New Release

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*For immediate use*

**Improved productivity helping to counteract livestock declines.**

As the countdown to Christmas begins in earnest, there is firm demand for the available supply levels of beef, lamb and pork products in Scotland.

Iain Macdonald, Market Intelligence Manager at Quality Meat Scotland (QMS), explains that, in early November, cattle, sheep, and pig prices were 8-9% higher than during the same period of 2022, with cattle and sheep prices showing a 20-25% lead on their five-year average, and pig prices up by 35-40%.

Iain said: “We have now seen a slight festive price uplift for prime cattle, with R4L steers reaching 500.5p/kg dwt in Scotland in the week ending November 11 after seven weeks at 499p/kg. Meanwhile, during the first week of November, Scotland’s lamb auction market prices reached a 16-week high of 264p/kg lwt, with further increases in the second week of the month suggesting that a seasonal rebalancing is underway. By contrast, the seasonal downturn in prime pig prices has continued, with the GB SPP slipping to 217.2p/kg dwt, compared with a summer peak of 225.6p/kg.”

Iain explained: “Kantar retail sales data provides insight into how the seasonal demand pattern can support farmgate prices. In the four-week period ending after Christmas in recent years, there has generally been a significant increase in the value and volume of sales. Over the past five years, beef sales have been 10-15% above their annual average, with value showing a stronger increase than volume. Seasonality also bolsters lamb sales to around 45% above their annual average. Pork, however, generally sees the opposite trend, though this excludes gammon, pork, and sausages, which are a festive staple for many households.”

Looking ahead, there are signs that the beef herd is stabilising, with a reduction in cull cow slaughter numbers at Scottish abattoirs during summer and autumn 2023. This follows a reduction in beef cow numbers of 3.5% year-on-year, according to Scotland’s June Agricultural Census, with total cow numbers now standing at 394,700 head, 14,500 fewer than in June 2022. England’s census June results were similar, with beef cow numbers down 3.6% year-on-year. Though if you compare the numbers with 2018, England’s beef herd was down by 11.9%, compared to a 7% fall in Scotland.

Iain added: “Longer term, we could see an impact on beef availability. ScotEID calf registrations show a significant impact from herd contraction in the first nine months of 2023, with a decline of 2.7% on 2022.  The June census indicates growth in the dairy herd, but dairy-sired registrations have continued to trend sharply lower this year, while beef-sired registrations have fallen by 2.3% in the first nine months. This is likely to have significant impact on the market in Q4 2024 as the previous year’s spring calf crop accounts for around half of slaughtering in the final quarter of the year, before its peak effect happens at the start of 2025. Before we get to this point, a stable 2022 calf crop combined with a slight reduction in store cattle crossing the border could provide some support to supply in early 2024.”

Scottish sheep numbers must be compared against the previous census in June 2021, and the June 2023 results showed a decline of 2.2% in the ewe flock over the past two years, down to at 2.51 million head.  A steeper reduction is clear in lamb numbers, down 151,000 head or 4.5% on 2021, to 3.2 million head. This reflected a fall to 127.5 lambs per 100 ewes in 2023, down from 130.6 per 100 in 2020 and 2021. Nevertheless, productivity appears to be trending upwards over time and remains higher than in England, where the national lambing percentage dropped from 127.4 lambs per 100 ewes in 2021 and 2022, to 121.6 lambs per 100 ewes in 2023. Reduced lambing rates in Scotland and England, coupled with relatively firm finished auction market volumes this autumn, suggests that we could have a reduced carryover of hoggs into 2024. With domestic production set to remain tight, it may help to offset the potential effect of increased sheep meat imports from Australia and New Zealand on the market in the run up to Easter, especially if lamb exports to the EU continue to perform as well as they have this year.

Iain said of the pig herd: “Although census results show a five percent reduction in Scottish sow numbers compared to 2021, gilt numbers have surged, suggesting that farms are now restocking after the challenges of 2021 and 2022, and fattening pig numbers were up marginally from 2021. The results also point to an improvement in productivity, with 9.7 fattening pigs per sow being reported, up from 9.2 in 2021. England’s recovery appears to be slower, with the June census showing that fattening pigs were still down by 13% year-on-year, and by 14% on 2021.

“While EU pork production is also set to remain fundamentally tight into next year, EU farmgate prices have taken a more significant seasonal downturn than in GB, and import prices are likely to have fallen as a result, placing some competitive pressure on the domestic market.”