



BIRTWISTLES

Market Report

JUNE 2023

Market Report

JUNE 2023



Welcome to our Market report for June

Key Points to Note

- Beef Overview
- Pork Overview
- Lamb Overview
- Poultry Overview
- Turkey Update
- Australia & NZ Trade Deal
- Avian Bird Flu - Latest

Call 0161 776 1263
BIRTWISTLES.COM



BIRTWISTLES
Catering Butchers

Market Report

JUNE 2023

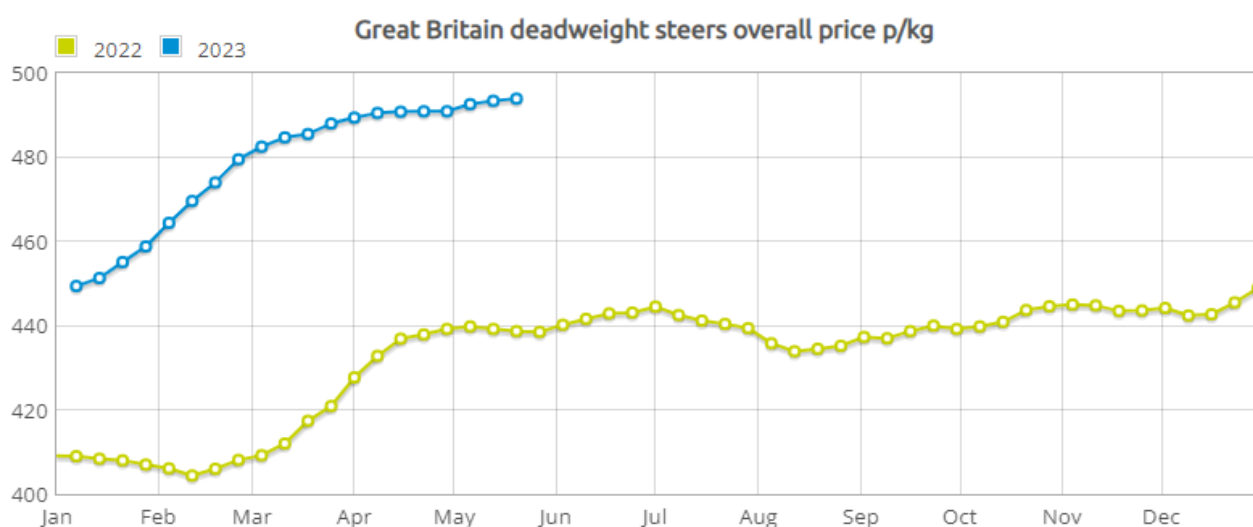


Beef Overview

Finished beef prices at abattoirs and auction marts remain exceptionally high, with tight supply and good retail demand.

Further support for sales of steaks and burgers at retail for barbecues is projected with a period of warmer weather now forecast. An uptick in trim prices for mincing has reflected this seasonal trend.

GB deadweight steers were up 55p/kg on the same week last year to average 493.9p/kg for the week ending 20 May, while heifers averaged 491.1p/kg.



Global beef trade

Exports are predicted to be fractionally higher for 2023, as declines in US exports are offset by increases from Australia and Brazil.

Tighter supplies and exportable surplus in **Argentina and Uruguay** mean **Brazil** have more of a chance to export.

Brazil expects to increase its exports of beef over the next year, with predictions of +4% from 2022. Brazil is set to slightly increase its exports to China, despite 4-week loss of market access due to a case of atypical BSE.

There is also expected to be reduced competition for exports to China due to lower availability of supplies in Argentina and Uruguay, with a weaker exchange rate meaning that Brazilian imports to China will be cheaper.

Exports from **Australia** are set to increase by 13% from 2022 levels, following on from greater production and more price competitive carcasses, which will move shipments to the US and East Asia. The increased export capacity of Australia is expected to take market share away from the US in East Asia, and more product is expected to move to the US from Australia.

Call 0161 776 1263
BIRTWISTLES.COM



BIRTWISTLES
Catering Butchers

Market Report

JUNE 2023



First container of Irish beef arrives in China

A container of Irish beef (supplied by ABP) arrived into the port of Shanghai last week. The lifting of the suspension by the General Administration of Customs of China (GACC) has paved the way for an extensive relaunch and promotional campaign by Bord Bia's Shanghai office for the coming months.

