



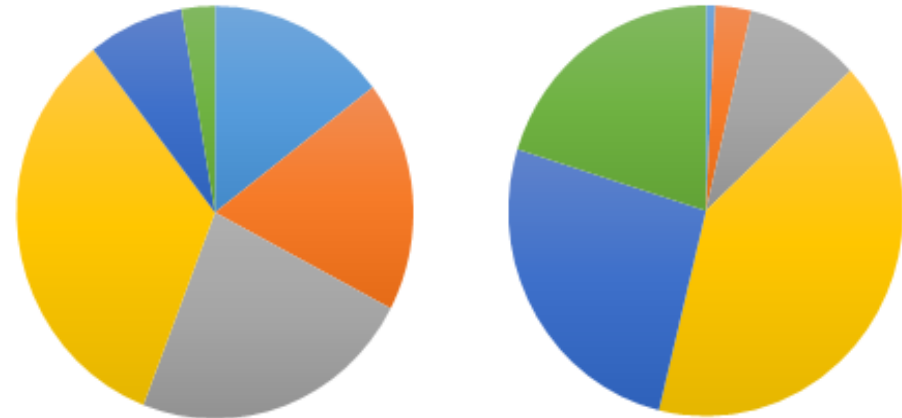
# Beef & Lamb sector strategic overview

AHDB Market Intelligence November 2016

# Portrait of beef & lamb farming

- More beef cows and breeding sheep on smaller farms than dairy or pigs
- Less consolidation over time than other sectors
- 38,000 English farms with sheep, 40,700 with cattle (26,600 with beef cows)

