



Campbell

BROTHERS

Meat Market Report

Winter 2024

This report combines insights from our buying and sales teams with AHDB data to provide current information on the meat market, aiding your menu development and innovation.



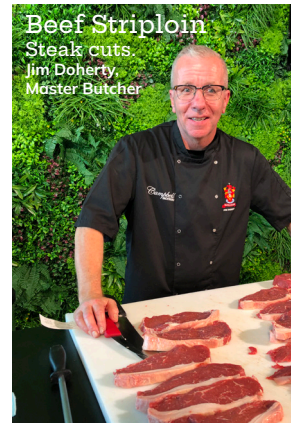
Neil McCole, Director of Sales

As we approach a busy Christmas season, we anticipate a recovery in trade after a challenging summer marked by flat foot traffic due to cost-of-living concerns. Many customers are dining out less frequently, and spending less, and establishments are reducing operations or menu options, yet diners are willing to pay more for a quality experience. Despite these challenges, Campbell Brothers is committed to partnering with clients to help improve margins without compromising quality or service.

Our expert team is here to assist you—please reach out. Thank you for your continued support during these difficult times in the food industry.

Neil's top tip for Winter:

When buying whole cuts of meat, such as beef striploin, it's crucial to compare the initial purchase price to the actual yield after processing. While the entry price may seem lower than the market average, considerable waste - up to 30% from fat and trimmings - can reduce the effective yield. As a result, the true cost of the cut may be higher than expected.



Beef Striploin
Steak cuts
Jim Doherty,
Master Butcher

Budget Statement | 2024

"Following the announcement of the Autumn Budget it is difficult to draw many positives, but we will continue to move forward for our proud industry. It is going to be challenging times for many of our small to medium enterprises suppliers and customers who now have to manage tax hikes on top of the minimum wage increases and employment rights bill. The knock-on effect could be further rising cost prices across all sectors which may be unavoidable and imminent."

Neil McCole, Director of Sales – Campbell Brothers



Poultry Turkey

The price of turkey butterflies has seen a significant increase. This rise can be attributed to two key factors:

Supply Shortages:

There is a current turkey shortage leading to higher prices due to limited supply. Contributing factors include disease outbreaks like avian flu, turkey farming issues, weather-related production disruptions in the EU, and logistical challenges.

Suppliers Behind on Frozen Commitments:

Suppliers of frozen turkey butterflies are falling behind on commitments due to processing delays, production bottlenecks, and unexpected demand spikes. This has led to limited frozen stock, tightening the market further.

Christmas Turkey Outlook:

As Christmas approaches, there should be enough turkeys available. However, due to ongoing shortages of chilled and frozen turkey butterflies, prices are expected to be about 25% higher than in July and may continue to rise.



Supply Chain Constraints:

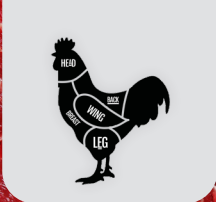
Despite sufficient bird availability, delays in frozen commitments or processing could worsen price hikes.

Higher Farming and Feed Costs:

Increased costs for turkey farming, like feed and labour, are usually passed down the supply chain, leading to higher consumer prices during the holidays.

In summary...

In summary, while there should be enough turkeys for Christmas, supply issues and limited frozen stock are driving up prices for turkey butterflies. If you haven't contacted Campbell Brothers about your needs, please do so.



Poultry **Chicken**

EU fresh chicken prices are stable, with adequate supply meeting current demand, despite an 8% increase since early July. In the UK, prices have risen by about 5%, driven by supply chain partners committing to higher welfare standards, following a 3% increase in July. While this benefits committed clients, it also comes at a cost.

UK

Higher Welfare Chicken Commitment:

Many UK chicken producers are moving towards higher welfare standards. This initiative addresses issues like fast growth breeding, high stocking density, and slaughter practices by banning cages and multi-tier systems. While chickens will still be kept indoors, they will have more space and access to natural light and perches, promoting a slower growth potential. Although producer yields will decrease, costs will remain the same and will likely be passed on. Campbell Brothers are dedicated to partnering with key stakeholders to provide clients with higher welfare poultry.

