



BIRTWISTLES

Market Report

April 2016

Market Report

April 2017



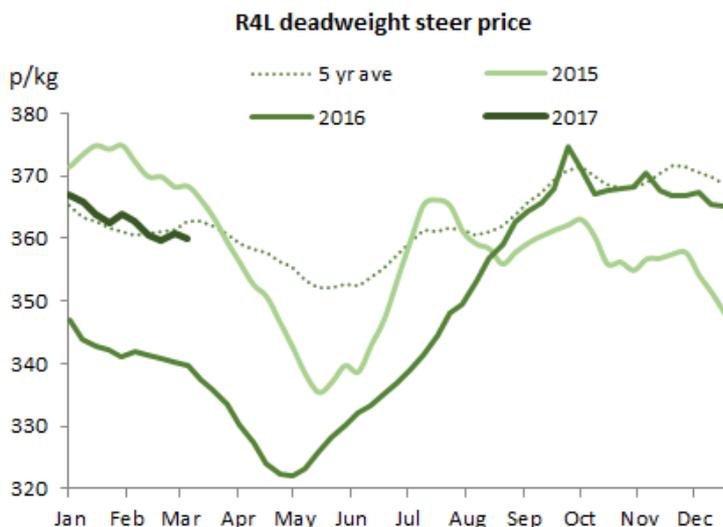
Beef - UK

Noise coming from the processors suggests that availability has tightened with no signs of this easing. Booking queues in Scotland has resulted in them looking to the English and Welsh markets to ease the pressure.

As the weather improves farmers will begin to move their cattle outdoors to grass feed meaning processing costs will reduce. This may enable some easing in cattle prices.

Despite the modest downturn in prices it has been suggested that kill numbers are down circa 900 head per week suggesting that prices are dipping in parallel with demand.

However, somewhat contradictory of the drop in cattle prices, UK manufacturing trims have begun the seasonal upward trend. As the warmer weather and lighter nights close in, burger manufacturers enter into their busy period. Steak cuts prices have slowly started to strengthen again as retail promotional activity starts to kick in. Round cuts continue to ease off.



Source:AHDB

Beef - Brazil

The Brazilian beef trade suffered some serious reputational damage in March with the news of corruption and bribery and rumours of poor condition meat being over looked at port inspection making it into tabloids worldwide. However, this scandal only seemed to last a week with the majority of suspensions being lifted with the exception of the units directly involved. In the aftermath of the somewhat short lived scandal, beef exports fell dramatically in the final 2 weeks of March. Export totals dropped below \$100,000 when the usual figure are somewhere within the region of \$15million.

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Lamb

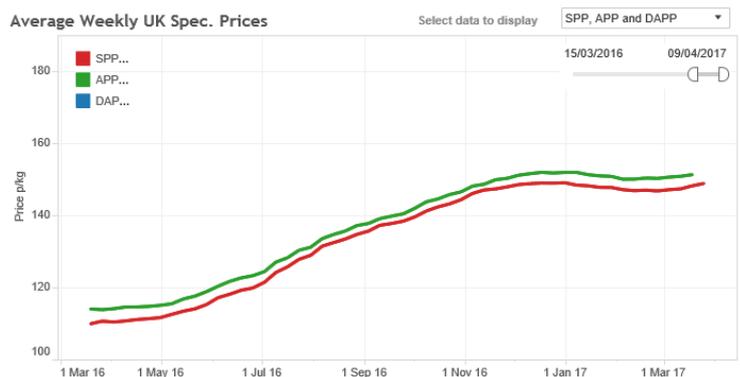
As we are firmly into the hogget season prices have shown some stability throughout March with prices remaining flat as we approach the new season. The deadweight price has reached its highest position seen so far in 2017. Year on Year prices are 18p lower than in the same week in 2016 however this will have a lot to do with last year's Easter falling so early (27th March as opposed to 16th April). The week on week stability comes despite a five per cent increase in the number of lambs coming to market compared to the previous week. However, the number of lambs penned was ten per cent below last year's levels as the earlier Easter period led to higher numbers of throughputs. This suggests that demand in the past week has risen.