The size of English breeding sheep holdings

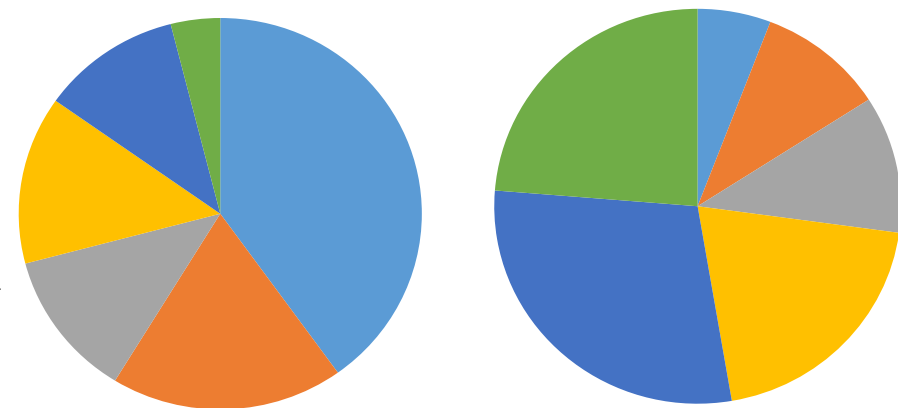


Number of holdings

1 to 19 20 to 49 50 to 124 125 to 499 500 to 999 1000 and over

Source: Defra

Size of English suckler cow holdings



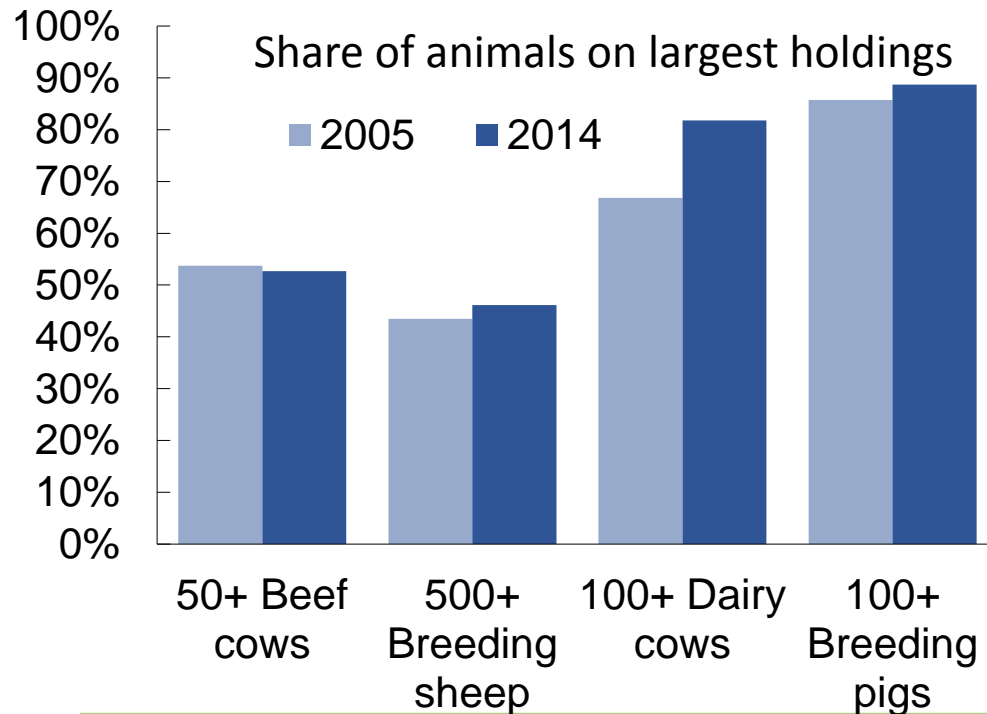
Number of holdings

1-9 cows 10-19 20-29 30-49 50-99 100+ cows

Source: Defra

Share of animals on largest holdings

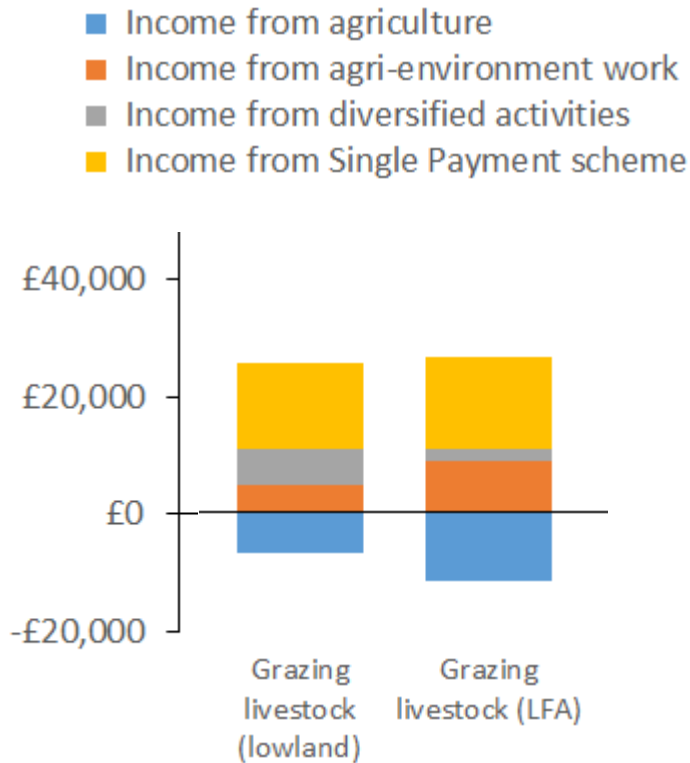
2005 2014



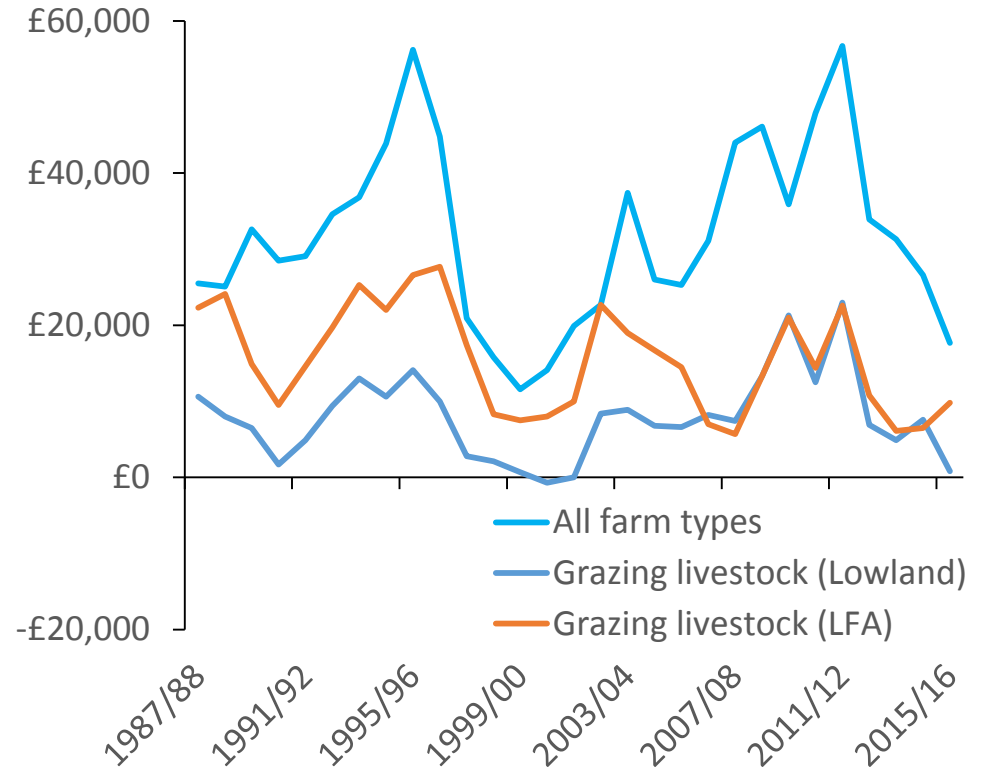
Source: Defra