Increased Demand Pressure:

A rise in demand for fresh chicken, often influenced by seasonal factors, can lead to upward price pressure. If demand surpasses supply, prices are likely to spike, causing volatility in the market.

Rising Production Costs:

The poultry industry is facing increasing production costs, including feed, labour, and energy. Suppliers may pass these costs onto buyers, further driving up fresh chicken prices.

EU

Current supply of fresh chicken is stable, with suppliers meeting demand effectively, helping to keep prices stable.

In conclusion...

EU fresh chicken prices are stable for now (October) after absorbing increases since July. However, increased demand and suppliers' pricing strategies may lead to future fluctuations. Meanwhile, UK chicken prices remain volatile as farmers adjust their throughput and profit margins. Buyers should be ready for potential price increases as these dynamics develop.



Beef

Beef prices are rising due to supply chain disruptions and market dynamics, with UK/IRL cattle prices increasing 5% - 20% since July. Cuts like rump, featherblade, and flat iron have seen the highest price hikes as clients seek affordable steak options for their menus.

Shortage of Cattle:

The price surge in beef is largely due to reduced cattle availability for slaughter, creating an imbalance between supply and demand.

Key factors for this shortage include:

- Declines in cattle herds from disease, farming changes, or environmental pressures.
- Weather conditions impacting feed availability for sustaining large herds.




Farmers Holding Back Animals:

Some farmers are delaying sending their cattle to market, anticipating higher beef prices in the future. This strategy aims to maximise profits but can create a cycle of rising prices due to suppressed supply. While it may benefit individual farmers temporarily, it worsens the overall supply issue and increases pressure on prices.

Imports: Affected by Shipping Issues

The UK relies on imports to supplement its beef production, primarily from Ireland, Brazil, and Argentina. However, shipping problems have decreased the amount of beef available in the UK, leading to higher prices.

Key factors behind these issues include:

-  Delays at ports due to labour shortages, increased demand, or regulatory bottlenecks.
-  Rising shipping costs caused by higher fuel prices and limited shipping container availability.
-  Logistical challenges linked to Brexit and pandemic-related disruptions in global shipping.

Deadweight cattle prices
Week ending 05 Oct 2024

	Price p/kg	Change on week	Change on year
GB			
Steers	512.2	+2.9 ▲	+30.8 ▲
Heifers	507.5	+2.1 ▲	+28.7 ▲
Young bulls	495.3	-1.4 ▼	+32.4 ▲
Cows	359.9	+1.1 ▲	+31.2 ▲

Deadweight cattle prices include all classifications

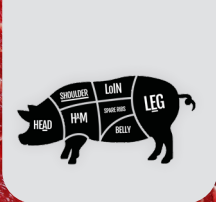
Estimated cattle slaughtering
Week ending 05 Oct 2024

	Number	Change on week	Change on year
GB			
Steers	17,818	-400 ▼	+899 ▲
Heifers	13,378	-255 ▼	+286 ▲
Young bulls	3,174	+161 ▲	+477 ▲
Cows	11,656	+1,537 ▲	-396 ▼

Source : AHDB

In conclusion...

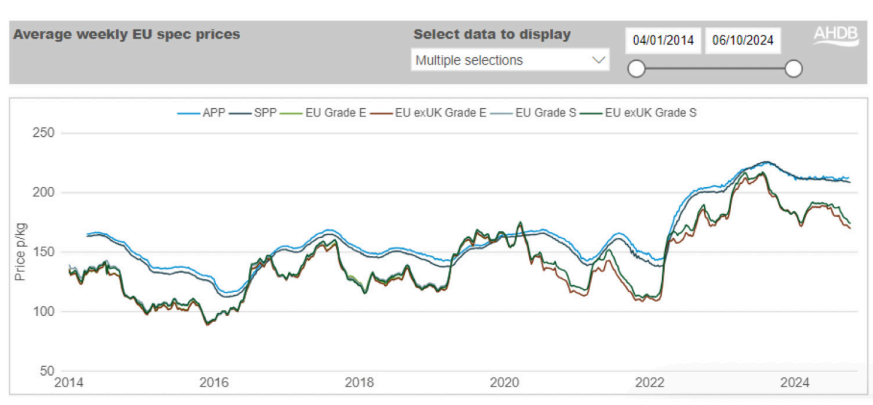
The rise in beef prices in the UK stems from several factors: a shortage of cattle for slaughter, farmers withholding cattle for better prices, and shipping disruptions limiting imported beef. These combined issues have created a supply crunch, driving prices higher. As long as these challenges continue, the UK beef market is likely to face ongoing price pressures due to the supply-demand imbalance.



