Sector Summary: Beef

Farm Advisory Service
National Advice Hub
T: 0300 323 0161
E: advice@fas.scot
W: www.fas.scot

Trade and supply chains:

- The UK is a net importer of beef, and currently around 85% self-sufficient. While this might suggest that there is opportunity to increase self-sufficiency after Brexit, this is very unlikely in reality. This is partly due to export markets providing an important destination for less popular beef cuts and by-products (e.g. "fifth quarter" -, hides etc.)

Market:

Beef prices have fallen steadily over the last year so – this is due to:

- Weak consumer demand
- A fall in value of hides used in car manufacturing, reducing deadweight prices by 20p/kg
- Stockpiling for the first Brexit deadline increased stocks, which have remained high since, and exporters to the UK such as Ireland have moved as much product into the UK as possible in case of a No Deal exit.

Inputs:

- Lower feed prices and plentiful forage should lower feeding costs. Grain prices are down this year, and with a low market price there is greater incentive for farmers to store or utilise cereal on-farm. Straw has also been plentiful this year, and large amounts of good quality silage is available.
- A No Deal is likely to increase the cost of key inputs – buy ahead if possible

Looking Ahead:

Instability in the beef sector, with declining breeding numbers and some moving out of beef, while the upscale of dairy beef production. Even taking Brexit and the interactions with EU and non-EU competitors out of the equation, the beef market is facing significant changes, which makes planning ahead very difficult. The price of entitlements and availability of temporary grass lets in the spring will provide some indication of supply and demand and future confidence in beef production.

For further information on steps to take to increase your business' resilience in a No Deal Brexit, see our online checklist at: https://www.fas.scot/rural-business/brexit/preparing-for-no-deal/

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No issues expected	Plentiful feed and straw for the winter
Known issues	• Introduction of dairy calf rearing • Stockpiling and a backlog of beef contributing to low price
Unknown issues	• Future competitiveness of dairy vs. beef, and dairy beef bringing more headage into an already oversupplied sector • Risk of being undercut by cheaper imports • Future consumer uptake • The impact of lower beef prices on consumer uptake • Designation of origin protection for Scotch beef?

Opportunities

- UK 'low-carbon'/efficient beef production
- Re-grading of beef quality?

Beef	
Subsidy reliance	High
EU market access	Medium
Trade vulnerability to non EU imports	High
Reliance on other at risk sectors	Medium
Labour - farm	Low
Labour - processing	High
Logistics	Low
Processing	Medium

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