# Farm incomes and volatility

## Farm Business Income by type, 2014-15



## Net farm income by farm type



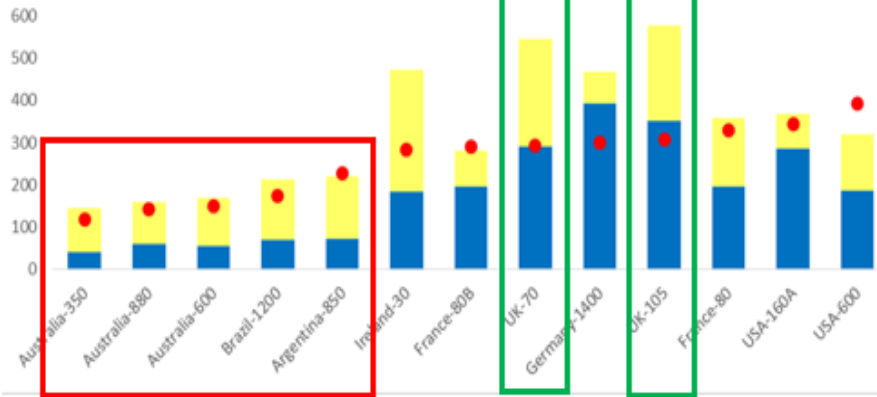
- Grazing livestock farm incomes consistently lower than most other farm types
- Average agricultural income often negative, so producers dependent on support payments
- Competitive and resilient farm businesses are critical to enable the industry to cope with volatility

# International comparisons

## Comparison of beef/lamb production costs

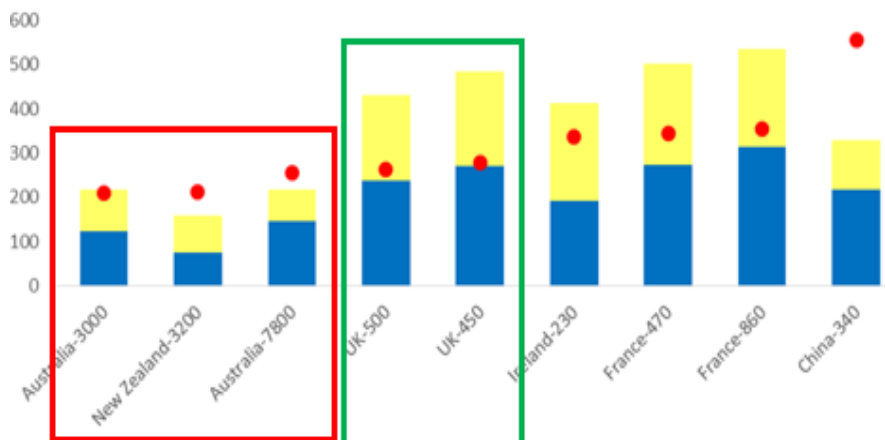
Suckler herds 2014 (USD per 100 kg LW)  
in order of suckler herd returns