Irish beef is back into the Chinese market after a suspension of almost three years. Bord Bia is now engaged in an Irish beef relaunch campaign focusing on trade seminars, chef demonstrations, and media engagement. Over the last month, they have been exhibiting at two major international meat trade shows in China – the China International Meat Industry Exhibition (CIMIE) and SIAL China in May– to showcase Irish beef to Chinese buyers.

After first entering in 2018, Ireland quickly established a reputation as a leading supplier of grass-fed beef in China.

Foodservice remains the primary channel for beef consumption in China, with frozen beef making up an estimated 60% of the total consumption. Bord Bia's Insight and Planning Specialist for Asia, Evelyn Chiang, says a key trend emerging in the foodservice sector is the preference for chains of restaurants to use imported beef.

Chinese consumers highly value the quality of their food ingredients and the quality of imported beef is highly regarded, presenting a significant opportunity for Irish beef suppliers. Hot-pot restaurants, steakhouses and barbecue restaurants are all seeking high-quality and reliable imported beef, which is great news for Irish companies in the market.

Call 0161 776 1263
BIRTWISTLES.COM



BIRTWISTLES
Catering Butchers

Market Report

JUNE 2023



Pork Overview

Pig prices still at record highs while slaughter numbers remain at record lows

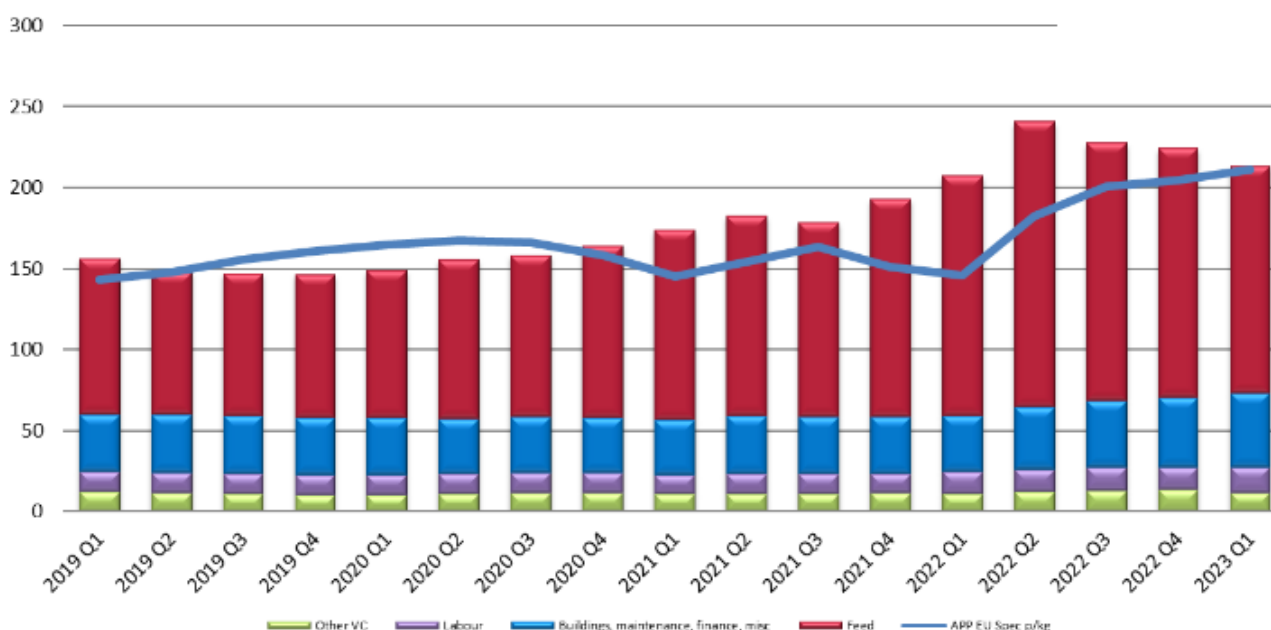
Prices are still on the move with the pressures on input costs farmers have faced including feed and energy. Pork is still a great alternative on a market that has seen increases across all proteins.

