



BIRTWISTLES

Market Report

JANUARY 2023

Market Report

JANUARY 2023



Welcome to our Market report for January

Key Points to Note

- Beef Overview
- Global Beef Outlook
- Pork Overview
- Lamb Overview
- Poultry Overview
- Avian Bird Flu - Latest

Call 0161 776 1263
BIRTWISTLES.COM



BIRTWISTLES
Catering Butchers

Market Report

JANUARY 2023



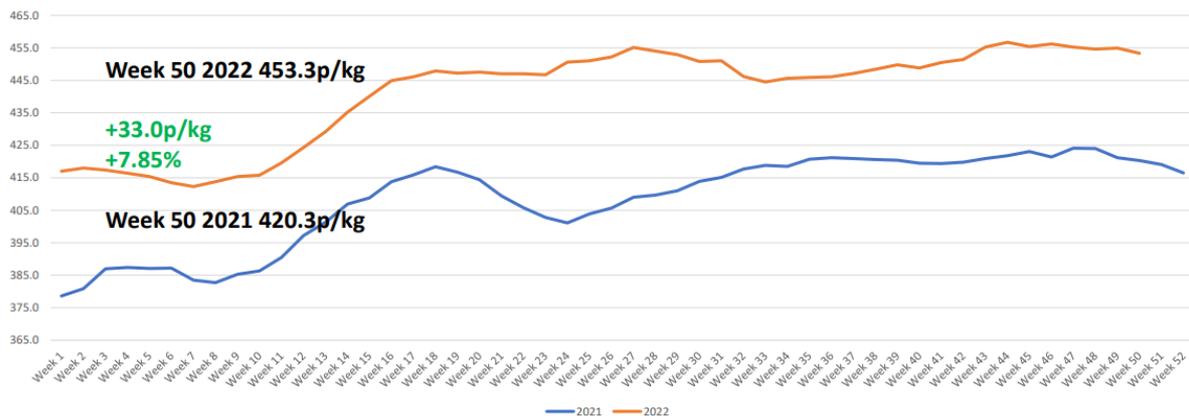
Beef Overview

The average price is now 33p higher than year-earlier levels, and 80p higher than the longer-term average. Both heifers and young bulls recorded a week-on-week increase in their average too.

The cull cow average, conversely, continues to decline, although it continues to be significantly higher than both 2021 levels and the 5-year average.

GB Deadweight Prices
Week 50 2022
Source: AHDB MI

Weekly Price Movement
Week 50 2022 453.3p/kg
Week 49 2022 454.9p/kg
-1.6p/kg
-0.35%



Seasonal demand for Beef Ribs and Fillets both saw premiums. Briskets and roasting joints remain firm with increased demand along with any forequarter cuts as January approaches along with the need to look for more value. While supply has remained plentiful for most items we are about to enter two short production weeks which will of course reduce kill numbers and reduce delivery days.

Call 0161 776 1263
BIRTWISTLES.COM



BIRTWISTLES
Catering Butchers

Market Report

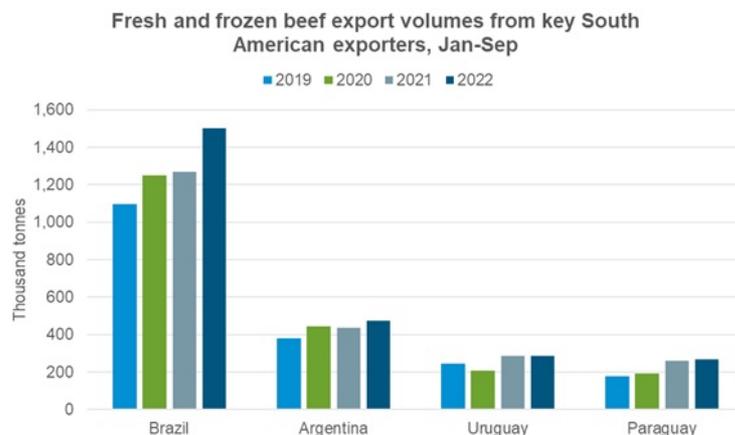
JANUARY 2023



Global Beef Outlook

South America

Beef exports from the Mercosur bloc (South American Trade Bloc) continue to be dominated by Brazil. Looking into 2023, the USDA (U.S Dept for Agriculture) is forecasting this trend to continue, with Brazil anticipated to increase total exports by 1%, while other key South American nations are expected to record declines of up to 3% in total export (Argentina, Paraguay, Uruguay).



