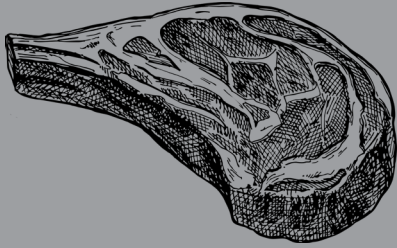


Campbell

BROTHERS

BUTCHERS MARKET REPORT Spring 2023



WELCOME

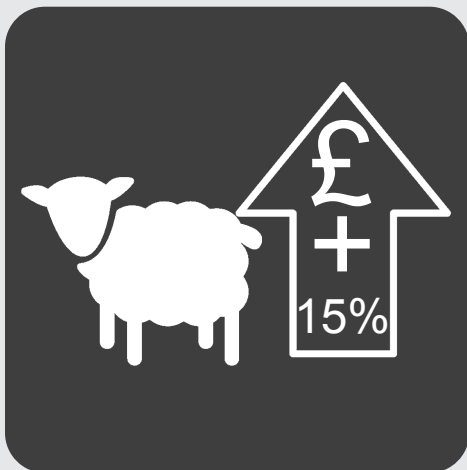
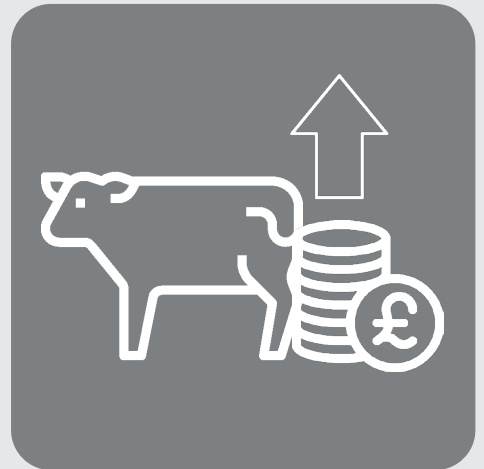
We have taken a new approach to our market report this quarter, combining our buyer's and sales teams knowledge with industry insight from AHDB, who we thank for their invaluable data.

We aim to provide you with information to assist you with your menu planning and always welcome feedback on our communications.

Where products are more expensive than usual, or demand has caused shortages in supply, our experienced and knowledgeable team are here to support you and guide you to suggest alternatives. Please contact your account manager should you require any assistance.

As always, we thank you for your continued support, particularly during these challenging times in the food industry.