Let's take a look in more detail at the all-pig price (APP) cost of production and the NET margins if any over the last twelve months and you can see even now with the increase's farmers are barley breaking even, it has taken almost three years to return to this point.

Pork Cost of Production and Net Margins

Quarterly Estimated total costs and APP p/kg

Source: AHDB



Call 0161 776 1263
BIRTWISTLES.COM



BIRTWISTLES
Catering Butchers

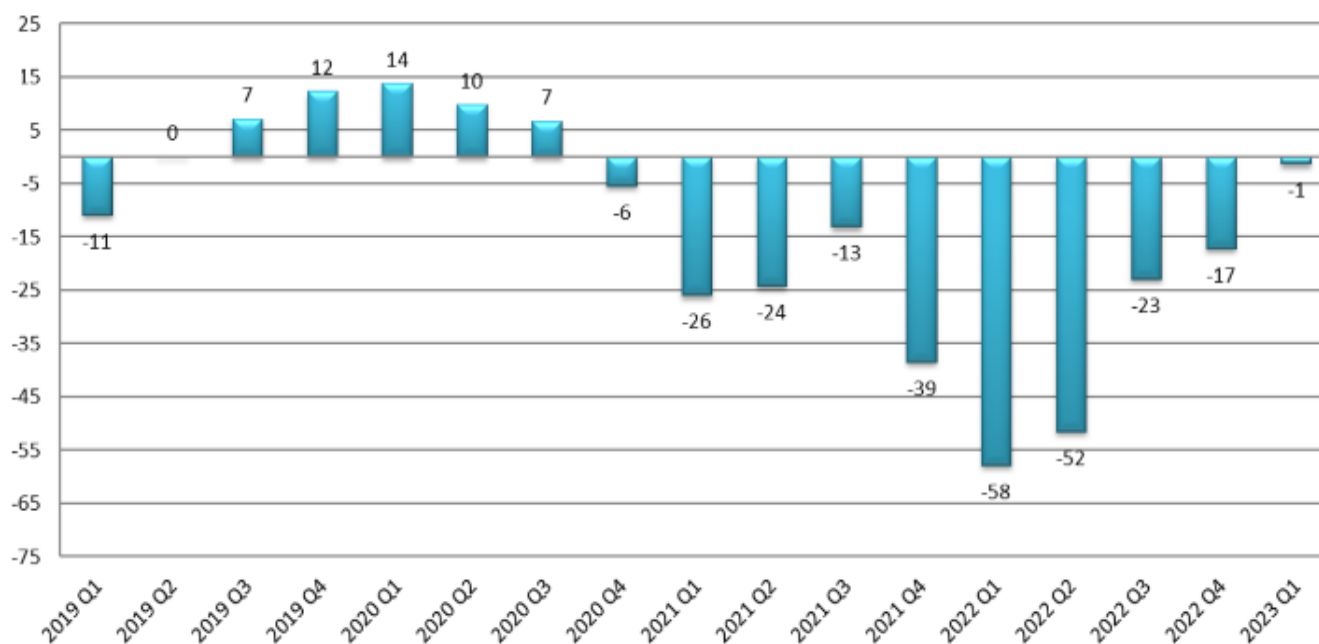
Market Report

JUNE 2023



Quarterly Estimated Net Margins £/head

Source: AHDB



Pig prices have gained momentum throughout the first quarter of the year, reaching all-time highs. These price increases help bring the cost of production closer to breaking even.

These estimates use the latest performance figures for breeding and finishing herds for the 12 months ending 31 March 2023. It indicates that the full economic cost of production for **2023 Q1 is estimated at 213p/kg deadweight**, with margins per slaughter pig estimated at **-£1 per head**.

