

# Campbell

BROTHERS

## BUTCHERS MARKET REPORT

Spring 2024



### WELCOME

The Spring Market Report combines the knowledge of our buyer's and sales teams with industry insights from AHDB to provide you with the most current information on the meat market. We aim to provide you with information to assist you with your menu development and innovation, and always welcome feedback on our communications.

At the time of writing, we are looking ahead to summer and hopefully a little sunshine, giving us a sense of optimism for the upcoming months. UK inflation appears to have peaked, wage growth in the UK is strengthened by the National Living wage increase, and supply chains appear to be mostly stabilising, albeit at a higher price than expected. Overall, trading is expected to remain tough and we are committed to maximising value for money and reducing wastage through our commitment to carcase nose to tail utilisation - ensuring that every part of the animal is utilised to its fullest potential.

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

*Neil McCole, Director of Sales – Campbell Brothers*

# AHDB

Both our  
Scotland and  
London sites  
are now Halal  
Accredited.



**The Juice Fresh  
Trends Report 2024**

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# BEEF

Beef volumes are expected to increase by 1% in 2024 compared to 2023, but they are projected to be 6% lower than in 2019 due to cost-of-living pressures. There is a forecasted increase in demand for beef in both retail and out-of-home sectors, with volumes predicted to slightly rise compared to 2023 as inflation eases and wages increase, although there are headwinds including world conflicts that have the potential to derail this.

In the out-of-home market, dining out is expected to see a boost in volumes in the second half of 2024, with hopes for better summer weather benefiting beef burger volumes at BBQs and restaurants. This could offset declines in more expensive cuts like steaks, continuing trends observed in the foodservice sector last year.

Opportunities to improve demand include:

- For cheaper cuts, encouraging tasty and versatile beef dishes which play on value for money.
- Addressing health concerns by communicating the health benefits of beef, such as B12, iron and protein.
- Encouraging consumers with the right messaging in-store, online, on pack and in foodservice.
- In the longer term, look to maintain and build consumer trust, demonstrating where farming values (animal welfare, environmental stewardship and expertise) are shared with consumers.

## Beef Market Insight From AHDB

### Prices

Prices have continued strongly into the early weeks of 2024, following a record-setting year for GB finished cattle prices in 2023. While the cost of some inputs, such as feed and fertiliser, did ease in 2023, they remained historically high, and the market saw support from tighter cattle supplies generally, alongside consistent consumer demand.

### Production

#### Prime Cattle

In 2023, UK prime cattle slaughter fell by 1.3% compared to the previous year, totalling 2.04 million head according to Defra stats. There are slightly more 12-30 month-old cattle in GB compared to the previous year, and factoring in historical slaughter seasonality, we are expecting a 1% increase in prime cattle slaughter to 2.06 million head in 2024. However, supplies may tighten towards the end of 2024 and into 2025.

#### Cow

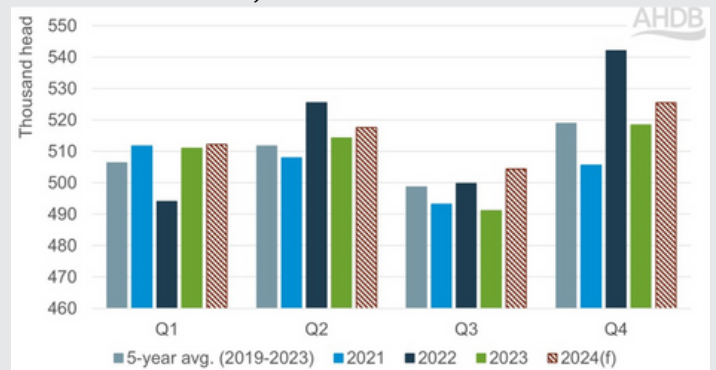
UK cow slaughter dropped by 2.5% in 2023 to 612,000 head. The ongoing decline in suckler and dairy breeding herds, along with increased heifer slaughter over the last 2 years, is projected to result in a 2% decrease in cow slaughter to 600,000 head in 2024. Uncertainty surrounding milk prices may incentivise some dairy culling in the near future.

#### Total production

These slaughter forecasts are expected to contribute to largely stable beef production for 2024, up 0.2% compared to 2023 to 892,000 tonnes. Average carcass weights are assumed to maintain the longer-term trend of gentle reduction, reflecting increasing registrations of dairy crossed animals and native breeds.

