

“ Following the release of beef consumption trends from Kantar, data shows that consumers are turning to beef mince as inflation continues. This month’s Market Bulletin will look at these shopping trends in more detail, and take a look at how this may be having an impact on farmgate prices. ”



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During the 4 weeks ending the 11th of June, Kantar – the consumer panel experts – noted that grocery price inflation had fallen for a 3rd consecutive period, but remained at a

record high of 16.5%. During this period, take home grocery sales rose by almost 11% year-on-year as price was the dominant reason for growth.

BEEF FARMGATE PRICES

Coinciding with the higher retail prices, the deadweight farmgate prices for prime cattle were also notably high. The steer deadweight price in England and Wales averaged some **15% higher** than year-earlier levels at around £4.87 per kilo at Easter. In a similar manner, the average deadweight price for cull cows in England and Wales at this time was some 13% higher than the corresponding period last year at around £3.80 per kilo.

A tight supply of beef on the ground did provide support to farmgate prices at this time, whilst inflation is one of the factors behind increasing retail prices. These changes have played a part in impacting consumer purchasing patterns during the cost-of-living crisis. As a result, we have experienced consumers switching between protein sources, and switching between different cuts in an attempt to save money. In the case of beef, **mince sales** have been increasing.

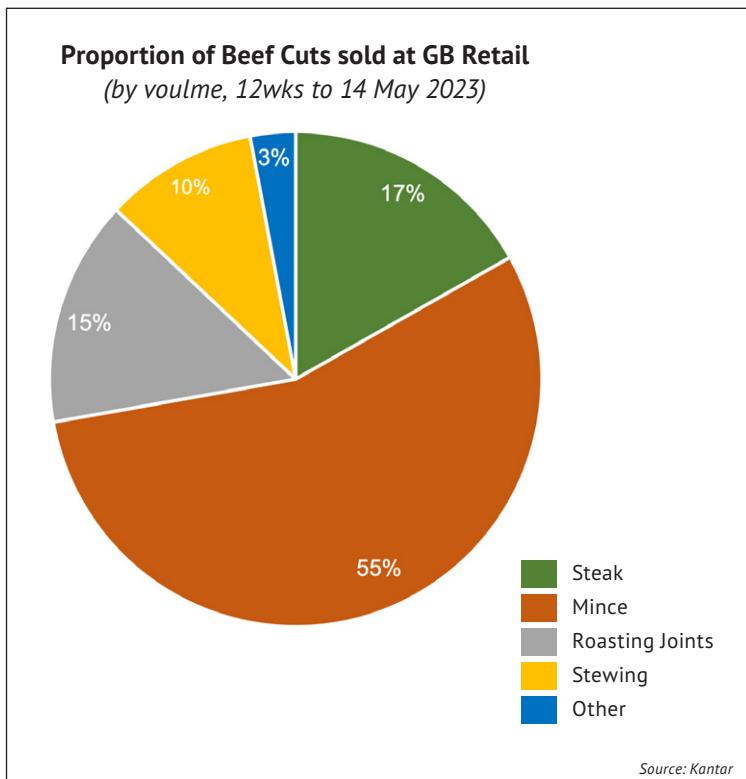


PERFORMANCE OF BEEF CUTS AT RETAIL

Looking at the performance of beef at retail in GB during the 12 weeks to the week ending 14th May 2023; total spend is up almost 10% on year-earlier levels at £556 million as the average price rose by some 11% on the year to around £9.26 per kilo. Despite the rise in price, the total volume of beef sold remained **relatively stable** on the year – down 0.8% for the 12-week period. There has however been a notable difference in the proportion of various beef cuts sold at retail.

Volume sales of **mince are up 1.3%** on the year for the 12-week period, whilst sales of steaks are down 7% on the year. As a result, mince sales during the period **accounted for 55%** of the total volume of beef sold at GB retail. This is an increase on the corresponding period last year, and significantly higher than the 49% recorded in 2021. The proportion of beef being sold as mince at retail is near the highs we experienced during the beginning of Covid in 2020 (at 57%).

Increasing the volume of the beef carcass which is processed and sold as mince may lead to carcass imbalance. Steer deadweight prices have recorded 5 consecutive weeks of price declines recently, with the most recent average now standing at £4.78 per kilo. The high volumes of beef being sold as mince may well be putting pressure on the market and causing some **instability within the supply chain**.



LOOKING AHEAD

The cost-of-living crisis will continue to **pressure consumers**, however the year-on-year declines seen in retail purchases is slowing. Therefore, there is optimism that the BBQ weather will entice consumers to look more towards red meat, but as inflation remains elevated, the impact on carcass balance will need to be monitored.

Monthly Market Round-Up

CATTLE

Prices – week ending 24th June

The prime cattle average price at auction markets in England and Wales stood at **266.0p/kg**. This was:

- - 1.5p on the previous week,
- + 21.7p compared with year-earlier levels,
- 69.4p higher than the 5-year average (2018-22 average: 196.6p/kg).

The average deadweight prices in England and Wales for steers stood at **478.0p/kg**. This was:

- - 3.9p on the previous week,
- 36.9p above year-earlier levels.

The deadweight prices for heifers stood at 477.3p/kg (-0.4p on the week), young bulls at 473.1p/kg (-4.8p), and cull cows at 377.1p/kg (-4.1p).

Throughput – May 2023

- Total cattle throughput at UK abattoirs = 225,000 head – down 8% on the year
- Total prime cattle throughput = 172,600 head – down 6% on the year.
 - steers -8%, heifers -8%, and young bulls -11%.
- Average prime cattle carcass weights = 345.5kg (-0.3kg on the year).
- Adult cattle throughput = 44,900 head – down 7% on the year.

SHEEP

Prices – week ending 24th June

The prime lamb average liveweight SQQ at auction markets in Wales stood at **321.2p/kg**. This was:

- + 20.6p on the previous week,
- + 16.0p compared with year-earlier levels,
- 72.6p above the 5-year average (2018-22 average: 248.7p/kg).

Cull ewe prices at auction markets in Wales averaged **£79.70/head**. This was:

- + £1.90 on the previous week,
- £19.90 below year-earlier levels.

GB deadweight lamb prices averaged 635.2p/kg (-20.5p on the week).

Throughput – May 2023

- Total sheep throughput at UK abattoirs = 1.0 million head – down 4% on the year.
- Lamb throughput = 902,500 head – down 4% on the year.
- Average lamb carcass weights = 21.0kg (+0.5kg on the year).
- Cull ewe and ram throughput = 134,300 head – down 4% on the year.

PIGS

Prices – week ending 17th June

The EU-spec All Pig Price (APP) in GB stood at **222.0p/kg**. This was:

- + 1.5p on the previous week,
- + 32.9p compared with year-earlier levels,
- 57.9p higher than the 5-year average (2018-22 average: 164.1p/kg).

Throughput – May 2023

- Total pig throughput at UK abattoirs = 862,900 head – down 14% on the year.
- Clean pig throughput = 842,400 head – down 14% on the year.
- Average clean pig carcass weights = 88.6kg (-0.6kg on the year)
- Sow and boar throughput = 20,500 head – down 12% on the year.