The transitional period of the season has provided many complexities with whole lamb prices reaching upwards of £6 per KG. This has resulted in wholesalers becoming reluctant to break down any carcasses providing deficits within the carcass balance.

Pork & Bacon

The UK deadweight price increased by 2.1p throughout March showing signs that the pork market continues to remain buoyant. Prices are currently £0.39 higher than at the same time last year. Throughput is also on the up with slaughter numbers week on week by 5,800 (168,000 in total) and 7,400 up on the same week last year. Reports issued by Defra suggest that as of the beginning of December 2016 UK pig herd numbers had increased by 3% (4.5 million) showing some signs that farmers are in a more confident about the conditions of the market.



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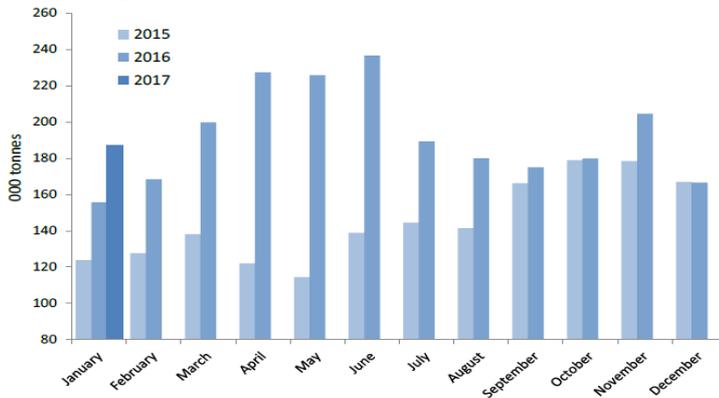
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EU Fresh/Frozen Port Exports



Prices on the continent are also heading upwards with bacon, loins, shoulders, bellies and legs all increasing by between £0.15 and £0.20 per kilo showing signs that producers across the EU are enjoying much more positive market conditions compared with this time last year. This is mainly relating to strong growth in the demand from the Asian markets.

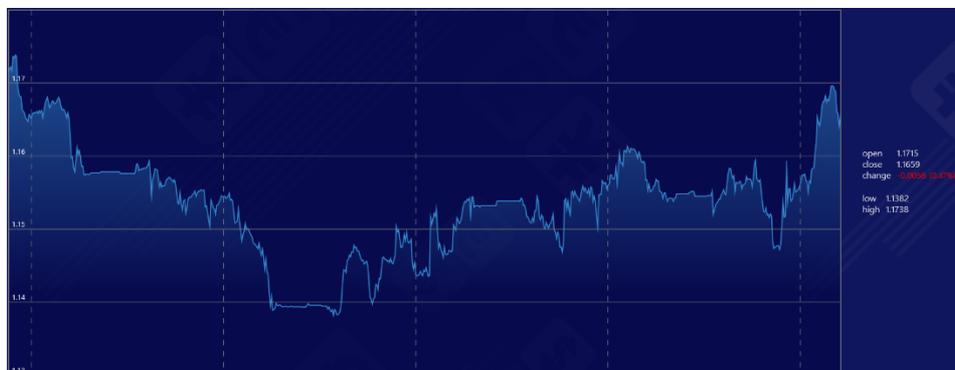
Poultry

UK and EU chicken prices have started to strengthen and will be expected to increase throughout April following extended periods of market stability. Feed prices continue to increase for poultry producers with spot prices for soya raising £8 per tonne. Avian Influenza is still causing disruption with estimations of AI population spreading further as the weather gets warmer.

Turkey prices are set to increase for 2017. As negotiations begin on securing Turkey for Christmas the immediate hurdle presented by the massive difference in currency has driven prices upwards. As negotiations began in 2016 the €/£ rate was sitting nicely at €1.28. As we stand the FX rate for the euro is €1.165 resulting in a difference of circa £0.24 per KG.

Currency

As article 50 has been issued a lot of questions were answered relating to the immediate impact on currency were answered. The Euro has remained steady against the £ has remained relatively flat as it started and finished March hovering around the €1.165 - €1.17 mark. In the last week the £ has strengthened against the Euro but there is uncertainty as to whether it is the £ strengthening or the € weakening?



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