



NESAAG Livestock sector review

Stuart Ashworth

MEAT WITH INTEGRITY

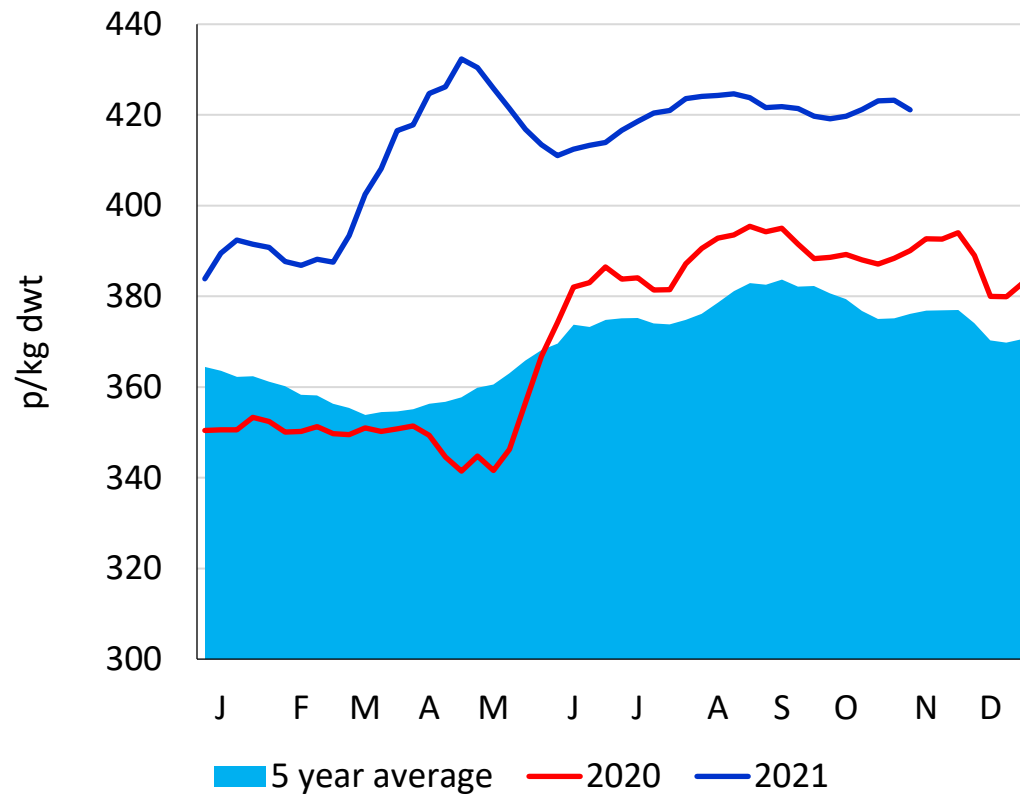


North East Scotland Overview

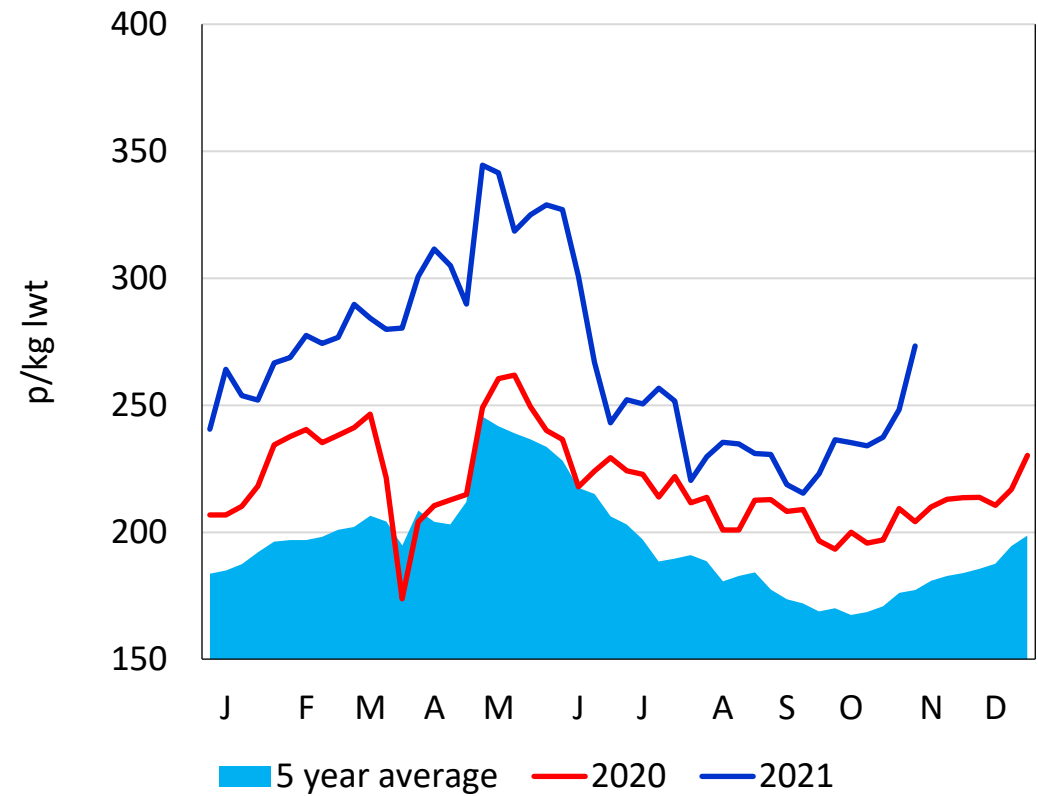
- Grampian region has:
 - 3.5% of Scotland's dairy cows
 - 19% of Scotland's beef cows
 - 9% of Scotland's breeding ewes
 - 30% of Scotland's finishing cattle
 - 60% of Scotland's sows
 - Killed 31% of Scotland's cattle kill
 - Killed 40% of Scotland's sheep kill
 - Killed 0% of Scotland's pig kill
(although there is a facility in Angus)
- Over the past five years:
 - Dairy cow numbers have fallen 25%
(national fall 2%)
 - Beef cow numbers have fallen 9%
(national fall 5%)
 - Breeding ewe numbers have increased 6%
(national fall 2%)
 - Finishing cattle numbers have fallen 7%
(national fall 6.5%)
 - Sow numbers have increased 15%
(national increase 16%)

