The Scottish Red Meat Industry

Profile

2024 Edition

Quality Meat Scotland

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Purpose: To highlight the importance of the red meat sector to Scotland's rural economy while providing the full range of industry stakeholders with key statistics for use in their work. It also aims to improve transparency in the supply chain, showing where activity takes place from farm to final market outlet, and where changes in cross border trade policy would place current activity at risk.

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AHDB
AGRICULTURE & HORTICULTURE DEVELOPMENT BOARD

Data disclaimer:
All deadweight price data used in this report is supplied to QMS by AHDB, who collect the data from reporting abattoirs each week and publish a consolidated set of data, regionally within GB for cattle, and GB-wide for sheep and pigs.

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Please note that figures and rates of change in tables may not sum due to rounding and estimates made for previous editions of this report may have been revised for this publication.

Contents

The Scottish Red Meat Industry: *A Snapshot*

STANDARD OUTPUT BY MAIN FARM TYPE IN 2023

LESS FAVOURED AREAS (LFA) CATTLE & SHEEP

£693 million

27%
of standard output from Scottish agriculture

NON-LFA CATTLE & SHEEP

£130.6 million

5.1%
of standard output from Scottish agriculture

SPECIALIST PIGS

£45.2 million

1.8%
of standard output from Scottish agriculture

FARMGATE AVERAGE PRICES IN 2023

PRIME CATTLE	PRIME SHEEP	PRIME PIGS SPP
487.9p/kg dwt	257.9p/kg lwt	217.4p/kg dwt

FARM ASSURED PREMIUM AT SCOTTISH AUCTIONS IN 2023

PRIME CATTLE	PRIME SHEEP
16.3% (17.6% in 2022)	4.5% (5.4% in 2022)

FARM ASSURED SALES COVERAGE AT SCOTTISH AUCTIONS IN 2023

PRIME CATTLE	PRIME SHEEP
97.2%	91.4%

ABATTOIR OUTPUT IN 2023

£975 million *(+1.0%)*

BEEF	SHEEPMEAT	PIGMEAT	OFFAL	SKINS & HIDES
£714 million (+2.5%)	£121 million (-5.9%)	£49 million (+16.3%)	£71 million (-5.2%)	£20 million (-13.7%)

CLIMATE CHANGE

Livestock farming greenhouse gases (GHGs) emissions

Suckler beef
(-2.8% 2022 v 2021)

Sheep
(-2.5% 2022 v 2021)

RED MEAT PROCESSING SALES IN 2023

SCOTLAND	REST OF UK	INTERNATIONAL EXPORTS
32%	58%	10%

ABATTOIR SECTOR EMPLOYMENT IN 2023

2,800 employees

45% are non-UK nationals *(38% in 2022)*

£88.4 million of wages

LIVESTOCK POPULATION

CATTLE
1,683,929 head (June 2023)

SHEEP
6,610,706 head (June 2023)

PIG
302,001 head (June 2023)

SELF-SUFFICIENCY IN 2023

BEEF
158.8% *(abattoir) / 168.2% (farm)*

SHEEPMEAT
220.3% *(abattoir) / 669.7% (farm)*

PIGMEAT
21.5% *(abattoir) / 98.5% (farm)*

PER CAPITA CONSUMPTION (CARCASE WEIGHT EQUIVALENT) IN 2023

BEEF	SHEEPMEAT	PIGMEAT
17.5kg	1.8kg	18.2kg
(UK 15.6kg)	(UK 3.7kg)	(UK 20.3kg)

EXPORTS OF MEAT AND MEAT PREPARATIONS IN 2023

45,103 tonnes

£144.5 million

4th largest category in Scottish food & live animal exports

Introduction

Highlights

In 2023, the red meat supply chain was still dealing with the surge in input costs experienced in 2022, as while most costs fell back from the highs of 2022, they remained elevated in an historical context, around one-third above pre-Covid levels. Meanwhile, a tight UK labour market meant that labour cost pressures remained considerable and made it hard to recruit new staff and replace leavers. Rising interest rates also made it more costly to service existing loans and overdrafts, and to undertake new investment projects.

However, for livestock producers, farmgate prices at or close to record levels throughout the year will have helped offset some of these cost pressures.

In the cattle sector, an usually firm start to the year saw finished cattle prices reach record high levels during the spring and, after a period of softness through the summer, prices rebounded close to their previous highs in the autumn. After a relatively subdued 2022, store cattle prices rebalanced significantly higher at spring and autumn sales, supported by a smaller calf crop and an improved input-output price balance for finishers.

However, despite a more favourable market for store and finished cattle, Scotland's iconic beef herd continued to contract in the second half of the year, with beef cow numbers down by 2.5% year-on-year in December. Calf registrations fell by 2.7% in the year as a whole, with the strongest declines during the summer months, but the outflow of store cattle to finishers in England and Wales slowed from the peak seen in 2022. The past increase in store cattle outflow did however continue to restrict the number of prime cattle available to Scottish abattoirs.

In the sheep sector, annual average market prices edged closer to the highs seen in 2021 and spent significant periods of time at record levels. After a weak start to the year, there was a notable spike in prices around Easter and Ramadan, despite a strong availability of hoggs due to the delayed marketing of the 2022 lamb crop. Once the 2023 lamb crop began to reach the market, prices received support from a lower supply; the legacy of a dry autumn in 2022 resulting in poorer ewe condition at mating and a reduced lambing rate.

"A tight UK labour market meant that labour cost pressures remained considerable and made it hard to recruit new staff and replace leavers."

Market prices remained historically firm at autumn sales despite a rebound in imports from Australia and New Zealand, with the former underpinned by increased market access following a Free Trade Agreement which entered force on 31 May 2023. Tight EU supply ensured that export demand remained strong for much of the year.

In 2023, the pig sector continued to recover slowly from the financial crisis of 2021/22. Farmgate prices remained at record levels following a rebalancing in 2022 as production ran at a significantly lower level, while input costs fell back from their peak, supporting increased margins. However, the scale of the previous crisis had a lasting effect, limiting confidence and the pig herd stabilised rather than rebounded. A similarly tight supply in the EU underpinned import prices, supporting the competitiveness of home-produced pork in the domestic market, but exports slumped due to the lack of supply in the home market.

Turnover from primary red meat processing in Scotland is estimated to have risen for a fourth consecutive year in 2023, lifting 1% to £975m. Higher revenue generated from beef and pork due to modelled increases in wholesale prices is estimated to have more than offset declining revenue from lamb and fifth quarter products from all three species. However, continuing upwards pressure on input costs will have ensured that already thin margins remained squeezed.

Employment in the primary processing sector is estimated to have fallen in 2023 as throughput declined across the three species. Meanwhile, the ongoing challenge of retaining and attracting staff saw the proportion of non-UK or EU origin workers increase further. However, a tight labour market ensured that wages rose significantly.

Producer Prices

Cattle

Prices for finished prime cattle

A nationwide price inflation, coupled with a tight domestic supply, significantly impacted prime cattle prices in 2023, resulting in an 11.1% increase to an average of 487.9p/kg. Furthermore, real-term adjustments[1] after inflation revealed a notable uptick compared to 2022, marking the second-highest level in the past decade, surpassed only by the figures seen in 2013.

In England and Wales, prime cattle average prices experienced a slightly weaker increase of 10.0%, contributing to a rebound in the Scottish premium to 15.6p/kg (3.3%) in 2023. This price gap exceeded levels observed in both 2022 and 2021, though trailing slightly below the five-year average.

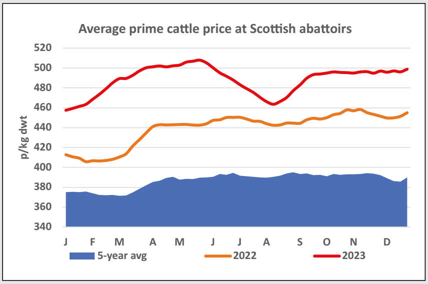
Meanwhile, cull cow prices averaged at 377.3p/kg in 2023, indicating a 5% rise compared to 2022. Notably, cow prices were relatively strong throughout 2022 and the initial half of 2023 before gradually easing off in the latter part of the year.

Farm assurance premium in 2023

16.3% (17.6% in 2022)
39.2p/kg lwt (37.8p/kg in 2022)

Source: IAAS; QMS calculations
Note: pricing premium for sales of assured prime cattle over non-assured prime cattle at Scottish auctions

1 Real prices: Where inflation is greater than zero, the price that the producer receives is lower in real terms than the market (nominal) price. This is because the sales proceeds have less purchasing power in the wider economy due to the rise in the general level of prices. For example, a sales price of 500p/kg in period 2 would be equivalent to a price of 490.2p/kg in period 1 if the rate of inflation between the two periods was 2%, and 480.8p/kg with inflation at 4%. The inflation rate used is the CPIH – a measure of retail price inflation published and favoured by the ONS.



↑ Source: AHDB; QMS calculations

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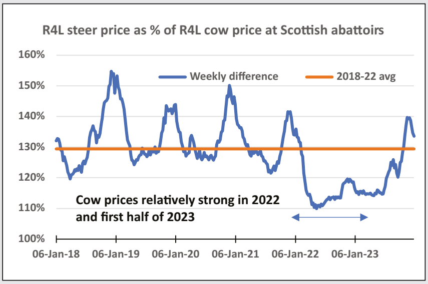
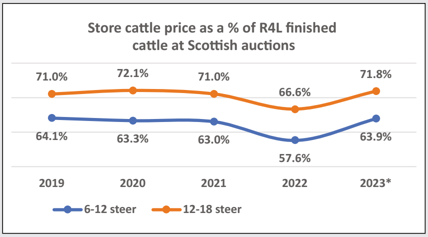


↑ Source: AHDB; QMS calculations



↑ Source: AHDB; IAAS/Scottish Government; QMS calculations.
2023*: store price reporting data including from the week ending 7th January to 25th March 2023

Price comparison for most common grades at Scottish abattoirs in 2023					
Grade	% of carcases in category	p/kg	£ per carcase	Change on year	
				p/kg	£ per carcase
R4L steer	29.2%	492.0	1,795	11.1%	10.7%
R4L heifers	35.2%	491.6	1,627	10.5%	10.2%
R3 young bull	19.9%	475.6	1,672	9.2%	10.1%
R4L cow	11.8%	406.7	1,609	6.8%	8.4%

↑ Source: AHDB; QMS calculations

Sheep

Prices for finished sheep

Prime sheep prices[2] rebounded by 1.6% at Scottish auctions in 2023, averaging 257.94p/kg liveweight. After a soft opening quarter, prices held particularly strong during the latter half of 2023 when new season lamb built up and dominated the supply. However, the adjusted value after inflation adjustments continued to slide for a second year from the peak level observed in 2021.

At price-reporting abattoirs in Great Britain, lamb prices also averaged 1.6% higher than in 2022, at 575.4p/kg deadweight.

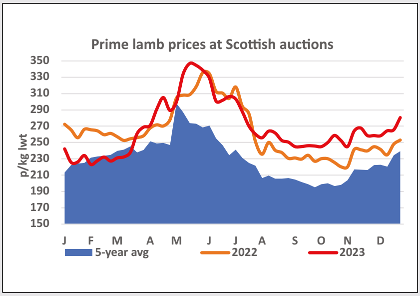
In contrast, the average selling price for cull ewes and rams slipped sharply by 9.8% at Scottish auctions, clearing at £77.19 per head.

Farm assurance premium in 2023

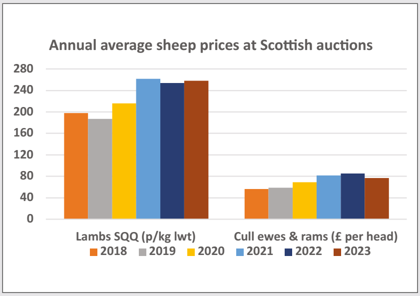
4.5% (5.4% in 2022)
11.1p/kg lwt (13.0p/kg in 2022)

Source: IAAS; QMS calculations
Note: pricing premium for sales of assured prime sheep over non-assured prime sheep at Scottish auctions

2 Annual average prime sheep prices are based on the old season price from January to April and then the new season lamb price from the beginning of May and are based on the Standard Quality Quotation which is lambs weighing 25.5-45.5kg liveweight at auction sales and 12-21.5kg deadweight at GB abattoirs.



↑ Source: IAAS; QMS calculations



↑ Source: IAAS; QMS calculations

Notes: Farm assurance premium at Scottish auctions

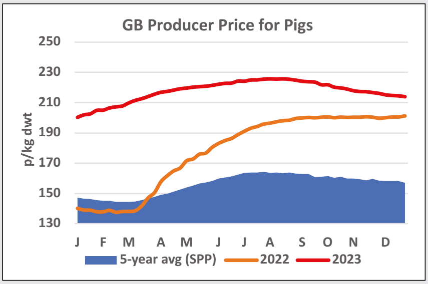
Prices paid at Scottish auctions for finished farm assured cattle and sheep are based on realised selling prices. The true premium cannot be observed because it is the difference between the price paid for an animal and the price which would have been paid for the animal had its assurance status been the opposite. Only 3% of the prime cattle and 9% of the prime sheep sold at Scottish auctions in 2023 were non-assured, resulting in small sample sizes – particularly for cattle, with overall auction volumes equating to less than 5% of annual prime cattle slaughter.

Producer Prices (continued)

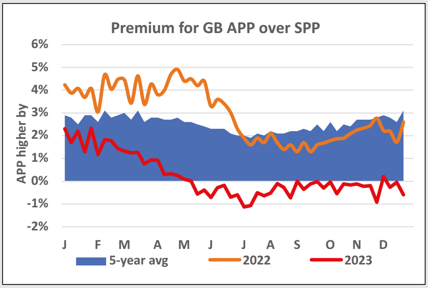
Pigs

Pig prices at GB reporting abattoirs (SPP)[3] reverted to their typical pattern in 2023, albeit significantly surpassing five-year averages. Prices strengthened to over £2/kg, marking a notable increase of 22.4% to 217.4p/kg in 2023. In real terms, after adjusting for inflation, they continued to rise for a second consecutive year, achieving a new high for the past decade.

The All Pig Price (APP) demonstrated a robust ascent throughout 2023 as well, increasing by 19.2% to 217.8p/kg. However, the premium for APP over the SPP experienced a substantial decline to an average of only 0.2% in 2023. This indicates that pigs with specific production characteristics were not receiving as exceptional premiums as they had been the previous year, signalling a tight marketplace. This trend became particularly apparent since May 2023 when the APP was priced lower than the SPP, although it should be noted that the price reporting samples are different from each other.



↑ Source: AHDB; QMS calculations



↑ Source: AHDB; QMS calculations

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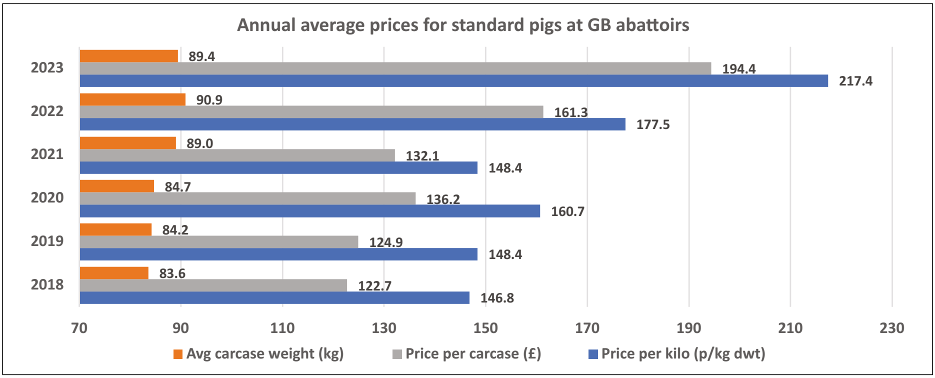


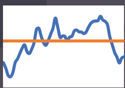
3 The 'Standard Pig Price' (SPP) is the price paid by a sample of abattoirs across Great Britain for a 'standard pig'. A standard pig is one that does not receive a premium based on a specific characteristic, such as its breed or being farmed organically. Bonus payments for meeting specific contract targets are also excluded. The only premia included are, therefore, those based on weight and carcase grade.

Deadweight Prices Comparisons: of Selected Countries and Regions in 2023

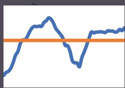
Prices
Annual average

Cattle

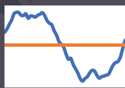
USA
Dressed Wtd Avg Steer, 5 Area Del
495.6p/kg



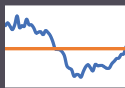
Scotland
Steers R4L
492p/kg



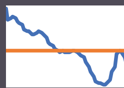
Ireland
Steers R3
434.5p/kg



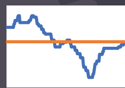
EU
Adult Male Indicative Price
431.8p/kg



Australia
Eastern States Young Cattle Indicator
305.7p/kg

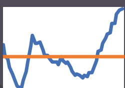


Brazil
Steers SP
260.3p/kg

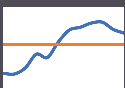


Sheep

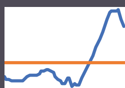
France
Heavy lamb
717.8p/kg



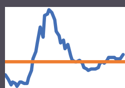
USA
Slaughter lambs, Choice/ Prime
592.0p/kg



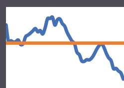
Spain
Light lamb
679.5p/kg



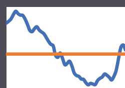
Great Britain
SQQ lambs
576.7p/kg



New Zealand
South Island lamb (17.5kg)
345.8p/kg

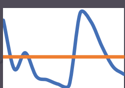


Australia
Trade lamb
313.5p/kg

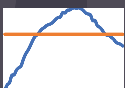


Pigs

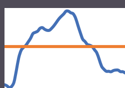
China
Farmgate live
232.3p/kg



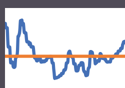
Great Britain
SPP
217.4p/kg



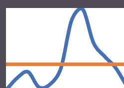
EU
Class E
198.1p/kg



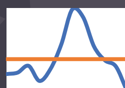
Brazil
Special carcass
160.0p/kg



Canada
Index 100 hog
135.2p/kg



USA
Barrows and gilts
104.2p/kg



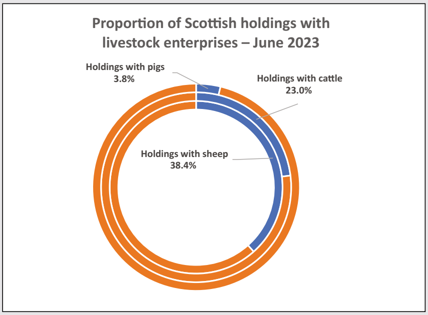
Sources: USA beef prices – USDA www.ers.usda.gov/data-products/livestock-and-meat-domestic-data · Brazilian beef prices www.pecuaria.com.br/cotacoes.php#quadro · EU beef prices – European Commission agridata.ec.europa.eu · Australian beef prices – MLA www.mla.com.au · Irish beef prices – LMC www.lmcni.com · Scottish beef prices – AHDB ahdb.org.uk/markets-and-prices · French and Spanish lamb prices – European Commission · USA lamb prices – USDA · GB deadweight lamb prices – AHDB · New Zealand lamb prices – Farmers Weekly NZ issuu.com/farmersweeklynz · Australian lamb prices – MLA · China pork prices (deadweight prices were converted from farmgate live pig prices with 0.75 kill out rate) – Ministry of Agriculture and Rural Affairs of the People's Republic of China · Canadian pork prices – Agriculture and Agri-Food Canada agriculture.canada.ca/en; weighted average of Ontario and Quebec · Brazilian pork prices: cepea.esalq.usp.br/br/indicador/suino.aspx · EU pork prices – European Commission · GB pork prices – AHDB · USA pork prices – USDA · Annual average prices calculated by QMS · Exchange rates – Bank of England, European Central Bank and Federal Reserve · Charts indicate price fluctuations in 2023.

Livestock Production

June agricultural census results continue to highlight the importance of livestock farming in Scottish agriculture. In June 2023, 80.5% of the country's agricultural area was grass and grazing land, while 93% of holdings had an area of grass or grazing land.

Meanwhile, 43% of the country's 44,698 holdings[4] allocated a main farm type in 2023 were classed as either LFA or non-LFA cattle & sheep[5], 7% were mixed, and another 34% were 'general cropping; forage'. The main farm type on 1.3% of holdings was 'specialist pigs'. Sheep were found on 38% of Scottish holdings in June 2023 and nearly one-in-four had cattle and one-in-twenty-six had pigs. Meanwhile, 18% of holdings had beef cows, 31% had ewes and 1.5% had sows.

The cattle population in Scotland has seen a steady decline since the late 1990s. Although the Foot and Mouth Disease (FMD) outbreak of 2001 did result in some volatility, the trend resumed after



↑ Source: Scottish Government; QMS calculations

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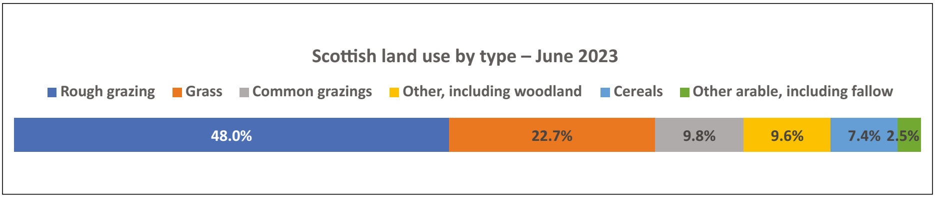
Source: Scottish Government RESAS, April 2017

↓ Source: Scottish Government; QMS calculations



4 The number of holdings has been revised down from above 50,000 due to a methodological change which is now excluding any holding which has failed to report census results or submitted a Single Application Form to claim agricultural support payments in the past 10 years.
5 LFA refers to 'Less Favoured Areas', which are areas of land deemed to be disadvantaged due to low levels of productive potential and/or a low human population in the area which is largely reliant on agriculture.

Common Agricultural Policy (CAP) reform in the mid-2000s resulted in a shift away from a support system based on animal numbers towards one based on the area farmed. The pace of decline accelerated in 2023, driven by higher input costs and the attractive cull cow prices available in 2022.

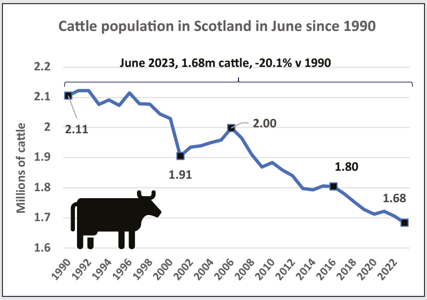
Scotland's sheep population in June 2023 was down by just over one-third on its 1990 level. However, unlike the steady decline in cattle, nearly all the decline in sheep took place between 1999 and 2010, driven firstly by FMD and then by CAP reform. Although the population has recovered slightly over the past decade, supported by firm market conditions and rising productivity, a poor lambing in 2023 led to some reversal in the recent trend.

