



Campbell
BROTHERS

Delivering Quality,
Transparency & Consistency



BUTCHERS MARKET REPORT

April 2021

THE CHALLENGE

As we prepare to welcome our friends and clients back in the coming months, as always with our proud industry one of our biggest challenges is the 'crystal ball'!

We at Campbell Brothers are working around the clock to engage with our clients and gain an idea of expectations and forecasts so we can attempt to replenish stock. This is not an easy task, as we all appreciate nobody actually knows, and receiving the information we hope to require is proving extremely difficult.

We expect to see strong steak, poultry and burger sales into the summer months and there is a concern regarding the supply available versus the anticipated demand as processors try to get back to normal kill levels across all the meat sectors. This could take until the end of 2021 with current British & IRL cattle kills down over a third each week, cattle prices being at an all-time high and poultry already rising in price and tight in supply.

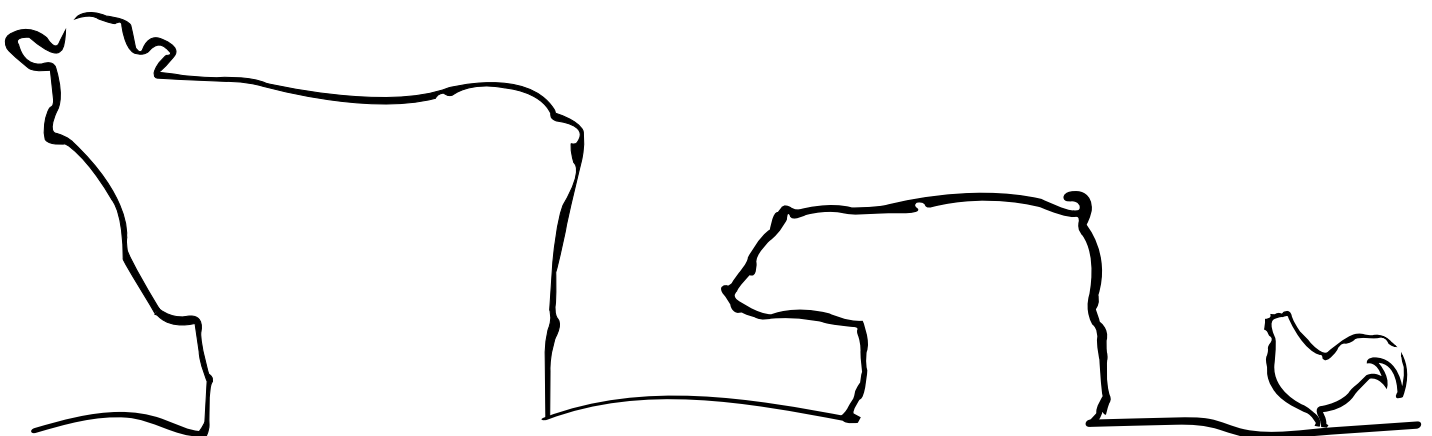
THE SOLUTION

Whilst there is uncertainty regarding supply, it is at times like these that our long standing supply chain relationships really are beneficial. We procure from our partners 52 weeks a year and do not spot buy. This ensures we can share advanced forecasts with our suppliers, who in return see us as a key supply partner and therefore will do everything they can to ensure consistency of supply.

We have also secured a reserve frozen supply of quality product. This, given the position of the unknown demand we face for products, is critical, and like many of our market competitors is a necessity to ensure we have the products you require. This is the market place we will all be in for some time until things settle down.

OVERVIEW

Retail sales remain high and this is not expected to change. In fact demand is expected to further increase as many people will choose not to travel anywhere this summer and prefer to stay at home resulting in an increased seasonal demand on BBQ products. Some well-known supermarket chains are already struggling to fulfil their requirements resulting in empty shelves in some stores over Valentine's and Mother day, especially with steak meat. The forecast hospitality comeback anticipated will increase further pressure on processing partners supplying all species both from the UK and the EU.



BEEF

UK/IRL BEEF

With lower kill rates and demand expected to be at an all-time high, this of course has an impact on the market. Usually, we see a decrease in some forequarter cuts and hindquarter cuts as we move through Spring and into Summer with the middle cuts rising. However, this has not happened and we are seeing up to a 15% increase on certain cuts, we have already seen an increase in prime steak (Rib Eyes, Fillets, Rumps & Sirloins) middle cuts & burger meat of up to 20%.

