

News Release
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**Prices for beef and sheep firm despite trade disruption following Brexit**

The recent publication of UK trade data for January confirms the predicted challenges the red meat sector would face as it transitioned to the terms and conditions of trade post Brexit resulting in a slowdown in trade as all parts of the supply change adjusted to the new requirements.

This is according to the latest market commentary from Quality Meat Scotland (QMS) with Stuart Ashworth, Director of Economic Services, acknowledging the role the coronavirus pandemic has played in a slowing of trade.

“Trade has also been affected by pre-emptive measures taken in December 2020 and changed demand in export markets as a result of measures taken to control the spread of Covid; particularly the closure of out of home eating across Europe and restrictions by some non-EU countries on taking product from abattoirs and processors who have had Covid outbreaks among their workforces.”

Beef exports to the European Union during January fell by two thirds from January 2020 while sheepmeat exports fell 40% and fresh pork exports fell 70%.

“Reduced exports can impact on the need for imports and that was the case during January with beef imports falling 18% and fresh pigmeat imports falling 47% while sheepmeat imports were unchanged on year earlier levels during January. However, it should be noted that sheepmeat imports in January 2020 were already 30% lower than the average for the previous three years,” said Mr Ashworth.

Although official detail of trade volumes for February and March are not available, the expectation is that there have been small increases in exports as traders become more familiar with the administrative requirements of trading in a Brexit world.

“Many traders also report that demand remains subdued because of the continued impact of Covid control measures on consumer shopping behaviour in export markets and the firm prices for sheep and cattle in the UK making these products uncompetitive.

“Scottish traders have reported exports running at 20-25% of year earlier levels in January, improving to 40% of previous levels in February. This is estimated to have reduced beef and lamb export revenues for Scottish traders from over £10m in the first two months of 2020 down towards the £3m mark in the same period of 2021,” said Mr Ashworth.

Combining data on imports and exports gives a view on the net effect of trade on domestic availability. For beef and sheep meat this net trade in meat has led to a lower contribution of net trade to domestic supplies. Meanwhile slaughter data shows that during January and February the volume of beef produced in UK abattoirs was 2% lower than in 2020 while sheepmeat volumes fell 15%.

“As a consequence of reduced volumes, the continuing firm retail demand set against beef and sheepmeat on the UK market has contributed to higher farmgate prices and indeed a lower requirement to export sheepmeat to balance the market. In contrast UK abattoir volumes of pigmeat climbed ahead of year earlier levels in February after lower production in January which have contributed to some cooling of pig prices through February as will constraints on pig meat exports to China from plants affected by Covid,” said Mr Ashworth.

With the December 2020 Scottish agricultural census reporting a decline in slaughter cattle numbers and the number of hoggs carried into 2021, cattle and sheep numbers are likely to remain tight in the short term.

“The announcement of delays in the introduction of UK border inspection and control measures on imported EU meat from April to October may yet prove a significant influence on the ability to import beef in particular. Nevertheless, lower stock numbers in Scotland combined with lower numbers of one to two year old cattle in Ireland leave producers in a strong negotiating position,” concluded Mr Ashworth.

**ENDS**

**Notes to editors:**

This press release was issued by Jane Craigie Marketing on behalf of Quality Meat Scotland. For additional press information, please contact Alana on 07596 122184 or alana@janecraigie.com.

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QMS is the public body responsible for promoting the PGI labelled Scotch Beef and Scotch Lamb brands in the UK and abroad and also promoting Scottish pork products under the Specially Selected Pork logo.

Please note that the use of the word Scotch in the Scotch Beef PGI and Scotch Lamb PGI brands is correct and should not be substituted for an alternative such as Scots or Scottish. The history of the use of the word Scotch in this way, traces back to the 18th century.

QMS also helps the Scottish red meat sector improve its sustainability, efficiency and profitability and maximise its contribution to Scotland's economy.

The quality assurance schemes run by QMS cover more than 90% of livestock farmed for red meat in Scotland. They offer consumers in the UK and overseas the legal guarantee that the meat they buy has come from animals that have spent their whole lives being raised to some of the world’s strictest welfare standards.

Scotland’s beef, lamb and pork producers make an important contribution to the country’s economic, social and environmental sustainability, contributing over £2 billion to the annual GDP of Scotland and supporting around 50,000 jobs (many in fragile rural areas) in the farming, agricultural supply and processing sectors.

For more information visit www.qmscotland.co.uk or follow QMS on Facebook or Twitter.