QMS Enterprise Profitability Reports highlighted that, on average, sheep production tends to make a small net margin before factoring in area-based subsidy payments, whereas cattle production is characterised by significant losses.

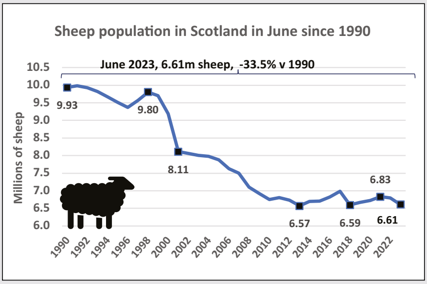
Scottish Livestock Greenhouse Gas Emissions

In Scotland, Greenhouse Gas (GHG) emissions totalled at 40.6MtCO_2e in 2022, 50% below the 1990 baseline[6]. Transport was the main source of emissions, with 28% of the total, followed by agriculture, business, energy supply and residential. Although the Scottish agriculture sector has reduced emissions by 11.9% compared to 1990, equivalent to 1.04MtCO_2e, its share of emissions has risen from under

6 Scottish Greenhouse Gas Statistics 2022; QMS calculations.



↑ Source: Scottish Government; QMS calculations



↑ Source: Scottish Government; QMS calculations

1990-2022 GHGs emission reductions in Scotland (values in MtCO_2e)	
Agriculture	-1.04
Business	-4.96
Energy supply	-16.54
Exports	0.18
Industrial processes	-1.44
Land use, land use change and forestry	-5.76
Public	-1.13
Residential	-2.99
Transport	-2.15
Waste management	-4.91

➔ Livestock Production (continued)

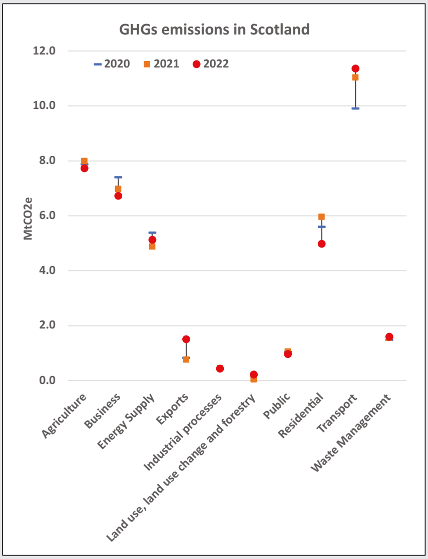
11% of the total in 1990 to 19% due to significant reductions in other parts of the economy, particularly energy supply, driven by the shift away from coal towards renewables.

Land use, land use change and forestry has also seen a substantial decline in emissions since 1990. Within this category, forestry and grassland act as carbon sinks, subtracting emissions from the category total and offsetting emissions from cropland and peatland.

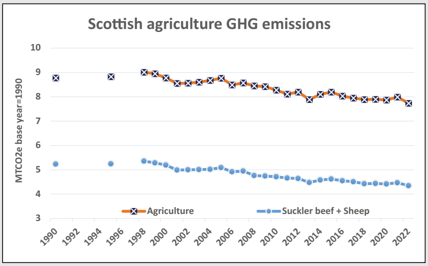
The Scottish red meat industry has already made progress in reducing its environmental impact, with many farmers adopting sustainable practices and investing in new technologies. Suckler beef and sheep farming reduced its GHG emissions by 17% between 1990 and 2022[7], heavily influenced by a reduction in stock numbers.

Suckler beef farming has historically been the largest contributor to GHG emissions within the agricultural sector, though its share has been decreasing since 1990. Similarly, the sheep sector, which is the fourth largest contributor to agricultural emissions, has also seen a decline in its share. In contrast, the arable sector has experienced significant growth in its share of emissions.

The 2022 *Cattle and Sheep Enterprise Profitability* in Scotland report found that higher levels of animal efficiency and productivity generally resulted in lower emissions intensity, a trend that has been consistent for a number of years[8].



↑ Source: Scottish Government



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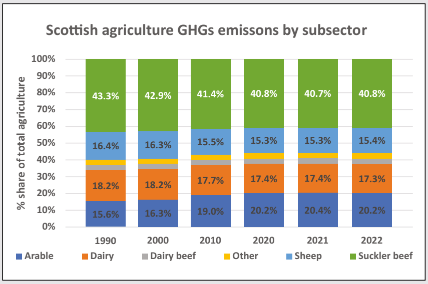


↑ Source: Scottish Government; QMS calculations

7 Scottish agriculture greenhouse gas emissions and nitrogen use 2022-23; QMS calculations.
8 *Cattle and Sheep Enterprise Profitability in Scotland*, commissioned by Quality Meat Scotland (QMS); Estimates were made of the greenhouse gas emissions associated with the surveyed enterprises, based on net liveweight produced or added during the calf and lamb crop year.

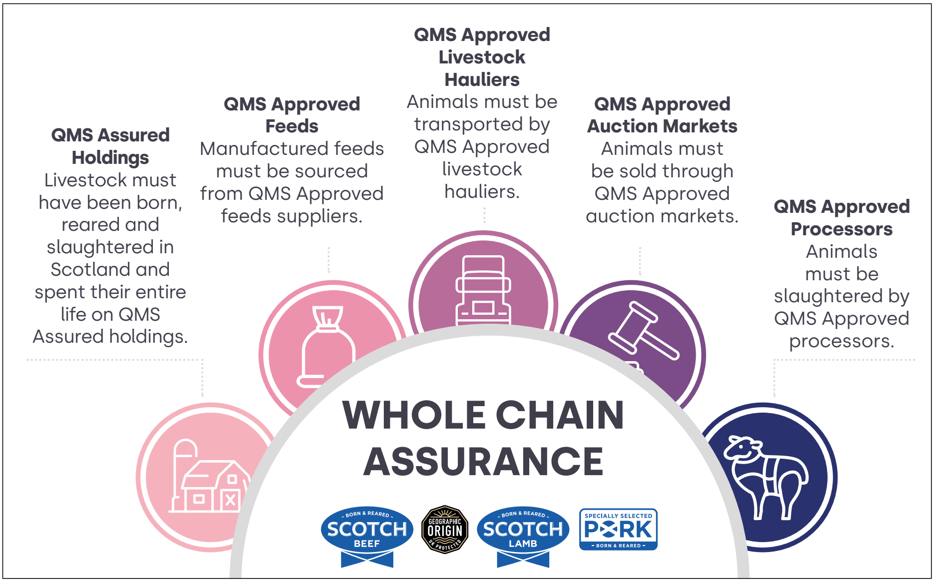
Environmental sustainability is about more than carbon emissions. Well-managed, sustainable livestock systems can have a positive impact on biodiversity, flora and fauna, and exert a significant and positive influence over the appearance of landscapes and their suitability as habitats for key species. Healthy soils developed by mixed farming systems are abundant in nutrients, organic matter and invertebrate life which promote thousands of vital farmland species.

Whole Chain Assurance

To carry the Scottish red meat industry's three premium brands, Scotch Beef UK GI, Scotch Lamb UK GI and Specially Selected Pork, livestock must have been born, reared and slaughtered in Scotland and spent their entire life on QMS Assured holdings.

Whole chain assurance underpins the integrity of these premium brands and provides reassurance to consumers of provenance, highest standards of production, animal welfare and wellbeing, to deliver a quality eating experience.

Data from sales of finished stock at Scottish auctions demonstrates the high level of coverage of the assurance schemes in Scotland.



Sales of assured and non-assured stock at finished auction sales in Scotland, 2023				
Category	Total sales	Assured	Non-assured	% assured
Prime cattle	16,472	16,009	463	97.2%
Cows	30,168	28,790	1,378	95.4%
Adult bulls	2,530	2,355	175	93.1%
All cattle	49,170	47,154	2,016	95.9%
Prime lambs and hoggs	984,147	899,743	84,404	91.4%
Cull ewes	311,642	264,692	46,950	84.9%
All sheep	1,295,789	1,164,435	131,354	89.9%

↑ Source: IAAS; QMS calculations. Note: based on sales data from 50 of 52 weeks with data for w/e 4/11/23 not available while no sales were recorded in w/e 30/12/23

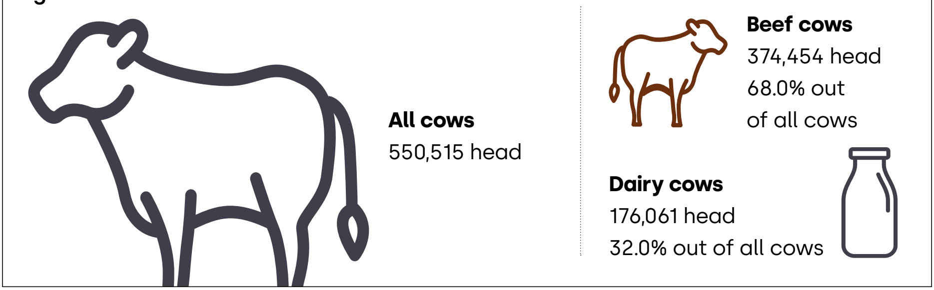
Cattle Production – National and Regional

After slowing to a marginal pace of contraction in 2020 and 2021, the long-term decline in Scotland's beef herd accelerated in 2022, with a 3.3% reduction on a year earlier in December 2022. The decline continued in 2023, although it did slow in the second half of the year, leaving numbers down by another 2.5% year-on-year in December 2023. While factors such as a surge in input costs, uncertainty over future agricultural policy and attractive cull cow prices are likely to have played a significant part in the recent pace of decline, issues such as an ageing population of farmers and challenges with succession are also likely to have factored.

By contrast, Scotland's dairy cow population expanded by 1% in 2023, recovering to an eight-year high in December.

The faster rate of decline in the suckler herd meant that the share of total cow numbers that were beef cows fell further in 2023. In December, the beef share of the total breeding herd fell by another 0.8 percentage points to 68.0%.

Figure 1 – Scottish cow numbers in December 2023

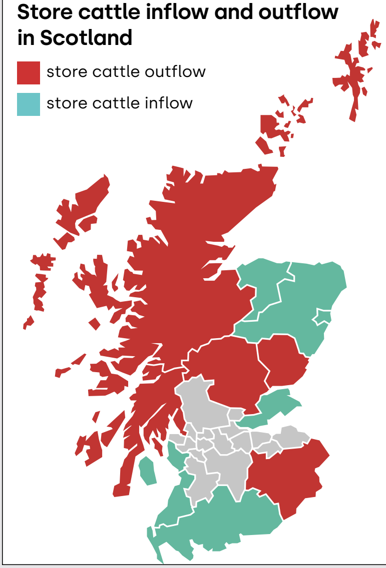


This share steadied at around 70% in the second half of the 2010s after a significant fall at the start of that decade but has begun to fall significantly again in the 2020s.

Structural change within the dairy sector may account for some of the significant upturn in the calves to cows ratio in recent years, but it is also likely to reflect some productivity improvement in the beef herd. Dips in 2013 and 2018 reflected challenging spring weather conditions which raised mortality rates. It appears that the ratio may have begun to stabilise since 2021, potentially reflecting limited room for the dairy herd to contribute more beef calves.

With livestock production heavily influenced by land type, the cattle population is skewed towards producing beef calves in Scotland's island and upland areas.

Store cattle inflow and outflow in Scotland



↑ Source: Scottish Agricultural Census June 2023; QMS calculations. Note: this map was created to demonstrate the store cattle movement in Scotland. When the percentage out of the national total for beef cows in a region is greater than that of male cattle aged 1-2 years, it indicates a store cattle outflow. Otherwise, it indicates a store cattle inflow. As to Lothian, East Central and Clyde Valley, the percentage differences are too small to be categorised. In the South West, the figures will be affected by the dairy sector.

Scottish cattle population structure in December – thousand head

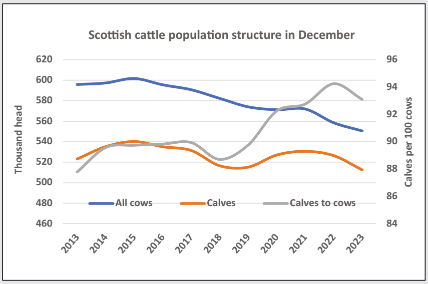
	2022	2023	y/y change	Change since Dec 2018	Seasonal change since June 2023	Avg June to Dec change 2018-22
Female beef cattle, over 2 years with offspring	384.2	374.4	-2.5%	-7.9%	-5.1%	-4.4%
Female beef cattle, 1-2 years	177.1	180.3	+1.8%	-1.6%	-6.2%	-6.6%
Female dairy cattle, over 2 years with offspring	174.3	176.1	+1.0%	+0.3%	+0.3%	-0.2%
Female dairy cattle, 1-2 years	62.6	62.4	-0.3%	+17.2%	-0.4%	+1.3%
Males over 12 months plus females over 24 months without offspring	279.4	282.2	+1.0%	-13.7%	-15.4%	-15.5%
Calves	526.4	512.6	-2.6%	-0.8%	-2.4%	-1.0%

↑ Source: Scottish Government; QMS calculations

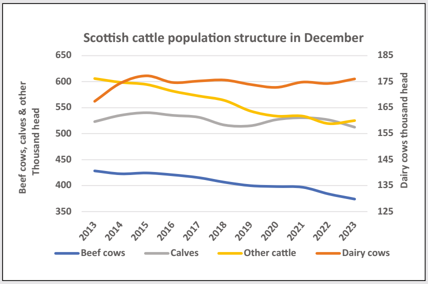
Meanwhile, dairy production and finishing operations are common in the South West, with Fife and the North East geared towards cattle finishing.

The agricultural census data from June 2021 showed that 78.7% of Scotland's beef cows were in Less Favoured Areas, compared to 69.1% of the dairy cows and 56.6% of the male cattle over a year old.

Highlighting the flow of store cattle into Aberdeenshire for finishing, the North East had 31.7% of Scotland's male cattle between 1 and 2 years of age in June 2023 but only 19.1% of the beef cows.



↑ Source: Scottish Government; QMS calculations

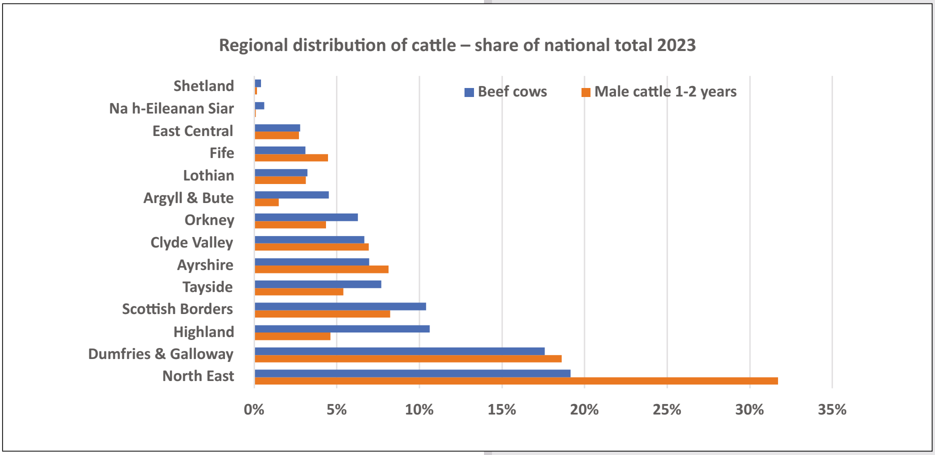


↑ Source: Scottish Government; QMS calculations

Herd Size

The average number of beef cows on Scottish holdings was 48.6 in the regional census data from June 2023.

Average herd sizes vary considerably across the country, with the average of 82 in the Borders being nearly 11 times that in Eileanan Siar (7.5).



↑ Source: Scottish Government; QMS calculations

While the average beef herd size in Scotland was 49 in June 2023, 78% of the beef cows were on holdings with at least 50, and just over half of the herd was on holdings with at least 100 beef cows. Therefore, the median herd size is more than double the mean.

Calf Registrations

After a marginal dip in 2022, calf registrations fell significantly in Scotland in 2023, down 2.7% to 547,100 head, slipping below the previous lows of 2013 and 2018.

Seasonality in calvings reflects the predominance of spring calving in the beef herd, with an increased 57.0% of beef registrations taking place between March and May in 2023 compared to 23.1% of dairy registrations. Overall, 51.8% of calves were registered during the spring.

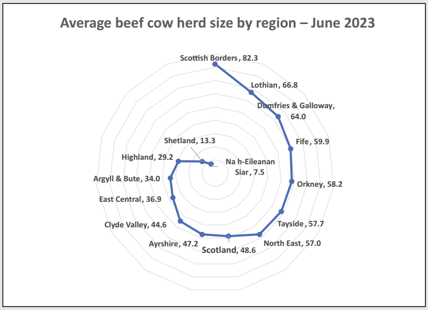
After seven increases in eight years, beef-sired registrations fell by 2.6% and slumped to a four-year low of 463,000 head[9].

Meanwhile, dairy-sired registrations decreased for the seventh time in eight years, down 3.1% at 84,100 head.

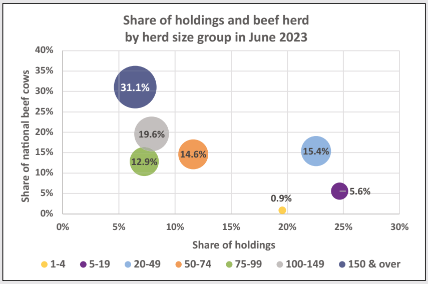
These figures highlight the structural shift in cattle production in Scotland in recent years, with dairy producers making greater use of sexed semen for female replacements and beef genetics to produce higher quality male calves.

Data from the Scottish Suckler Beef Support Scheme, which shows a downwards trend in the number of beef calves that a support payment was

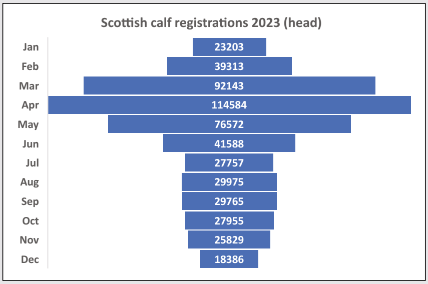
9 Beef-sired registrations are all non-dairy registrations and include a small number of dual, exotic and rare breeds.



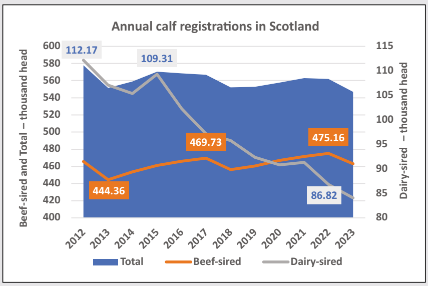
↑ Source: Scottish Government; QMS calculations



↑ Source: Scottish Government; QMS calculations



↑ Source: BCMS

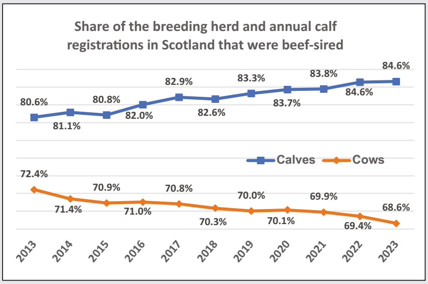


↑ Source: BCMS; QMS calculations

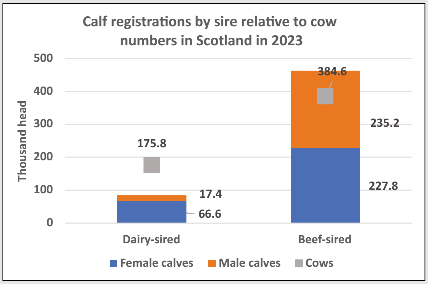
claimed on since 2015, is also likely to reflect a reduction in eligibility due to the increase in beef-sired calves being born to dairy cows. However, at the margins, a small portion could reflect business decisions not to claim support payments, and it is possible that economic pressures may have contributed to some of the rebound in claims in 2022, which rose by 2% compared to a 0.8% increase in beef-sired calf registrations for the period (December 2021 to November 2022). The downwards trend then returned in 2023.

The recent shift in registrations from North East to South West continued in 2023. While registrations fell in both areas, there was a notably steep decline in the North East.

In addition to the change in structure of calf registrations away from dairy sires towards beef sires, there has also been a shift away from continental sires. In part down to change in the dairy sector, Angus calvings have surged, overtaking Limousin as the most popular breed in 2020, and building further since.



↑ Source: BCMS; Scottish Government; QMS calculations. Cow numbers based on average of June and December levels



↑ Source: BCMS; Scottish Government; QMS calculations. Cow numbers based on average of June and December

Scottish Suckler Beef Support Scheme – annual claims 2015-23 relative to calf registrations

Scheme year	No of animals claimed	No of businesses submitting an application	Avg. calves claimed per business	Beef-sired registrations	% of beef-sired calf registrations	Total calf registrations	% of total calf registrations
2015	394,449	7,335	53.8	460,053	85.7%	568,950	69.3%
2016	394,247	7,074	55.7	465,678	84.7%	569,139	69.3%
2017	386,707	6,817	56.7	469,438	82.4%	566,458	68.3%
2018	388,302	6,937	56.0	457,079	85.0%	553,511	70.2%
2019	378,617	6,806	55.6	459,945	82.3%	552,301	68.6%
2020	382,764	6,748	56.7	466,562	82.0%	557,710	68.6%
2021	372,508	6,503	57.3	470,950	79.1%	562,252	66.3%
2022	379,999	6,519	58.3	475,641	79.9%	563,008	67.5%
2023	366,371	6,423	57.0	463,210	79.1%	547,424	66.9%

Source: Scottish Government; BCMS; QMS calculations

Figure 4 – Calf registrations: share of national total and year-on-year change in births in Scotland by region and type in 2023

NORTH WEST
All calves 12.2% (-4.4%)
Dairy 1.6% (-12.1%)
Beef 14.1% (-4.3%)

NORTH EAST
All calves 13.5% (-6.8%)
Dairy 2.6% (-2.4%)
Beef 15.5% (-7.0%)

SOUTH WEST
All calves 53.7% (-0.9%)
Dairy 86.0% (-1.2%)
Beef 47.8% (-0.8%)

SOUTH EAST
All calves 20.6% (-3.2%)
Dairy 9.8% (-16.3%)
Beef 22.6% (-2.0%)

↑ Source: BCMS; QMS calculations

Calf registrations in Scotland by main breed groups					
Breed	2021 (% of total)	2022 (% of total)	2023 (% of total)	% change in number of births 2023 v 2022	% change in number of births 2023 v 2015
Angus	22.9%	24.9%	25.6%	+0.2%	+55.9%
Limousin	18.4%	17.4%	16.6%	-7.3%	-28.5%
Black and White Dairy Breeds	14.2%	13.4%	13.4%	-2.5%	-26.9%
Charolais	12.5%	12.1%	11.8%	-5.1%	-26.5%
Simmental	10.8%	10.6%	10.3%	-5.4%	-24.5%
Other	21.2%	21.6%	22.3%	+0.5%	+34.1%
Total registrations (head)	563,100	562,000	547,100	-2.7%	-4.1%

↑ Source: Scottish Government; BCMS; QMS calculations

Other breeds: Calf registrations in 2023 for selected native Scottish and British beef breeds

Hereford
13,300
2.4% of total

Galloway
4,100
0.7% of total

Shorthorn
23,000
4.2% of total

Luing
7,700
1.4% of total

Highland
3,100
0.6% of total

↑ Source: BCMS; QMS calculations. Births rounded to nearest 100

Sheep Production

In the June 2023 census, the Scottish ewe flock size was estimated at just under 2.51m head. While a census was not carried out in 2022, estimates have been made, indicating that the national flock contracted by 1.7% in 2023.

