

Throughput – April 2022

- Total cattle throughput at UK abattoirs = 219,400 head – up 2% on the year
- Total prime cattle throughput = 163,500 head – up 1% on the year.
  - ➢ *steers -1%, heifers +3%, and young bulls 0%.*
- Average prime cattle carcase weights = 349.1kg (+0.8kg on the year).
- Adult cattle throughput = 48,700 head – up 3% on the year.

SHEEP

Prices – week ending 21 May

The New Season Lamb average liveweight SQQ at auction markets in Wales stood at **330.0p/kg.** This was:

- -6.3p on the previous week,
- +10p compared with year-earlier levels,
- 66p higher than the 5-year average (2017-21 average: 264.0p/kg).

Cull ewe prices at auction markets in Wales averaged **£103.20/head**. This was:

- +£5.40 on the previous week,
- +£19.80 above year-earlier levels.

GB deadweight lamb prices averaged 672.0p/kg (+66.9p on the week).

Throughput – April 2022

- Total sheep throughput at UK abattoirs = 1.1 million head – up 21% on the year.
- Lamb throughput = 1.0 million head – up 22% on the year.
- Average lamb carcase weights = 21.1kg (+0.4kg on the year).
- Cull ewe and ram throughput = 99,600 head – up 11% on the year.

PIGS

Prices – week ending 14 May

The EU-spec All Pig Price (APP) in GB stood at **180.4p/kg.** This was:

- +0.4p on the previous week,
- +27p compared with year-earlier levels,
- Over 24p higher than the 5-year average (2017-21 average: 156.5p/kg).

Industry reports suggest the vast improvement seen in farmgate prices is not enough to cover the current cost of production. Defra throughput figures for April demonstrate heavier pigs are still being processed as a result of many being on farm for longer than anticipated.

Throughput – April 2022

- Total pig throughput at UK abattoirs = 945,200 head – down 2% on the year.
- Clean pig throughput = 921,700 head – down 3% on the year.
- Average clean pig carcase weights = 90.9kg (+3.5kg on the year)
- Sow and boar throughput = 23,500 head – up 18% on the year.