■ Cash cost ■ Non-cash and depreciation costs ● Suckler herd returns

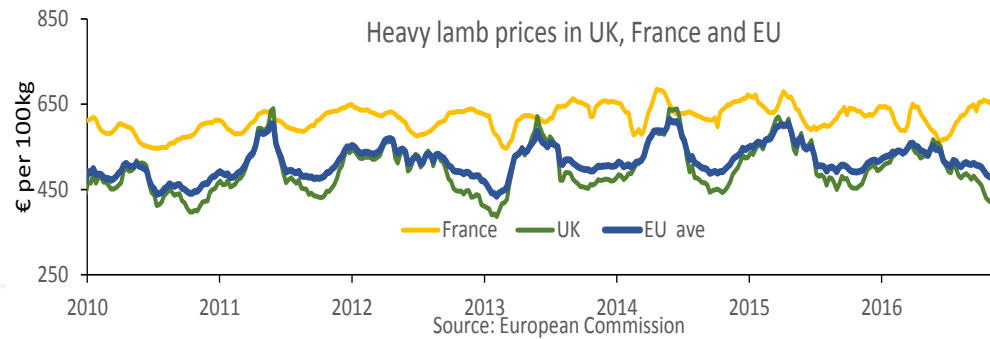
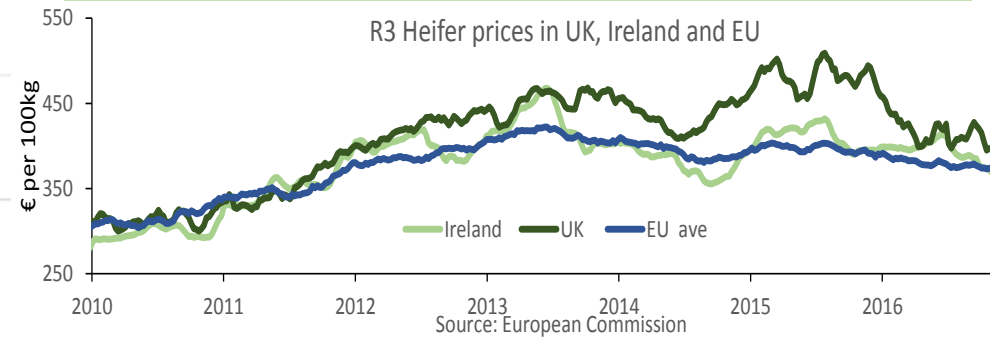


Breeding Sheep 2014 (USD per 100kg liveweight)  
in order of flock returns

■ Cash cost ■ Non-cash and depreciation costs ● Total returns



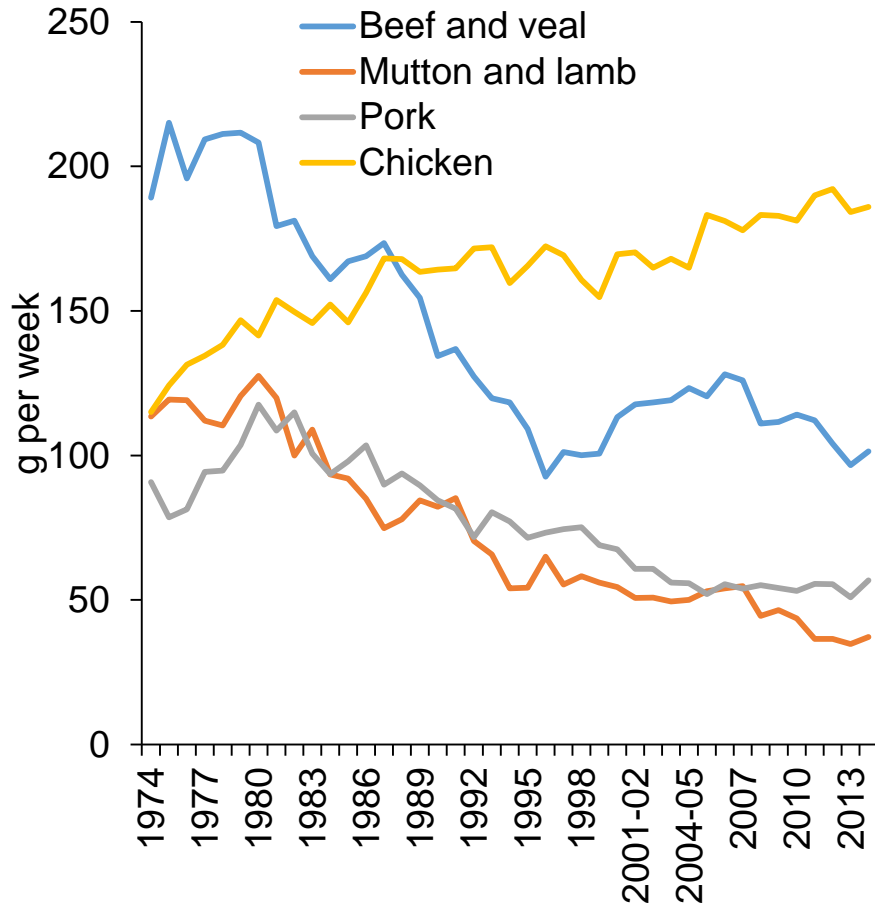
- Production costs in line with rest of EU but much higher than global leaders
- Farmgate cattle prices among highest in EU and well above global exporters
- Farmgate lamb prices more competitive in EU but still higher than main exporters