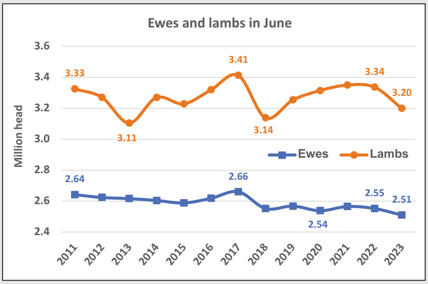
From 2018 to 2022, the flock had been relatively stable, averaging 2.55m head, with the 2022 estimate matching this average.

While ewe numbers in June have fallen over the past decade, lamb numbers have held up better, driven by increased productivity. However, a difficult lambing in 2023, following dry weather at mating in autumn 2022, resulted in a smaller lamb crop in 2023, down 4.1% on the estimated 2022 level, at just under 3.2m head. Nevertheless, lamb numbers remained above the lows of 2013 and 2018 as a poor lambing rate relative to the 2020-22 period still compared favourably with the levels seen during the 2010s. Indeed, at 1.27 lambs per ewe, the lambing rate in 2023 was above the 1.25 average level from the 2010s, with only the 2017 rate proving higher.

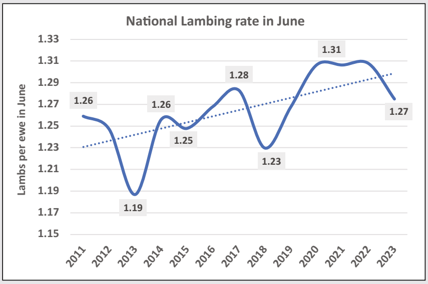
Regional Variation in Sheep Production

Sheep production continued to be spread slightly more evenly across Scotland than cattle in June 2023. Above-average lambing percentages meant that the Borders, Dumfries and Galloway and the North East took higher shares of the national lamb crop than the ewe flock, whereas the opposite was true for Highland.

Regional variation in lambing performance is generally reflective of land and climate, but also farming structure, with



↑ Source: Scottish Government; QMS calculations



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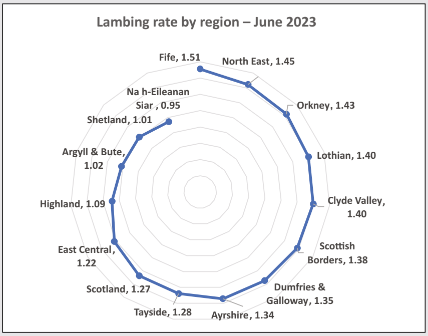

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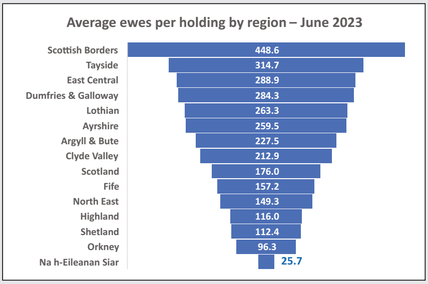
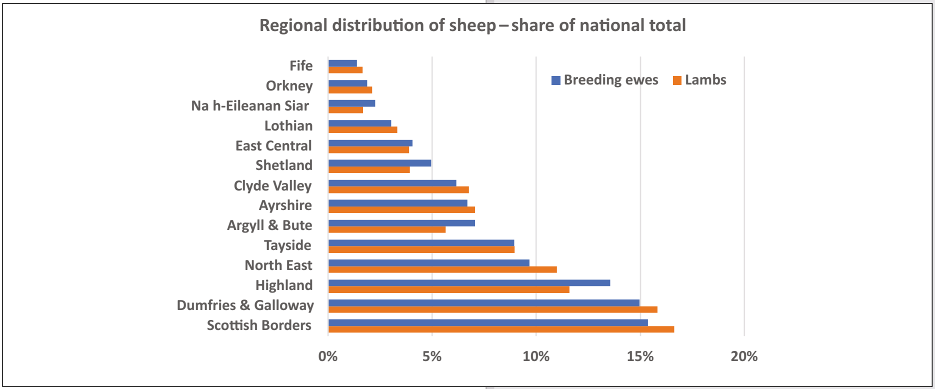


↑ Source: Scottish Government; QMS calculations



↑ Source: Scottish Government; QMS calculations

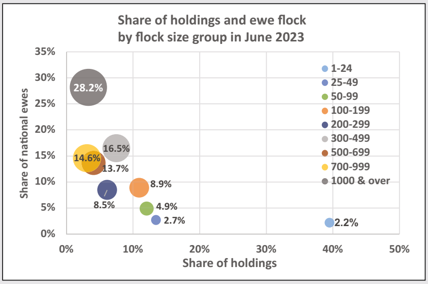
performance tending to be weaker in areas of the country with a higher proportion of remote upland grazing.

Flock Size

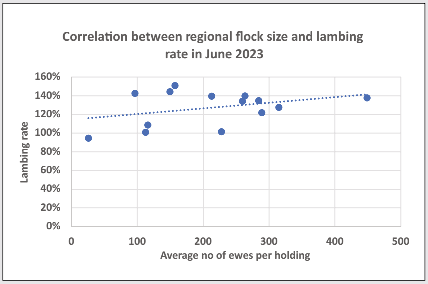
In June 2023, there was an average of 176 ewes on each holding with breeding ewes in Scotland. This is a reduction from previous census results, due to an upwards revision in the number of holdings with breeding ewes.

Lambing performance and flock size do not correlate perfectly in Scotland, with Fife, the North East and Orkney all below average for flock size in 2023, having been ranked one, two and five for lambing. This may reflect that sheep enterprises may tend to be a smaller part of a mixed farming business in areas such as Fife and the North East while tending to be specialist large hill or upland flocks in areas like the Borders and Perthshire (within the Tayside region).

Holdings with above-average flock sizes accounted for more than 80% of the national ewe flock in 2023, with 81.4% of the ewes on holdings with at least 200 ewes, and 43% of the flock on holdings with at least 700 ewes (just 6.4% of holdings).



↑ Source: Scottish Government; QMS calculations



↑ Source: Scottish Government; QMS calculations

Pig Production

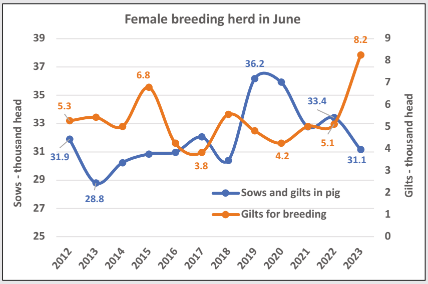
Scotland's female pig breeding herd numbers tend to be volatile from year-to-year both in the June and (the now discontinued) December census, with annual changes averaging around 11% in December and more than 5% in June reports in the decade preceding their last publication in 2020 and 2023 respectively.

In June 2023, at 31,150 head, the female breeding herd was nearly 6.8% lower than the estimate for 2022, slipping to a five-year low. Perhaps surprisingly given the industry crisis of 2021/22, the estimate for 2022 was 1.9% higher than the figure reported in the June census of 2021.

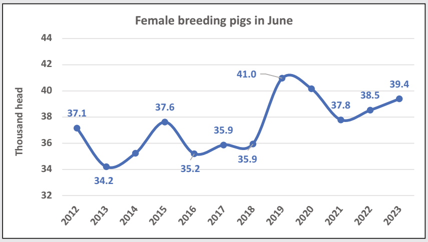
However, once the number of gilts retained for future breeding have been factored in, the total number of female pigs for breeding rose for a second year, up 2.3% to reach 39,400 head in June 2023 and the highest since 2019. For comparison, while the number of female breeding pigs reported in England's June census also edged up in 2023 due to an increase in gilts, there had been a steep decline of 18.6% in 2022.

For prime pig numbers, the June 2023 census results showed a small 1.2% decline from the 2022 estimate, which had placed numbers at a 10-year high. Nevertheless, the total remained marginally higher than in 2021, whereas there was a 14% contraction on English farms over the same period.

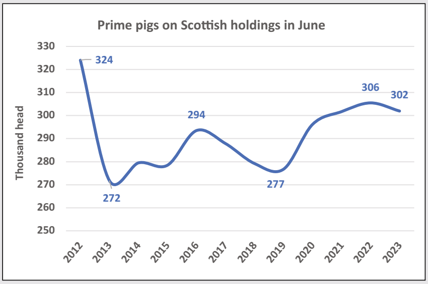
In a signal of rising productivity, the number of prime pigs on farm was 9.7 times the sow herd level in June 2023, working out at the highest ratio since 2012 and up from around 9.2 in 2021 and 2022.



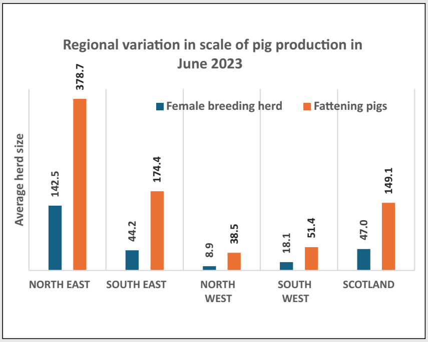
↑ Source: Scottish Government



↑ Source: Scottish Government. Includes breeding sows and gilts for future breeding



↑ Source: Scottish Government



↑ Source: Scottish Government; QMS calculations

Figure 2 – Regional spread of pig production in June 2023

NORTH WEST
Female breeding herd
5.5% of national total
fattening pigs 7.2% of national total

NORTH EAST
Female breeding herd
62.7% of national total
fattening pigs 56.0% of national total

SOUTH WEST
Female breeding herd
10.7% of national total
fattening pigs 9.1% of national total

SOUTH EAST
Female breeding herd
21.2% of national total
fattening pigs 27.8% of national total

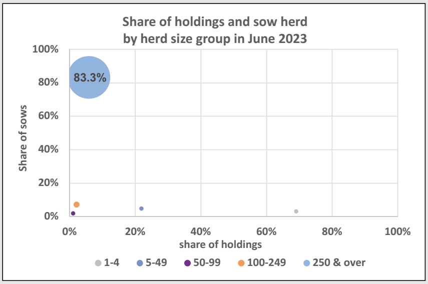
↑ Source: Scottish Government; QMS calculations

Regional Spread of Pig Production in Scotland

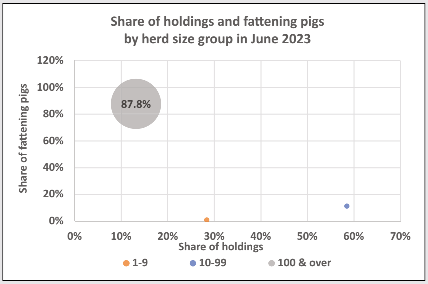
The regional breakdown of the June 2023 census results continues to highlight the heavy concentration of pig production in eastern Scotland, with around 86% of pigs living there. Combining the North East and Tayside would have accounted for two-thirds of the sow herd and 63% of all other pigs in 2023.

The 2023 regional data pointed to some movement of weaner pigs for fattening from North East to South East, with Fife, Lothian and the Borders all having higher shares of non-breeding pigs than of the national sow herd. The North West also appeared to see an inflow of fattening pigs. In addition to the North East, the 2023 data pointed to an outflow of weaners from Clyde Valley.

Pig production is heavily concentrated into a relatively small number of herds, with 39 of the 662 holdings with sows in June 2023 having at least 250 of them and being home to more than 83% of the herd. These large holdings kept an average of 665 sows, compared with a national average of only 47.



↑ Source: Scottish Government; QMS calculations



↑ Source: Scottish Government; QMS calculations

In June 2023 there were 148 Scottish holdings with at least 100 fattening pigs, and they accounted for 88% of the national total, averaging 995 each.

Farming Output

In 2020, the Scottish Government estimated that total agricultural output totalled £3.48bn. The total income from farming estimates for 2021, 2022 and 2023 were yet to be published as this report went to press.

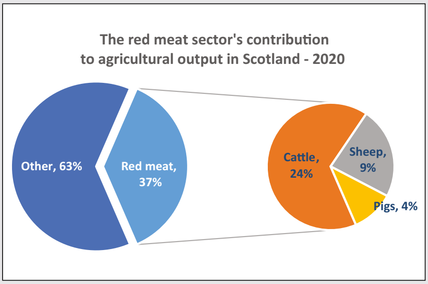
Highlighting the importance of the red meat sector to Scottish agriculture, a combined 37% of agricultural output came from cattle, sheep and pig production in 2020. Combined output totalled nearly £1.29bn, led by beef at £849m, with contributions of £299m from sheep and £139m from pigs.

Cattle and sheep continued to be of greater significance to Scottish agriculture than on average across the UK and EU[10].

Scottish Government standard outputs for different farm types based on their principal enterprise in 2023 highlight revenues from livestock and arable farming before accounting for input costs[11]. These show that cattle and sheep farms generated £824m of revenue and accounted for 32.1% of the total, with another £45.2m and 1.8% of the total from specialist pigs.

On top of this, £311m and 12.1% of revenue came from mixed farms, of which a significant proportion of revenue will have been generated from livestock sales, while the 3.1% of standard output from forage production was generated for use in livestock production.

10 UK, Ireland and EU sourced from Eurostat – real output in euro, production value at basic price.
11 The threshold for a farm type allocation is generally two-thirds of output, with mixed farms those where no enterprise type accounts for at least two-thirds of output.

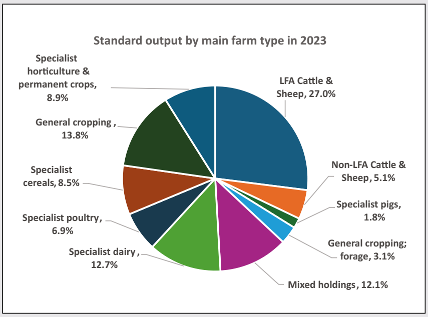


↑ Source: Scottish Government; QMS calculations

Contribution to agricultural output (%) in 2020

	Cattle	Sheep	Pigs
Scotland	24.4	8.6	4.0
United Kingdom	14.4	6.3	5.7
Ireland	27.1	3.5	6.8
EU27	6.7	1.0	9.6

↑ Source: Eurostat; Scottish Government; QMS calculations



↑ Source: Scottish Government; QMS calculations

Producer Input Costs

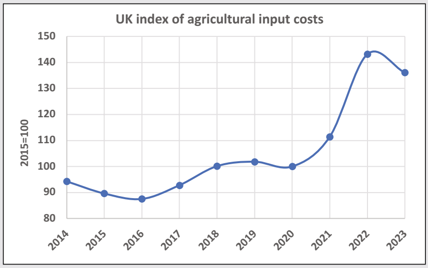
After a surge in 2022, UK agricultural input costs reported by Defra softened in 2023, averaging 5% lower than in the previous year but remaining historically high.

Fertiliser costs, which had doubled in 2022, fell sharply by 36% in 2023. Despite this significant drop, fertiliser prices remained well above the previous peak experienced during the 2008 oil and gas market boom. Additionally, energy and fuel costs declined by 4.8%, and feed costs decreased by 4.3%. However, costs for machinery, buildings, and investments continued to rise, increasing by 1.2%, while veterinary services rose by another 3.3%.

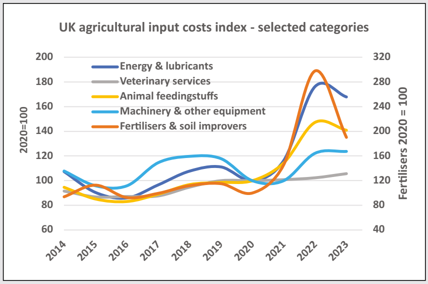
In 2022, prices were pushed up further by fears over the impact of the response to the war in Ukraine on energy supply. By 2023, the disruptions had been addressed, leading to more stable supply chain of energy, therefore reduced costs.

For feed, with the Black Sea region being one of the world's leading arable crop producing areas, the war in Ukraine led to considerable concern over global grain and oilseed supplies in 2022. However, a deal which led to the resumption of exports from Ukraine's ports then led to a sharp downwards rebalancing of grain and oilseed prices from the second half of 2022 onwards. Although this deal ended in mid-2023, there was no lasting impact on prices, with Ukrainian crops continuing to reach the world market, while a strong grain harvest in Russia also placed downwards pressure on the market.

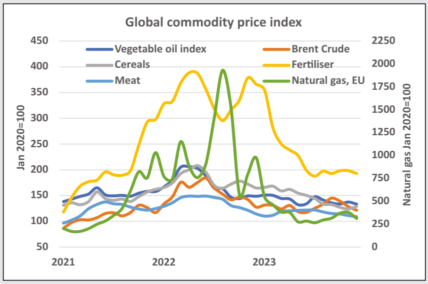
The red meat processing sector continued to face increased production costs in 2023, with livestock, and labour becoming more expensive.



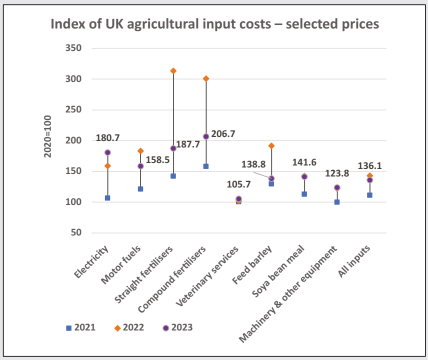
↑ Source: Defra



↑ Source: Defra



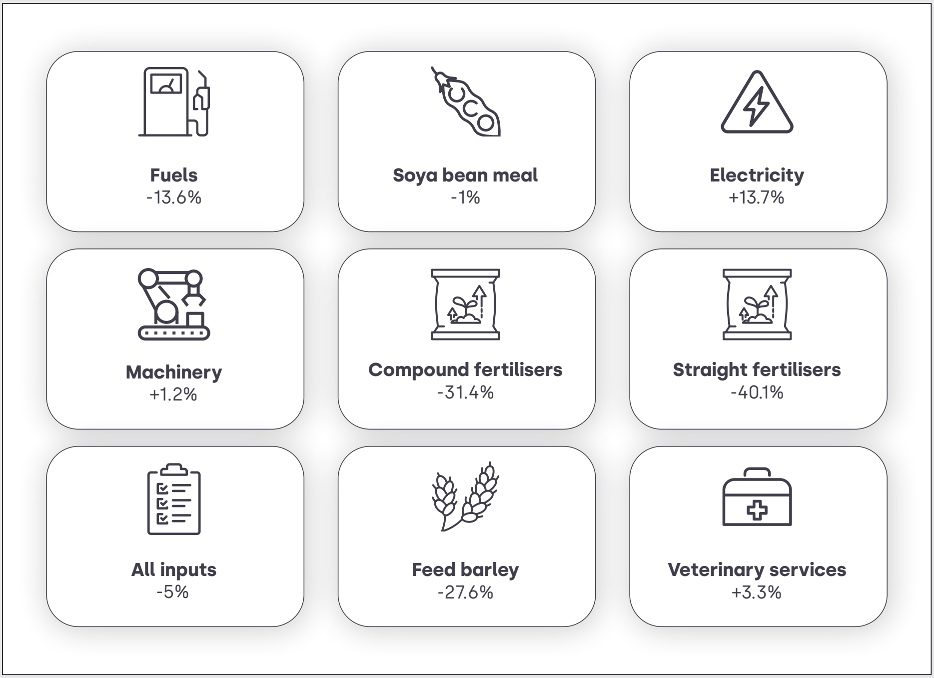
↑ Source: IMF; re-based to January 2020 = 100 by QMS

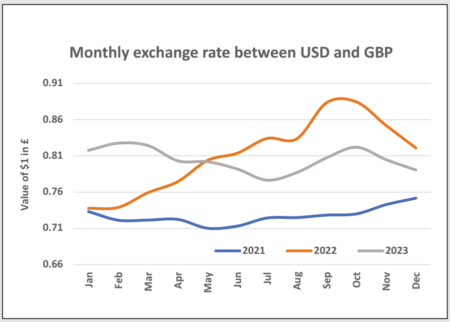


↑ Source: Defra

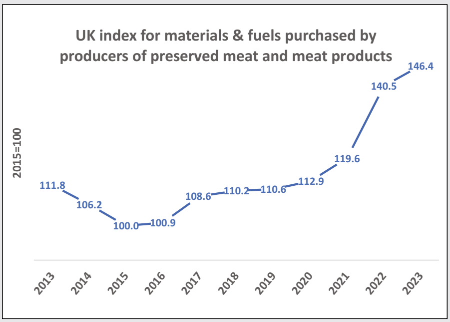
After a 17.4% surge in 2022, the ONS producer price index for materials and fuels used in the preserved meat and meat products sector rose by another 4.2% in 2023.

As many internationally traded commodities are priced in US dollars, a stronger sterling exchange rate in 2023 helped mitigate some of the input costs pressures faced by the agriculture and processing sectors.





↑ Source: Bank of England; QMS calculations



↑ Source: ONS

Primary Processing

Supply of Livestock to the Processing Sector

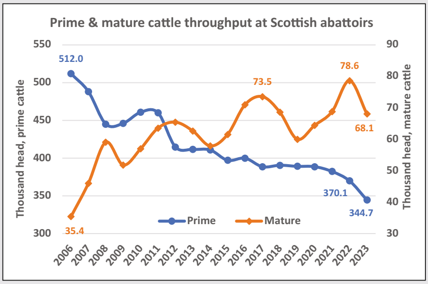
Cattle

The decline in prime cattle slaughter at Scottish abattoirs accelerated further in 2023, reducing by 6.9% to 344,700 head[12].