Market price update

Scottish R4L steer

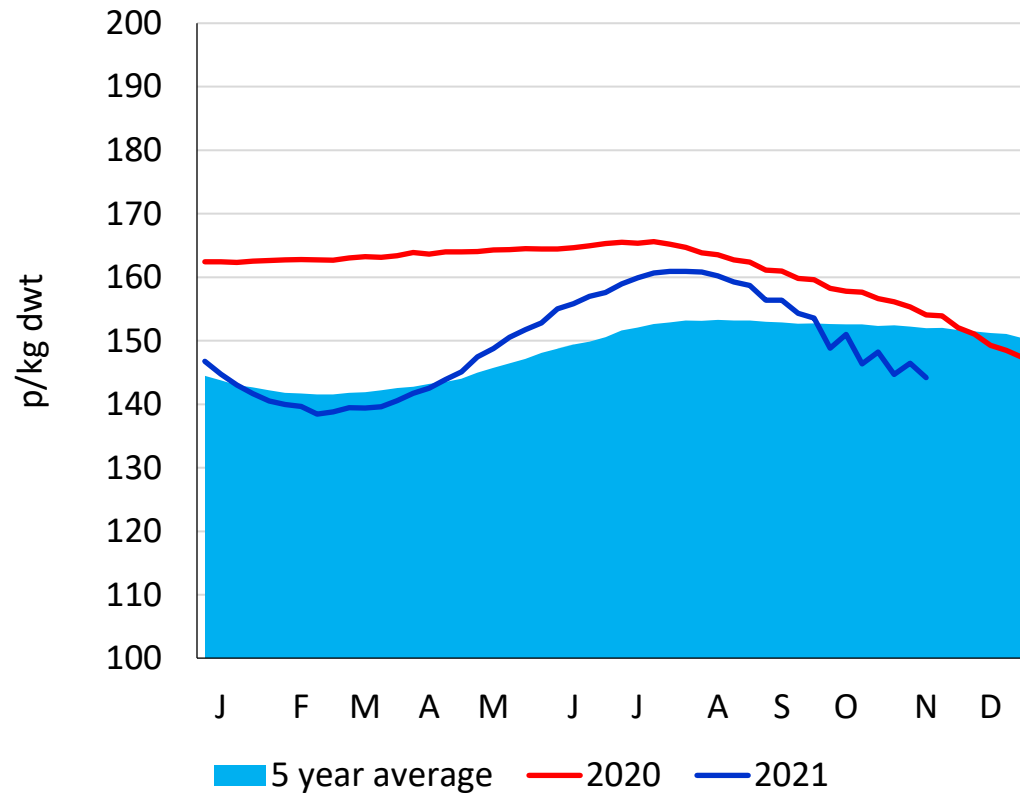


Scottish Lamb SQQ Auction price

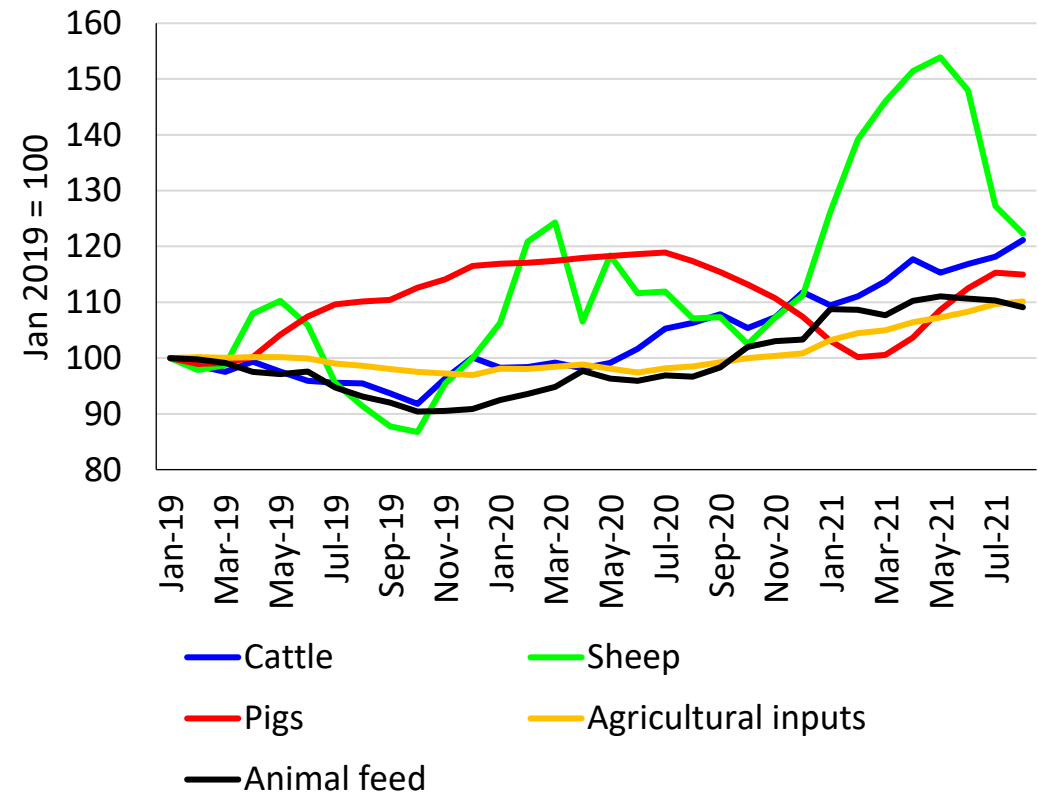


Market price update

GB pig deadweight

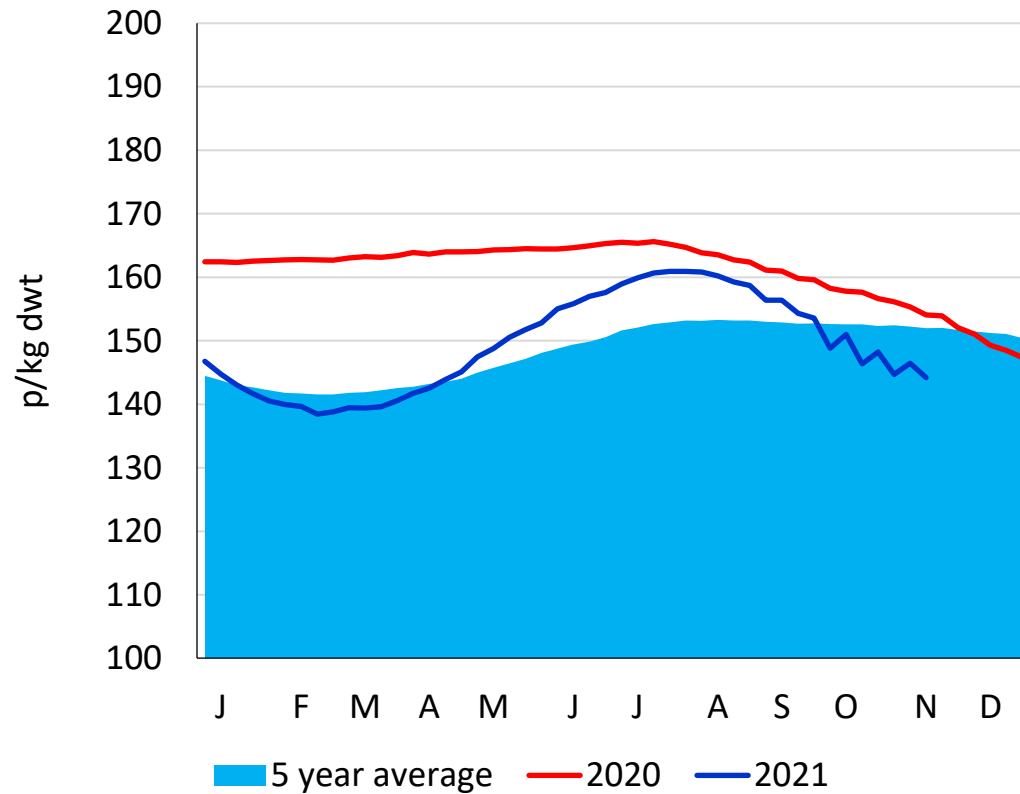


Cost price squeeze?