When looking into the trade flows, recent trends continue to be cemented, with Brazil's export to China up 30% for total fresh and frozen beef product on a year to date basis, when compared to the same time period in 2021 (where well-documented in our previous reports disruptions to trade from the Mercosur block prevented year-on-year growth). While China's demand for beef is expected to soften slightly through 2023, Brazil is still expected to gain market share because of slight declines in North American production.

Impact on the UK marketplace

Closer to home, the UK's imported beef volumes (total fresh/frozen) from South America have demonstrated a recent increase, most notably from Brazil. While some substantial increases have occurred since 2017, this period has been very turbulent for beef imports from South America with both Brexit and more recently the COVID-19 pandemic having an impact on the levels of imports. Taking a longer-term view, fresh and frozen beef imports from Brazil are returning to levels almost identical to those seen in 2013 and 2014.

One key domestic market for South American fresh/frozen beef is our UK's foodservice market, which as we know was hit particularly hard throughout the pandemic. While we continue to see some positive increases for total beef consumption within food service (up 26.3% year on year) impacts as a result of the cost-of-living crisis, combined with labour issues and continued supply chain disruption, risks further disturbance, which could result in further changes in the marketplace.

Call 0161 776 1263
BIRTWISTLES.COM



BIRTWISTLES
Catering Butchers

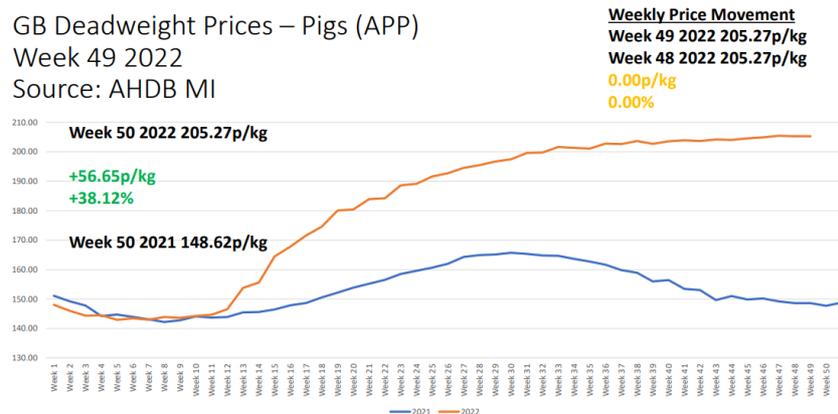
Market Report

JANUARY 2023



UK Pork Overview

GB deadweight pig prices have held above the £2/kg price as markets remain flat, with the prices fluctuating between 200.09p/kg and 200.55p/kg. Weekly prices have also remained flat across the APP (All Pig Price), with the APP averaging 203.95p/kg on the previous four-week period.



Input prices are still high, remaining significantly above year earlier figures. Despite record pig prices, they remain some way off covering the estimated cost of production, with Octobers Cost of Production figures published estimate sitting at 232p/kg. Although feed ingredient prices have eased slightly, feed prices continue to hold, against a backdrop of pressure on grain markets.

Deadweight prices

w/e 29 Oct 22¹
200.22p/kg

w/e 30 Oct 22²
172.17p/kg

¹ GB EU-spec SPP
² EU grade E reference price

Input costs
(annual change)

Oct22¹
+51% yoy

fuel

Oct22²
+23% yoy

feed wheat

Aug22
232p/kg

COP

¹UK red diesel
²delivered, EAnglia (Nov)

Spot compound feed prices eased in the last three months compared to the highs of April, May and June. Unfortunately, spot prices for October have risen together with significant increases in energy prices and interest rates October. Prices still do not cover the full economic cost of production, resulting in a continuing loss-making position for pig producers of around -£28 to -£33 per pig.