Call 0161 776 1263
BIRTWISTLES.COM



BIRTWISTLES
Catering Butchers

Market Report

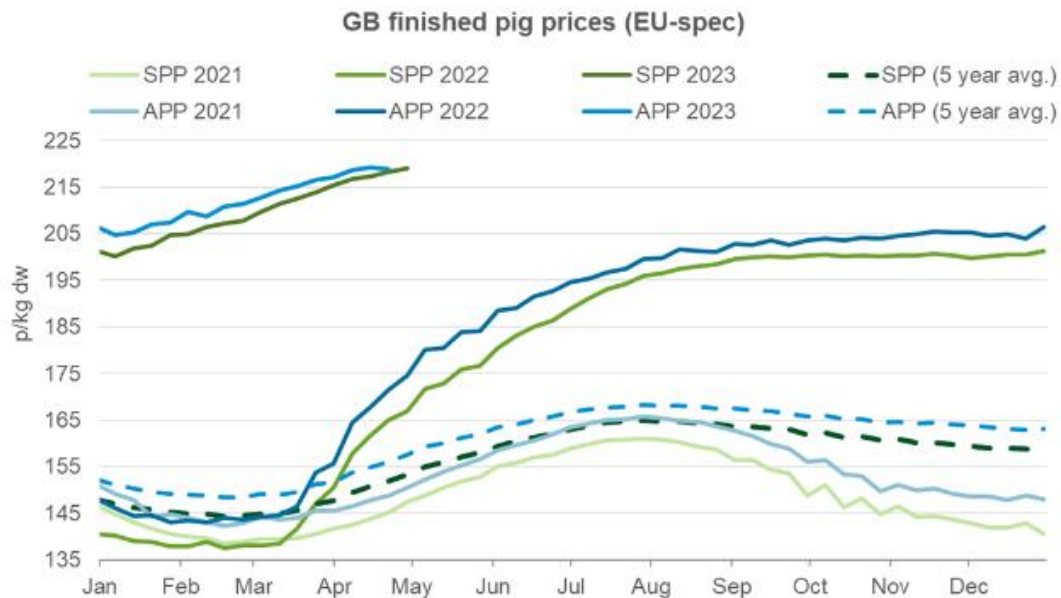
JUNE 2023



18th consecutive weekly rise for Standard Pig Price

The EU-spec Standard Pig Price (SPP) increased by a further 0.33p to reach 220.48p/kg during the week ended May 20, as tight supplies and strong EU prices continue to drive the pig price up to new highs.

The latest rise follows the previous week's increase of 0.62p, taking the price index above 220p/kg for the first time, and continues the unbroken upward movement in 2023. The SPP has now risen for 18 consecutive weeks since the start of the year, gaining more than 20p in the process. It currently stands at 45.5p ahead of a year ago.