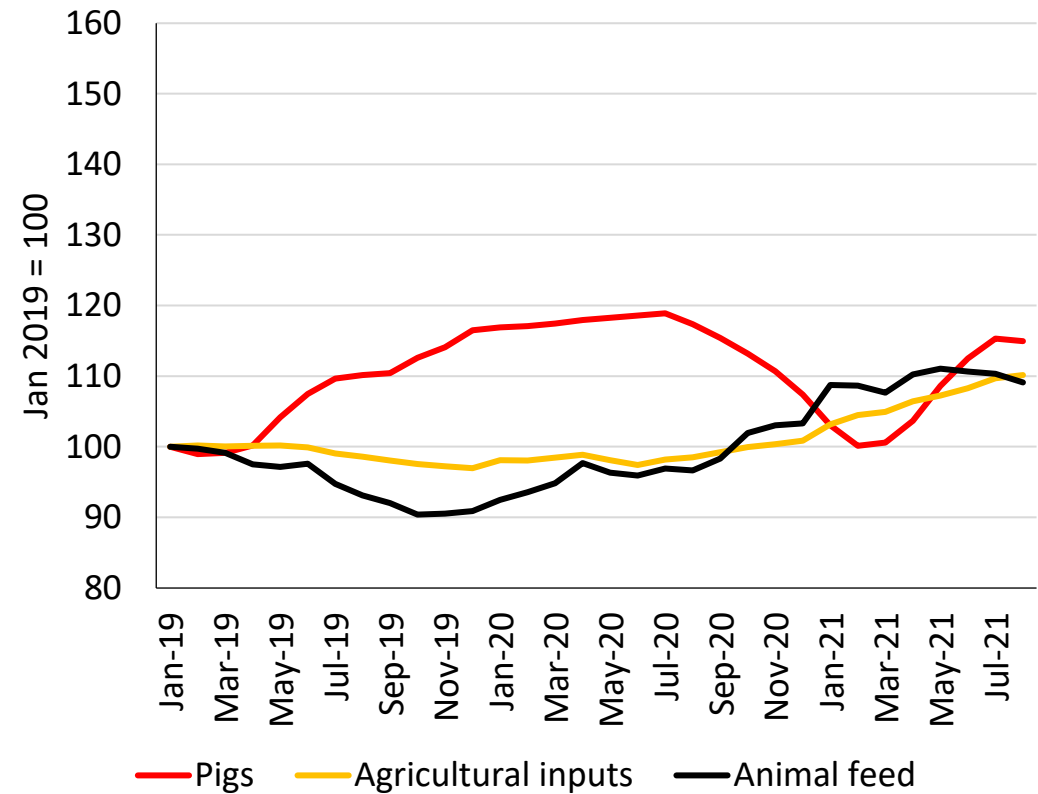


Market price update

GB pig deadweight

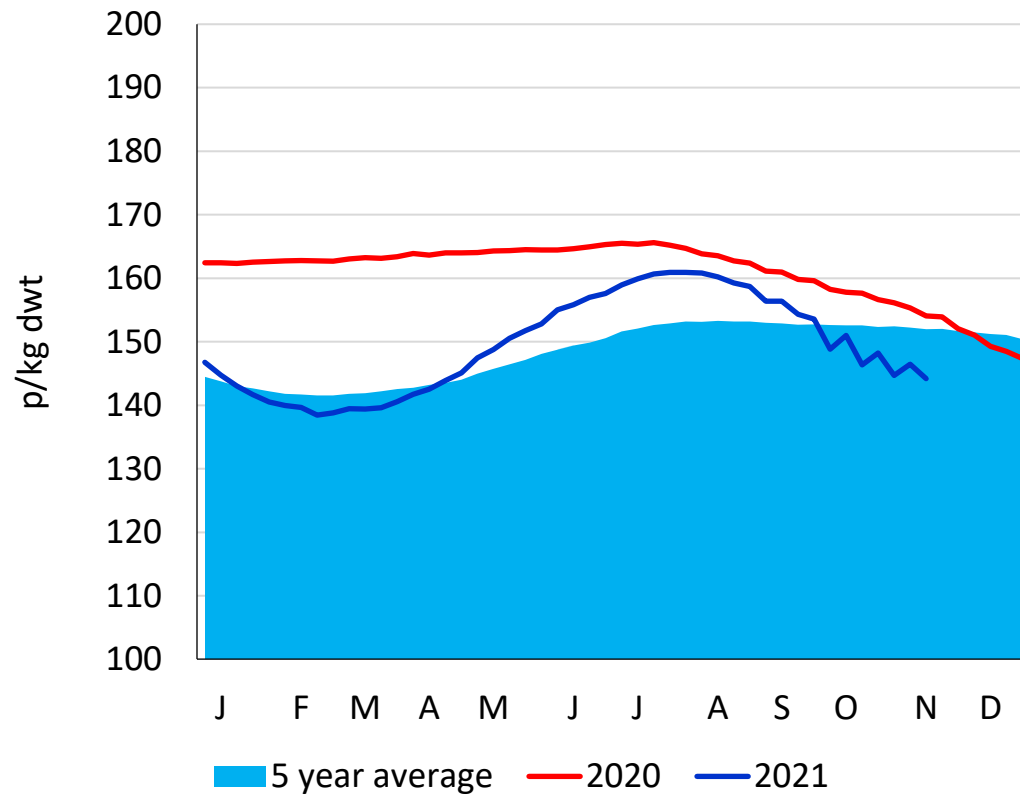


Cost price squeeze?