With pig producers experiencing continued negative margins since October 2020, it is estimated (based on the total pig slaughter numbers) that the industry has lost £737m in the last two years. Slaughtering has been lowered at some sites to 3 days a week because of high input costs.

Call 0161 776 1263
BIRTWISTLES.COM



BIRTWISTLES
Catering Butchers

Market Report

JANUARY 2023



UK Lamb Market Overview

New season lamb prices continued to ease following seasonal trends, however these prices remain well above the 5-year average.

GB Deadweight Prices - Sheep
 Week 50 2022
 Source: AHDB MI

Weekly Price Movement
 Week 50 2022 552.2p/kg
 Week 49 2022 561.1p/kg
-8.9p/kg
-1.59%



Deadweight prices showed slightly more stability. Deadweight prices have dipped below those seen a year ago but remain substantially higher than the 5-year average.

Input prices are still high, remaining significantly above year earlier figures and despite record high prices seen this year, farmer margins will be feeling the pressure. Although feed ingredient prices have eased from pre-harvest highs, tight supplies are keeping prices supported as we enter winter peak demand. Natural gas prices are still at historically high levels, reducing domestic production and increasing imports which is sustaining high prices.

In terms of product availability and as we enter the Winter months Lamb Shanks seem to be the most under pressure to source between now and the year-end even with increased throughputs year on year.

Prices
(w/e 29 Oct 22)

GB **Liveweight**
222.1p/kg

NSL

SQQ **Deadweight**
519.5p/kg

Cull ewe (liveweight)
£66.99/head

Input costs
(annual change)

fuel **Oct22¹**
+51% yoy

feed wheat **Nov22²**
+25% yoy

fertiliser **Oct22³**
+48% yoy

The UK has produced 200,700 tonnes of sheep meat so far in 2022 (Jan-Sep), 5% more than at the same point last year. UK lamb kill is up 4% year on year.

Call 0161 776 1263
 BIRTWISTLES.COM



BIRTWISTLES
 Catering Butchers

Market Report

JANUARY 2023



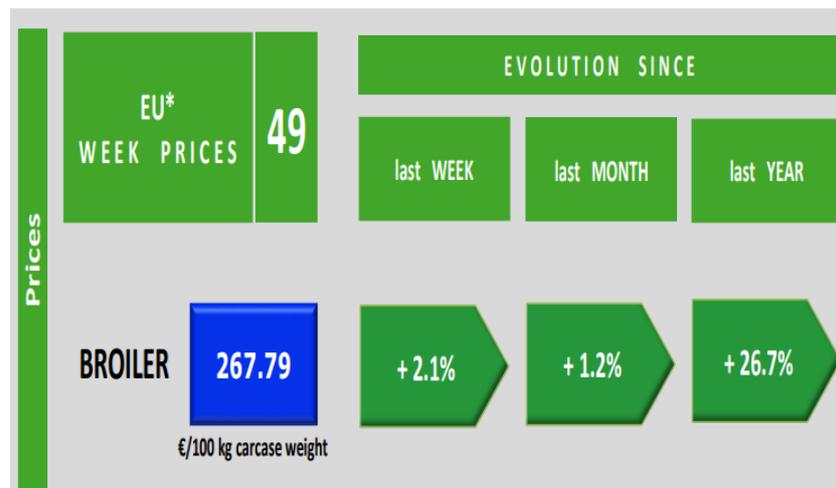
Poultry

Both UK and EU markets have remained firm and with continued pressure on production & input cost along with the ongoing effect of Avian Bird Flu that has ripped throughout the UK and Europe.

Prices will look to remain firm into 2023 with producers adjusting their numbers rather than over produce and lose money. Demand will still remain in the hospitality sector but to what level when the reality of the energy increases really start to bite throughout January and February.