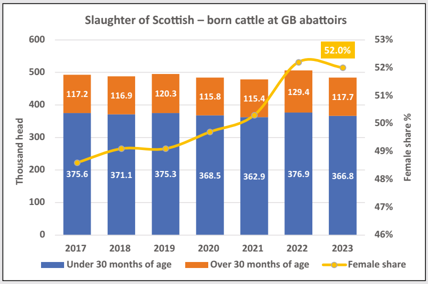
After some slight recovery at the start of the year, numbers tightened in the spring with the decline added to by supply chain challenges. The declines peaked in the summer with a previously elevated outflow of store cattle, weak market demand and ongoing supply chain rebalancing all factoring. After some recovery in September and October, numbers fell sharply again in November, at the time when slaughter normally peaks ahead of Christmas.

Heifer slaughter fell at a below-average pace at Scottish abattoirs in 2023, resulting in a further rise in its share of the prime cattle kill, while the rebalancing of the male kill towards steers continued.

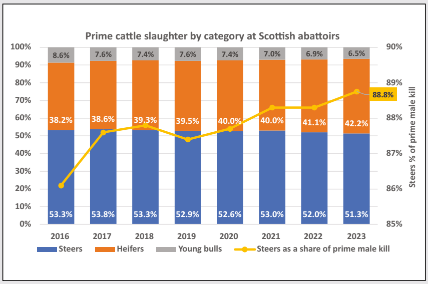
Mature cattle slaughter fell back sharply at Scottish abattoirs in 2023 after surging to a record high in 2022[13]. The total fell by 13.4% to 68,100 head, also slipping back slightly below the 2021 out-turn. Only 1,200 of this total consisted of adult bulls.



↑ Source: Scottish Government; QMS calculations



↑ Source: Scottish Government; QMS calculations



↑ Source: Scottish Government; QMS calculations

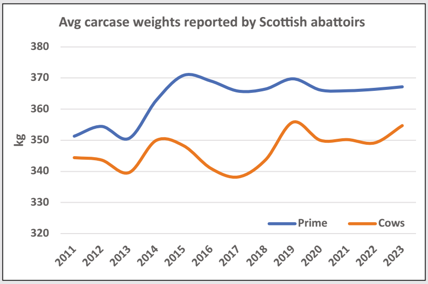
12 Annual slaughter based on a 52-week year, ending 30 December 2023.
13 2022 record based on the period since slaughter of over 30-month cattle for the food chain resumed in the mid-2000s.

➔ Primary Processing (continued)

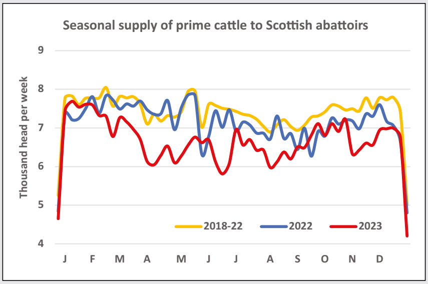
After an increase of 3.9% in 2022, the total number of cattle born in Scotland and slaughtered at less than 30 months of age at GB abattoirs fell back by 2.7% in 2023 but remained higher than the 2021-low, with the female share dipping below its 2022 peak but remaining elevated. Following a significant increase of 24% in 2022, the number of cattle aged under 30 months moving from Scottish farms directly to abattoirs in England and Wales rose by another 15% in 2023 and was almost double the 2017-20 average. The number moving to auction markets also increased at a slower rate than in 2022, up 7.4%. However, moves to farms fell back from their 2022 peak, down 6.9%. Nevertheless, they were still almost a third higher than the 2017-21 average level.

Meanwhile, slaughter at over 30 months of age fell back sharply after its 2022 surge. There was a reduction of 9.1% overall, with a stronger 10.3% reduction for females.

The average prime cattle carcase weight in the Scottish Government's



↑ Source: Scottish Government



↑ Source: Scottish Government; QMS calculations

Average carcase weights				
	Scotland			UK
	2018-22	2022	2023	2023
	kg per head			
Steers	382	380	381	367
Heifers	347	349	349	331
Young bulls	368	370	375	361
All prime cattle	367	366	367	352
Cull cows	350	349	355	312

Source: Defra; Scottish Government; QMS calculations.
Note: UK carcase weights adjusted to same specification as Scottish weights based on conversion rates when Defra changed reporting method in September 2019.

slaughter survey reached a four-year high at Scottish abattoirs in 2023, up by 0.8kg (0.1%) at 367.2kg. This average weight was around 4% higher than if it had been based on the weights reported in the deadweight price reporting sample (353.6kg).

While category weights are well above the UK average in Scotland due to the predominance of beef breeds, weights for specific grades are not always higher than at price reporting abattoirs in England and Wales. While it was generally the case for E and U grade steers and heifers, R4L grades were marginally heavier on average in England and Wales than in Scotland in 2023 along with most grades of young bulls.

Carcases which exceed the target weight range to meet product specifications for prime cuts of beef sold by UK supermarkets often face pricing penalties. This continued to pressure steer carcase weights which, despite rising 1.7kg (0.4%) to 381.4kg in 2023, remained 2.6% below the 2015 peak.

Slightly increased weights in 2023 partially offset the decline in throughput, limiting the fall in prime beef output to 6.7% to 126,600t. Meanwhile, heavier weights for mature cattle (+1.6%) limited the decline in cow beef output to -12.1%, with 24,300t produced.

The net result was a reduction in beef production at Scottish abattoirs of 7.6% to 150,900t, leaving it down almost 18.5% from a 21st century peak of 185,000t in 2006 and 2007.

Figure 3 – Carcase weights for selected grades at price reporting abattoirs

Scotland

Carcase weights

- **R4L steers** 364.9 (-1.1kg v 2022)
- **R4L heifers** 330.9 (-0.9kg v 2022)
- **R3 young bulls** 351.6 (+2.6kg v 2022)
- **R4L cows** 395.6 (+6.1kg v 2022)

England & Wales

Carcase weights

- **R4L steers** 367.4 (-0.4kg v 2022)
- **R4L heifers** 331.1 (-2.6kg v 2022)
- **R3 young bulls** 357.7 (-0.1kg v 2022)
- **R4L cows** 388.2 (-0.6kg v 2022)

↑ Source: AHDB. Note: Weights reported in UK spec for the most common grade in each category at Scottish reporting abattoirs in 2023; 87% of the prime cattle kill at Scottish abattoirs was deadweight price reported in 2023 and 73% at E&W abattoirs.

Seasonality of Cattle Production

Steers and heifers accounted for 78% of the cattle processed at Scottish abattoirs in 2023, with an annual peak of 83% in November and low of 73% in July. Young bulls accounted for just under 5.5% of the annual kill but exceeded this between May and August, peaking at 13% in July. Cows accounted for 16% of the kill, peaking at 18% in January and October but at their annual low of 14% in July and December.

The seasonal pattern in carcase weights at Scottish abattoirs reflects the dominance of spring calving in Scotland's beef herd. In the spring, prime cattle are being slaughtered at around two years of age compared to around 18 months in the autumn.

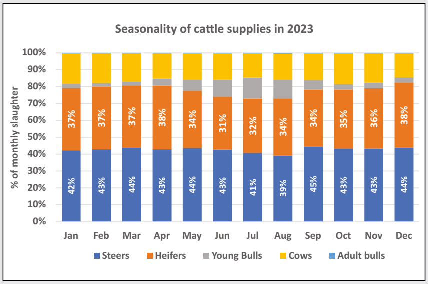
Cattle Carcase Quality

To be labelled as Scotch Beef, beef from eligible animals must also meet product specifications. Carcases must be classified as either 2, 3, 4L, 4H or 5L for fat cover and E, U, R or O+ for conformation.

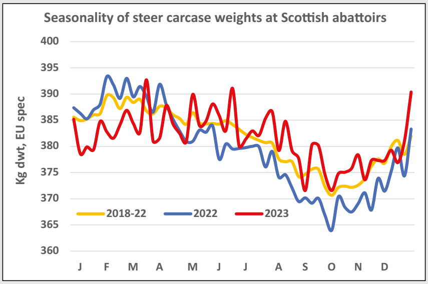
Based on the proportion grading E, U or R for conformation and 3 or 4L for fat cover, following increases in 2022,

Steer carcases by grade at Scottish abattoirs in 2023			
	3	4L	4H
-U	8.6%	11.5%	1.9%
R	16.7%	29.2%	6.7%
O+	5.3%	6.0%	1.0%
-O	1.8%	1.5%	0.1%

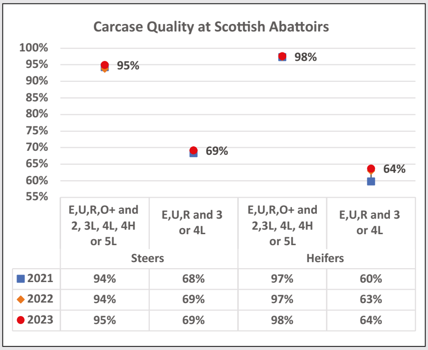
↑ Others: 9.6%. Source: AHDB; QMS calculations



↑ Source: Scottish Government; QMS calculations



↑ Source: Scottish Government; QMS calculations



↑ Source: ADHB QMS calculations

Most common grades at price reporting abattoirs in 2023					
Category	Position	Scotland		England & Wales	
		Grade	Share of total	Grade	Share of total
Steers	1st	R4L	29.2%	R3	22.8%
	2nd	R3	16.7%	O+3	15.4%
	3rd	-U4L	11.5%	R4L	11.4%
Heifers	1st	R4L	35.2%	R3	20.0%
	2nd	R4H	14.3%	R4L	16.8%
	3rd	R3	11.4%	O+4L	12.1%
Young bulls	1st	R3	19.9%	R2	19.4%
	2nd	-U3	18.8%	R3	18.6%
	3rd	R4L, -U4L	10.7%	-U2	8.5%
Cows	1st	R4L	11.8%	-P1	17.5%
	2nd	O+3	8.2%	P+2	11.6%
	3rd	R3	7.7%	P+1	10.3%

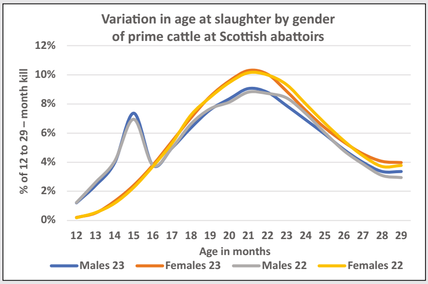
↑ Source: AHDB; QMS calculations

carcase quality for steers steadied in 2023 while there was a further uplift for heifers at Scottish abattoirs.

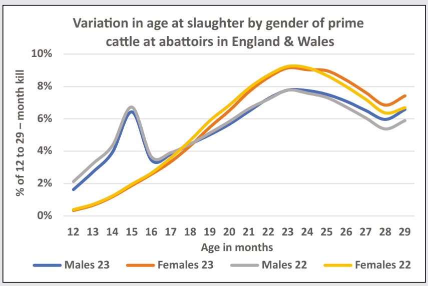
R4L continued to be the most common grade for steers and heifers at Scottish abattoirs in 2023, while R3 remained the most common for young bulls having overtaken the -U3 grade in 2021. Cows continued to have a much more even distribution.

Age of Cattle at Slaughter

At Scottish abattoirs, there was limited change in age at death in 2023 for prime cattle. For males, the share slaughtered at 12-17 months remained at 23.6%, while the share processed at 18-23 months edged down to 43.0% (-0.3pp) and the share at 24-29 months rose to 28.4% (+0.4pp). For females,



↑ Source: BCMS; QMS calculations



↑ Source: BCMS; QMS calculations

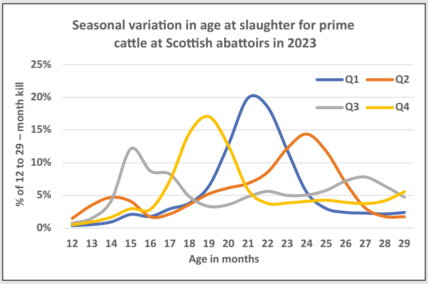
➔ Primary Processing (continued)

the share slaughtered at 12-17 months rebounded by 0.5pp to 13.7% while the share at 18-23 months dipped to 54.4% (-0.3pp) and the share at 24-29 months fell to 31.9% (-0.2pp). For both species, the share processed at under 22 months edged up marginally but remained below its 2021 peak.

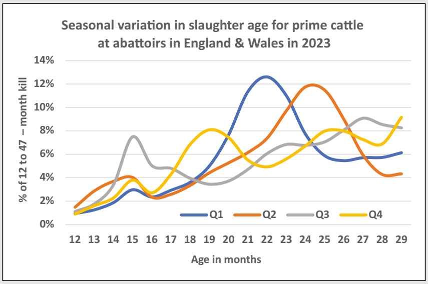
In England and Wales, age at slaughter showed a second year of notable increase in England and Wales, with the share slaughtered at 24-29 months rising by another 2.5 percentage points for males and 2.2 percentage points for females, reaching 41.4% and 48.3% respectively.

The median age at death in Scotland for cattle aged 12 to 29 months remained 21 months for males and 22 months for females in 2023. In England and Wales, it was 22 months for males and 23 months for females.

Quarterly age at slaughter shows a similar variation through the year at abattoirs in Scotland and in England and Wales, linked to the age of spring-born cattle. However, the greater dominance of spring calving in Scotland means that this link is stronger north of the border.



↑ Source: BCMS; QMS calculations



↑ Source: BCMS; QMS calculations

Change in average age at death for cattle aged 12-29 months at Scottish abattoirs, 2019-23						
	Median age at death in months			% slaughtered at under 22 months		
	All	Males	Females	All	Males	Females
2019	22	22	22	48.0%	49.8%	45.3%
2020	21	21	22	50.4%	52.8%	46.7%
2021	21	21	22	53.4%	55.7%	49.8%
2022	21	21	22	52.3%	54.8%	48.6%
2023	21	21	22	52.6%	55.0%	49.2%

↑ Source: BCMS; QMS calculations

Sheep

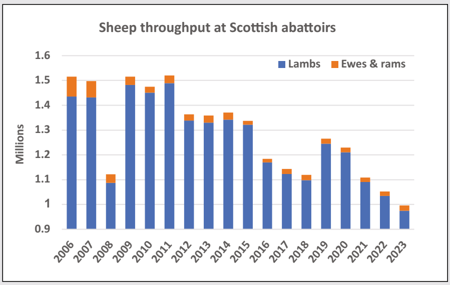
Prime sheep slaughter fell for a fourth consecutive year at Scottish abattoirs in 2023 and was at its lowest level of the 21st century. At 0.98m head, throughput was down 5.7% from the previous year and by 14.1% on the five-year average. It is estimated that more than 90% of these lambs moved directly from Scottish farms, highlighting that lambs sold at Scottish auctions tend to be processed in England and Wales.

Scottish abattoirs are estimated to have handled a net figure of around 37% of the Scottish-born lambs sent for slaughter in 2023. This has been based on just under 80% of the lamb crop being sent for slaughter each year and takes into account the marketing pattern of the 2022 and 2023 lamb crops.

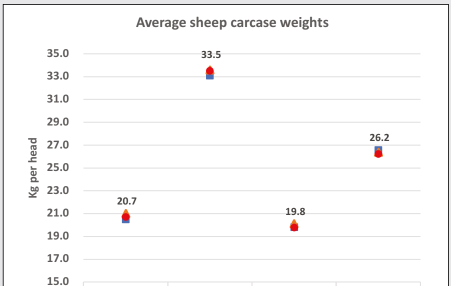
The number of ewes and rams processed by Scottish abattoirs surged by 13% to 20,700 head in 2023. Nevertheless, Scottish abattoirs still handled only around 5% of the ewes and rams sent to slaughter from Scottish farms.

After a significant increase in 2022, prime sheep carcase weights slipped back by 1.4% to 20.7kg at Scottish abattoirs in 2023. Average weights remained heavier than the average at UK abattoirs, with the gap widening to a five-year high of 4.7% having nearly doubled to 4.4% in 2022.

Due to lighter weights, lamb production volumes fell more significantly than abattoir throughput, down by 7.1% at 20,200t. Meanwhile, mutton production rose almost to the same extent as ewe and ram throughput, with only a marginal fall in average weights. The net result was that overall sheepmeat production declined by 6.5% to 20,900t, falling 12.7% below the five-year average.



↑ Source: Scottish Government



	Scottish abattoirs		UK	
	Lambs	Cull sheep	Lambs	Cull sheep
2018-22	20.5	33.1	19.8	26.6
2022	21.0	33.6	20.1	26.4
2023	20.7	33.5	19.8	26.2

↑ Source: Defra; Scottish Government; QMS calculations

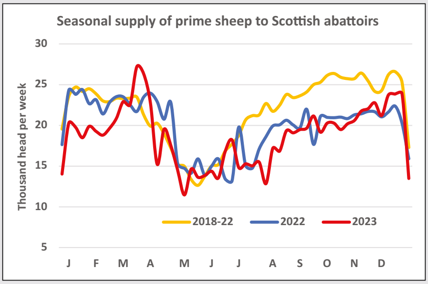
Seasonality of Sheep Production

Lamb production shows much more significant seasonal fluctuations than cattle or pig production. On the supply side, lambs are born at a similar time of year while, on the demand side, consumption tends to peak around key Christian and Islamic festivals. Compared with England and Wales, Scotland's climate and topography results in a much slower arrival of new season lambs and a higher share are processed in the following calendar year.

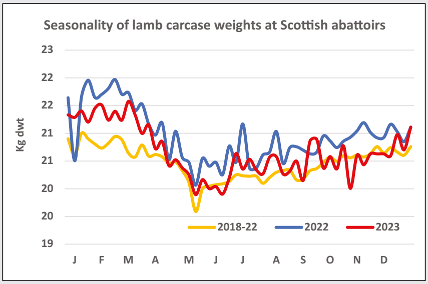
For much of 2023, lamb throughput trailed 2022 levels. However, there was a very large spike in output in the second half of March in the run up to Ramadan, resulting in weekly slaughter reaching its highest level since December 2020. Additional demand for the Eid al-Fitr festival at the end of Ramadan then led to a bounce in slaughter in mid-April.

The Eid al-Adha festival in June also saw an uplift in kill, but the weekly total failed to match that of 2022 (-8%), when the festival had been around a fortnight further into the new season.

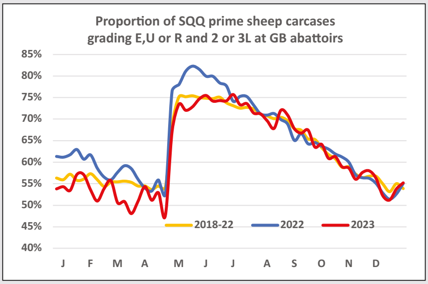
After weakness for most the year, throughput did end the year higher than in 2022, exceeding year-earlier levels in the seven weeks leading up to Christmas (+6%).



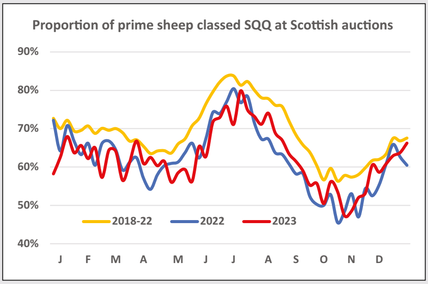
↑ Source: Scottish Government; QMS calculations



↑ Source: Scottish Government; QMS calculations



↑ Source: ADHB; QMS calculations



↑ Source: IAAS; QMS calculations

Lamb Carcase Quality

During 2023, carcase quality fell back further from the highs reached in 2021 at GB price reporting abattoirs, with 61.1% of SQQ[14] carcases grading at E, U or R for conformation and 2 or 3L for fat cover. This was a reduction from 63.4% in 2022 and well below 2021's 66.8%, but higher than in 2020. In general, carcases had a marginal increase in fat cover following a leaner trend in the previous two years, and conformation rebalanced significantly further towards O grades from R grades.

R3L remained the most common grade in 2023 but accounted for a reduced 32.8% of the total, with R2 and R3H also seeing smaller shares of the total but holding onto second and third position.

A further proxy of lamb quality is the proportion of prime sheep sold at auction markets that qualify as SQQ due to their live weight at sale. After a considerable decline of 9.0 percentage points in 2022, this proportion fell by another 1.2 percentage points to 59.8%. As the vast majority of lambs sold out-with the SQQ range are to the heavy side, this signals an increase in live weights in 2023, in contrast to the reduction in carcase weights at Scottish abattoirs.

SQQ Lamb carcases by grade at GB price reporting abattoirs in 2023

	2	3L	3H
U	2.5%	9.5%	3.0%
R	15.0%	32.8%	10.7%
O	9.7%	9.0%	2.1%
Others	5.7%		

↑ Source: AHDB; QMS calculations

Pigs

Prime pig slaughter at Scottish abattoirs declined for a third straight year in 2023. However, having fallen by more than 20% for two years, the reduction was limited to 4.5%, with throughput slipping to 212,200 head. On a weekly basis, slaughter slumped to an average of 4,080 head.

At this level, it meant that an estimated 59% of the Scottish-born pigs being sent directly for slaughter from Scottish farms went to abattoirs in England.

↓ Source: AHDB; QMS calculations

SQQ Lamb carcase distribution at GB price reporting abattoirs

	Proportion grading E, U or R and 3 or 4L	Most common		2nd most common		3rd most common	
		Grade	Share of total	Grade	Share of total	Grade	Share of total
2021	66.8%	R3L	34.8%	R2	14.8%	R3H	12.9%
2022	63.4%	R3L	34.0%	R2	16.4%	R3H	11.3%
2023	61.1%	R3L	32.8%	R2	15.0%	R3H	10.7%

14 SQQ stands for Standard Quality Quotation. In deadweight price reporting, this encompasses carcases weighing between 12 and 21.5kg, while in auction market price reporting, it encompasses live lambs sold at weights of 25.5-45.5kg.

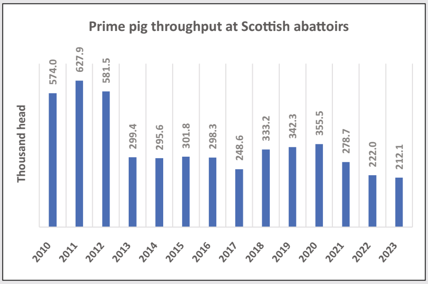
Primary Processing (continued)

After rebounding strongly in 2022, sow and boar slaughter edged up by 0.4% to 18,500 head, averaging around 355 head per week for a second year, moving further ahead of the previous high reached in 2020.