Neil McCole, Business Unit Director – Campbell Brothers



Check out our guide to lesser known steak cuts to help improve your GP



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BEEF

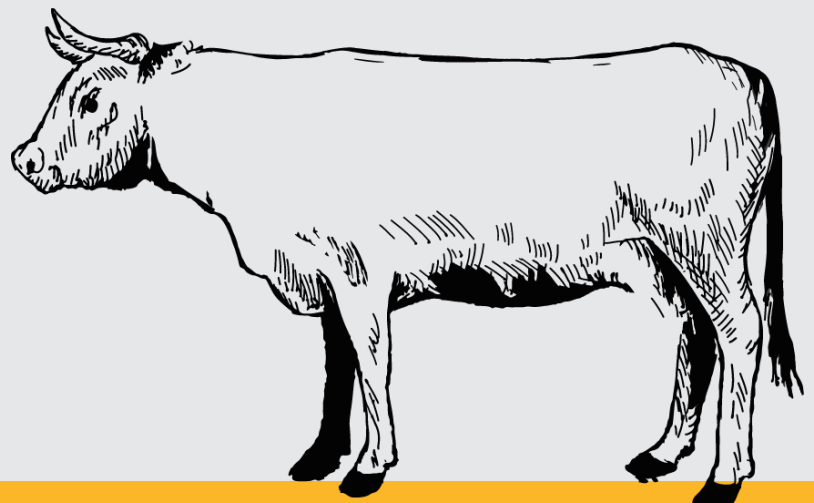
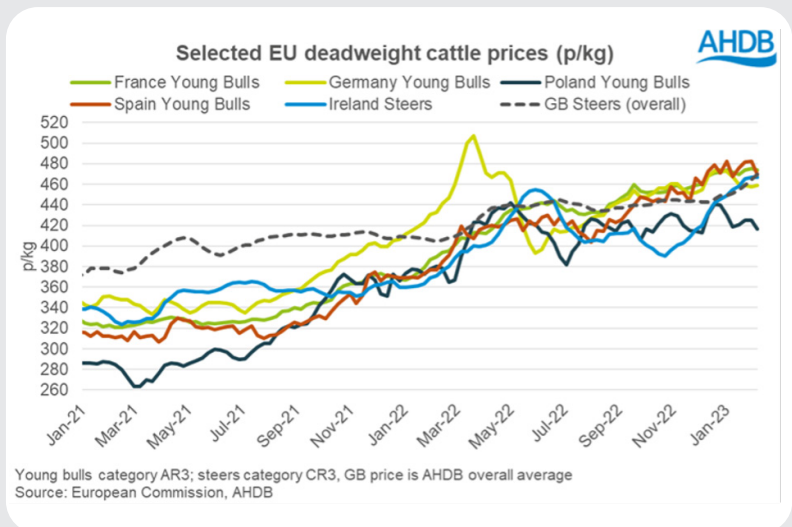
Cattle prices at the end of 2022 were at a historic high. Beef cuts as highlighted in the graph, continue to climb, with no sign of any respite. VL (visual lean ratio) pricing is being driven by demand from the UK and also exports to Europe, and we are now seeing an increase of up to 20% on mincing and burger meat. Roasting joints continue to carry a premium with steak cuts also seeing an increase of up to 15% in February. Ox cheeks and feather blades in particular have climbed by 20% through February & March as demand increases and clients look to find value in the forequarter and hindquarter cuts.

Imported beef has also seen strong increases in pricing. South American primal in particular have increased 20% into February & March and are forecast to rise again throughout the spring months. The primary reasoning for this is carcase balance and demand from the Far East.

Deadweight prices of British cattle have shown remarkable strength so far in 2023, with prime cattle and cull cows posting weekly gains since the start of the year. The average steer price at the end of February reached 480p per kg, an increase of 71p from the same time last year. And the overall deadweight cow measure averaged 379p per kg, up 80p year-on-year.

The price rises come despite pressures on retail and consumer spending, linked to higher cost of living and price inflation. Other factors at play include:

- Tighter supply situation of the UK beef market into 2023 which has kept prices elevated.
- A slight uplift in production, along with fairly stable imports and growth in exports pointed to lower availability of beef. Availability increased as slaughter numbers grew ahead of Christmas but demand kept prices high.
- All over the world the cattle markets are generally described as “tighter”. More so in the northern hemisphere where prices are being supported. Closer to home, Ireland is expecting lower kills in 2023, particularly in the spring, driven by declines in breeding herds. Insight from Bord Bia suggests slaughter numbers are starting to go short versus a year ago, with processors competing for cattle.
- Prices of cattle continue to rally as we head into April, with live sales also seeing record returns. Reports of beef stocks in store running tight supports a momentum in this trend. How consumers have responded to the current economic challenges through February is the next piece of the puzzle.



LAMB

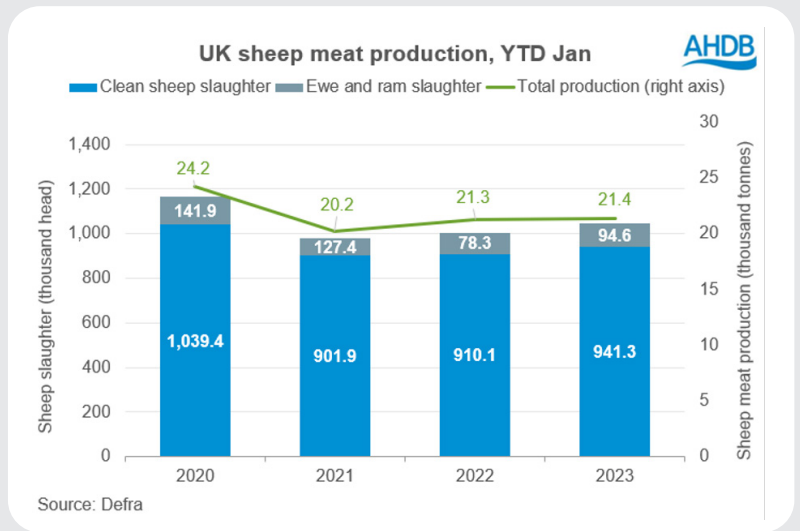
We have seen a slight easing on lamb price throughout January and February, however prices remains around 15% higher than the 5 year average.