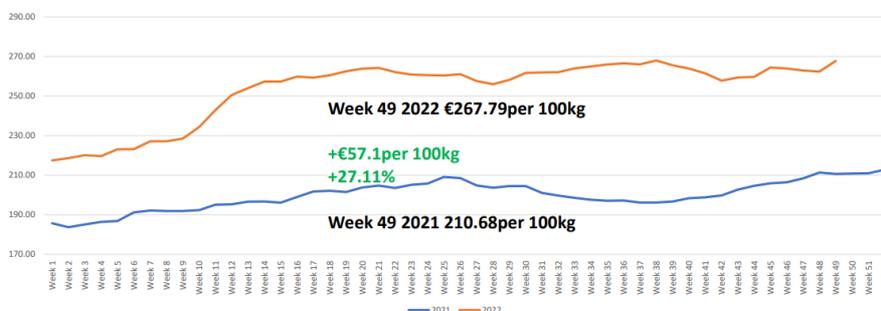
The week on week and month on month increase in EU birds is significant and affected by the lack of numbers and also an alternative to turkey.

In the EU products such as Guinea Fowl, Corn Fed Chicken Supremes, Duck Legs & Breasts are still in short supply as a result of decimated flocks due to Avian Bird Flu. This will take time to return to normal levels in 2023. Confit Duck Legs are still not available.



EU Poultry Prices (€ per 100kg carcass)
Week 49 2022
Source: European Commission

Weekly Price Movement
Week 49 2022 €267.79per 100kg
Week 48 2022 €262.38per 100kg
+€5.4per 100kg
+2.06%



Call 0161 776 1263
BIRTWISTLES.COM



BIRTWISTLES
Catering Butchers

Market Report

JANUARY 2023



Poultry set to take nearly half of the global meat market by 2031

The long-term shift towards poultry will continue to strengthen, in part due to a preference for white meat among high-income countries. This is because poultry is seen as easy to cook, healthier and it is perceived as a better choice. In middle and low-income countries, poultry is seen as a cheaper alternative to other meats. As a result, the Outlook predicts that protein availability from poultry will rise by 16% by 2031 and by then will constitute 47% of the protein consumed from meat sources, followed by pork, lamb and beef.

Poultry meat consumption has risen in virtually all countries and regions with consumers attracted by lower prices, product consistency and adaptability, as well as higher protein/lower fat content. Consumption of poultry meat is expected to increase globally to 154mt over the projected period, reflecting the significant role it plays in the national diet of several populous developing nations, such as China, Indonesia, India, Malaysia, Pakistan, Peru, the Philippines and Vietnam.

In the shorter-term, the shift in meat consumption from foodservice to home cooking that occurred during the Covid-19 pandemic is expected to remain short-term, with consumers reverting to prior expenditure patterns as restrictions are lifted.

Meeting demand

Global meat supply will expand to meet rising demand, reaching 377mt by 2031, but this will be slower than in the last decade. Global herd and flock expansion means that China is projected to account for most of the increase in meat production, followed by the United States, Brazil and India. By contrast, meat production in the European Union is expected to fall during the period due to increasing domestic and environmental costs and reduced export opportunities.

This increase in global meat production will be influenced mainly by growth in the poultry sector, with poultry numbers rising to 31 billion head. As a result, greenhouse gas emissions (GHG) by the meat sector are projected to rise by 9% by 2031 – less than the 15% increase in meat production given the rising share of poultry and productivity increases that yield higher production of meat per animal and thus a lower ratio of GHG emissions per unit of meat output.

Call 0161 776 1263
BIRTWISTLES.COM



BIRTWISTLES
Catering Butchers

Market Report

JANUARY 2023



Avian Flu Update

In the United Kingdom, there have been 151 confirmed cases of highly pathogenic avian influenza (HPAI) H5N1 since 1 October 2022:

- 134 cases in England
- 13 cases in Scotland
- 3 cases in Wales
- 1 case in Northern Ireland

There have been 268 cases of (HPAI) H5N1 in England since the H5N1 outbreak started in October 2021.

Update 22 December 2022

Highly pathogenic avian influenza (HPAI) H5N1 was confirmed in other captive birds on 21 December 2022 at a premises near Horley, Reigate and Banstead, Surrey (AIV 2022/233). A 3km captive bird (monitoring) controlled zone was put in place around the premises. All birds on the premises will be humanely culled.

Final Thought

“A New Year”

“A Fresh Start & Infinite Possibilities”

Call 0161 776 1263
BIRTWISTLES.COM



BIRTWISTLES
Catering Butchers