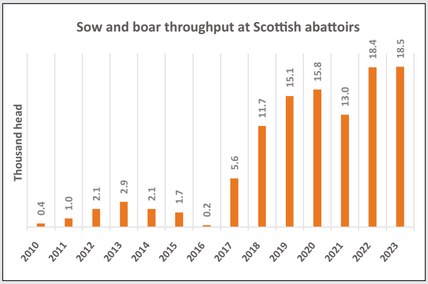
Prime pig carcase weights dipped back at Scottish abattoirs in 2023 after seven consecutive annual increases. A 1.6% reduction saw them fall back to a three-year low of 87.7kg following two years where a backlog on farm had pushed up weights. Nevertheless, an upwards trend over time meant it still exceeded the 2018-22 average by 2.7%.

The combination of reduced throughput and lighter weights led to a 6% decline in prime pigmeat production in 2023, slipping to 18,600t. However, sow meat production did lift by 2.8% to 2,600t. Total pigmeat production decreased by 5% to 21,200t, holding a fraction above its 2017 low.

Nevertheless, an upwards trend over time meant it still exceeded the 2018-22 average by 2.7%.

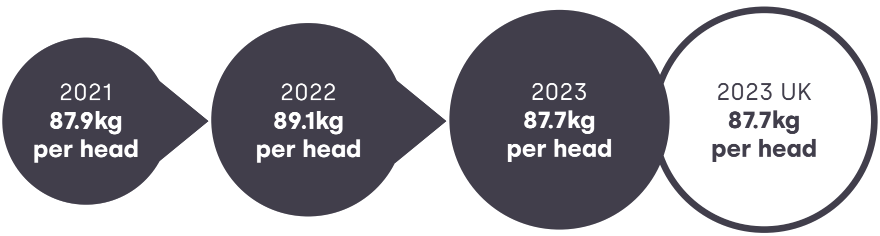


↑ Source: Scottish Government



↑ Source: Scottish Government

Figure 4 – Average carcase weights (EU spec) of clean pigs in Scotland

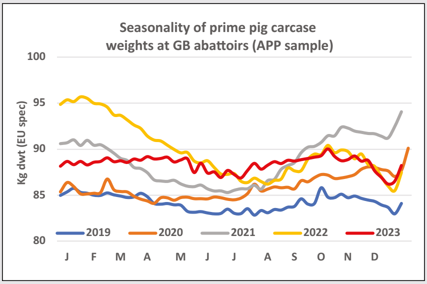


↑ Source: Scottish weights are estimated by QMS using the Scottish Government's slaughter survey and AHDB's APP price reports; UK weight converted into EU spec by QMS from Defra slaughter statistics.

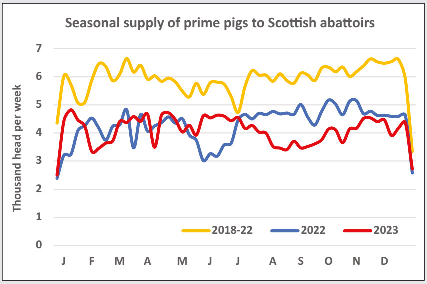
Seasonality of Pig Production

Prime pig slaughter has less of a seasonal trend at Scottish abattoirs than in the UK as a whole, where production tends to fall to its lowest levels in the summer months. Given the high share of pigs crossing the border to be slaughtered in England, throughput in Scotland is more likely to reflect variables like customer demand and labour supply than availability of pigs for slaughter.

Prime pig carcase weights have a seasonal profile, tending to be at their lightest through the summer months and heaviest in winter.



↑ Source: AHDB



↑ Source: Scottish Government; QMS calculations

Scottish Abattoir Output and Employment

Nineteen red meat abattoirs operated in Scotland in 2023 and submitted levy returns to QMS, two fewer than in 2022. Cattle slaughter took place on 17 sites, with sheep slaughter in 15 while 10 handled pigs. For sheep and pigs, there was one less site than in 2022.

Scottish Government slaughter data shows that the total number of livestock slaughtered and the volume of meat produced declined further in 2023, with the more significant reduction in cattle throughput having an additional impact on the volume of meat produced.

Turnover from primary red meat processing in Scotland is estimated to have risen for a fourth consecutive year in 2023, lifting 1% to £975m. Estimates for previous years have also been revised slightly higher. Revenue generated from beef and pork is estimated to have risen, partially offset by lower turnover from lamb, offal, hides and skins.

In cattle processing, higher turnover reflects a modelled increase in wholesale prices for beef more than offsetting the significant reduction in throughput and a fall in the value of fifth quarter products. For sheep processing, a marginal reduction in wholesale sheepmeat prices and lower fifth quarter value combined with the contraction in throughput to pressure turnover. In pig processing, the sharp uplift in wholesale prices is estimated to have more than offset lower throughput and fifth quarter value.

Scottish abattoir output									
	Number of animals			Volume of meat (t)			Estimated sales value (£m)		
	2022	2023	y/y change	2022	2023	y/y change	2022	2023	y/y change
Cattle	448,770	412,780	-8.0%	163,275	150,895	-7.6%	781	792	+1.4%
Sheep	1,052,795	995,705	-5.4%	22,350	20,890	-6.5%	139	130	-6.0%
Pigs	240,445	230,565	-4.1%	22,305	21,195	-5.0%	46	53	+14.7%
Combined	1,742,010	1,639,050	-5.9%	207,930	192,980	-7.2%	966	975	+1.0%
Offal	n/a	n/a	n/a	n/a	n/a	n/a	75	71	-5.2%
Skins and hides	n/a	n/a	n/a	n/a	n/a	n/a	23	20	-13.7%

↑ Source: QMS Processor Survey; QMS calculations and estimates; Scottish Government. 2022 based on 52 weeks to 31 December 2022; 2023 based on 52 weeks to 30 December 2023; Slaughter numbers and tonnage rounded to nearest 5; sales value rounded to nearest million. Offal and skins and hides value included within species and combined totals.

Reflecting tight labour supply and reduced slaughter levels across the three species, employment in the primary processing sector is estimated have fallen below 2,800 in 2023, from closer to 3,000 in 2022. However, rising wages (+7%) are estimated to have more than offset this decline, resulting in the total amount paid out in primary processing wages rising slightly to an estimated £88.4m[15].

Meanwhile, it is estimated that the share of UK nationals in the labour force slipped back to 55% in 2023 compared to an upwardly revised 62% in 2022, with a significant increase in non-UK or EU origin staff used to fill gaps in the labour force, at a significant cost to processing businesses. Non-UK or EU origin staff are estimated to have surged to around 17% of the total, up from around 2% in 2022.

The cattle processing sector continues to be more evenly spread in terms of capacity than the sheep or pig sectors, which are dominated by a small number of very large sites.

Figure 5 – Scottish abattoir sector scale 2023

Cattle

- Abattoirs killing stock is 17
- 75.0% of kill in 5 largest abattoirs
- 0.7% of kill in 5 smallest abattoirs

Sheep

- Abattoirs killing stock is 15
- 95.1% of kill in 5 largest abattoirs
- 0.8% of kill in 5 smallest abattoirs

Pigs

- Abattoirs killing stock is 10
- 97.3% of kill in 5 largest abattoirs
- 0.7% of kill in 5 smallest abattoirs

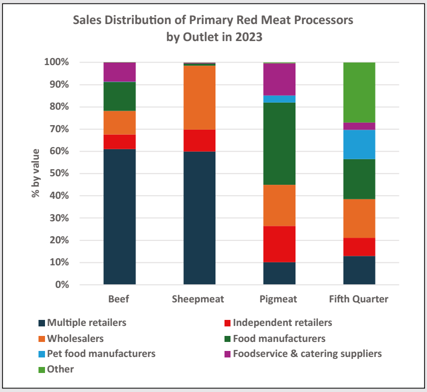
Source: QMS red meat levy returns

15 The estimated wage bill is based on average wages and salaries reported by processing companies in accounts filed with Companies House for 2022, plus ONS figures for manufacturing earnings growth in 2023 (series K55I).

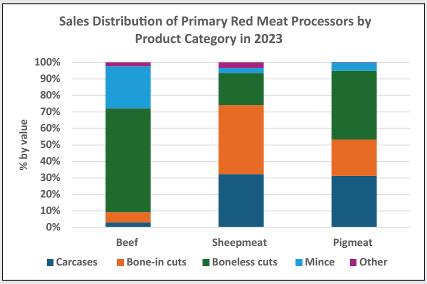
Distribution of Primary Red Meat Sales

England and Wales remained the most common first point of sale for Scottish processors in 2023, with nearly 60% of revenue estimated to have been generated there. However, there has been some rebalancing towards Scotland since 2022, driven by the pork sector. In some instances, beef, lamb and pork is delivered to processing and packing sites in England, Wales and Northern Ireland before returning to Scotland in shelf-ready retail packs or will be exported from there.

The Scottish processing sector continued to direct less of its produce overseas than the UK as a whole. However, a tight EU market is estimated to have supported a significant increase in beef export sales in 2023. However, lamb exports are estimated to have fallen slightly, reflecting the reduction in slaughter volume.



↑ Note: distribution based on first point of delivery.
Source: QMS Processor survey; QMS calculations and estimates



↑ Note: distribution based on first point of delivery.
Source: QMS Processor survey; QMS calculations and estimates

Sales distribution of primary red meat processors by destination in 2023						
	Scotland		Rest of UK		Exports	
	Value (£m)	% by value	Value (£m)	% by value	Value (£m)	% by value
Beef	210	29	447	63	57	8
Sheepmeat	26	22	69	58	25	21
Pigmeat	31	64	17	36	<1	<1
Total red meat	267	30	534	60	82	9
Fifth quarter	30	42	28	39	14	20
Skins and hides	15	76	3	15	2	10
Total Output	312	32	565	58	98	10

↑ Note: distribution based on first point of delivery. Source: QMS Processor survey; QMS calculations and estimates.

In the pork sector, direct exports from Scotland are believed to have remained negligible, although some products may be shipped overseas following secondary processing.

Fifth quarter products continued to play an important role in helping cattle and sheep processors achieve carcase balance and were a strong source of export revenue for cattle processors in 2023.

Multiple retailers remained the dominant market outlet for Scotland's beef and lamb processors in 2023 but sales rebalanced towards other outlets in the beef sector. Overseas wholesalers remained an important outlet for exporters. In the pork sector, sales are estimated to have been spread more evenly across the different types of outlets but with food manufacturing being the most significant.

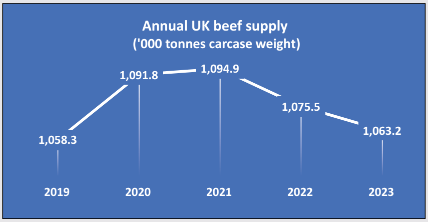
Product sales mixes continued to vary considerably by species, with boneless cuts the main product for beef processors. Trade in carcases no longer dominates the primary pork sector, with greater processing into retail cuts and pork products now taking place in Scotland. While lamb sales were more balanced, the lead for bone-in cuts may reflect the popularity of leg roasts, while carcases are an important part of export sales.

Red Meat Supply and Consumption

Product Available for Consumption[16]

Beef

Following a decline in 2022, the total volume of beef added to the UK market is estimated to have decreased by an additional 1.1% in 2023 as a 2.5% fall in domestic production and a 4.2% reduction in imports were partially offset by a significant 15.1% drop in exports.



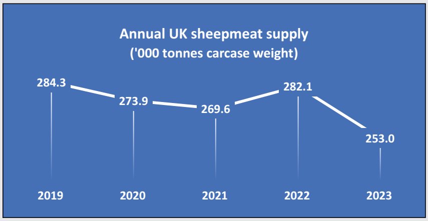
↑ Source: Defra; HMRC; QMS calculations

Annual UK beef supply balance sheet in 2023 ('000 tonnes carcase weight)

Production	+	Imports	−	Exports	=	Total supply
900.6		**295.2**		**132.7**		**1,063.2**
-2.5% y/y		-4.2% y/y		-15.1% y/y		-1.1% y/y

Sheepmeat

After a rebound in 2022, the new supply of sheepmeat added to the UK market declined by 10.3% in 2023, reaching a low in the past five years. This decline in supply was due to a reduced domestic production, a 9.9% drop in imports, and a significant 22.2% increase in exports.



↑ Source: Defra; HMRC; QMS calculations

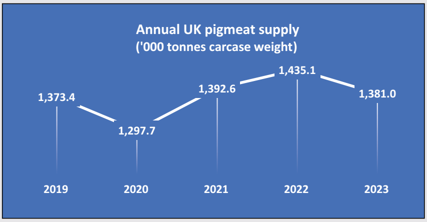
Annual UK sheepmeat supply balance sheet in 2023 ('000 tonnes carcase weight)

Production	+	Imports	−	Exports	=	Total supply
286.0		**61.3**		**94.3**		**253.0**
-1.8% y/y		-9.9% y/y		+22.2% y/y		-10.3% y/y

16 New supplies made available during the calendar year. This excludes any change in inventories during the year, which would be needed to make a better estimate of annual consumption. Import and export volumes are converted from product weight into carcase weight equivalent.

Pigmeat

After two consecutive increases, new supplies of pigmeat added to the UK market fell in 2023. Volumes declined by 3.8%, driven by a 11% drop in domestic production and a 1.8% dip in imports. Meanwhile, exports fell sharply by nearly 30%, partially offsetting the downward pressure.



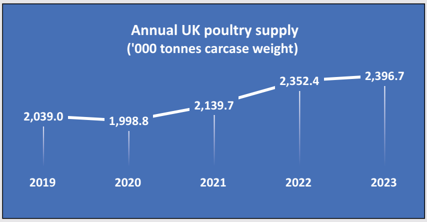
↑ Source: Defra; HMRC; QMS calculations

Annual UK pigmeat supply balance sheet in 2023 (‘000 tonnes carcase weight)

Production	+	Imports	−	Exports	=	Total supply
926.4		**625.8**		**171.3**		**1,381.0**
-11.0% y/y		-1.8% y/y		-29.7% y/y		-3.8% y/y

Poultry

New supply of poultry edged to a new record high in 2023 as a 1.8% increase in imports and sharp fall in exports more than offset reduced domestic output. This saw poultry increase its position as the most commonly available meat category for use in retail, catering and further processing in the UK. Poultry supply first overtook beef in 1987 and pigmeat in 1991.



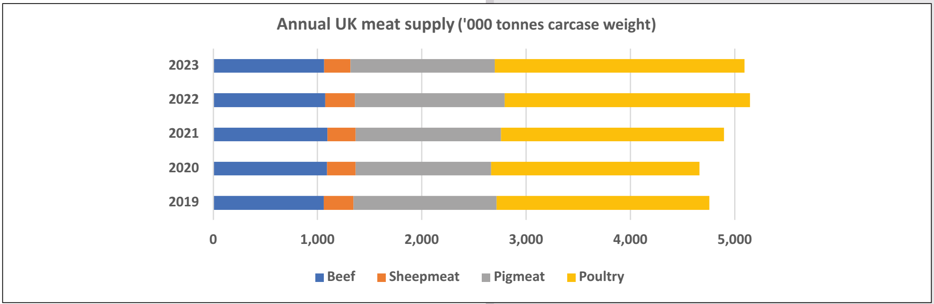
↑ Source: Defra; HMRC; QMS calculations

Annual UK poultry supply balance sheet in 2023 (‘000 tonnes carcase weight)

Production	+	Imports	−	Exports	=	Total supply
1967.1		**626.3**		**196.7**		**2,396.7**
-0.8% y/y		+1.8% y/y		-20% y/y		+1.9% y/y

Structural change in UK meat supplies over the past decade					
	2011-13 avg annual net supply	2021-23 avg annual net supply	Change over decade	% of total 2011-13	% of total 2021-23
Beef	1.04m	1.08m	+3.3%	23.3%	21.3%
Sheepmeat	0.29m	0.28m	-7.9%	6.6%	5.4%
Pigmeat	1.33m	1.41m	+6.4%	29.7%	27.9%
Poultry	1.81m	2.30m	+27.1%	40.4%	45.4%
Total	4.47m	5.07m	+13.1%	100%	100%

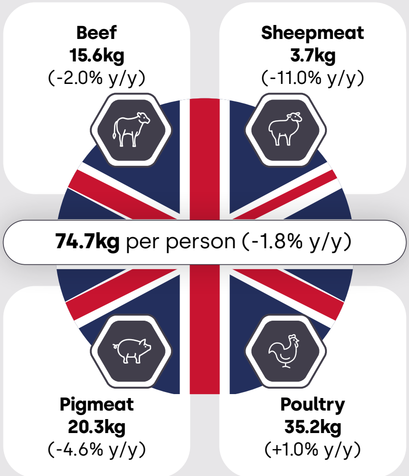
↑ Source: Defra (UK home fed meat production, trade and supplies); QMS calculations. Supply = production + imports - exports



Per Capita Supplies

In the year to mid-2022, migration to the UK jumped following the relaxation of Covid restrictions and, with death rates also falling back from the highs of the pandemic, the ONS estimates that the UK population increased by 0.9%. With mid-2023 population estimates yet to be published, the 2023 population has been estimated to have continued to expand at the same rate. As a result, an increased meat supply would have been required to maintain per capita supply at 2022 levels. Therefore, population growth exacerbated the fall in UK beef, lamb and pork supply when viewed in per capita terms.

Per capita supplies in UK in 2023

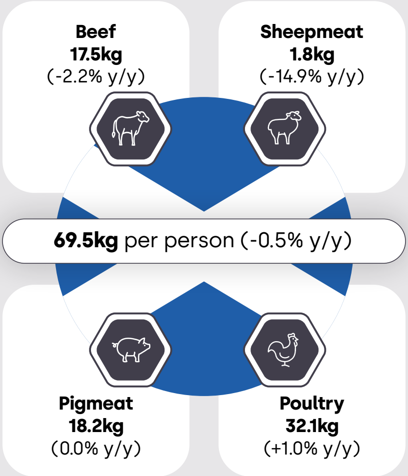


Note: excludes adjustment for opening and closing inventory. Source: Defra, Kantar, ONS; Scottish Government; QMS calculations and estimates

Scottish per capita supply can be estimated from population statistics, differences in sales levels reported by Kantar between Scotland and GB as a whole, and from differences in Defra's Family Food datasets for the nations and regions of the UK. These estimates are based mainly on consumption at home, and it can be hard to separate processed products into the different component meats. Despite a fall in population, per capita consumption is estimated to have declined for beef and lamb. However, it is estimated to have steadied for pigmeat and increased for poultry, with economic circumstances potentially driving this shift in balance towards cheaper meats.

The evidence continues to indicate above-UK average beef consumption in Scotland but below-average pigmeat consumption and much lower levels of sheepmeat consumption.

Per capita supplies in Scotland in 2023

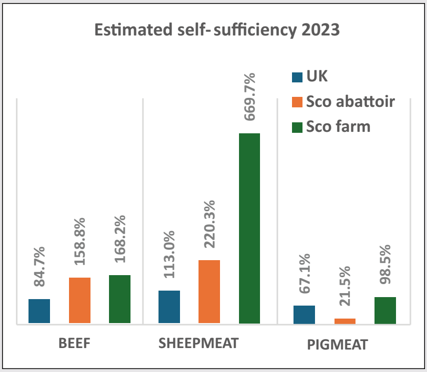


Note: excludes adjustment for opening and closing inventory. Source: Defra, Kantar, ONS; Scottish Government; QMS calculations and estimates

Self-sufficiency

Scotland's abattoir production of beef and sheepmeat far out-strips estimated total consumption levels, but pigmeat production is far below total demand, with this gap widening further in 2023.

However, self-sufficiency based on farm production levels[17] would be higher for beef and surge for sheepmeat, and would rise to close to 100% for pigmeat, reflecting the significant volume of cross-border movement of live animals for finishing and for slaughter.



↑ Source: QMS calculations and estimates based on census results, slaughter data, lamb auction market throughput, international trade data, consumption data

17 Farm production estimates are based on the number of cattle, sheep and pigs born on Scottish farms.

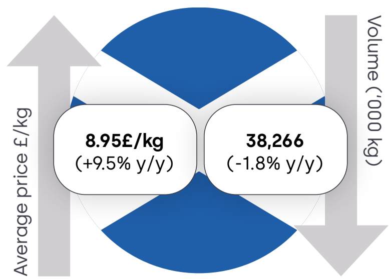
Basic estimates of self-sufficiency do not however take into consideration the demand for and supply of different cuts of meat or processed meat products, or the location of specialist further processing and packing sites, which can reflect workforce availability.

Retail Sales[18]

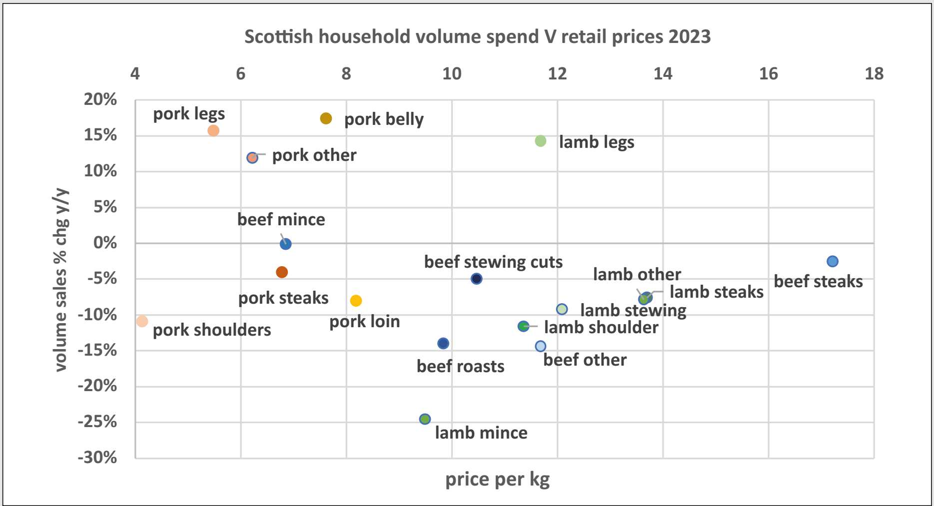
Food price inflation continued to put upward pressure on the average price of red meat in Scotland, leading to a 7.6% increase in red meat spending in 2023, according to Kantar. However, this uptick in spending was accompanied by a 1.8% decline in volume, reflecting consumers' cautious spending habits under tight budgets. It's noteworthy that the rate of volume decline slowed significantly compared to 2022, suggesting that while the cost-of-living crisis persisted in 2023, shoppers regained confidence in consuming red meat as inflation levels eased in the latter half of the year.