### Actual and forecast UK prime cattle slaughter

Source: Defra, AHDB forecasts in hashed bars



# BEEF SUMMARY

- UK beef production to remain largely stable in 2024.
- Domestic prime cattle slaughter to increase by 1% based on population data. Heifer slaughter expected to remain supported by contracting national breeding herd.
- Domestic beef consumption forecast to rise slightly as cost inflation eases.
- Tighter Irish market could offer support to GB cattle prices.
- Prime cattle slaughter at the reporting Scottish abattoirs remained seasonally firm, up nearly 5.5% on last year's weekly average level. However, numbers did slip back slightly for a second week, down 0.4%. The kill was 10% lower than in the same week of 2023 and 13% below the five-year average for the week.
- In E&W, numbers remained seasonally firm, edging up 0.4% on the week and running around 5.5% higher than the 2023 weekly average. The kill was up just over 2% year-on-year – the smallest uplift of the year-to-date.
- Rising market prices at a time of seasonally firm availability points to a general strength in underlying demand supporting competition for cattle.

# PORK

The UK is facing a tight supply of pigs, and we forecast this will continue through the first half of 2024, with UK pig prices steadily decreasing due to movements in the EU market.

In 2024, pig meat production is predicted to slightly increase by 0.6% to approximately 933,000 tonnes. This growth is driven by a 0.8% rise in clean pig kill, totalling around 10.14 million head. Despite this, overall pork volumes are expected to decrease by 2% compared to 2023 and by 4% compared to 2019.

This decline is attributed to the slow return of eating-out and retail meat sales being impacted by the cost-of-living crisis. The out-of-home market for pork is also expected to struggle, with consumers opting to save money by preparing meals at home. Despite this, takeaways are predicted to remain higher than in 2019 due to the increased availability of delivery services and a wider variety of pork takeaway options.

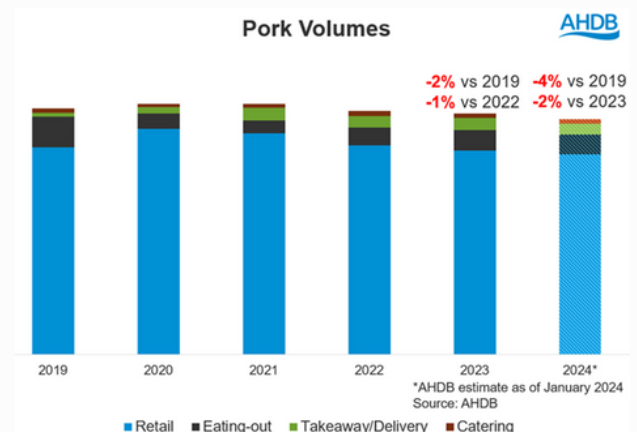
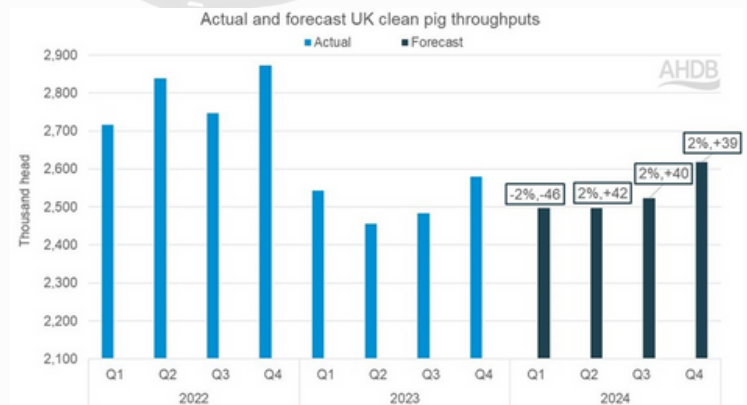
Opportunities for the pork industry to improve demand include:

- For cheaper cuts, encourage tasty and versatile pork dishes which play on value for money.
- Capture meal occasions lost from more expensive proteins and the out-of-home market by inspiring treat dinners such as takeaways or restaurant quality dine-in recipes.
- Addressing health concerns by communicating the health benefits of pork, such as B12, protein and lean cuts where applicable.



## Pork Market Insight From AHDB

- Production growth limited in 2024 with tight supplies of clean pigs in H1 and stable carcase weights.
- Minimal change in the female breeding herd.
- Potential for a small uplift in exports, with opportunities in the USA and Mexico.
- Competitive EU product pricing likely to increase imports.
- Challenging demand picture continues, with consumers remaining sensitive to prices, reducing volumes purchased and switching to cheaper proteins.