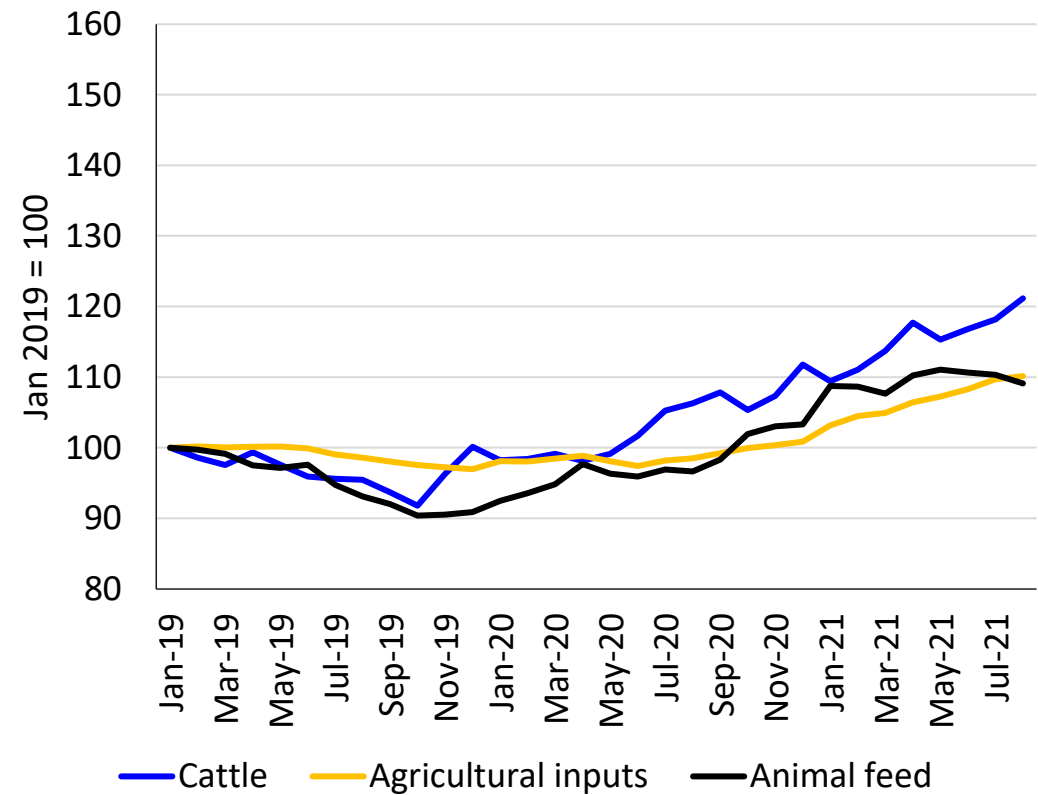


Market price update

GB pig deadweight

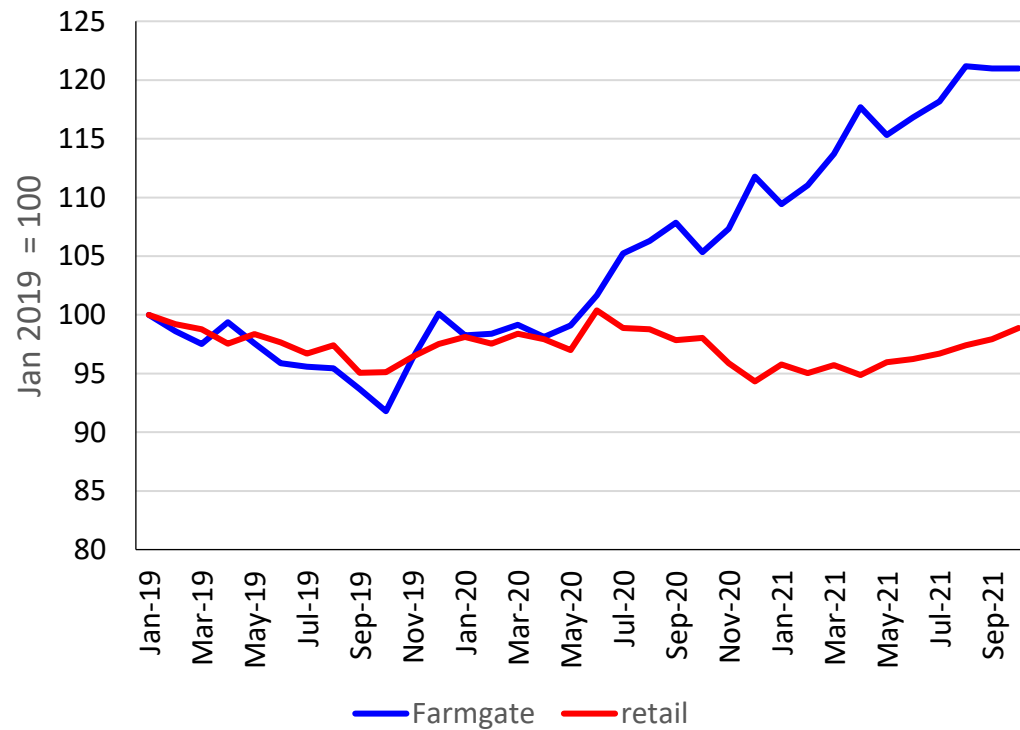


Cost price squeeze?

