



H E N S O N

MEAT MARKET REPORT

Winter 2021



WELCOME

As always, forecasting the unknown is nigh impossible, despite our best efforts. Over the last few weeks we have managed to find a balance of stock and have kept our non-available line report down to a minimum. To avoid letting anyone down we would still request that any large orders be placed with as much notice as possible.

If you have any new lines or menu changes, please ensure you speak to your account manager so we can plan accordingly. As always, the team are here to help you with everything we can.

As widely documented across the industry, staffing remains a real challenge. We have been recruiting for new butchers, drivers and warehouse operatives, and we now have our staffing numbers back where the business required, with some fantastic new people joining the team. These new additions to our team will help to further improve our service levels.

The biggest risk and concern, however, remains with availability and pricing. With prices continuing to strongly march upwards, availability remains tight.

We have been discussing with all our clients the need to react to the market as we simply cannot stand still, and we thank everyone for working with us to support this. It is pleasing that the majority of our customers have been understanding and accept that this is an industry wide issue and 'we are all in this together'.

Please always remember, despite rising costs, there is usually an alternative available, whether that be on origin or specification change, our experienced team can always help.

BEEF

UK/IRL BEEF

Beef deadweight cattle pricing remains significantly higher than 5-year average, with prime cattle availability low. The knock-on effect from this means that:

- Forequarter and hindquarter cuts remain very much in demand and continue to carry a premium.
- Burger and mince production cuts are now generally 40% more expensive than the same period of 2019 & 2020. We are now seeing a massive knock-on effect from supply chain partners due to staffing challenges across the industry, meaning the availability is tighter than ever, and of course in turn prices continue to rise.
- Roasting cuts remain strongly priced.
- Steaking cuts continue to rise, as demand continues to far outweigh availability. We are seeing increases of up to 25% on centre cuts, beef fillet (at the time of writing), has increased a further 15% in the last 4 weeks and availability is extremely tight, with suppliers trying to slow the demand. Fillets of beef are now trading at generally 40% higher than in 2019.

IMPORTED BEEF

Beef pricing from Europe, South America & Australia are generally now trading at 20% higher than in 2019 & 2020. Such is the global position that advanced orders of up to 3 months' notice, are required to these suppliers. This brings further challenges to our business as we are now forecasting effectively 'blindly', so regular communication with our customers is crucial.

LAMB

UK/EU/GLOBAL LAMB

Lamb is also proving particularly challenging. There is little, or no supply from New Zealand and Australia being exported into the UK. UK lamb availability is being affected by the supermarket chains, pricing has risen on certain cuts by 35% in the last 12 months and there are real challenges securing product currently, even at the prices the market is demanding.

PORK

UK/EU PORK

Pork pricing has settled somewhat however, demand for Red Tractor pork remains high and availability tight. Again, we are now trading at very differing prices than earlier in the year and certain cuts are now 20% higher than in 2019 and 10% higher than in the early summer of 2021. Belly and ribs especially are in high demand with the Far Eastern market paying strong money to pork producers to secure their supply.

POULTRY

UK/EU POULTRY

Despite the challenges we face with all species, poultry, as widely documented across the industry, remains a further challenge. There is a serious shortage of poultry across the globe, and we expect this to continue into 2022. Supermarkets, as always, lead the way and have secured advanced orders as they have been able to forecast these.

Poultry pricing is high, and again we have been left with no other option other than to react to the price changes. Supremes, fillets and thighs for example, are averaging increases of +£1.75 per kg across these three cuts. We simply cannot sustain this alone, and for our clients who have accepted the required increases we shall, as always, do our very best to ensure you receive your product.

TURKEY

Despite various press releases regarding turkey and Christmas we have managed to secure enough birds from the UK & the EU to fulfil our advanced client forecasts, and for that we thank everyone for working with us to give your predictions. We are still being asked, even now, regarding turkeys for menus and we will do our best to source any extra, for those who have not placed advanced orders. Red Tractor birds are now generally unavailable with all the quota having been sold in advance, there are still options for UK non-Red Tractor and EU birds, however, please get your orders in fast to avoid disappointment.