

MEAT MARKET REPORT JUNE-10

BEEF

Deadweight cattle prices have moderated very slightly on last year, although wholesale prices have been sustained throughout the period. The shortage of South American beef imports continues, with Brazil very slowly adding farms to the accredited export list. Argentina has severely restricted exports due to rising domestic prices and a government commitment to sustaining domestic demand for beef. Uruguay continues to export however volumes are low in comparison to previous exports from Brazil and Argentina.

LAMB

Lamb and mutton prices continue to rise to record levels due to a combination of factors:

1. Reduction in the UK breeding stock.
2. Reduction in slaughter down 14% on last year, Ewe and ram slaughter down 20% on last year.
3. Later and less productive lambing due to the colder winter experienced this year.
4. UK Export markets to the EU remains strong due to poor sterling exchange rate.
5. New Zealand lamb in short supply, over a million lambs short of the expected kill in this season (Oct-09 to Sept -10.) Shortages expected until Easter 2011 at least.
6. UK and EEC New Zealand lamb stocks at an all time low.
7. Greater proportion of lambs to chilled pre Christmas retail promotional programme (better returns)
8. Poor exchange rate between the pound and NZ dollar leading to stock moving to better markets in the EEC and emerging markets.
9. Mutton kills down by over one million animals. Stock moving to the Middle Eastern market for better prices.
10. Move by NZ farmers to other more lucrative crops /dairy, grain.

It is evident that supply is going to be a problem going forward, which will drive the prices even higher, and product will not be easy to obtain.

PORK

Pork prices are fairly stable at present as you would expect at this time of year, however throughput, and demand is strong probably due to some sector movement from lamb.

POULTRY

As with Pork there is some demand and price pressure developing within the poultry sector driven by the lamb prices this will increase as function trade menus are amended due to high lamb unit prices.

BACON

Stable market at present no supply issues.