In response to cost pressures, consumers looked for more affordable

Estimates of unprocessed red meat sales in Scotland 2023 – based on Kantar data



↓ Source: Kantar 52w y/y comparison for week ending 24 December 2023; low sample sizes for lamb shoulder and lamb stewing; 'beef other' includes marinades; 'lamb other' for diced/cubed, marinades, mixed cuts pack and half lamb; 'pork other' includes: marinades, mince, other cut, diced/cubed.



18 Kantar; unprocessed red meat; 52 weeks ending 24 December 2023 compared with 52 weeks ending 25 December 2022.

protein cuts within the red meat category. Pork, as the lowest priced option, experienced a volume increase of 2.4% in Scotland, despite facing the highest surge in average prices at a rate of 18.2%.

Beef maintained its popularity in Scotland, with 85.6% of households purchasing this protein in 2023. This preference for beef in Scotland exceeded the GB level by 2.7 percentage points, highlighting its regional significance. In contrast, lamb and pork showed lower penetration levels in Scotland compared to the GB total. Particularly, lamb struggled to gain traction in the Scottish market, suggesting potential areas for growth.

Figure 6 – Red meat retail performance in Scotland 2023

Beef

- +5.4% in total spend
- Average price per kg increased by 9.4% to £9.77/kg
- Volume for all beef cuts fell by 3.7%
- Beef marinades and beef roasting performed worst among all beef cuts
- Proportion of Scottish households buying beef remained higher than in GB, at 85.6%

Lamb

- -0.4% in total spend
- Average price per kg increased by 4.1% to £12.29/kg
- Volume for all lamb cuts fell by 4.3%
- For those that did buy lamb, their leg roasting purchase increased by 14.2%
- Slightly more Scottish households buying lamb at a proportion of 31.2%

Pork

- +21.0% in total spend
- Average price per kg increased by 18.2% to £6.41/kg
- Volume for all pork cuts increased by 2.4%
- Pork belly and pork leg roasting performed best with a volume increase of 17.4% and 16% respectively
- Proportion of Scottish households buying pork fell slightly to 61.6%

Bacon & Sausage

- Both bacon and sausage saw spending spikes of 10.2% and 14.1% due to price increases
- Bacon prices rose by 14.1% to £7.25/kg, while sausage prices increased by 13.2% to £5.8/kg
- Bacon volume fell by 3.4%, but sausage volume rose by 0.8%
- The share of Scottish households buying bacon and sausages dropped to 85% and 82.2%, respectively, but remained higher than GB level

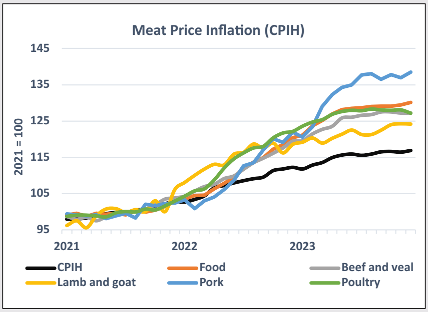
Retail Prices

Consumer Prices Index (CPIH[19])

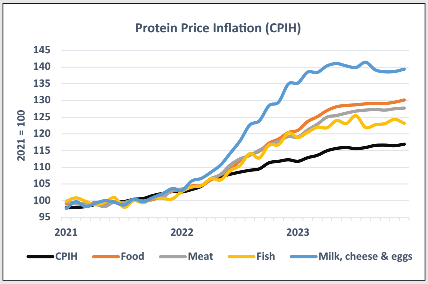
Following a surge in 2022, consumer price inflation slowed in 2023 but remained more than double the Bank of England's 2% target in the final month of the year and averaged almost 7% in the year as a whole, highlighting the ongoing cost-of-living crisis in the UK.

While the increase in goods price inflation softened due to easing energy and material costs, it remained significantly higher than two years ago. The service sector faced continued pressure as rising material, energy and labour costs were passed through to service prices, with strong wage growth underpinning prices from the demand side.

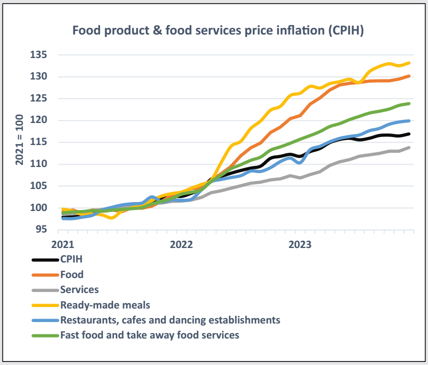
In the meat sector, rising farmgate prices were passed on to retail prices, pushing them well above 2015 levels. Pork price inflation nearly doubled due to a sharp increase in farmgate prices coupled with tight supply, though it did slow as the year progressed. The rate of beef price inflation also remained high in 2023 as a whole but slowed towards the year-end. Meanwhile, lamb prices, which had already experienced strong inflation in recent years, saw an inflation slowdown in 2023.



↑ Source: ONS; re-based to 2021 by QMS



↑ Source: ONS; re-based to 2021 by QMS



↑ Source: ONS; re-based to 2021 by QMS

19 CPIH is a measure of consumer price inflation which includes owner occupiers' housing costs.

Costs of ready meals and pricing in the foodservice sector tends to reflect wider economic forces such as the cost of labour more closely than the more volatile prices of their raw materials. However, food and energy costs continued to drive price increases in 2023, with wage increases continuing to support spending from the demand-side.

Consumer price index and annual inflation rate for selected categories (CPIH)							
	Change from previous year (%)				Annual average index (2015 = 100)		Index in December 2023 (2015 = 100)
	2021	2022	2023	December 2023	2022	2023	
All prices	+2.5	+7.9	+6.8	+4.2	120.5	128.6	130.5
All goods	+2.8	+12.1	+7.6	+1.9	121.4	130.6	130.5
All services	+2.2	+4.6	+6.0	+6.0	119.2	126.4	129.7
Food	+0.3	+11.1	+14.7	+8.0	115.5	132.5	135.3
Meat	-0.5	+11.1	+12.8	+7.2	110.6	124.8	127.2
Beef and veal	-0.3	+11.4	+12.4	+6.4	106.4	119.5	121.5
Lamb and goat	+4.1	+14.9	+6.0	+4.8	131.6	139.4	142.3
Pork	+1.6	+10.9	+20.3	+13.6	111.9	134.6	139.8
Poultry	+0.3	+14.0	+11.4	+4.1	102.3	113.9	114.1
Edible offal	+3.2	+16.9	+18.9	+0.0	123.3	146.7	149.1
Dried, salted or smoked meat	-1.5	+8.1	+12.8	+9.0	108.5	122.5	125.7
Fish	-2.2	+10.5	+11.0	+2.4	122.7	136.2	136.9
Milk, cheese and eggs	+0.9	+17.2	+18.8	+3.3	119.1	141.5	141.6
Ready-made meals	+3.0	+14.1	+13.9	+6.0	125.6	143.0	146.6
Restaurants, cafés and dancing establishments	+3.0	+6.9	+8.9	+7.7	123.0	133.9	138.0
Fast food and takeaway food	+2.6	+9.0	+10.2	+7.9	131.5	145.0	149.4

↑ Source: ONS

International Trade

Scottish Trade

HM Revenue and Customs publishes estimates of the level of exports from each of the devolved nations and English regions on a quarterly basis[20]. These trade figures are reported by Standard International Trade Classification (SITC) Division, rather than the more detailed Harmonised System (HS).

Scottish Food and Live Animal Exports 2023

Scottish exports of food and live animals reached £1.96 billion in 2023, marking a 1.9% increase from the previous year, though at a slower pace. Fish and seafood remained the primary export category, but its share decreased to 52.7%. Conversely, meat and meat preparations saw strong growth, expanding their share to 7.4%, indicating their rising importance to the Scottish economy.

Scottish Exports of Meat and Meat Preparations 2023

Scottish exports of meat and meat preparations in 2023 demonstrated significant growth, with a notable increase of 12.8% year on year, reaching a record value of £144.5 million.

Scottish Food and Live Animal Exports 2023

£1.96bn (+1.9% y/y)

1st Fish, crustaceans, molluscs, and aq. inverts and preparations thereof. 52.7% (-1.5% y/y)

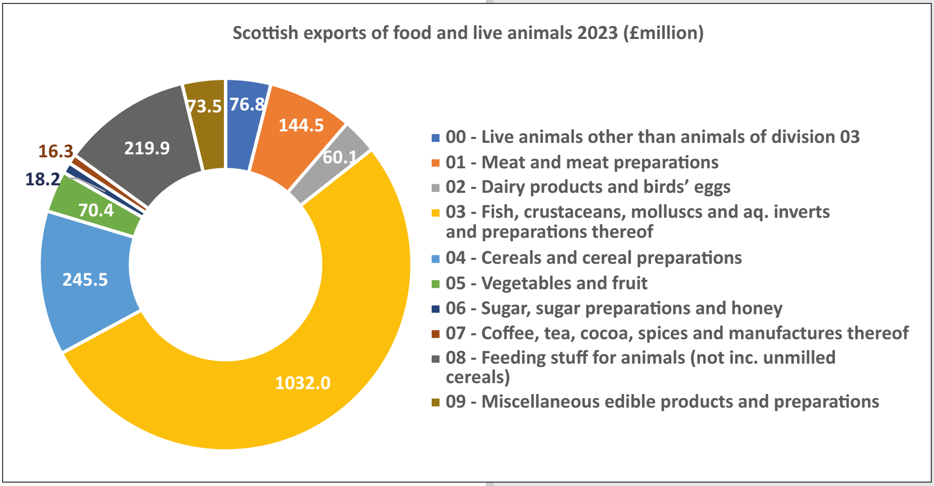
2nd Cereals and cereal preparations. 12.5% (+0.5% y/y)

3rd Feeding stuff for animals (not inc. unmilled cereals). 11.2% (+0.0% y/y)

4th Meat and meat preparations. 7.4% (+0.7% y/y)

↑ Source: HMRC; QMS calculations

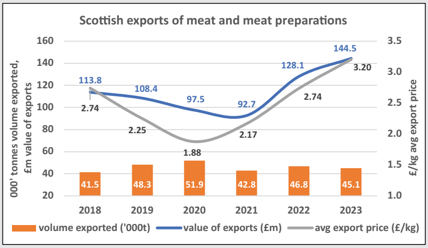
20 When a company is based in more than one UK region, its exports are allocated regionally by the number of employees based there. As a result, the data needs to be treated with caution. These trade figures are reported by Standard International Trade Classification (SITC) Division, rather than the more detailed Harmonised System (HS), meaning that the most detailed level of breakdown for meat is 'meat and meat preparations', which will include prime cuts as well as offal, cured products, and cooked meat and offal products. Available at: www.uktradeinfo.com/trade-data/rts-custom-table/



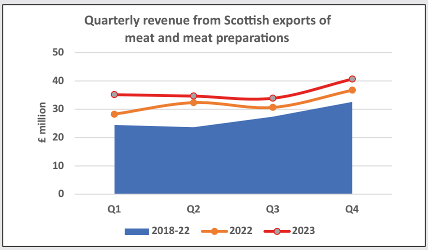
↑ Source: HMRC; QMS calculations

This surge can be primarily attributed to the average price inflation of exports, which saw a significant uptick of 17.1%. Despite the impressive rise in export value, there was a contrasting decline in export volume, which decreased by 3.6% year on year, amounting to 45,103 tonnes. This figure positions the export volume 2.5% below the average recorded between 2018 and 2022.

In 2023, quarterly export volumes closely aligned with the five-year average, reaching a peak in Q4. The first half of the year saw a decline compared to the previous year, attributable to exceptionally high export levels in 2022. However, the latter half of 2023 showed improvement over the preceding year, though still falling below the five-year average. Notably, inflated prices persisted in 2023, significantly impacting revenue throughout the year, resulting in a total value exceeding the five-year average by a notable margin of 33.7%.

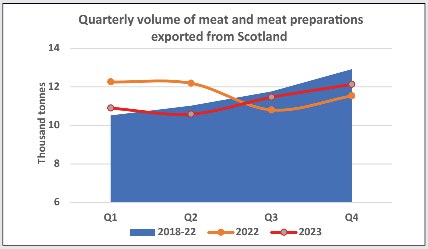


↑ Source: HMRC; QMS calculations

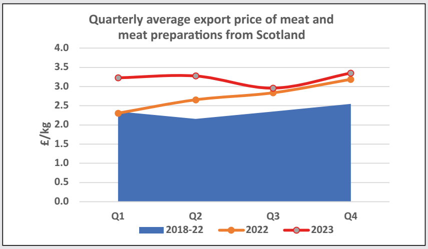


↑ Source: HMRC; QMS calculations

Scottish meat exports have seen a notable shift in destination preferences from the European Union (EU) to non-EU countries since 2021. In 2023, EU countries accounted for 73% of export volume, down from 89% in 2013, indicating a diversification trend. Despite this, the EU retained its dominance in value sales, contributing 85% of total export value. Furthermore, there was a notable EU average price premium of nearly £2/kg over non-EU price this year. This suggests a strategic focus on premium markets within the EU, while rebalancing towards lower-priced products for non-EU markets.



↑ Source: HMRC; QMS calculations

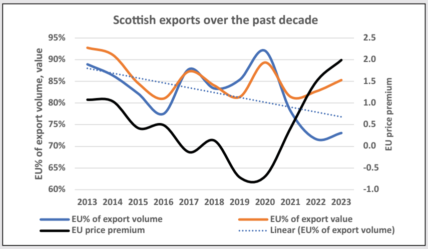


↑ Source: HMRC; QMS calculations

UK Overseas Trade

At UK level, detailed import and export statistics estimates under the Harmonised System (HS) Codes system are published by HM Revenue and Customs, providing a view of the trade environment in which Scottish producers and processors operate[21].

In 2023, the UK exports of meat and edible meat offal decreased by 4.5% in value and a significant 16.2% in volume, despite an uptick of 13.9% in average export prices.



↑ Source: HMRC; QMS calculations

UK trade of meat and edible meat offal 2023

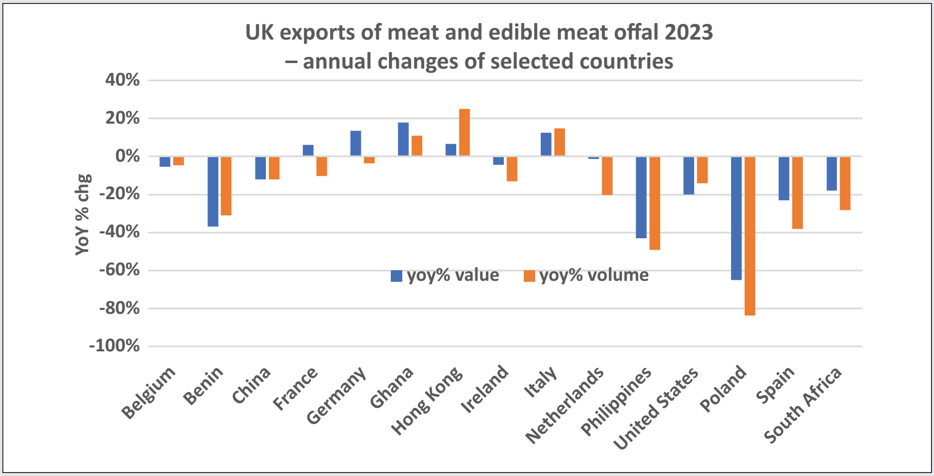
Exports (value) **£1.83bn** -4.5% yoy	**Imports (value)** **£4.92bn** +4% yoy
Exports (volume) **0.71mn tonnes** -16.2% yoy	**Imports (volume)** **£1.39mn tonnes** -0.9% yoy

↑ Source: HMRC; QMS calculations, HS codes 02

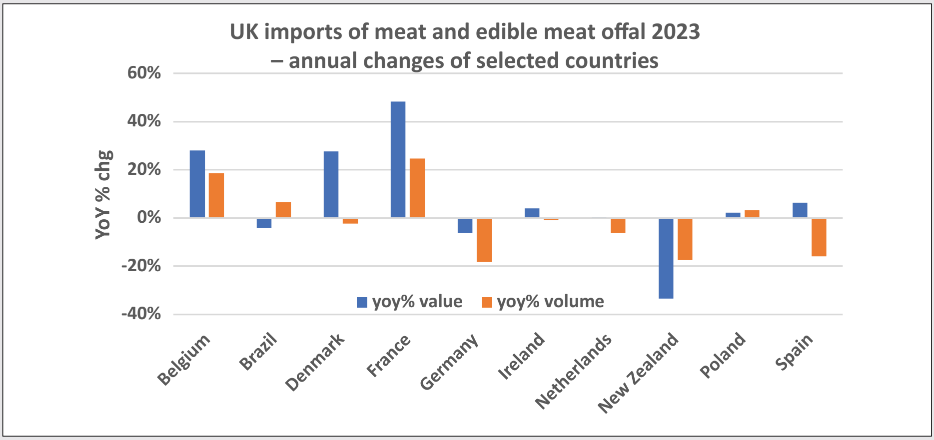
21 www.uktradeinfo.com/trade-data/ots-custom-table

When examining the top export destination countries, Ghana, Hong Kong and Italy emerged as key growth markets, demonstrating robust increases in both value and volume. Conversely, Poland and Philippines experienced significant declines in both value and volume throughout 2023.

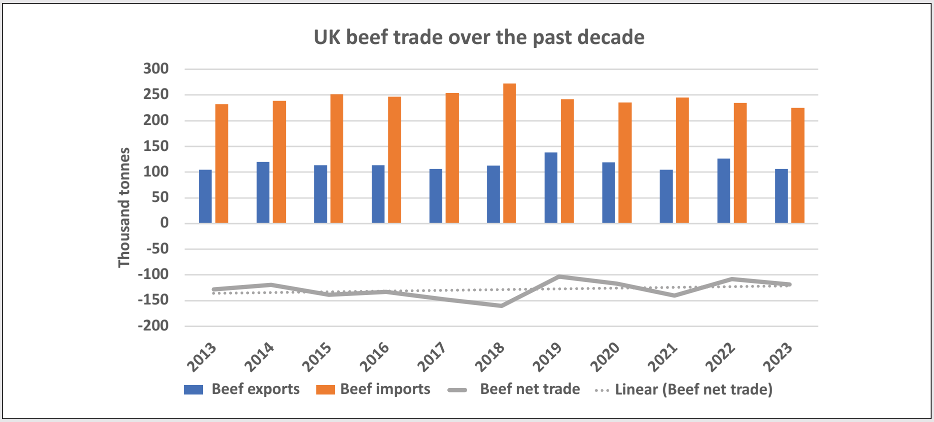
UK imports increased by a modest 4% in terms of value, but slightly decreased by 0.9% in volume. Notably, imports from France and Belgium showed significant growth, suggesting strengthening trade partnerships. However, imports from New Zealand declined significantly, indicating a change in sourcing patterns.



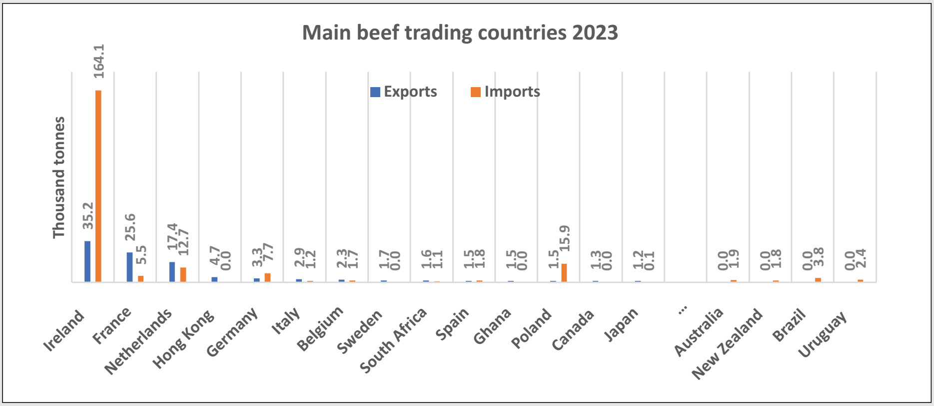
↑ Source: HMRC; QMS calculations, HS code 02



↑ Source: HMRC; QMS calculations, HS code 02



↑ Source: HRMC; QMS calculations HS codes 0201, 0202, 02061095, 02062991



↑ Source: HRMC; QMS calculations HS codes 0201, 0202, 02061095, 02062991, product weight

Beef

Over the last decade, the UK has been a net importer of beef to meet domestic demand. However, the gap between imports and exports has narrowed, reaching 118.5 thousand tonnes in 2023. Both beef imports and exports declined compared to the previous year, amounting to 8.4% below the average of the past decade.

Major Trading Countries 2023

The European Union remains the UK's primary trading partner in beef, representing 94.6% of import volume and 87.3% of export volume in 2023. While there was a slight increase in imports from non-EU countries, the EU's position as the primary export destination strengthened over the year.

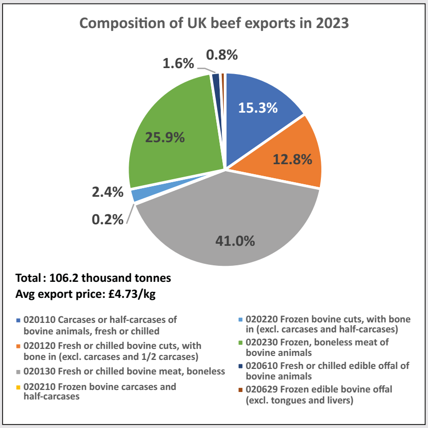
Main beef trading countries with the UK 2023 – volume share

	Ireland	France	Netherlands	Hong Kong	Germany	Italy	Belgium	Sweden	South Africa
Exports shares	33.2%	24.1%	16.4%	4.4%	3.1%	2.8%	2.2%	1.6%	1.5%
Imports shares	73.0%	2.5%	5.7%	0.0%	3.4%	0.6%	0.7%	0.0%	0.5%
	Spain	Ghana	Poland	Canada	Japan	Australia	New Zealand	Brazil	Uruguay
Exports shares	1.4%	1.4%	1.4%	1.2%	1.1%	0.0%	0.0%	0.0%	0.0%
Imports shares	0.8%	0.0%	7.1%	0.0%	0.0%	0.8%	0.8%	1.7%	1.1&

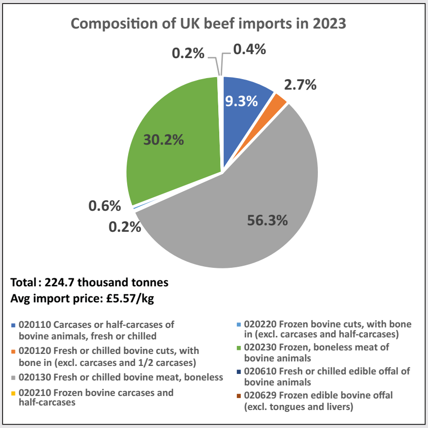
Ireland stood out as the UK's leading beef trading country for both imports and exports, particularly dominating imports with a 73% share in 2023. The average export price to Ireland marked a £4.10/kg, representing a 13% discount from the total average prices, while the average import price from Ireland was £5.57/kg. The primary traded beef products were fresh or chilled bovine boneless meat[22], followed by frozen boneless meat[23].

