

The latest GB retail sales data released by Kantar Worldpanel has shown differing patterns across the three fresh red meat proteins; beef, lamb and pork. The data shows that the volume and value of fresh beef and pork sold over a 12 week period until week ending 8 October increased when compared to the same period in 2016 while the volume of fresh lamb sold at GB retailers decreased. The total value of those lamb sales however were equivalent to last year due to a slightly high average price. This month's Market Bulletin will look at the results in greater detail.

Beef

The value of fresh beef sales during the twelve week period stood at £465.2 million, an increase of 4.3% on the 2016 figure. The main contributory factor to the increased value was a 4% increase in the average price for the product (£7.99/kg), however there was also some volume sales growth. Generally it can be expected that when the price increases then the amount purchased would falter however this pattern didn't occur this year, possibly as consumers switched proteins. The additional sales of beef were largely a consequence of increased buyers into the category and also a slight uplift in the frequency of purchase. A possible impact of the higher average price was that consumers purchased marginally less per trip but this was more than offset by the increased number of purchasers.

Further analysis of the figures shows that mince continued to dominate the fresh beef category, accounting for over half of the volume sold for the three month period. This highlights how beef mince has become a staple part of the GB consumer's diet being seen as a quick-cook, affordable and versatile product that can be incorporated into many different meals. There was a considerable difference in the performance of the next main cuts in the beef category – roasting and stewing. Considering the data covers a period over the summer months it is unsurprising that beef roasting joints see a fall at this time of year however the volume sold this year was nearly 7% less than the corresponding period in 2016 at 8,820 tonnes. Beef stewing sales, both in terms of total spend and also volume, both increased markedly. The volume of stewing product sold during the period was up by nearly 17% to 6,550 tonnes and, with a slightly higher average price, spend on this particular product increased by over 18% to £46.2 million.



Lamb

Total fresh lamb sales for the period varied only slightly when compared to the corresponding 12 weeks in 2016 however there was some deviation within the category. Spend on fresh lamb stood at £114.5 million, which was marginally down on the year. Within this there was a 3% decline in the volume sold to 12,200 tonnes while the average price rose by 3% to £9.39/kg. The figures show that while the volumes bought per buyer did increase year-on-year the amount of buyers within the category fell by 4%. Encouraging new purchasers remains the challenge for lamb and analysis of the growth sectors within other proteins highlights how marketing the versatility of the product will be key to future development.

In recent years the sales of lamb chops and steaks significantly outperformed leg roasting joints over the period as consumers look for barbecue foods. The wet summer of 2017 was uncondusive to eating outside however, and this may be the reason why the sale figures for chops/steaks were almost matched by leg roasts over the 12 week period. There was a 10% decline in the volume of chops/steaks sold to 3,835 tonnes while there was a 4% increase in the volume of roasting joints sold to 3,800 tonnes. The higher average price of chops (£10.71/kg compared to £8.63/kg for roasting joints) meant that there was a £8.2 million difference in total spend between the two cut types, with chops/steaks spend being nearly £41.1 million and leg roasting joints being £32.8 million. All lamb types saw an increase in the average price when compared to the same period in 2016 possibly as a result of improved farm gate prices during the initial months of the period, lower imports and food inflation.

Pork

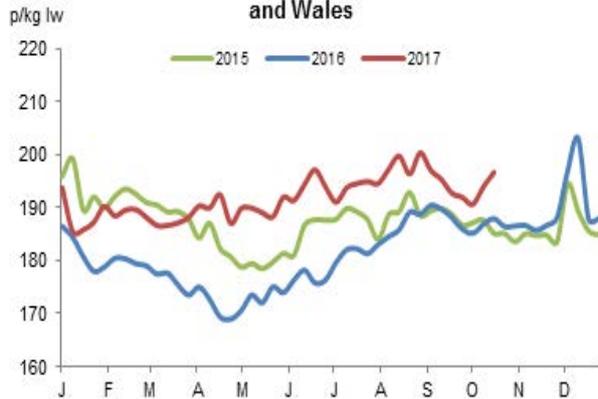
Fresh pork sales during the period saw growth across almost all the main cuts which meant that total spend within the category rose by nearly 11% to £170.3 million. This was driven by the volume sold increasing by 4% to 35,850 tonnes and the uplift in average price to £4.75/kg. Encouragingly for the sector the data shows that the frequency of purchases increased together with the number of buyers for the 12 week period.

Unsurprisingly given the data is for the summer months the cut of choice during the period was chops/steaks which accounted for nearly 40% of all pork volume sales. The total volume of chops/steaks sold during this time was 14,200 tonnes.