Call 0161 776 1263
BIRTWISTLES.COM



BIRTWISTLES
Catering Butchers

Market Report

JUNE 2023

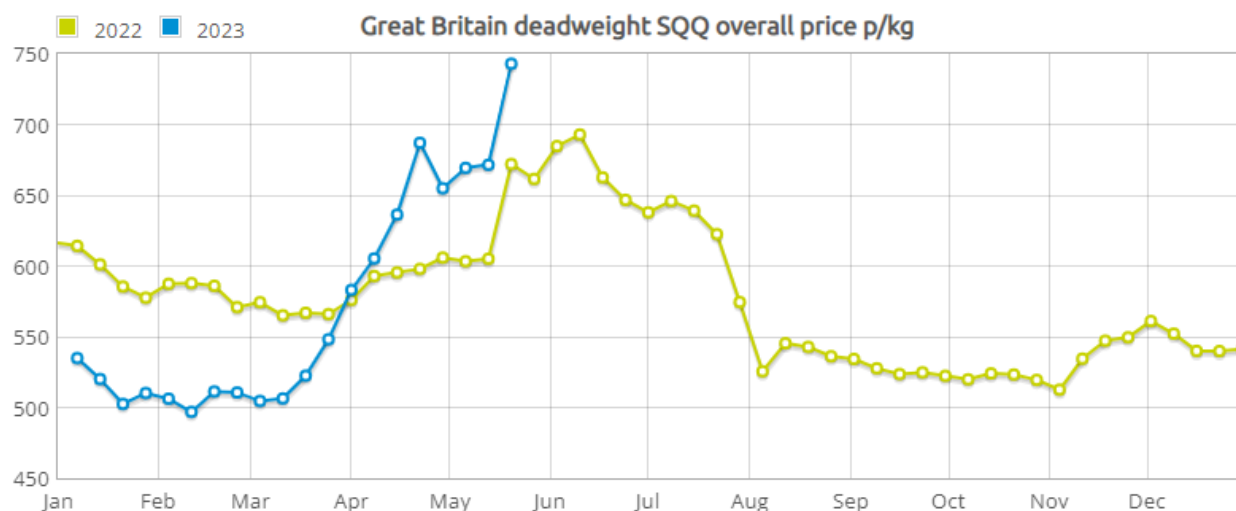


UK Lamb Market Overview

A firm start for new season lamb supported by strong export demand and reduced imports

Sales of this year's lambs have got off to a good start, with prices at auction markets up over 10% on the year to average 7.45p/kg deadweight.

New-season lamb trade has been firm as lambs have been slow to reach markets and abattoirs, supply has been tight overall, with fewer hoggets on the market also driving their values up.



A look ahead for Lamb

Easter and Ramadan are two key consumption periods for lamb and with these now behind us, it will be important for the industry to capitalise on demand opportunities going forward.

With the three bank holidays in May, we have seen demand supported over this period.

Looking at supply for the rest of the year, the forecast is that the 2023/24 lamb crop could be broadly stable versus a year ago. Meanwhile, prices for spring lambs have rocketed.

