HCC Market Bulletin

July 2022

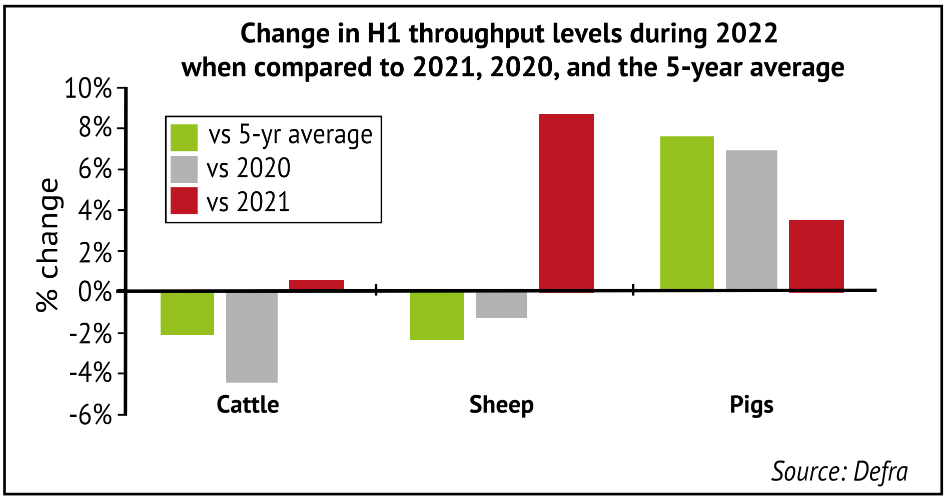
Defra has recently released the UK abattoir throughput figures for June which reveal that red meat production is higher than year-earlier levels so far in 2022. The figures indicate that lamb slaughter patterns have eased back into pre-Brexit patterns, and there are also some early indications that producers are marketing additional stock, possibly due to high cost of production. This month's Market Bulletin looks at these figures in greater detail.

Glesni Phillips – Data Analyst

CATTLE

During the first half (H1) of 2022, the *total* throughput of cattle at UK abattoirs stood at **1.3 million head** according to the latest figures released by Defra. When compared to year-earlier levels, this was 1% (or 7,800 head) higher, but 2% lower than the 5-year average for the corresponding 6-month period. The first half of 2021 did experience record low throughput figures for cattle, and so the latest data suggests that supply has since recovered.

Looking closer at the categories of cattle; both steer and young bull throughput was down by 2% on the year, and was also lower than previous years. Heifer throughput however remains elevated and was up by 1% on the year – accounting for over 40% of prime cattle throughput. Overall, *prime cattle* recorded a year-on-year 1% decrease in throughput at 984,000 head, whilst average carcase weights have been generally heavier during H1. *Adult cattle* numbers recorded a more significant change, with throughput being 3% higher than H1 of 2021 at 313,500 head. Cow slaughter has been trending above year-earlier levels each month since March, and is potentially a result of farmers looking to market older, less productive animals due to increasing farm input costs and high cull cow prices. Despite being up on the year, adult cattle throughput remains 2% below levels seen during 2020 and 2019. Taking both throughput and carcase weights into account; total production of beef and veal in the UK for H1 of 2022 stood at 444,700 tonnes – which is similar to year-earlier levels, but the lowest level of production recorded since H1 of 2018.



SHEEP

UK *prime lamb* slaughterings during each month of 2022 so far have been trending above year-earlier levels – apart from June, where throughput was down 2%. As a result, the total throughput of lambs at UK abattoirs during H1 of 2022 was up by 8% (or 440,700 head) on the year at 5.6 million head – which is a return to more normal slaughter levels seen during pre-Brexit years. Carcase weights of lambs have, on average, been heavier each month, with the overall average weight standing at 20.6kg for H1 of 2022 (0.4kg heavier than 2021).

The throughput of *cull ewes and rams* during H1 was also notably higher than year-earlier levels – up 11% at 578,400 head, with average carcase weights also being heavier at 28.3kg. Looking at the total throughput of sheep and lambs so far in 2022, numbers are up 9% (or 498,200 head) on the year at **6.2 million head**. When compared to previous years however, current throughput levels are low and some 2% below the 5-year average for the corresponding period. Total production of sheep meat during H1 of 2022 is therefore up 11% on year-earlier levels at 132,800 tonnes - the highest volume produced during a H1 period since 2019.

PIGS

The *total* throughput of pigs at UK abattoirs during H1 of 2022 stood at **5.8 million head**. This is 4% (or 198,400 head) higher than H1 of 2021, and is a historically high level of pigs to be processed during the H1 period, with levels being 8% higher than the 5-year average. Industry reports suggest high levels of pigs are coming forward for slaughter due to the particularly high cost of production within the sector. *Clean pig* slaughterings stood at 5.7 million head for the period - an increase of 3% (182,500 head) on year-earlier levels, whilst *adult sow* and boar throughput were up by 13% on the year to total 141,000 head. The increase in pig throughput during H1 has led to a 7% increase in total pig meat production during the period at 538,300 tonnes.

***Red Meat At Retail:** Current high inflation levels are reducing the spending power of consumers, who favour affordability to mitigate cost-of-living pressures. Both lamb and beef have been experiencing a small reduction in shoppers, with the average price of all proteins increasing. As shoppers change their purchasing habits in order to save money, many are switching between cuts - such as from beef steak to beef mince. This may have a knock-on impact on carcase balance, and in turn producer prices.*

Monthly Market Round-Up

CATTLE

Prices - week ending 23 July

The prime cattle average price at auction markets in England and Wales stood at **250.1p/kg.** This was:

- + 4.9p on the previous week,
- + 22.3p compared with year-earlier levels,
- 52.1p higher than the 5-year average (2017-21 average: 197.9p/kg).