IMPORTED BEEF

Prices for exported beef (Non IRL) from Europe and South America have spiked by between 12% & 20% dependant on the cut. Lead times have increased also as other countries are tapping into their supply chain. With no UK or IRL export currently this is another challenge we face, not just supply and demand but more now supply and global demand as our export market is currently parked.

PORK

UK/EU PORK

Pork remains consistent in pricing and availability at this point is generally unaffected, kill rates remain up on March 2020 which is rather impressive given the industry position, industry experts note that there may be a drop in kill and tightening of supply as we move through Spring.

LAMB

UK/IRL LAMB

Lamb prices are at all time high, reflective again of the low kill rate and available supply. UK lamb in early 2019 was demanding £4/kg, today's lamb price is averaging £6.10/kg - a price that has never been known, and again is showing no sign of abating.

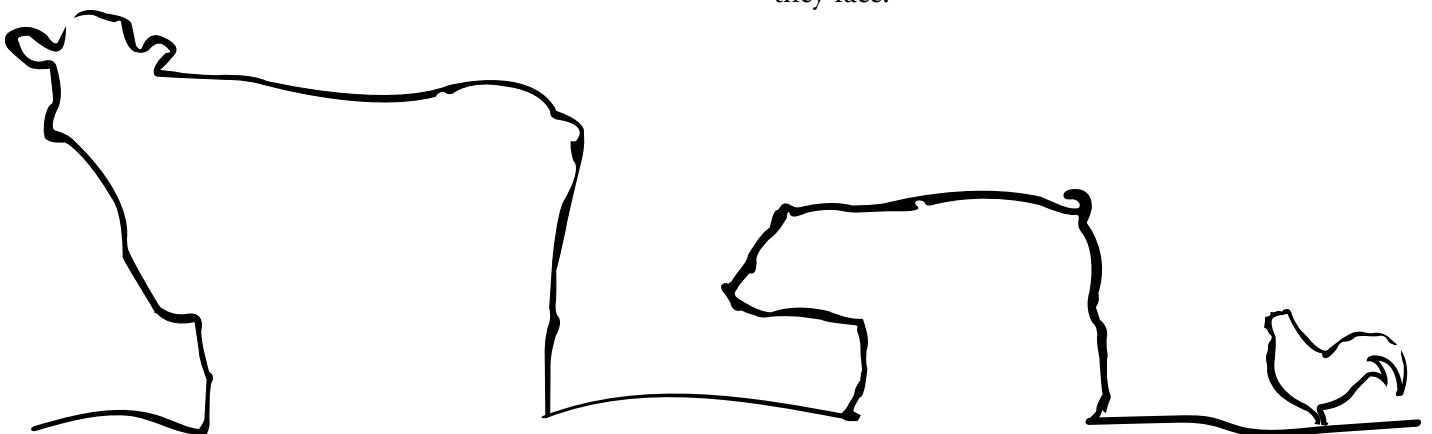
IMPORTED LAMB

The same patterns and percentages can be applied to imported lamb from the EU and from New Zealand and Australia, with the lower availability supply from the UK & IRL demand has increased and added costs through importing products.

POULTRY

UK/EU POULTRY

There are issues with supply on certain 'in demand' cuts as supplies remain tight, prices in turn with the EU not killing as many birds have risen up to 25% on breast meat and wings especially. Again there is an expectation that these prices will remain until stocks recover and processors have an idea of what demand may be required. It is understandable that they are not prepared to put down birds given the uncertainty they face.



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SUMMARY

Despite the current market place and the challenges we all face, the team at Campbell Brothers are well positioned and here to support all our customers.

We ask that you please do your very best to talk to us regarding opening, menu's and forecasts, in return we will ensure we do everything we can to help you in your comeback.

There will no doubt be challenges; however, we have just been through the biggest challenge we have ever experienced and we can work together to overcome this and ensure we come back stronger than ever.

Remember also, whilst we are looking at a 'new world' market place we are here to help with you margins, whether that be advising on differing cuts or origins, we will have an option for you.

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