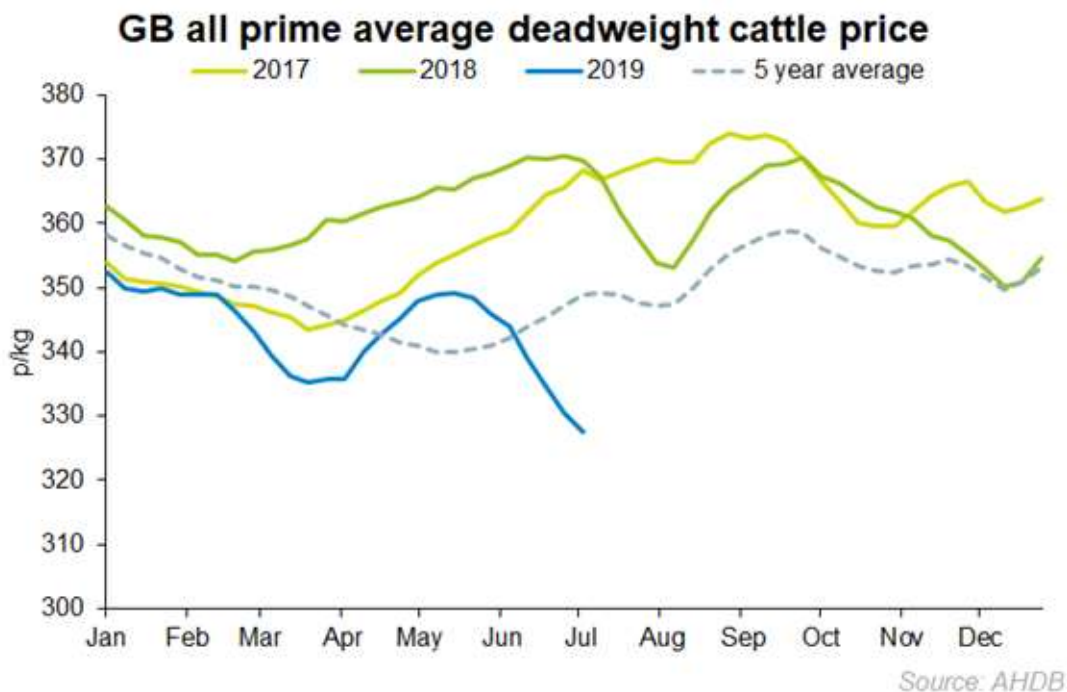


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Beef Price

- Total Beef Production – up +1%
- Demand – Industry reports suggest sales have increased by +2% in the last quarter although value is down -1%
- Imports – down -10% (-3% Ireland, -10% Poland, +1% Netherlands)
- Exports – up +9% (-6% Ireland, +48% Hong Kong)
- Volumes available for consumption – down -4%



The deadweight R4L steer average for 30 June 2018 was 383.8p/kg and the current price is averaging 340p/kg, (this includes scheme cattle). This equates to a 43.8p/kg difference in the quoted based price, down 11.4% from June 2018 to June 2019.

AHDB figures show overall throughputs are down slightly, however the average carcase weight for steers has increased which means total production has increased slightly.

NFU have said that at such a critical time for the British beef industry, farmers, processors, retailers, Defra, and AHDB need to work together to find solutions to this emerging crisis. We want to see retailers and processors promote Red Tractor assured British beef through short in-store promotions and longer term marketing to engage customers back into the category. This should be backed by a long term ambition to see more innovation in the beef and lamb categories and see greater clarity of country of origin labelling at the point of sale to help shoppers make informed choices.

The NFU have featured in a number of trade press articles, including the front page of the Farmers Guardian, Meat Management Magazine, the Grocer and in NFU press releases highlighting our concerns.

The voice of British farming

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Richard Findlay, NFU livestock board chairman met with Defra Minister Robert Goodwill and Stephen Barclay Secretary of State for Exiting the European Union on the 11 July to highlight the issues currently being faced. The NFU have met with all the major processors and the BMPA President recently as well as many of the retail agriculture managers.

Processors suggest that large amounts of beef placed in cold stores ahead of the March Brexit deadline which is now entering the supply chain, combined with poor weather, Brexit uncertainty and the continued media bias against red meat is leading to a decline in consumer demand which is placing pressure on the farm gate price. Other contributory factors include lower values received for skin/hides and 5th quarter products.

The latest AHDB beef and lamb watch figures show that overall beef and lamb facings in UK retailers remained at similar levels overall (June 2019 - 83% for beef and 70% for lamb). Several retailers (Lidl, ASDA, and Waitrose) have reduced their British facings of lamb compared to last year however in contrast we have seen Tesco's increase their British lamb facings by 19%. The NFU food chain team have written to all retailers asking them to explain the reasons for this, and why farmers must receive a fair share of the retail price. We have also challenged processors and retailers do more new product development and in store promotion to help drive sales of BBQ products including mince and burgers.

71% of consumers claim to be eating the same amount of red meat, however 21% also say they are cutting down on meat consumption and adopting a more flexitarian diet. Negative press stories on health, environment and greenhouse gases emissions surrounding livestock production, along with price and ease of cooking are all factors that are influencing consumer behaviour. The NFU continue to highlight the important role of beef production in maintaining our iconic landscape, biodiversity and the positive environmental benefits. Our dedicated livestock hub <https://www.nfuonline.com/sectors/livestock/livestock-must-read/livestock-facts-help-for-members/> provides facts and social media ready infographics covering climate change, Net Zero, productivity, water use, health and animal welfare.

NFU asks

- Whole supply chain action is needed to prioritise support for promotion and marketing to increase demand and consumer awareness of British Red Tractor beef.
- Increased investment in product innovation and development. We have seen a lot of innovation in the market with alternative proteins that we haven't seen matched in the meat aisle. We think the product and packaging in retail could better reflect not only the care and effort that farmers put into producing their stock, but also the quality and value that beef and lamb can offer consumers.
- With continued consolidation within the retail and meat processing sector we see a lack of competition at every stage of the supply chain. We have concerns that this lack of competition allows value to be taken out of the market. We would like to call for improved transparency and competition in the market place.
- Defra and AHDB to assess the impact of a 31 October Brexit date on domestic and overseas buyer confidence and knock-on effects to the farm gate price. Government must ensure that in a no deal scenario UK producers are protected from imports produced to lower standards and those unfairly supported through additional subsidies.
- Defra must examine the impact of the €100m Beef Exceptional Aid Measure (BEAM) Scheme for Irish beef farmers. With the majority of Irish beef entering the UK market, this subsidy has the potential to further distort the UK beef price. And we ask that Defra consider taking similar action to provide emergency support for British producers.