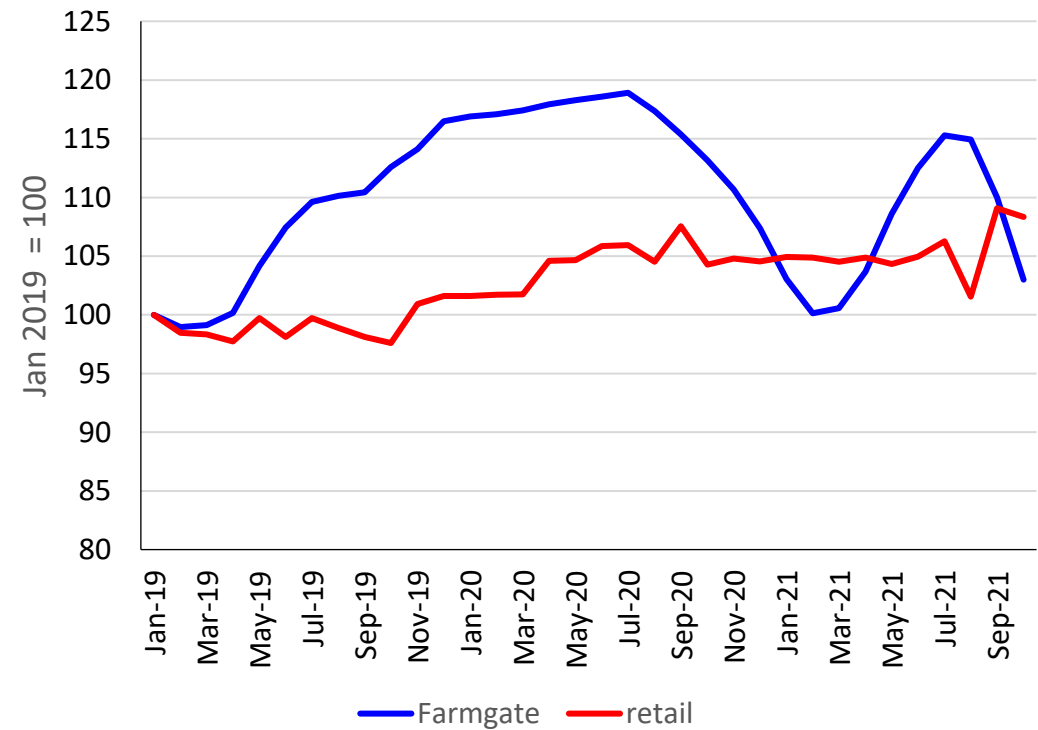


Supply chain margin squeeze

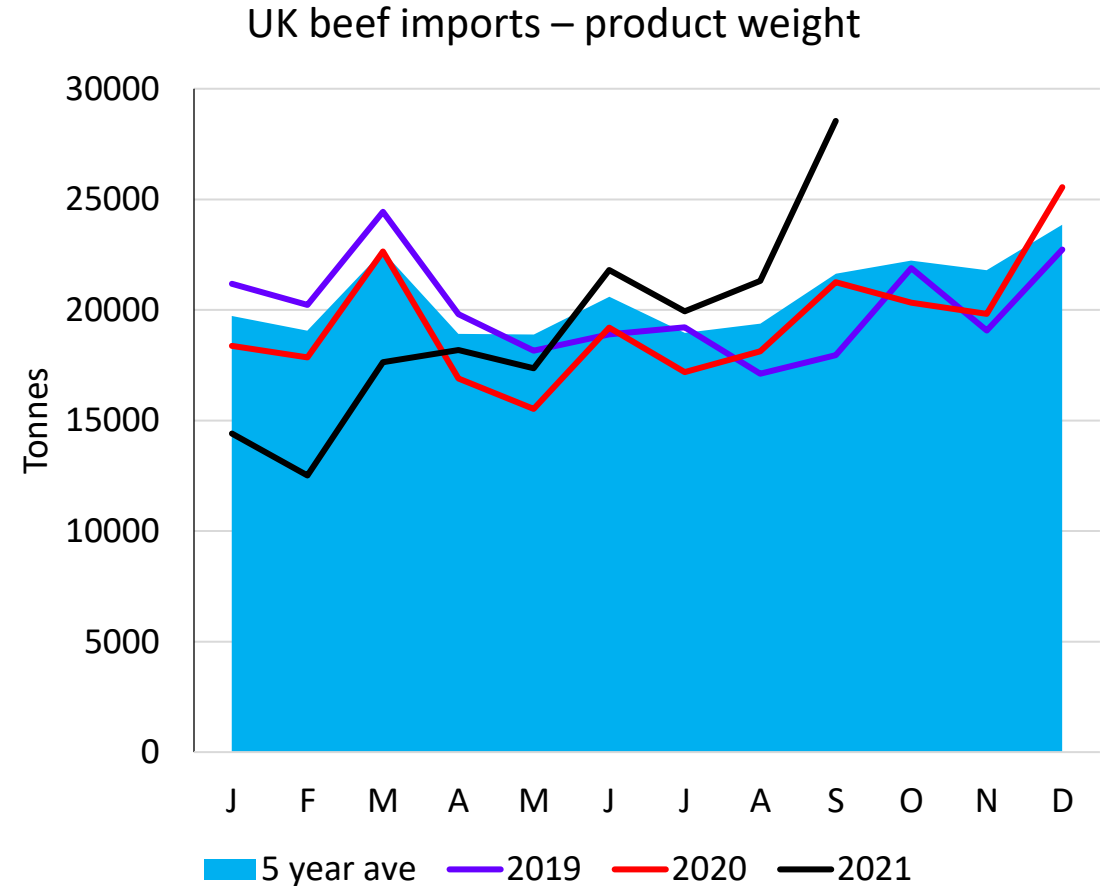
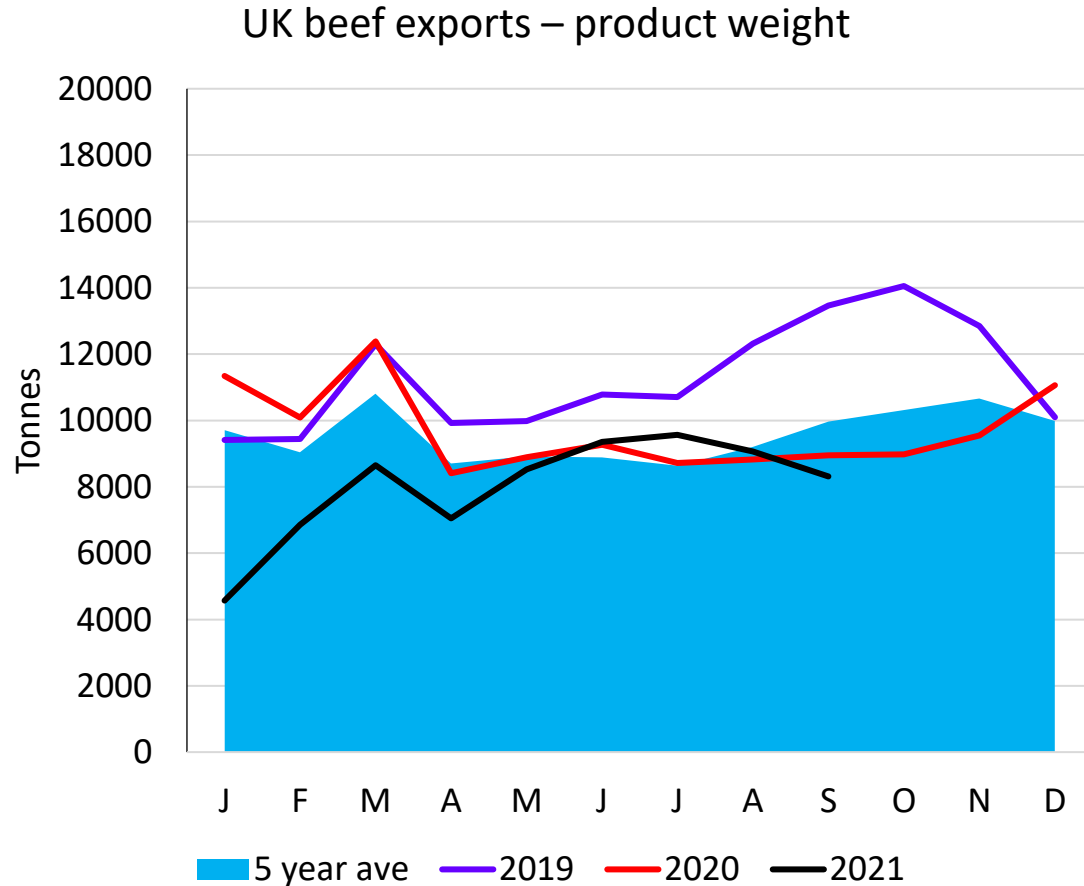
Prime cattle and retail beef price movements