Pork

UK & Import: Stability in supply levels

Over the next three months, the pork market is expected to remain relatively stable however again it is important to note that since July we have absorbed an average 3% increase across the carcass cuts.



Source : AHDB

Steady production levels:

Pork production in the UK and Europe remains stable, with supply meeting consumer demand and preventing price fluctuations. The industry has adapted well to market needs, ensuring a consistent output.

Seasonal demand and therefore pricing spikes expected

As the festive season approaches, demand for certain pork products is expected to rise, leading to potential price spikes. Although the overall pork market will remain stable, some specific products may face temporary supply strains as processors work to meet holiday demand.

Boneless Rindless Belly for Streaky Bacon:

During the festive season, demand for streaky bacon, made from boneless rindless pork belly, increases significantly for holiday dishes like pigs in blankets. This surge in demand can lead to tighter supply and higher prices as suppliers work to meet the holiday rush.

Manufacturing Meats for Sausages:

Festive sausages, such as pork sausages, chipolatas, and Cumberland sausages, are in high demand during the holiday season. Their production uses specific cuts of pork, like shoulder and trimmings, which are ground for consistency and flavour. As demand increases, the supply of these cuts tightens, resulting in higher prices.

In conclusion...

The UK and European pork market is expected to remain stable over the next three months, but demand for boneless rindless belly and manufacturing meats will increase during the festive season, leading to typical holiday price spikes.



Lamb

Lamb prices have risen by an average of 5% over the last three months, but due to the returning banqueting season, cuts like lamb racks and rumps are seeing price increases of up to 15% as producers try to manage demand and achieve carcass balance.

Seasonal surge

The lamb market typically experiences a significant boost in the run-up to Christmas, largely due to a seasonal surge in demand. This seasonal trend has a noticeable impact on the market:

Increased Consumer Demand:

During the holiday season, premium cuts of lamb, like legs, are in high demand for larger meals and gatherings.

Cultural Preferences:

Lamb is a traditional dish in many countries, especially popular during festive holidays like Christmas and New Year.

Seasonal Focus in Retail:

Ovine production focuses on supplying the lamb retail trade during the holiday season, with producers prioritising the cutting and packaging of high-demand cuts like legs and shoulders for festive meals.

Fewer Lambs Available:

Lamb production is seasonal, peaking in spring and summer. By winter, the supply of new lambs decreases, coinciding with high demand during Christmas, which tightens availability.



Price Firming:

Increased demand causes lamb prices to rise as suppliers and retailers anticipate strong sales. This pressure on prices occurs as suppliers work to meet demand while managing limited inventory.

Deadweight sheep prices
Week ending 05 Oct 2024

	Price p/kg	Change on week		Change on year
GB				
NSL R3L	626.6	-13.9	▼	+76.1 ▲
NSL SQQ	624.0	-16.0	▼	+74.4 ▲
OSL R3L	-	-	-	-
OSL SQQ	-	-	-	-

OSL = Old season lambs, NSL = New season lambs. Slaughtering table refers to clean sheep. "-" means no data available

Estimated sheep slaughtering
Week ending 05 Oct 2024

	Number	Change on week		Change on year
GB	210,096	+2,442	▲	-23,073 ▼
NI	9,994	-370	▼	-1,532 ▼

Source : AHDB

In conclusion...

In summary, the combination of higher seasonal demand, focused production on specific cuts, and reduced overall supply leads to a consistent pattern where lamb prices rise during the festive season. This trend is predictable and expected as consumers prioritise lamb for Christmas and New Year celebrations.