# LAMB

2023 was a year of change for the UK sheep market. Old season prices in the first quarter were pressured on 2022 prices, with growth from April. New season lamb prices from August onwards saw prices exceed 2022 until the end of the year.

Production for 2023 fell slightly according to Defra statistics. This came from a fall in adult sheep kill, and slightly lower clean sheep carcase weights.

For the year to date (Jan – Nov), the UK imported less sheep meat than 2022, especially in the first half of the year. The second half of 2023 was marked by increased pressure from imports, following the ratification of key trade deals with Australia and New Zealand. Despite this, overall growth in imports was not significant. Exports, on the other hand, grew in volume compared to 2022.

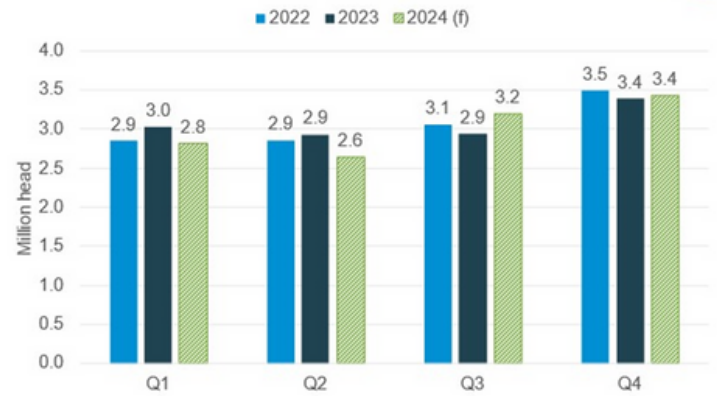
In 2023, total lamb consumption volumes declined slightly (-1%) year-on-year, with retail demand affected by consumer budgets, partially offset by increased foodservice volumes.

The out-of-home market for lamb is expected to remain elevated compared with pre-covid levels, but may struggle compared to the previous year due to decreased consumption in dine-in, on-the-go, and takeaway options, but also because of lamb commanding less space on menus compared with cheaper proteins.

## Opportunities to increase demand for lamb include:

- Providing inspiration for tasty, easy to cook lamb dishes in a way that gives reassurance to consumers who may be less familiar with how to cook lamb
- Ensuring that lamb is present on menus to capture out of home dining occasions.
- Capitalising on seasons consumers associate lamb such as Easter, Christmas and festivals such as Eid, with strong campaigns.

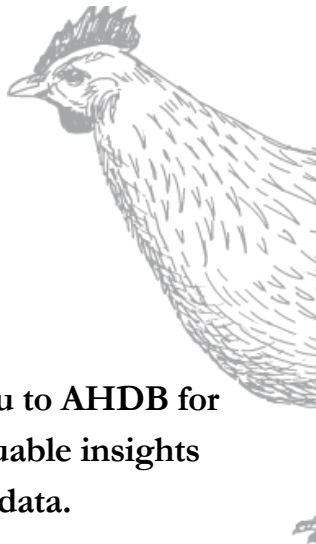
## Actual and forecast UK clean sheep slaughter



Source: Defra, AHDB forecasts in hashed bars

## Lamb Market Insight From AHDB

- Production is expected to decline for 2024 by around 1%, following contraction in the breeding flock, and limited expansion in the lamb crop.
- Consumption is expected to fall by 2% compared to 2023, as eating-out has not returned to pre-Covid levels, and retail volumes suffer from the cost-of-living crisis.
- Imports are forecast to expand, up around 4% from 2023, as lower priced product from Australia and New Zealand drives growth in volumes.
- Exports are forecast to decline by 1%, in line with lower domestic production.



# POULTRY

January 2024 in comparison to January 2023 from [GOV.UK](https://gov.uk):

- UK commercial layer chick placings were up 20% at 2.8 million chicks
- UK broiler chick placings were down 0.3% at 110.6 million chicks
- Turkey chick placings were down 36% at 0.6 million chicks
- Turkey slaughterings were up 86% at 0.8 million birds
- UK broiler slaughterings were up 3.1% at 108.4 million birds
- Total UK poultry meat production was up 3.8% at 195.2 thousand tonnes

Bird flu in Poland is affecting price of polish chicken and turkey especially fillets and turkey breast. We are also seeing increases in Red Tractor chicken from the UK as the demand for poultry remains high.

Thank you to AHDB for their valuable insights data.