HCC Market Bulletin

February 2023

Following the release of the December trade figures by HMRC, we can now take a look at trade patterns during 2022 and how these may have impacted the red meat sector. This Market Bulletin will look at these figures in more detail.

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Looking at the value of total red meat exports for 2022, figures from HMRC suggest that shipments were worth a total of £1.8 billion – a significant increase of 22% on the year. The 46% increase in the value of beef exports was the main driver behind this.

BEEF & VEAL

HMRC figures have revealed the total volume of beef and veal **exported** from the UK during 2022 increased by 17% on the year, whilst the value of these exports recorded a significant increase of 46% to £640 million due to higher cattle farmgate prices. This increase was supported by a year-on-year 2% increase in UK beef production, along with the recovery in trade with the EU as supply on the global market remains tight. The total volume of fresh and frozen beef exported was up 20% to 123,700 tonnes, with France receiving an additional 13,600 tonnes. Shipments to the EU overall increased by 40% on the year. However, the volume of beef exported to non-EU countries fell by 34% - mainly due to Hong Kong receiving 4,000 tonnes less in 2022.

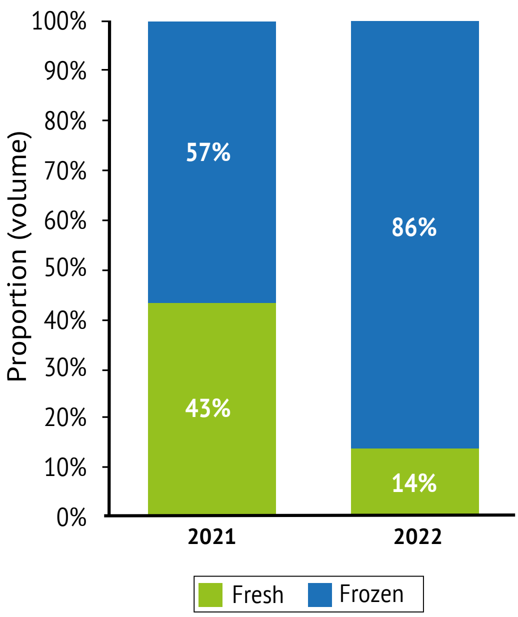
The total volume of beef and veal **imported** to the UK in 2022 stood at 302,600 tonnes – a slight increase of 2% on the year, whilst the volume of fresh and frozen beef imported was in fact down 4% on the year. A notable decline of 11% in the volume of Irish beef drove this fall in shipments of fresh and frozen, despite volumes from both Germany and Poland being higher on the year.

SHEEP MEAT

A total of 78,800 tonnes of sheep meat was **exported** from the UK during 2022, with the value of these exports standing at £503.5 million. When compared to year-earlier levels, total volume was up by almost 8% (or 5,700 tonnes), whilst value increased by 13%. Shipments of fresh and frozen sheep meat increased by 8% on the year to 75,300 tonnes, with over 90% of this volume destined for countries within the EU. The 8% increase in exports outside of the UK was likely supported by the 3% increase in sheep meat production on the domestic market. The EU received an additional 5,800 tonnes as shipments increased to Ireland. France continues to be the main destination, and accounted for 47% of total shipments in volume terms. Although exports to countries outside of the EU fell by 8%, volume sent to the Middle East more than tripled and were worth almost £10 million during 2022.

UK **imports** of sheep meat increased notably during 2022 - up 21% - to total 63,800 tonnes. Fresh and frozen sheep meat imports were up substantially on the year (by 17%), with volumes of Irish lamb driving this increase. Shipments from New Zealand (NZ) were also higher than year-earlier levels by 3% – but volumes of frozen product received from NZ were significantly higher on the year and accounted for 86% of the total received from NZ, whilst the UK received much less fresh NZ lamb. The months of September through to November recorded abnormally high levels of frozen NZ product entering the UK, and this has likely played a part in putting pressure on domestic lamb prices and causing volatility within the market.

Proportion of New Zeland Lamb Imported to the UK (volume terms)



Source: HMRC

PIG MEAT

During 2022, the total value of pig meat **exported** from the UK increased by 10% on the year £623.2 million, whilst total volume rose by 7% to 372,600 tonnes. Looking at the fresh/frozen category; volume was down by 2% on the year to 189,350 tonnes whilst value also fell by 2%. In recent years, increased volumes have been sent to Asia following the African Swine Fever (ASF) outbreak, however patterns are returning to more normal levels as the Chinese pig herd continues to cover with levels sent to China in 2022 falling by 30% on the year.

In terms of **imports**, the total volume of pig meat imported to the UK during the year stood at 801,500 tonnes – a 9% increase on 2021. Whilst the fresh and frozen category remained relatively stable on the year, imports of bacon and sausages experienced a notable increase. Denmark and Germany continued to be our main suppliers of fresh/frozen pig meat, although both recorded a fall on the year in volume terms.

CATTLE

Prices - week ending 18th February

The prime cattle average price at auction markets in England and Wales stood at **268.2p/kg.** This was:

- + 2.9p on the previous week,
- + 33.3p compared with year-earlier levels,
- 74/6p higher than the 5-year average (2018-22 average: 193.6p/kg).