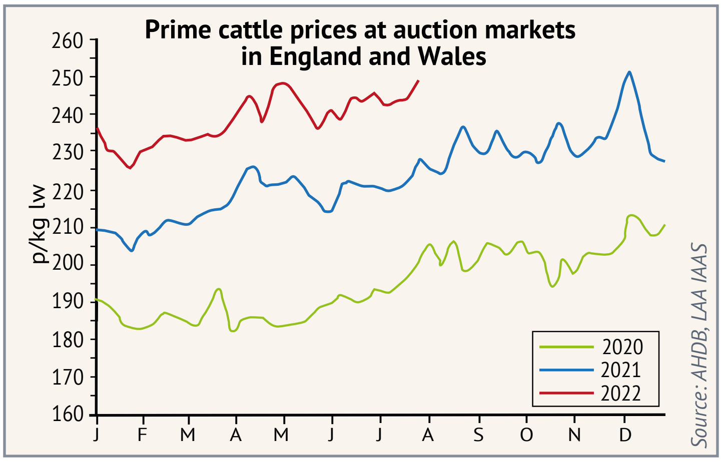
The average deadweight prices in England and Wales for steers stood at 438.4p/kg. This was:

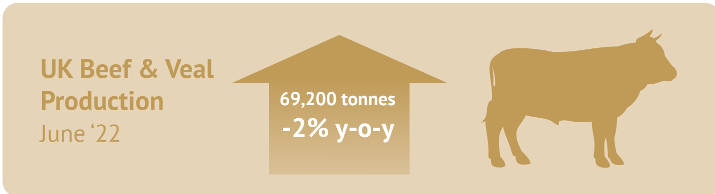
- - 0.1p on the previous week,
- 37.6p above year-earlier levels.

The deadweight prices for heifers stood at 435.1p/kg (-0.9p on the week), young bulls at 431.4p/kg (-2.8p), and cull cows at 355.2p/kg (-0.9p).

Throughput – June 2022

- Total cattle throughput at UK abattoirs = 207,300 head – down 1% on the year
- Total prime cattle throughput = 154,800 head – down 4% on the year.
  - ➢ *steers -4%, heifers -2%, and young bulls -8%.*
- Average prime cattle carcase weights = 348.2kg (+1.5kg on the year).
- Adult cattle throughput = 47,100 head – up 6% on the year.





SHEEP

Prices - week ending 23 July

The prime lamb average liveweight SQQ at auction markets in Wales stood at **271.8p/kg.** This was:

- - 15.9p on the previous week,
- + 13.5p compared with year-earlier levels,
- 66.8p higher than the 5-year average (2017-21 average: 205.0p/kg).

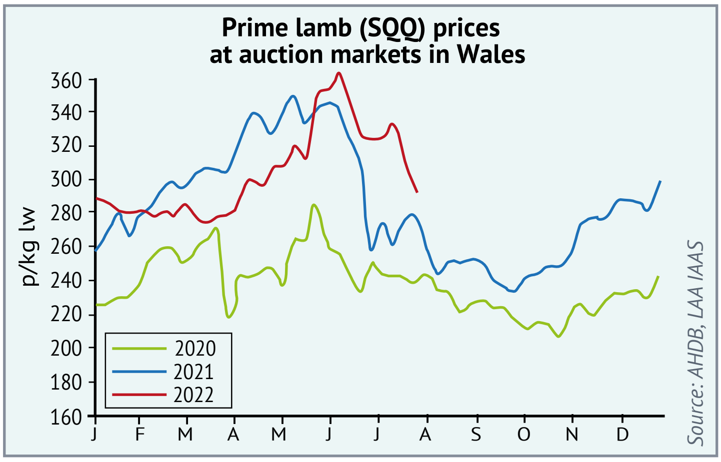
Cull ewe prices at auction markets in Wales averaged **£86.60/head.** This was:

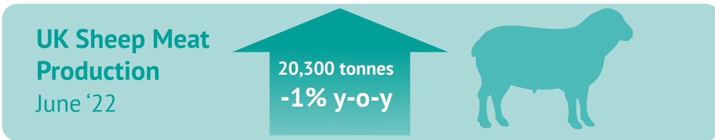
- + £4.70 on the previous week,
- £7.70 above year-earlier levels.

GB deadweight lamb prices averaged 622.5p/kg (-16.6p on the week).

Throughput – June 2022

- Total sheep throughput at UK abattoirs = 985,200 head – down 1% on the year.
- Lamb throughput = 895,200 head – down 2% on the year.
- Average lamb carcase weights = 19.8kg (similar on the year).
- Cull ewe and ram throughput = 90,000 head – up 8% on the year.





PIGS

Prices - week ending 16 July

The EU-spec All Pig Price (APP) in GB stood at **196.7p/kg**. This was:

- + 1.2p on the previous week,
- + 31.8p compared with year-earlier levels,
- Almost 35p higher than the 5-year average (2017-21 average: 161.9p/kg).

Throughput – June 2022

- Total pig throughput at UK abattoirs = 962,200 head – up 16% on the year.
- Clean pig throughput = 941,200 head – up 17% on the year.r.
- Average clean pig carcase weights = 88.7kg (+2.5kg on the year)
- Sow and boar throughput = 21,000 head – down 6% on the year.