Demand from Europe continues to be strong and reflective in pricing as producers are exporting whole cuts and in turn saving on production costs. Trim and in particular lamb shanks have risen up to 20% throughout January to March, with shanks becoming harder to source. Please consider this whilst planning you menu cycles as they will likely be scarce for some months and what is available will be at an inflated price.

Defra released their latest figures recently for sheep meat production in the UK, totalling 21,400 tonnes in January. This was a 19.7% decline (-5,200 tonnes) from December. Production typically falls when moving into the new year, as supply and demand ease after the festive period. Year-on-year, production was up slightly by 0.5% (100 tonnes).

Clean sheep carcase weights averaged 20.1kg in January, also following seasonal movements, increasing by 3.1% (0.6kg) on December's average. However, compared to January 2022, average carcase weights were down 2.8% (-0.6kg). This follows the trend seen in the second half of last year. Adult sheep carcase weights also followed this trend, at 23.9kg, up 0.8% (0.2kg) on December's figure but down 10.0% (-2.6kg) on the same month last year. The year-on-year decline may be explained by several factors. Increased input costs and dry conditions last year impacted winter forage production and cover crop establishment, while high feed prices have likely added pressure on supplementary feeding.

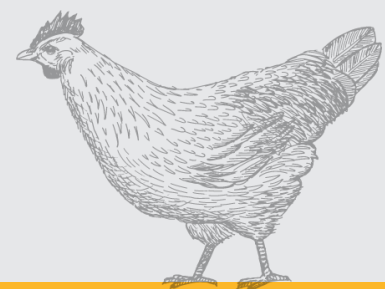
Compared to the same period last year, the increase in throughputs in January followed AHDB's expectation of a higher carry-over of lambs into 2023. This resulted from lower lamb kill than usual, with pressure from drought on forage and feed production, and higher feed costs slowing lamb development.



POULTRY

Poultry continues to be a challenge with UK & EU suppliers struggling to meet demand and prices moving almost weekly.

- Operational costs continue to drive costs with higher distribution and feed costs along with labour and energy the key drivers.
- Avian Bird flu continues to wreak havoc in the market place with further cases now being identified throughout Poland, Germany and Holland reducing the number of food production kills significantly.
- The demand is currently far outweighing the supply and in turn is pushing pricing up once again on poultry both from the UK and the EU.
- Duck remains very limited currently with few options available and has been decimated with the Avian Bird flu.
- Producers are desperately trying to replenish stock birds for killing in the coming months however returning to normal numbers may take months and prices are expected to continue to climb in turn.



PORK

Pork pricing continues to climb rapidly.

Pork cuts as highlighted in the chart, continue to rise steeply. The driving factors being the number of heads going to slaughter, with the UK forecasting to be around 1 million heads down on the 2022 kills and the EU producers following a similar trend, rising costs of feeding and farming, the Far East demand, and African swine flu.

EU Pig prices in the middle of February, were up almost 18p per kg on the 4 weeks prior. UK reference prices have remained fairly steady over the 4 week period, seeing an increase of just over 1p in the same period. Based on historical trends, EU pig prices typically see an uplift as spring approaches. Reports of tight supply in slaughter ready pigs on the continent have likely brought this price rise forward by a few weeks as processors try to match supply with demand.

Significant price increases have been seen across the board with key producers in the EU throughout February, except for Denmark. Danish pigs have seen a price decrease of 4p over the period, although there was a small increase in the final week. This is the lowest price of the key producers by nearly 30p.

Prices for the other selected key nations are now at the highest on record. The Netherlands saw the largest increase in the 4 weeks leading up to the middle of February, up almost 29p per kg. Germany also saw price rises, at 50p higher than the UK reference price. France and Spain have also seen increases.