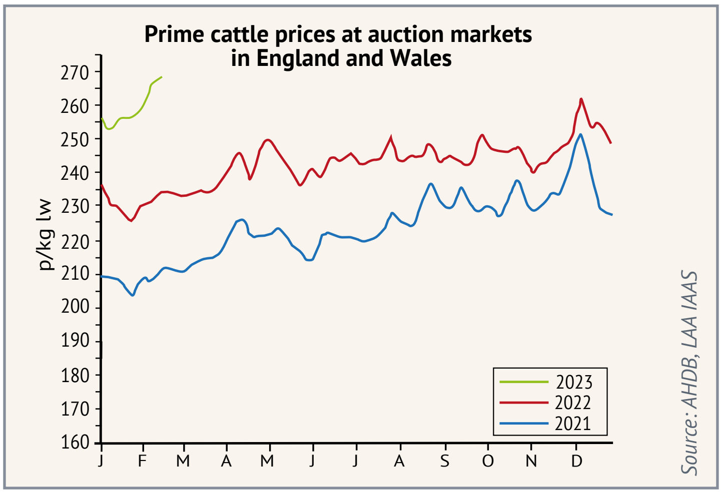
The average deadweight prices in England and Wales for steers stood at **472.6p/kg**. This was:

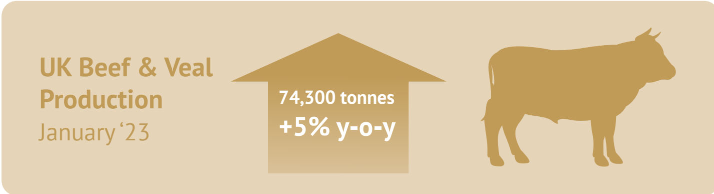
- +4.4p on the previous week,
- 68.7p above year-earlier levels.

The deadweight prices for heifers stood at 470.9p/kg (+5.8p on the week), young bulls at 450.5p/kg (+2.8p), and cull cows at 369.8p/kg (+4.1p).

Throughput – January 2023

- Total cattle throughput at UK abattoirs = 227,700 head – up 7% on the year
- Total prime cattle throughput = 161,500 head – up 6% on the year.
  - *steers +5%, heifers +10%, and young bulls -4%.*
- Average prime cattle carcase weights = 342.3kg (-7.0kg on the year).
- Adult cattle throughput = 58,400 head – up 8% on the year.





SHEEP

Prices - week ending 18th February

The prime lamb average liveweight SQQ at auction markets in Wales stood at **228.4p/kg.** This was:

- - 7.3p on the previous week,
- -33.7p compared with year-earlier levels,
- 4.6p below the 5-year average (2018-22 average: 233.1p/kg).

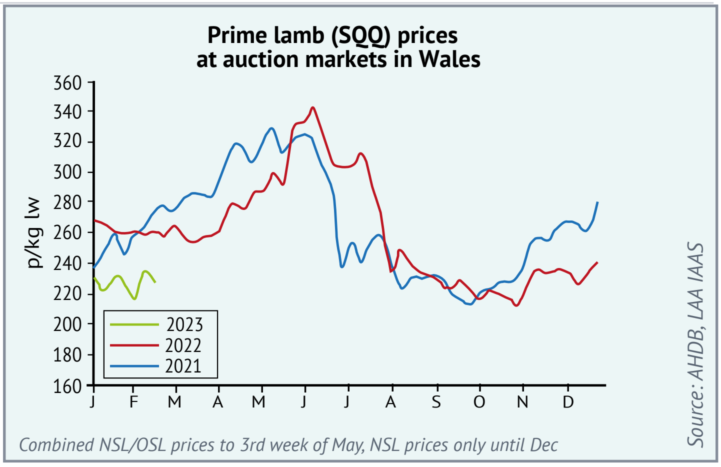
Cull ewe prices at auction markets in Wales averaged **£64.70/head.** This was:

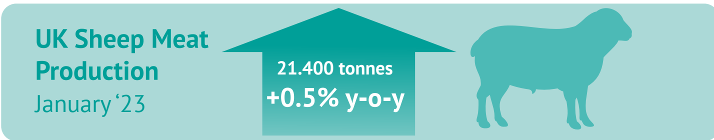
- + £2.70 on the previous week,
- £14.70 above year-earlier levels.

GB deadweight lamb prices averaged 511.3p/kg (+14.4p on the week).

Throughput –January 2023

- Total sheep throughput at UK abattoirs = 1.0 million head – up 4% on the year.
- Lamb throughput = 941,300 head – up 3% on the year.
- Average lamb carcase weights = 20.1kg (-0.6kg on the year).
- Cull ewe and ram throughput = 105,000 head – up 11% on the year.





PIGS

Prices - week ending 11th February

The EU-spec All Pig Price (APP) in GB stood at **208.8p/kg.** This was:

- - 0.9p on the previous week,
- + 65.3p compared with year-earlier levels,
- 59.9p higher than the 5-year average (2018-22 average: 148.9p/kg).

Throughput – January 2023

- Total pig throughput at UK abattoirs = 882,000 head – down 2% on the year.
- Clean pig throughput = 863,700 head – down 1% on the year.
- Average clean pig carcase weights = 88.9kg (-5.4kg on the year)
- Sow and boar throughput = 18,300 head – down 20% on the year.