Prime pork and retail pork price movements

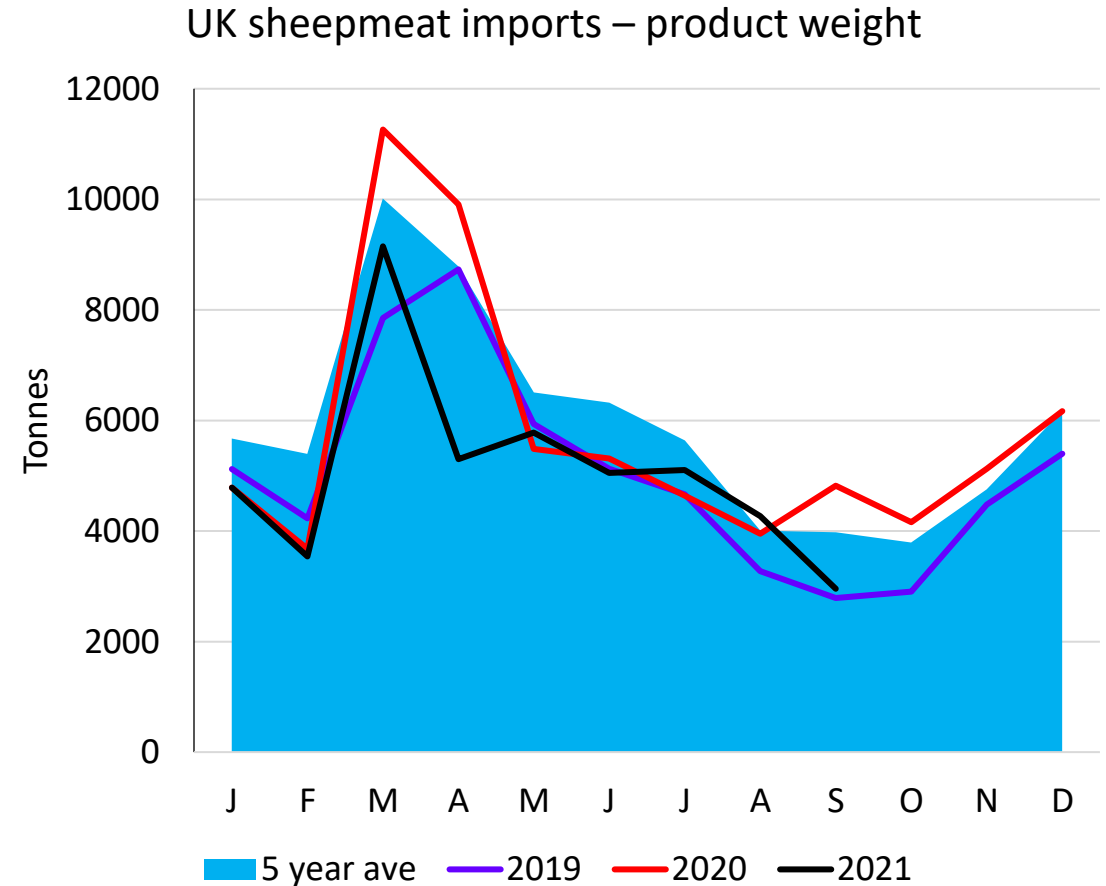
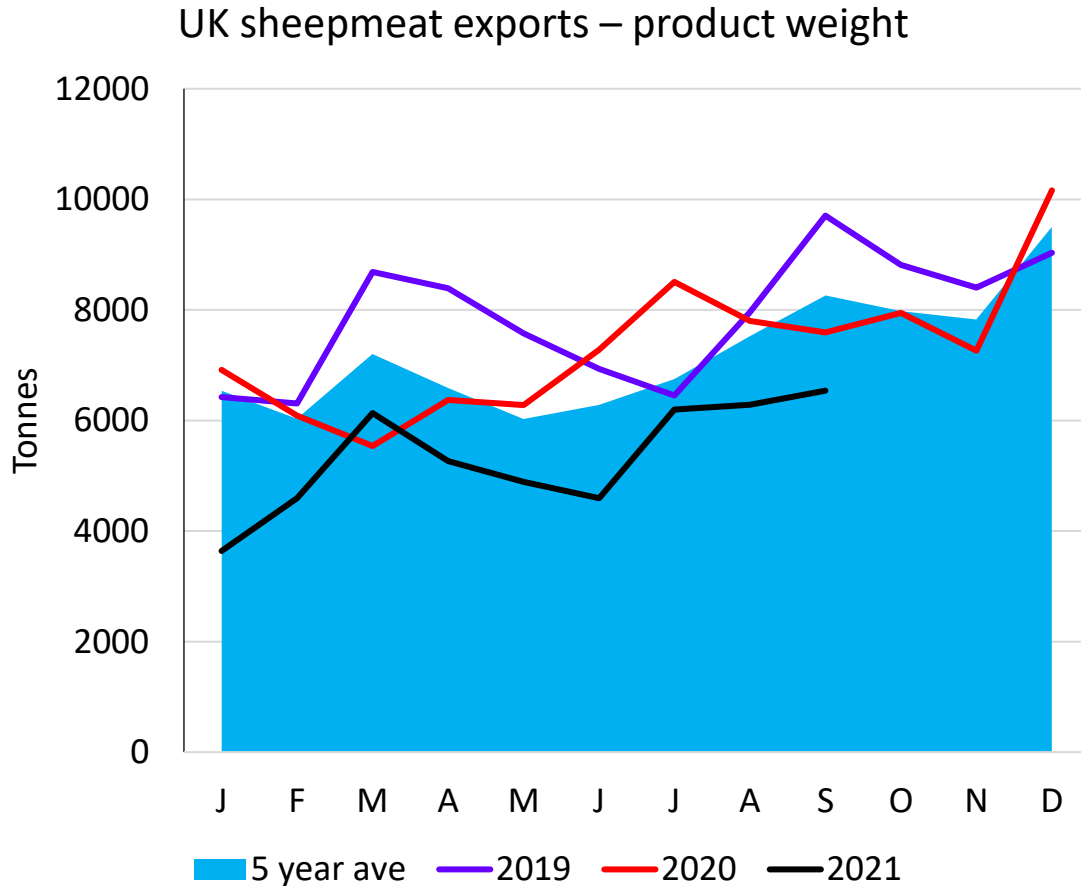


Beef: UK exports performing well given tight supply, EU exit and the pandemic; imports rebounding strongly