Source: Agribenchmark

# Domestic consumption

## Meat consumption per person



Source: Defra Family Food Survey

Time taken to prepare & cook main meal



1980  
**60**  
minutes



2015  
**31**  
minutes

Convenient products are an opportunity

Kantar Worldpanel Usage; 52 w/e 29 March '15  
Individual Meal Occasions (m)  
In Home Lunch, Teatime & Evening Meal (G)



**£6** /kg

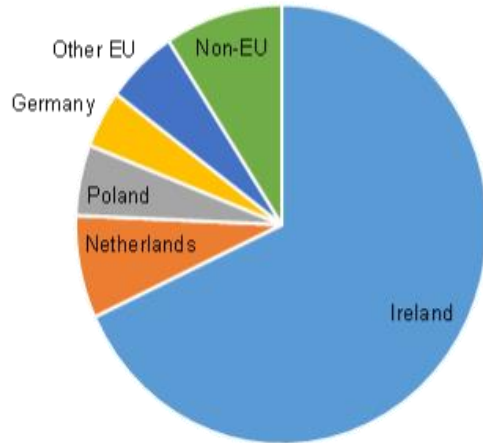


**£9** /kg

- Beef and lamb consumption in long-term decline
- Modern lifestyles require quick, easy cooking
- Opportunity to grow market for convenience products, for which consumers are willing to pay more