Composition of UK Beef Trade in 2023

In 2023, fresh edible offal[24] emerged as the sole export category experiencing volume growth, with an increase of 308 tonnes. Meanwhile, although the UK saw a rise of 7.2 thousand tonnes in imports of fresh boneless beef, there was a significant 20% decrease in imports of frozen boneless beef.



↑ Source: HRMC; QMS calculations. HS codes 0201, 0202, 02061095, 02062991, product weight

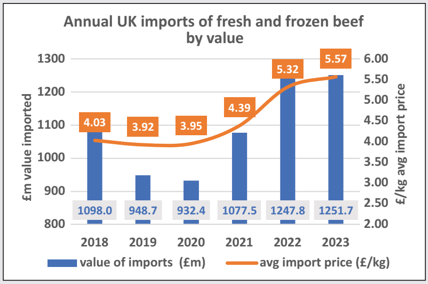


↑ Source: HRMC; QMS calculations. HS codes 0201, 0202, 02061095, 02062991, product weight

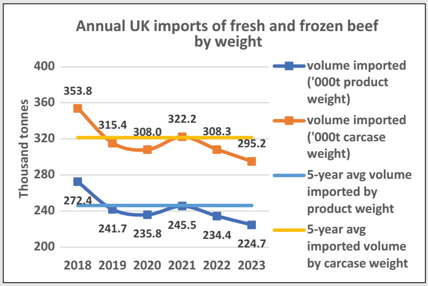
22 HS 02013000 Fresh or chilled bovine meat, boneless.
23 HS 02023090 Frozen bovine boneless meat (excl. forequarters, whole or cut into a maximum of five pieces, each quarter being in a single block "compensated" quarters in two blocks, one of which contains the forequarter, whole or cut into a maximum of five pieces, and the other, the hindquarter, excl. the tenderloin, in one piece, crop, chuck and blade and brisket cuts).
24 HS 020610 Fresh or chilled edible offal of bovine animals.

Imports

In 2023, beef imports in value saw a marginal increase, rising by 0.3%, albeit significantly less than previous year. This increase was attributed to a 4.6% rise in average import prices, which was mitigated by a 4.1% decrease in volume. Furthermore, the decline in volume widened the deficit below the five-year average, reaching 8.6%.



↑ Source: HMRC; QMS calculations

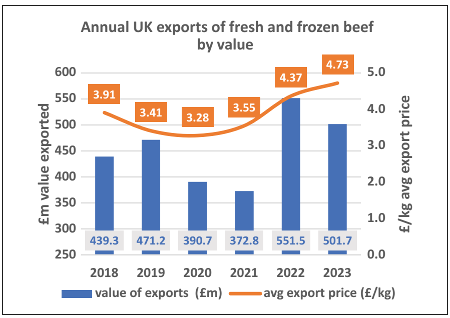


↑ Source: HMRC; QMS calculations. HS codes 0201, 0202, 02061095 and 02062991. *Boneless cuts converted from product weight to carcase weight using a factor of 1.36 (Source: USDA)

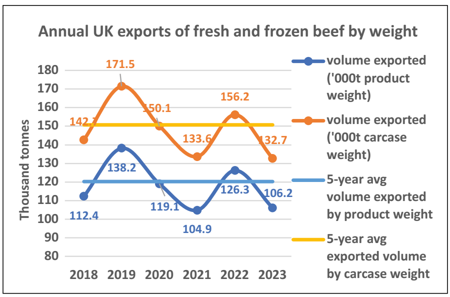
Exports

The beef trade in 2023 was significantly influenced by global price inflation. As a consequence, the UK's exports experienced a 9% decline in value, despite an increase in the average export price. The average price in 2023 exceeded the five-year average by 27.6%, reaching a new high at £4.73/kg. A total of 106.2 thousand tonnes of beef were exported, falling 15.9% behind last year and 11.6% below the five-year average.

In 2023, a notable highlight in beef exports occurred in November, outperforming both the previous year and the five-year average. This exceptional performance was driven by a surge in exports of fresh beef carcases[25] to the EU.

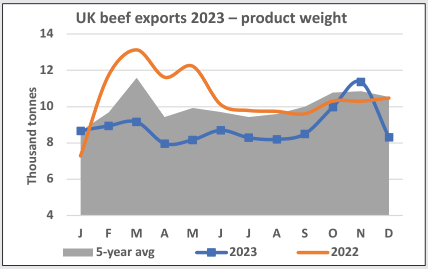


↑ Source: HMRC; QMS calculations HS 0201, 0202, 02061095 & 02062991



↑ Source: HMRC; QMS calculations. HS 0201, 0202, 02061095 & 02062991 *Boneless cuts converted from product weight to carcase weight using a factor of 1.36 (Source: USDA).

25 HS 020110 Carcases or half-carcases of bovine animals, fresh or chilled.



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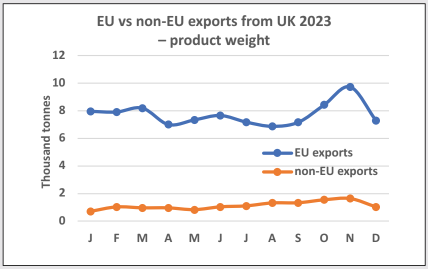


↑ Source: HMRC; QMS calculations HS 0201, 0202, 02061095 & 02062991

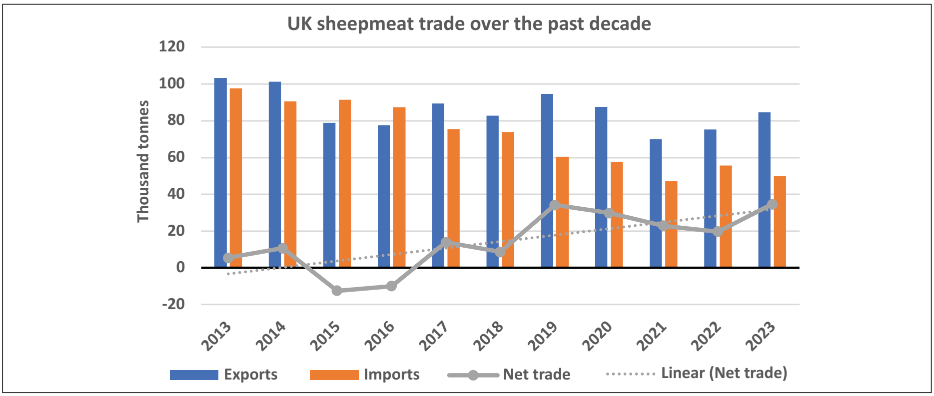
Sheepmeat

Over the past decade, the UK has been a net exporter of sheepmeat[26], with the exception of 2015 and 2016. The volume of net trade has been trending up, reaching 34.6 thousand tonnes in 2023. Despite challenges posed by the global pandemic, the UK's sheepmeat exports rebounded effectively, albeit remaining 1.8% below the 10-year average in 2023. Meanwhile, import levels have gradually declined, standing at 32.3% below the 10-year average in 2023.

Major Trading Countries Analysis 2023

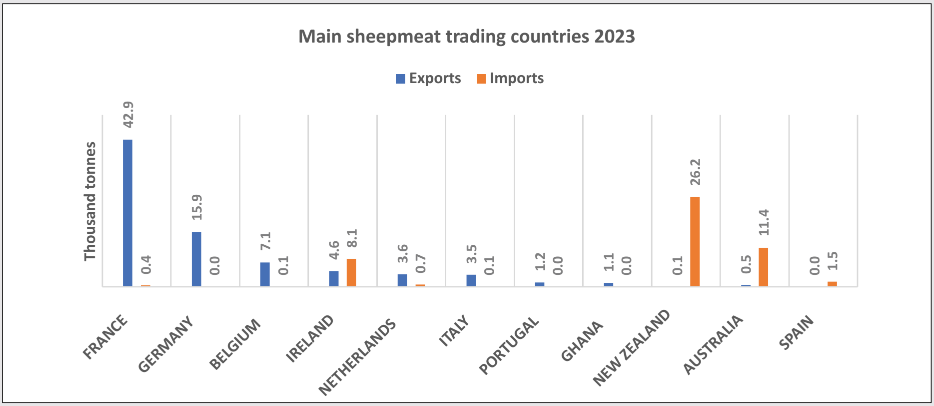
In 2023, the EU remained the primary destination for UK sheepmeat exports, comprising 94% of the total volume, while the oceanic region retained its position as the main supplier of sheepmeat to the UK, contributing to 75.2% of total imports.

Strong demand firmed France's position as the top destination for UK sheepmeat, leading to significant growth in export volume and raising its share to 50.7% of the total export volume. Meanwhile, New Zealand continued as a key supplier of sheepmeat to the UK, despite



↑ Source: HRMC; QMS calculations HS codes 0204

26 HS code 0204 also includes goat meat but trade is minimal.



↑ Source: HRMC; QMS calculations HS codes 0204

Main sheepmeat trading countries with the UK 2023 – volume share						
	France	Germany	Belgium	Ireland	Netherlands	Italy
Exports	50.7%	18.9%	8.4%	5.4%	4.2%	4.1%
Imports	0.8%	0.1%	0.2%	16.3%	1.4%	0.2%
	Portugal	Ghana	New Zealand	Australia	Spain	
Exports	1.5%	1.3%	0.1%	0.6%	0.0%	
Imports	0.0%	—	52.4%	22.8%	3.0%	

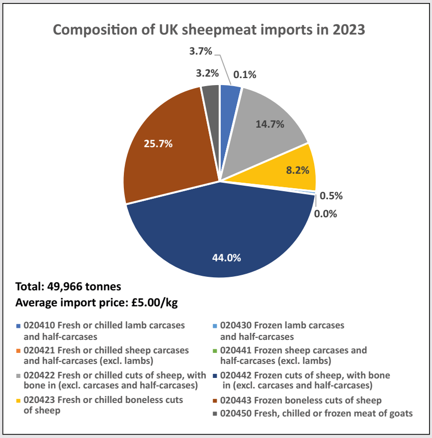
experiencing a volume decline of 18.6% in 2023. In contrast, Australia notably increased its supply to the UK, with a surge of 20.3%.

Composition of UK Sheepmeat Trade in 2023

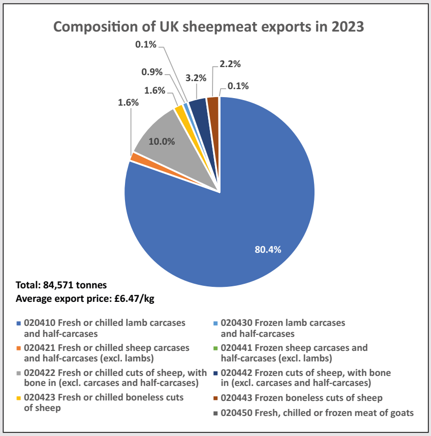
The UK's sheepmeat imports declined notably by 10.2% in volume, primarily driven by a 22% decrease in frozen sheep legs[27] imports, which accounted for 73% of frozen sheep bone-in cuts[28] in 2023. Despite this, frozen bone-in cuts still accounted for 44% of the imports share in 2023, with the volume share shifting towards fresh cuts. It is worth noting that the average import price in 2023 reduced by 20%, attributed to price drops across most categories.

Fresh lamb carcases[29] remained the primary category for sheepmeat exports, with the volume share increasing to 80.4%. Additionally, there was almost no change in the average export price for the cut in 2023.

27 HS 02044250 Frozen sheep legs.
28 HS 020442 Frozen cuts of sheep, with bone in (excl. carcases and half-carcases).
29 HS 020410 Fresh or chilled lamb carcases and half-carcases.



↑ Source: HRMC; QMS calculations. HS codes 0204, product weight



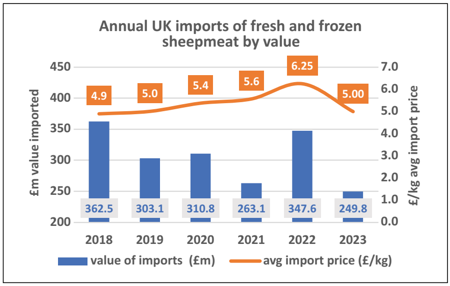
↑ Source: HRMC; QMS calculations. HS codes 0204, product weight

Imports

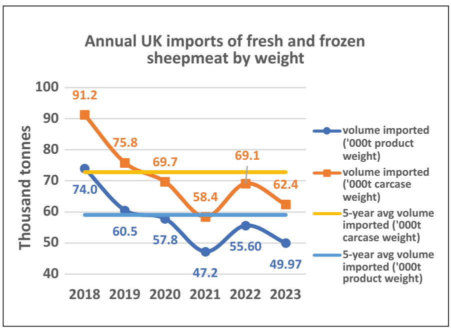
In 2023, UK sheepmeat imports experienced a significant decline in value, decreasing by 28.1%, reaching the lowest level observed in the past decade. This decline was attributed to a 20% decrease in the average import price, coupled with a 10.1% reduction in volume.

In 2023, the volume of sheepmeat imports showed a relatively flat distribution throughout the year, unlike previous years. Notably, the traditional Easter peak was absent during this period. However, from August to November, there was a surge in import volumes, surpassing both the previous year's figures and the five-year average.

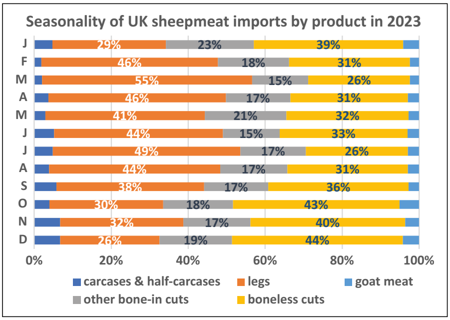
Contributing to this was an increase in market access for Australia following the implementation of its Free Trade Agreement with the UK on 31/5/2023.



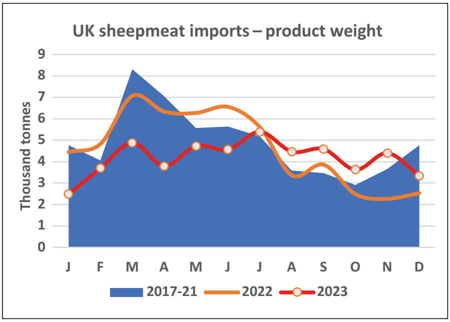
↑ Source: HMRC; QMS calculations HS code 0204



↑ Source: HMRC; QMS calculations. HS code 0204.
*Boneless cuts converted from product weight to carcase weight using coefficients in UK import quotas



↑ Source: HMRC; QMS calculations. HS0204, product weight



↑ Source: HMRC; QMS calculation. HS0204

Exports

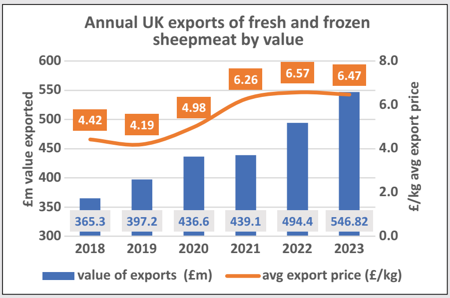
In 2023, the value of UK sheepmeat exports continued to soar, marking a significant 10.6% increase and setting a new record high. This surge was primarily driven by a 12.3% rise in export volume. However, a marginal 1.5% decrease in the average price tempered the overall increase in value.

In March 2023, UK sheepmeat exports witnessed a notable surge, surpassing the five-year average by 29%, indicative of robust demand primarily from the EU during the Easter season. December, traditionally a peak period, saw a remarkable uptick, setting a new high for 2023.

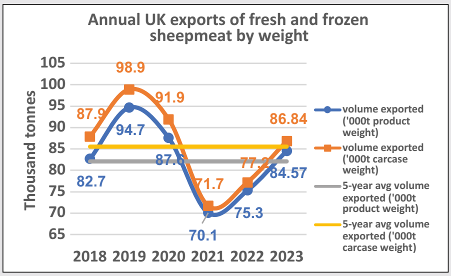
Specifically, volumes were 26.8% higher than the previous year and 10.2% above the five-year average.

94.3% (+0.9% y/y)

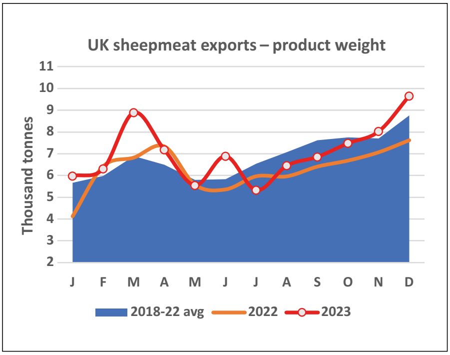
of the UK's sheepmeat exports went to the EU in 2023 – product weight



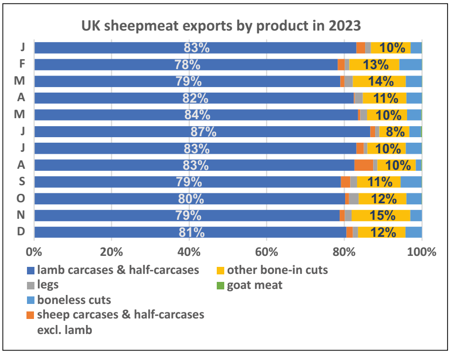
↑ Source: HMRC; QMS calculations. HS0204



↑ Source: HMRC; QMS calculations HS0204. Boneless cuts converted from product weight to carcase weight using coefficients in UK import quotas.



↑ Source: HMRC; QMS calculations HS0204



↑ Source: HMRC; QMS calculations. HS0204, product weight

Pigmeat

Over the past decade, the UK has consistently been a net importer of pigmeat[30], including pork, bacon and ham, and prepared or preserved pigmeat. Historically, pigmeat imports have been approximately three times greater than exports. In 2023, this gap increased to 3.85 times, primarily due to a significant decline in exports throughout the year.

Given that over 80% of pigmeat exports and more than half of pigmeat imports have historically consisted of chilled or frozen pork, pork represents the primary trading category. Over the past three years, pork imports have stabilised, while pork exports have declined, reaching their lowest level in a decade in 2023.

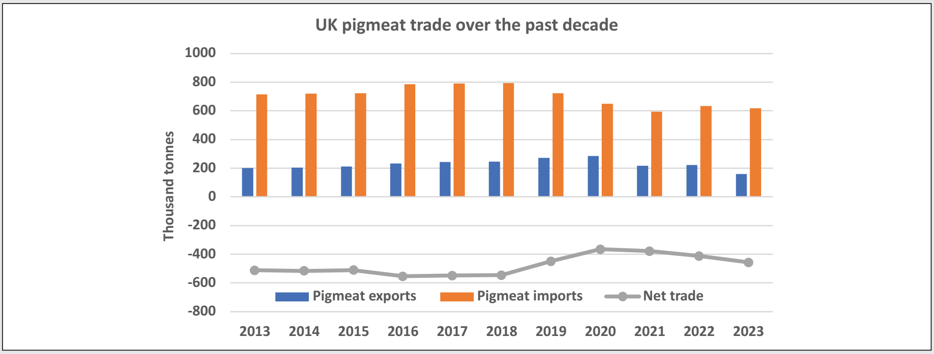
Major Trading Countries Analysis 2023

In 2023, 99.8% of pigmeat imports to the UK came from the EU. The Netherlands, as the top supplier, accounted for 23.8% of the UK's pigmeat imports, with 69% being bacon and ham.

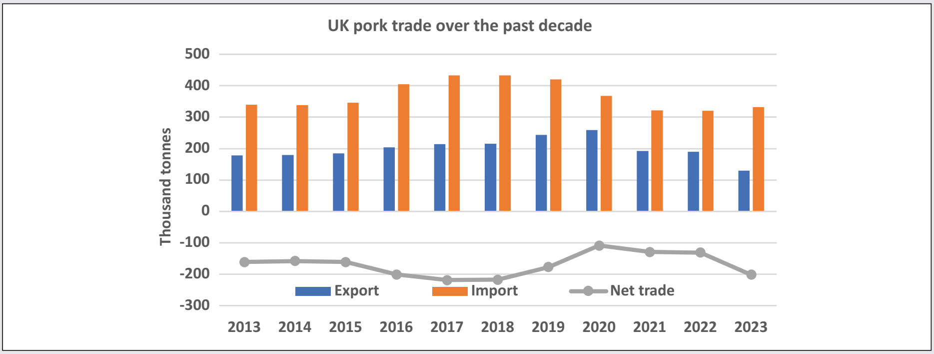
Regarding exports, 56% of UK pigmeat went to the EU, while 44% was shipped to other regions. China remained the top destination for UK

Main pigmeat trading countries with the UK 2023 – volume share						
	Netherlands	Denmark	Ireland	Germany	France	Belgium
Export share	2.8%	1.2%	27.2%	11.5%	10.5%	0.9%
Import share	23.8%	20.0%	8.9%	12.6%	11.5%	7.3%
	China	Spain	Poland	Italy	United States	Philippines
Export share	28.8%	0.3%	0.3%	0.2%	4.2%	3.5%
Import share	—	6.9%	5.9%	1.4%	0.2%	—

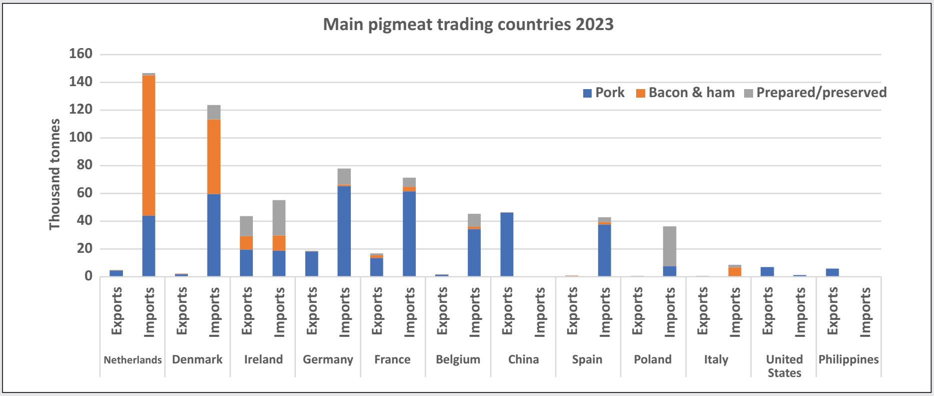
30 Pigmeat imports are defined here as including fresh and frozen pork (HS 0203), bacon and ham (HS 0210), and prepared or preserved pigmeat (HS 1602). In HS 0203, bone-in cuts converted from product weight to carcase weight using a factor of 1.11 and boneless cuts converted at 1.30. In HS 0210, bone-in hams and shoulders are converted at 1.30 and other products at 1.16. In HS 1602, conversion rates are 1.30 (Source: USDA – Livestock and Poultry World Markets and Trade).