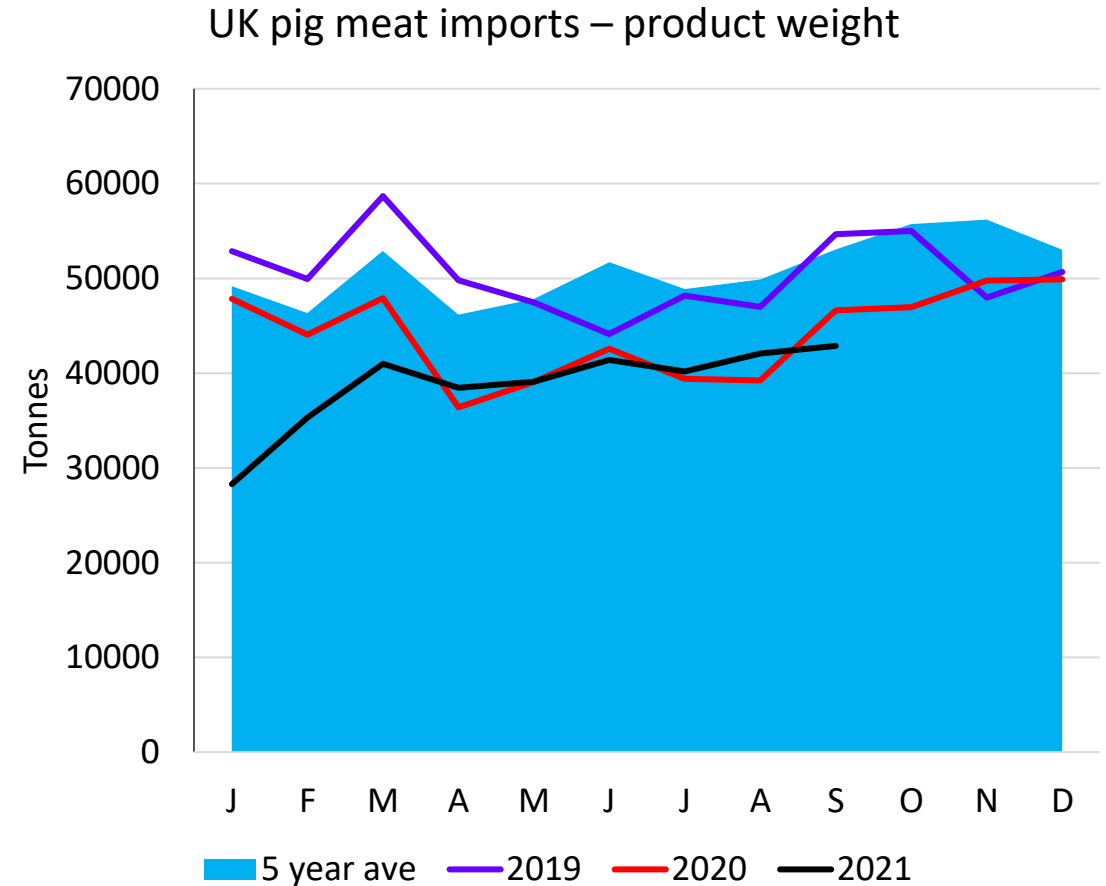
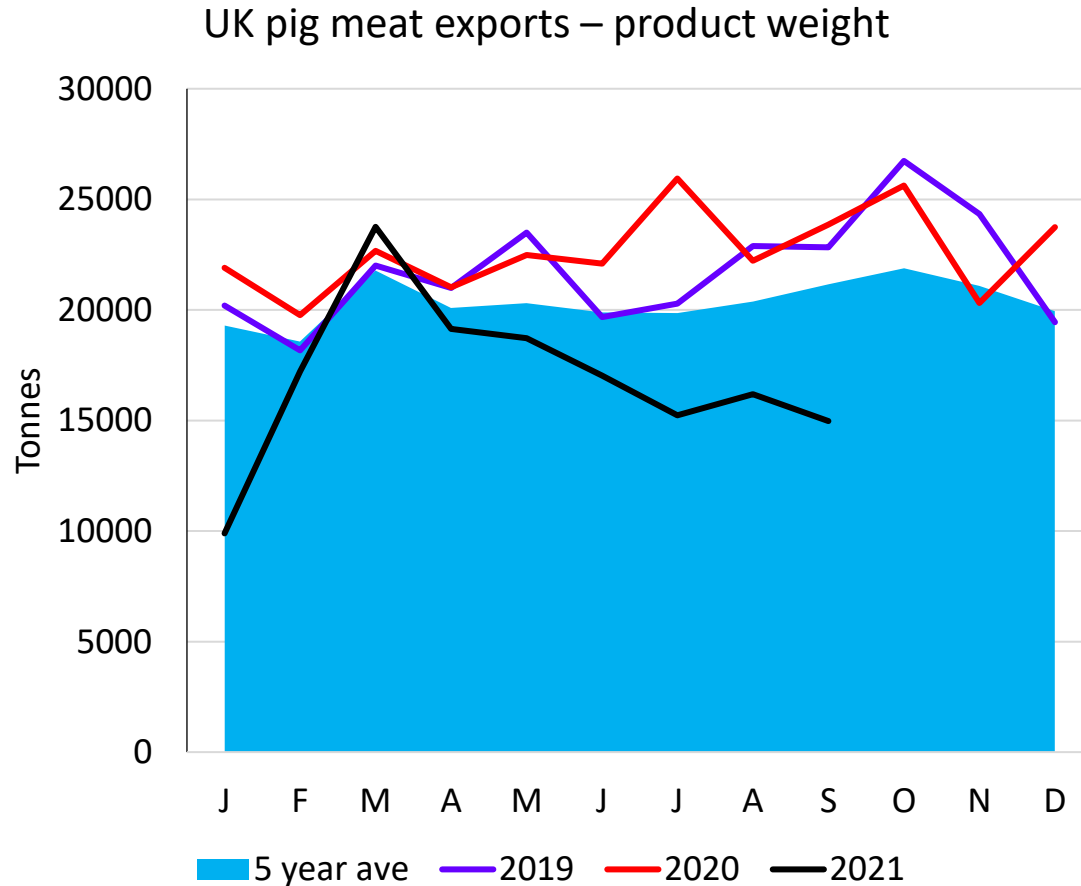
Source: HMRC; QMS calculations
 Data covers HS codes 0201, 0202 (fresh and frozen beef)

Sheepmeat: UK exports have risen seasonally but remain weak due to tight supply, trade friction and price levels. Import reduction reflects rebalancing of NZ to China and ensures a tight market



Source: HMRC; QMS calculations
 Data covers HS code 0204 (fresh and frozen sheep and goatmeat)

Pig Meat: UK exports have risen seasonally on opening of Chinese market but dipped recently because of some plants losing access. Imports dipped as domestic production edged higher in recent years