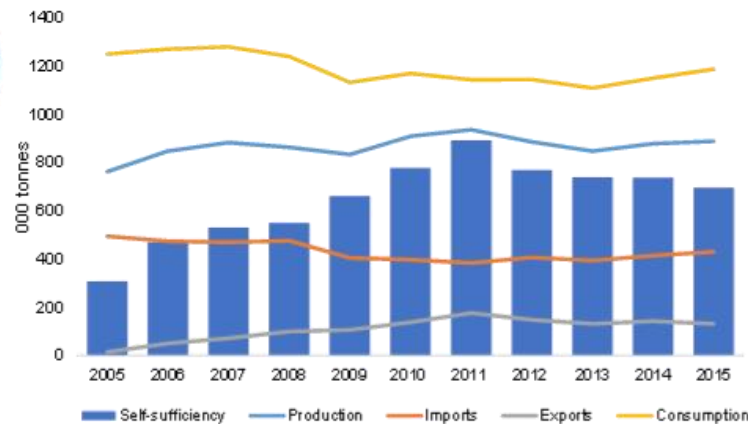
# UK beef trade

UK beef imports by source, 2015

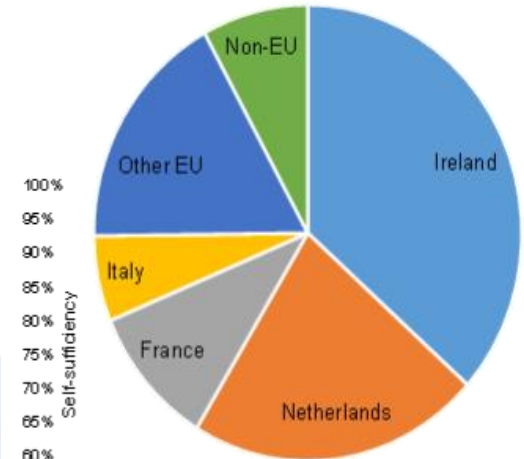


## Beef

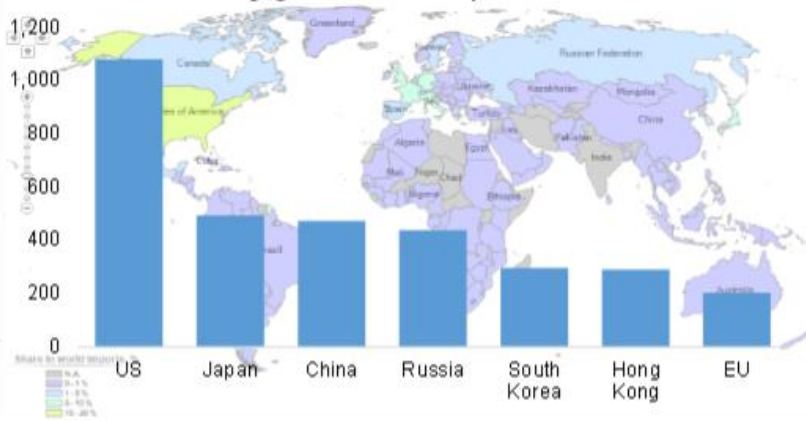
UK beef balance sheet



UK beef exports by destination, 2015



Leading global beef importers, 2015



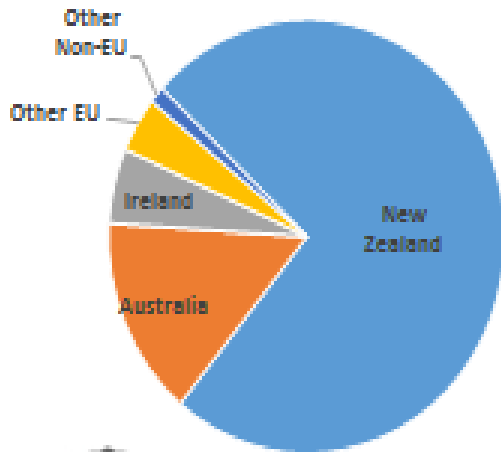
Leading global beef exporters, 2015



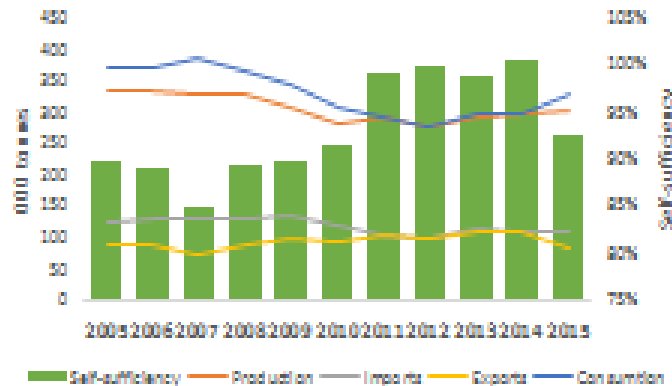
# UK sheep meat trade

## Sheep Meat

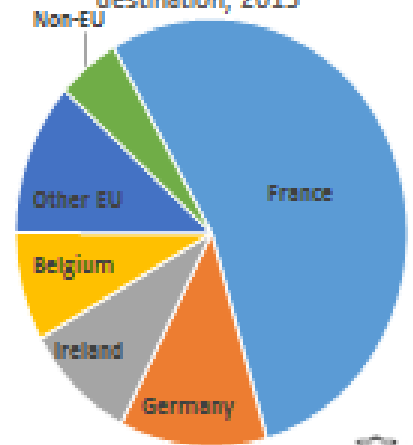
UK sheep meat imports by source, 2015



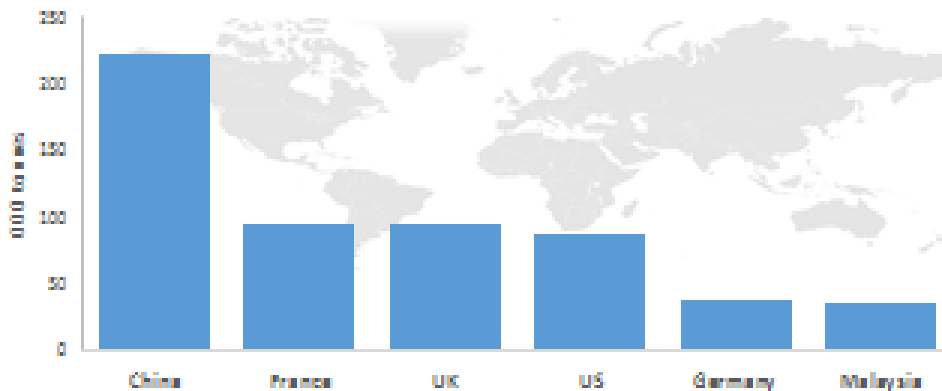
UK sheep meat balance sheet



UK sheep meat exports by destination, 2015



Leading global sheep meat importers, 2015



Leading global sheep meat exporters, 2015