MARKET PRICES

CATTLE

Prime cattle prices at auction markets in England and Wales



Prime cattle prices at auction markets in England and Wales have seen an increase over the last few weeks, which goes against the deadweight pattern seen during this time. For the week ending 21 October the prime average price stood at 196.6p/kg, this was nearly 3p up on the week and 5p above the levels seen at the beginning of the month. When compared to a year earlier the current price is some 9p higher than the 2016 average. The latest uplift in prices come as the number of prime animals being presented at auction markets declined. This was a pattern seen across all three prime cattle types. The steer average price for the week was 189.6p/kg, an increase of 2p. The heifer price was 205.8p/kg, 3p more than the previous week and young bulls was 190.9p/kg, again 3p up on the previous week's average. The number of prime animals marketed through the ring was just under 3,000 which is some 7% fewer than the numbers seen in the previous two weeks.

The deadweight price pattern for the different prime cattle categories varied as both male categories declined while there was marginal uplift in the heifer price. For the week ending 21 October the steer price in England and Wales decreased by nearly 4p to average 354.3p/kg, this was despite the numbers slaughtered at the price recording abattoirs actually falling by 3.6%. The largest fall on the week was seen in the young bull category where the average price in England and Wales stood at 328.9p/kg, a fall of 12p on the week. Heifer prices bucked the trend with a modest increase to stand at 357.1p/kg as the number of animals within the category increased by over 10%.

Cull cow prices at England and Wales auction markets stood at 106.7p/kg for the week ending 21 October, while this is 20p lower than the peak seen in June this year the price is some 16p above last year's level for the corresponding week. The deadweight England and Wales cull cow price for the week ending 21 October was 230.8p/kg, almost 2p below the previous week.

SHEEP

Prime lamb (SQQ) prices at auction markets in Wales



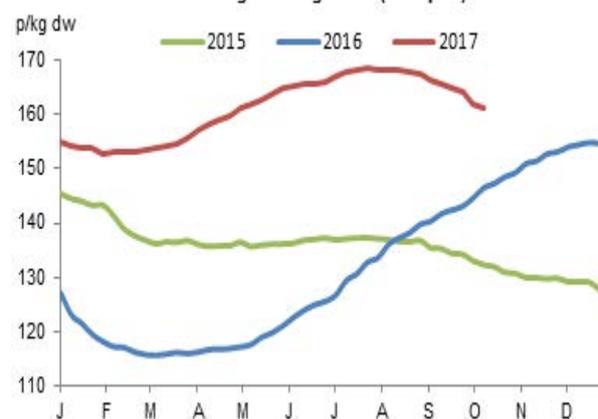
The liveweight lamb trade has fallen to similar levels to 2016 over the last few weeks as the number of lambs being marketed has steadily increased. For the latest week ending 26 August the new season lamb SQQ at auction markets in Wales stood at 181.9p/kg, a decrease of nearly 5p on the previous week's average. The latest price is some 2p higher than the average seen for the same last year. The number of lambs sold at auction markets in Wales has steadily increased over the last month and for the latest week the throughput at price recording markets was 30% higher than the level seen during the first week of the month. Early reports suggest that the latest week's price may see a slight upsurge as supplies are sought for the beginning of the Muslim festival Eid al-Adha.

The lamb deadweight trade has followed the auction market trade and seen a steady decline in the average price since the beginning of July as supplies increase. For the week ending 19 August the GB deadweight lamb price stood at 436.7p/kg, a decrease of over 5p on the previous week. At this level the stated price is some 19p above the same period last year.

The cull ewe trade has come back quite significantly over the last month while numbers being marketed have remained relatively static. For the week ending 26 August the price stood at £44.80/head, this was a decrease of £2.90 on the previous week. At this level prices are £6.70/head lower than the corresponding week in 2016. This is the lowest average price seen at Welsh markets for cull ewes since early February this year.

PIGS

GB Average All Pig Price (EU-Spec)



EU-spec APP has continued to ease back slightly over the last month, this coming after a period of the continuous growth during the first half of the year. For week ending 14 October the average stood at 161.0p/kg, this is 1p lower than the average for the previous week and 7p lower than the peak price experienced in mid-August. Despite this latest fall, the current level is still nearly 15p above the corresponding period seen last year and 31p more than the 2015 level.

For the week ended 21 October, the EU-spec SPP fell by nearly 1p to stand at 157.1p/kg. This is the ninth consecutive week where there has been a decline in the SPP, the current level is still however 11p above the 2016 price for the corresponding week. It should be noted that 2016 prices were experiencing significant improvements during the autumn therefore it is likely that these two price series are going to converge closer as the Christmas period gets nearer.

As the deadweight pig price eases slightly so does the weaner price and for the week ending 21 October the 30kg weaner average price stood at £56.30, a decrease of nearly £2.00 on the week. Since the deadweight price plateaued at the end of August the weaner price has been relatively volatile with a fall one week followed by an equivalent uplift the next particularly for the 30kg weight band as the 7kg average seemed to follow a steadier pattern. For the same week ending, the 7kg weaner average price stood at £41.80, 40p lower than the week earlier.