Call 0161 776 1263
BIRTWISTLES.COM



BIRTWISTLES
Catering Butchers

Market Report

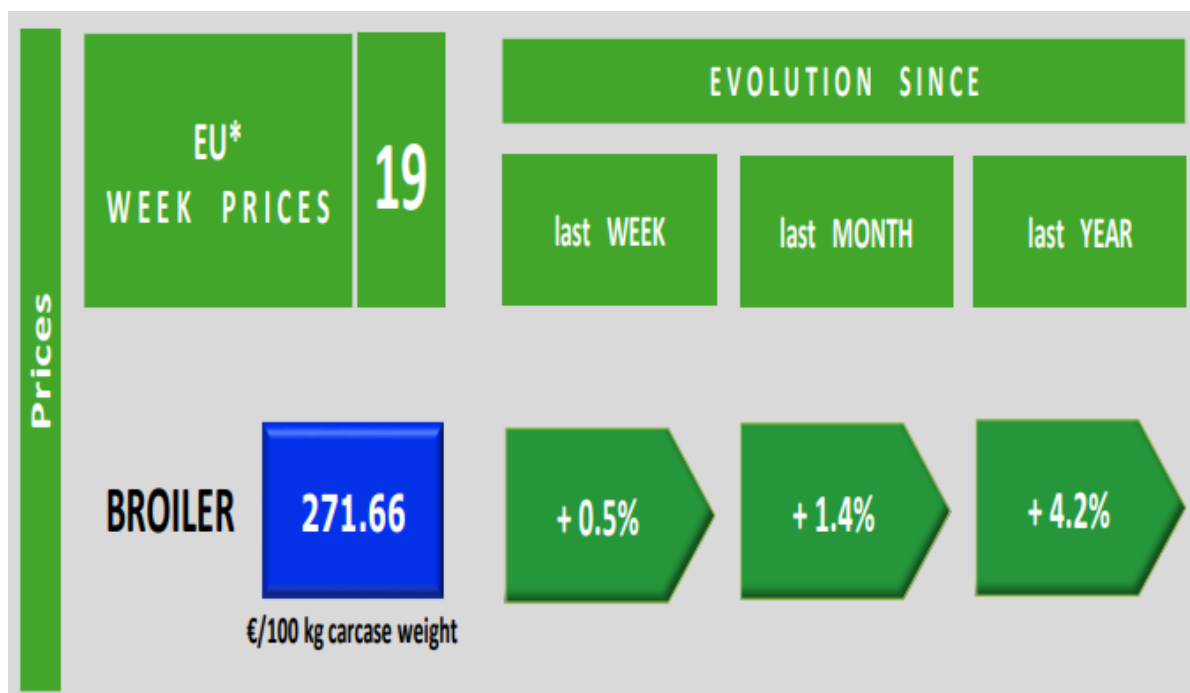
JUNE 2023



Poultry

The **UK** market has been for months now and continues to be on a supply v's demand for all casual dining lines such as wings in all forms and boneless thigh meat, fillets all being used in an ever-increasing space due to expansions. In education due to budgetary constraints legs or drumsticks & thigh meat on the bone are in demand, the last month has been particularly firm with three bank holidays in the UK and three in Europe keeping kill levels down due to short weeks and supply tight, the forecast throughout these warmer months will be much the same and if numbers stay tight then going into the Autumn could be challenging.

In the **EU** it is very much the same story with prices still hovering around record highs for broilers and affecting the price by small percentages either way on a weekly basis but these small weekly increases are still showing an increase monthly and year on year, the threat of AI is still real and numbers have been cut back to minimise losses.



Call 0161 776 1263
BIRTWISTLES.COM



BIRTWISTLES
Catering Butchers

Market Report

JUNE 2023



Turkey Overview

EU Turkey

The volumes of Birds available at present compared to the same period in 2022 is lower meaning there will be less fresh/frozen birds available. There is also less commitment from producers due to them not being able to secure insurance against Avian Influenza which decimated the supply chain in 2022.

The EU forecast indicates they will be at a strong level to start around the Autumn with and if we have another AI outbreak then this will create shortages and again and drive prices up.

UK Turkey

Like the EU indications are that there will be less UK turkey available this year from any of the major suppliers, producers have lowered their kills meaning nothing is being put down frozen, current volumes from three major UK suppliers in total are predicting 41 mt less available this year and will be prioritising retail ahead of foodservice.

As in the EU, producers are not being able to insure against their stock and so they will not commit to volumes without the customer agreeing to share half the losses in the event of an AI outbreak. Three of the big four retailers have agreed to half the losses in the event of this with the fourth currently not committed.

Call 0161 776 1263
BIRTWISTLES.COM



BIRTWISTLES
Catering Butchers

Market Report

JUNE 2023



Australia & NZ Trade Deal Update

The Australian Agricultural Company's (AACo) herd has grown by 13%, bringing the herd total to almost 433,000 animals.

This news comes ahead of the implementation of the UK-Australia Free Trade Agreement, which will see the removal of most tariffs on trade between the UK and Australia.

The agreement is due to come in to force at midnight on 31 st May 2023.

The trade agreement will allow for more Australian beef to come into the UK market tariff-free, with a tariff rate quota (TRQ) of 35,000t, rising in instalments to 110,000t within 10 years of the agreement. This is substantially more than the current levels of Australian beef imports, which are around 2,500-3,00t/year.

A number of UK farming organisations have raised concerns related to the trade deal, with some saying that UK farmers will suffer as more Australian produce becomes available in the country.

Speaking on the UK's trade deals with Australia and New Zealand, NFU president Minette Batters said:

"It's clear that UK farmers have very little to gain from these two deals; instead, we are pushing the government to focus its trade efforts on opening up markets where there's a genuine opportunity for UK agriculture to grow our sales of fantastic products overseas.

Avian Bird Flu Update

Defra eases rules on restocking after avian flu outbreak

Restocking on poultry farms following an avian flu infection can now happen less than four months after just one cycle of secondary cleansing and disinfection (C&D).

Farms were previously ordered to wait 12 months after a flock was culled before they could repopulate, if they opted for secondary C&D to a standard set by the World Organisation for Animal Health.

But, in a shift in policy, Defra says that can now take place within three months and 21 days of the premises being signed off by the Animal and Plant Health Agency (Apha).

The change is particularly welcomed by producers supplying the Christmas market, who previously would not have had sufficient time to restock although this still comes with uncertainty around insurance payments due to further AI outbreaks so bitter sweet in reality.

Call 0161 776 1263
BIRTWISTLES.COM



BIRTWISTLES
Catering Butchers

Market Report

JUNE 2023



Final Thought

"Not all storms come to disrupt your week, some come to clear the path"

Call 0161 776 1263
BIRTWISTLES.COM



BIRTWISTLES
Catering Butchers