Source: HMRC; QMS calculations
Data covers pig meat and hams and bacon

Challenges and opportunities - Trade

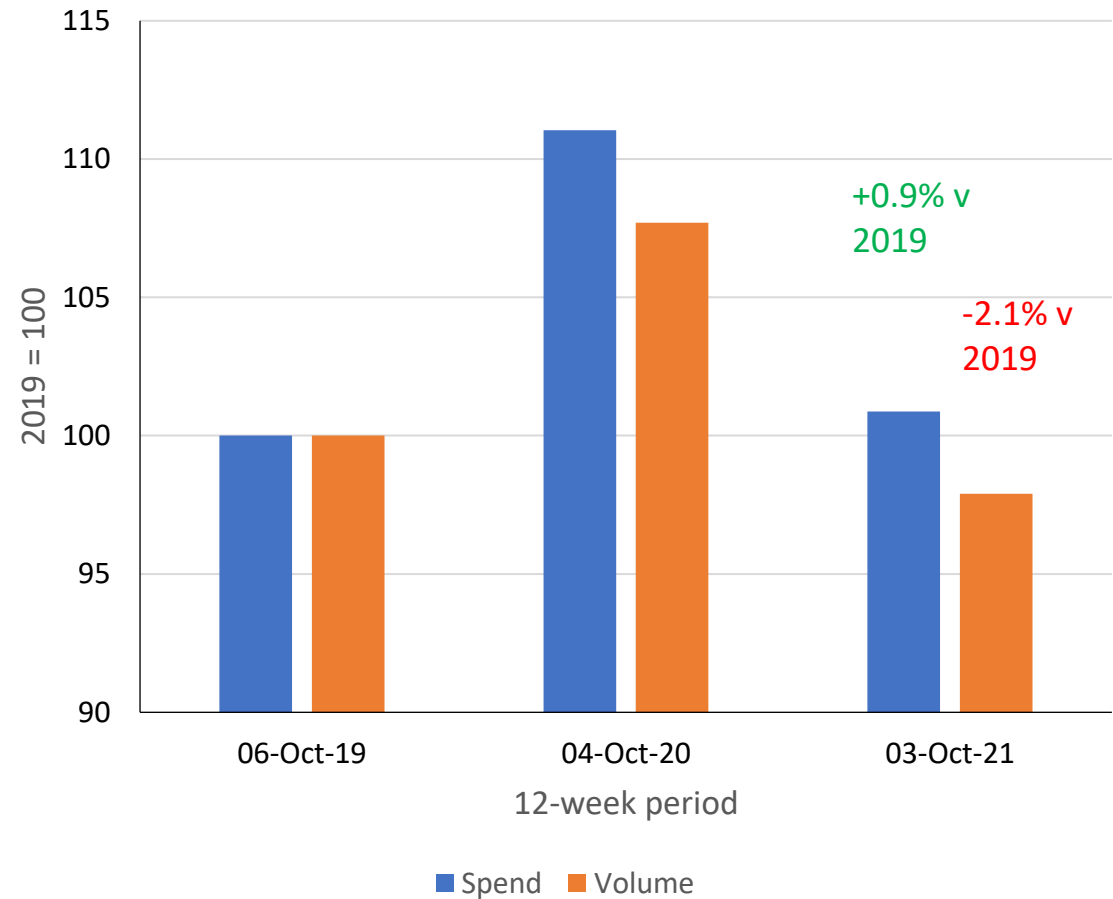
- Free trade agreements
 - Tariff free access; but
 - SPS measures to protect animal and human health
 - New markets opened
- Brexit border controls:
 - Import measures January and June 2022
 - Competent officials for international trade administration
 - BCPs

	New Zealand		Australia	
	Beef	Lamb	Beef	Lamb
Current	454	114,205	5,514	15,317
Year 1	12,000	149,205	35,000	25,000
Year 10	38,820	164,205	110,000	75,000
Year 15	60,000	164,205	170,000	125,000
Year 16	Unlimited	Unlimited		
UK imports 5 year average 2016-2020				
Beef		333,000 tonnes		
Sheepmeat		92,800 tonnes		

Challenges and opportunities – domestic market

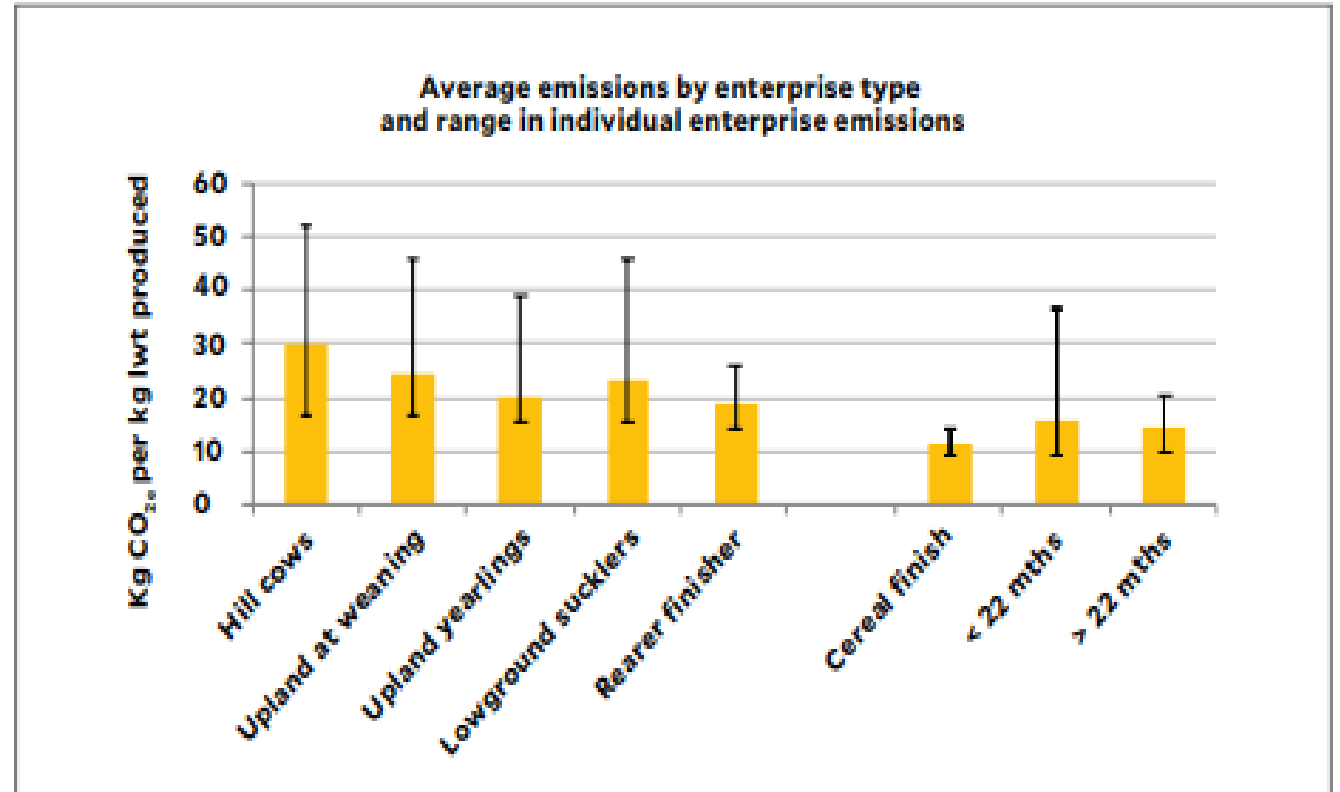
- Retail environment is volatile with primary sales through high street rebalancing and products purchased changing affecting carcass balance
- Labour availability is a concern:
 - Skilled plant operatives and retail butchery skills
- Cost recovery in supply chain is a concern e.g. livestock, energy, cardboard, wages etc.
- Pressure for sustainability gains:
 - Single use plastic
 - Scope 3 reporting (?)
 - Eat less meat
- Meat provenance and traceability

Retail sales of fresh beef in GB



Challenges and opportunities – domestic supplies

- Pressure for sustainability gains
- Labour availability is a concern:
 - Farm staff, large animal vets etc
- Breeding livestock numbers in decline
- Animal welfare and transport policies
- Future farm policies





Thank you

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