↑ Source: HRMC; QMS calculations HS code 0203, 021011, 021012, 021019, 160241, 160242, 160249



↑ Source: HRMC; QMS calculations HS code 0203



↑ Source: HMRC;HS code 0203, 021011, 021012, 021019, 160241, 160242, 160249 product weight pigmeat exports, consisting of 28.8% of the total pigmeat export volume, predominantly importing pork. Ireland is the second largest destination for the UK's pigmeat, comprising 27.2% of the total exports, with nearly 45% being pork.

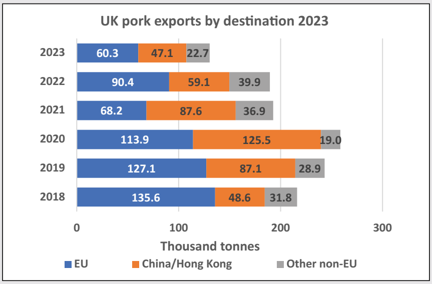
Pork exports to the EU, China/Hong Kong and other non-EU regions all declined in 2023. However, China/Hong Kong's share rebounded from last year, rising to 36%. Over two-thirds of China's imports were frozen pork boneless[31] cuts, while over one fourth were fresh pork carcases[32].

Composition of UK Pigmeat Trade in 2023

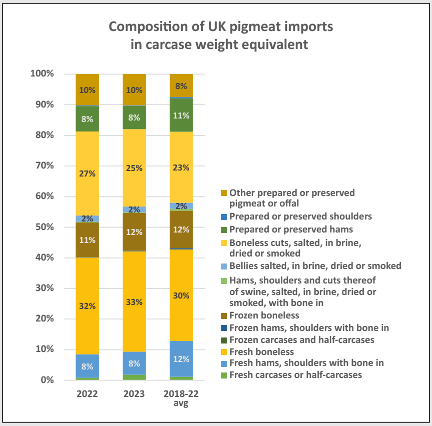
In 2023, pork, the leading trade category, accounted for 53.7% of the UK's pigmeat imports, rising from 2022. Bacon and ham slid to 29.2%, while prepared or preserved pigmeat decreased to 17.1%. The most obvious structure change for the UK's pigmeat imports would be the increases of boneless pork cuts, as a cost of reducing processed boneless cuts in brine[33].

UK Pigmeat Imports from the

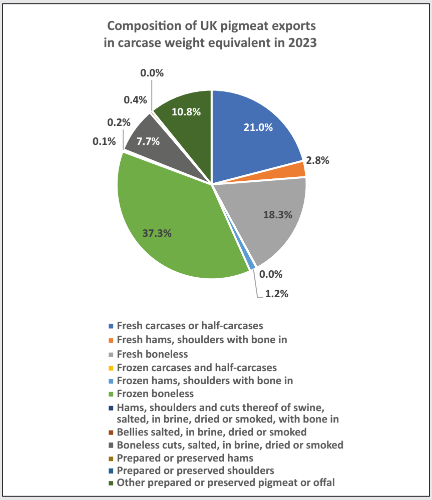
EU – 99.8%



↑ Source: HMRC; QMS calculations. HS 0203, product weight

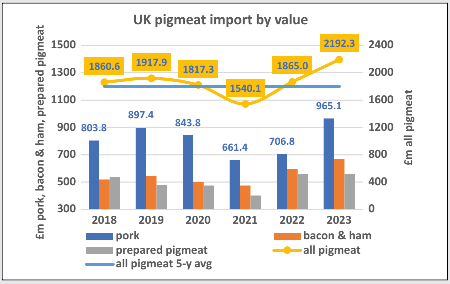


↑ Source: HMRC; QMS calculations; USDA conversion rates

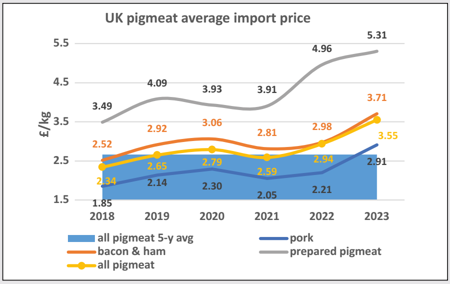


↑ Source: HRMC; QMS calculations; USDA conversion rates. HS code 0203, 021011, 021012, 021019, 160241, 160242, 160249

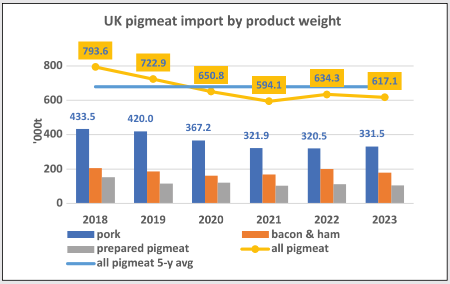
31 HS 020329 Frozen meat of swine (excl. carcases and half-carcases, and hams, shoulders and cuts thereof, with bone in).
32 HS 020311 Fresh or chilled carcases and half-carcases of swine.
33 HS 021019 Meat of swine, salted, in brine, dried or smoked (excl. hams, shoulders and cuts thereof, with bone in, and bellies and cuts thereof).



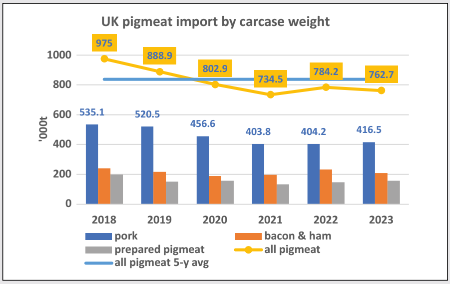
↑ Source: HMRC; QMS calculations



↑ Source: HMRC; QMS calculations



↑ Source: HMRC; QMS calculations



↑ Source: HMRC; QMS calculations

Fresh boneless[34] remained the top imported category, still move above its five-year average level.

Pork's share of the UK's exports declined to 81.2%, with prepared or preserved pigmeat rising to 11.4% and bacon and ham making up 8.4%. However, the proportions of pork boneless cuts and fresh carcases both increased throughout 2023.

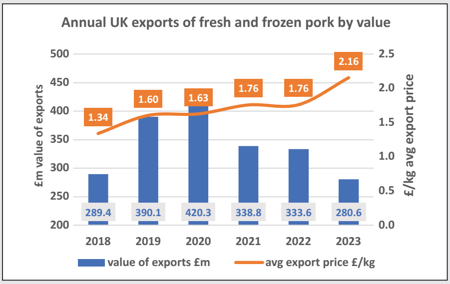
Imports

The UK's pigmeat imports continued to rise in 2023, increasing by 17.6% in value, mainly due to a 20.8% surge in average price. However, the volume slid down slightly by 2.7% in product weight. This volume decline was attributed to reduced import levels of bacon and ham, as well as prepared/preserved pigmeat, which was offset by a 3.4% increase in pork imports.

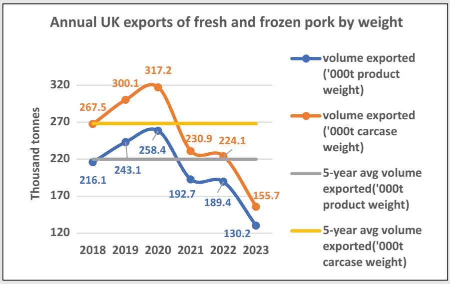
Exports

The UK's pork exports continued to decline in 2023, with a significant drop of 15.9% in value and 31.3% in product weight. However, the average export price surged, up by 22.4% to £2.16/kg. The price increase was primarily driven by a near-45% price rise to the EU, compared to only a 4.2% increase for non-EU regions.

34 HS 020319 Fresh or chilled meat of swine (excl. carcases and half-carcases, and hams, shoulders and cuts thereof, with bone in).



↑ Source: HMRC; QMS calculations. HS code 0203



↑ Source: HMRC; QMS calculations. HS code 0203. Boneless cuts converted from product weight to carcase weight using USDA coefficients

UK Pigmeat Exports 2023

160,266t (-27.8% YoY)

Pork 81.2% (130,166t; -31.3% YoY)

Bacon & ham 8.4% (13,395t; -20.7% YoY)

Prepared or preserved pork 10.4% (16,705t; +6.4% YoY)

Exchange Rate Movements

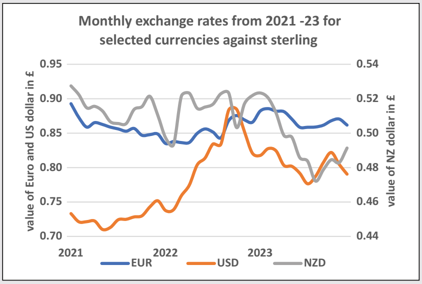
Shifts in exchange rates affect the competitiveness of Scotland's red meat at home and abroad. A stronger sterling tends to hinder exports because it reduces the sterling revenue from an unchanged euro price. At the same time, it reduces the relative price of imports, potentially reducing demand for domestic product in price sensitive market segments – most likely in foodservice and food manufacturing.

Sterling began 2023 in a much weaker position against the euro compared to 2022. It then gradually recovered during the first half of 2023. This movement was caused by aggressive interest rate hikes in response to high inflation and energy prices. However, sterling started to weaken again at the beginning of the second half of the year and continued to do so until November. This was due to Brexit policy instability and fears of a recession, which exacerbated sterling's weakness.

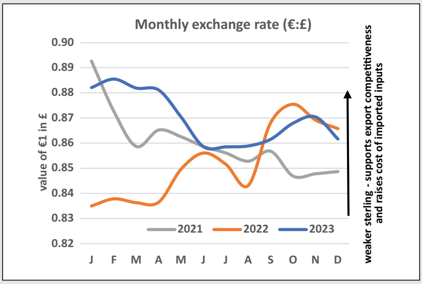
International Trade (continued)

With the US dollar commonly used in international trade, its position against sterling can have significant influence on the competitiveness of UK red meat exports to markets outside the EU. A much weaker USD in 2023 than a year ago has maintained downwards pressure on commodity prices and input costs, softening UK returns on dollar-denominated exports to non-EU countries.

Sterling in 2023 was in a stronger position against the New Zealand dollar compared to 2022, which would have supported the lamb imports from the country.



↑ Source: Bank of England; European Central Bank; QMS calculations



↑ Source: European Central Bank

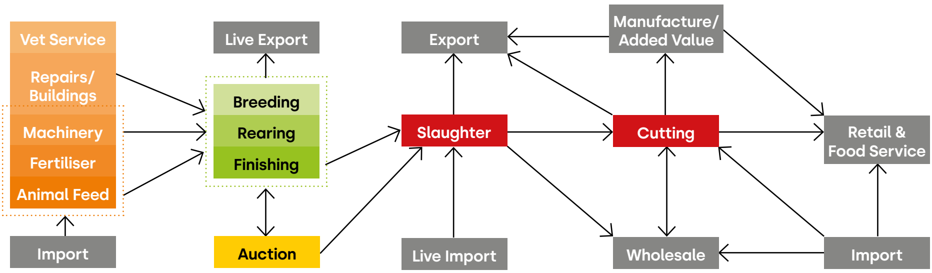
Impact of exchange rate movements on import and export competitiveness				
		Annual average exchange rate (value of €1 in £)	Return in £/kg to a UK exporter from an export price of €5/kg	EU export price needed to hold UK import price at £5/kg
2014	↓	80.6	4.03	6.2
2015	↓	72.6	3.63	6.89
2016	↑	81.9	4.1	6.1
2017	↑	87.7	4.38	5.7
2018	↑	88.5	4.42	5.65
2019	↓	87.8	4.39	5.7
2020	↑	89	4.45	5.62
2021	↓	86	4.3	5.82
2022	↓	85.21	4.26	5.87
2023	↑	86.98	4.35	5.75

↑ Source: ECB; QMS calculations. Note: an upwards arrow denotes a stronger euro and weaker pound, meaning improved UK price competitiveness

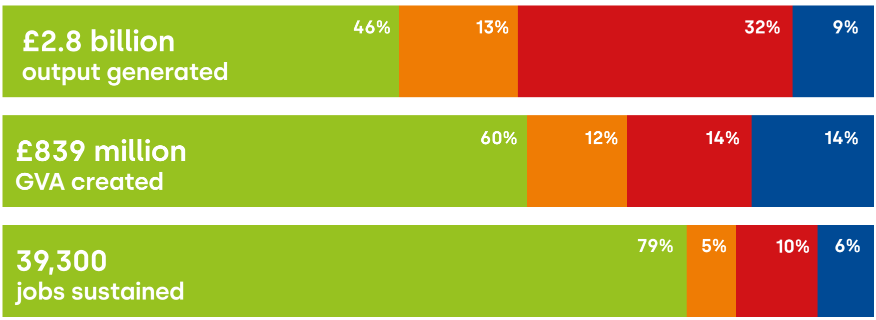
Useful Resources

Economic Impact of Scotland's Red Meat Sector

Supply Chain



Economic impact*



ON-FARM

- 31,200 workforce
- £1.3bn output at £41k per worker
- £504m GVA at £16k per worker

CORE SUPPLIES

- 2,000 workforce
- £361m output at £179k per worker
- £98m GVA at £49k per worker

MEAT PROCESSORS

- 3,880 workforce
- £885m output at £228k per worker
- £119m GVA at £31k per worker

OTHER SUPPLIES

- 2,200 workforce
- £252m output at £114k per worker
- £118m GVA at £53k per worker

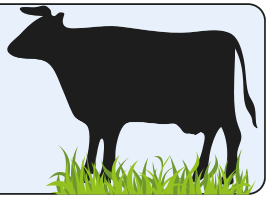
↑ Source: Quality Meat Scotland; *The Scottish Red Meat Sector Economic Impact Report 2023.*
*Created by S. Thomson, A. Moxey and K. Bevan. *see report for dates these economic figures refer to.*

Sector snapshots in Scotland

A SNAPSHOT:

Scottish cattle sector

JULY 2024



KEY STATISTICS

Output from cattle farming (2020)

£849m

24.4% of agricultural output

Calf registrations (2023)

Beef-sired calves 463,000

Total calves 547,100

Scottish abattoirs

£792m

Revenue from processing in 2023

344,700 prime cattle | **68,100 mature cattle**

slaughtered in 2023

150,900t of meat

63% Rest of UK

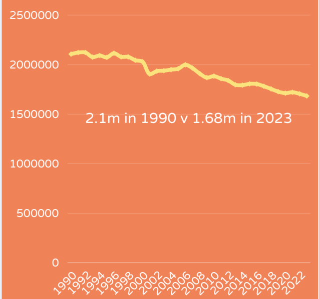
29% Scotland

8% Export

Beef distribution

61% of sales to supermarkets

Scotland's cattle population in June 2023 was down by 20% on its 1990 level



Source: Scottish Government; QMS calculations

Cattle farming in Scotland

23% of Scotland's agricultural holdings kept cattle (June 2023)

78.7% of beef cows on holdings in 'less favoured areas' (June 2021)

54% of Scotland's agricultural businesses claiming EU support in 2019 claimed for cattle

80.5% of Scotland's agricultural area grass and grazing land (June 2023)

394,700 beef cows (2023) on Scottish farms, accounting for 69.2% of the total cow herd

48.6 beef cows per holding (2023) ranging from 7.5 in the Western Isles to 82.3 in the Borders

Beef consumption in Scotland

per capita consumption 2023

15.6kg UK

17.5kg Scotland

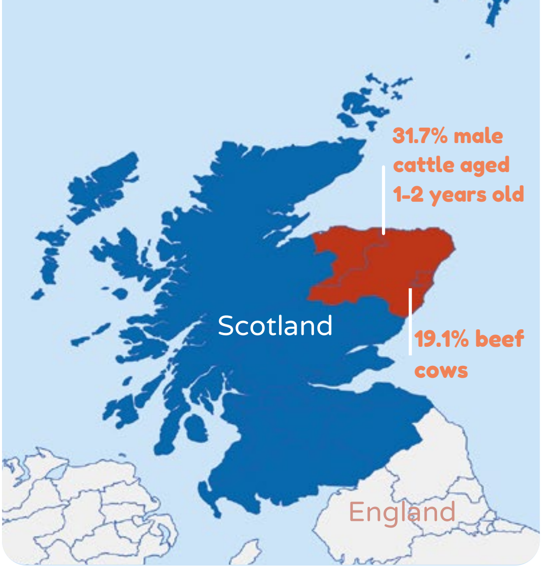
Self-sufficiency rates in Scotland 2023

based on abattoir production volumes	159%
based on cattle farming production	168%

0% 50% 100% 150% 200%

Sector snapshots in Scotland

Scotland's store cattle flow from the West to the East



Highlights of cattle farming in Scotland

Productivity

87.8 cattle aged under a year old per 100 cows
2018

92.1 cattle aged under a year old per 100 cows
2023

Beef-sired calf registrations

81% of the calf registrations were beef-sired
2013

85% of the calf registrations were beef-sired
2023

Dominance of spring calving

57% of beef-sired registrations were in the March to May period of 2023

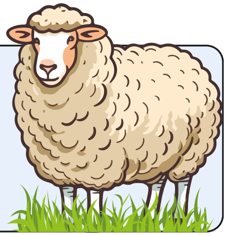
Jan Feb **Mar** **Apr** **May** Jun Jul Aug Sep Oct Nov Dec

Sector snapshots in Scotland

A SNAPSHOT:

Scottish sheep sector

JULY 2024



KEY STATISTICS

Output from sheep farming (2020)

£299m

9% of agricultural output

Production (2023)

Breeding ewes 2.51m

Lambs 3.2m

Scottish abattoirs

£130m

Revenue from processing in 2023

975,000 lambs | **20,700 adult sheep**

slaughtered in 2023

20,900t of meat

58% Rest of UK

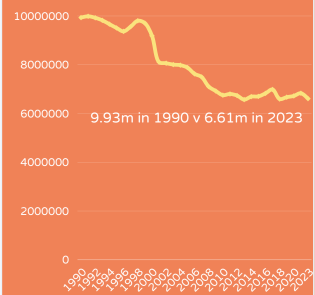
22% Scotland

21% Exports

Sheep meat distribution

60% of sales to supermarkets

Scotland's sheep population in June 2023 was down by more than 33.5% on its 1990 level



Source: Scottish Government; QMS calculations

Sheep farming in Scotland

38% of Scotland's agricultural holdings kept sheep (June 2023)

90% of the sheep on holdings in 'less favoured areas'

57% of Scotland's agricultural businesses claiming EU support in 2019 claimed for sheep

80% of Scotland's agricultural area grass and grazing land (June 2023)

1.275 lambs per ewe (2023)

rising from 1.25 in 2011-2013

176 breeding ewes per holding (2023)

ranging from 26 in the Western Isles to 449 in the Borders

Sheep meat consumption in Scotland

per capita consumption 2023

3.7kg UK

1.8kg Scotland

Self-sufficiency rates in Scotland 2023

based on abattoir production volumes

220%

based on sheep farming production

670%

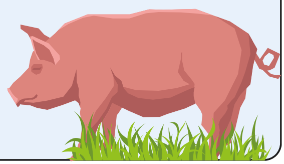
0% 100% 200% 300% 400% 500% 600% 700%

Sector snapshots in Scotland

A SNAPSHOT:

Scottish pig sector

JULY 2024



KEY STATISTICS

Output from pig farming (2020)

£139m

4% of agricultural output

Production (2023)

Breeding sows 31,100

Prime pigs 302,000

Scottish abattoirs

£53m

Revenue from processing in 2023

212,100 prime pigs | **18,500** sows & boars

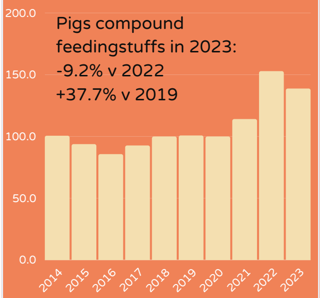
slaughtered in 2023

21,200t of meat

Pig meat distribution: Scotland 64% | Rest of UK 36%

10% of sales to supermarkets

Price index of compound feedingstuffs for pigs 2020=100



Source: Defra ,QMS calculations

Pig farming in Scotland

3.8% of Scotland's agricultural holdings kept pigs (June 2023)

83.3% share of Scotland's sows on holdings with at least 250 sows (June 2023)

North West
Female breeding herd 5.5% of national total
Fattening pigs 7.2% of national total
(June 2023)

North East
Female breeding herd 62.7% of national total
Fattening pigs 56% of national total
(June 2023)

South West
Female breeding herd 10.7% of national total
Fattening pigs 9.1% of national total
(June 2023)

South East
Female breeding herd 21.2% of national total
Fattening pigs 27.8% of national total
(June 2023)

Pig meat consumption in Scotland

per capita consumption 2023

UK	Scotland
20.3kg	18.2kg

Self-sufficiency rates in Scotland 2023

based on abattoir production volumes: **22%**

based on pig farming production: **99%**

0% 20% 40% 60% 80% 100%

QMS Current Programmes

Monitor Farm Programme 2022-2026

The aim of the programme is to help to build resilient, dynamic farms focused on reaching their full economic, social and environmental sustainability by optimising production. The programme is led by QMS and AHDB.
For more information, contact **MonitorFarm@QMScotland.co.uk**

The Scotch Butchers Club

The Scotch Butchers Club positions butchers as the 'Champions of Scotch', promoting their skill, craftsmanship and knowledge to consumers via social media, the website and in-store point of sale. It offers members a host of enhanced benefits. It also proudly advocates butchery careers. For more details, get in touch by calling **0131 510 7920** or emailing **sbc@qmscotland.co.uk**

Farming Foodsteps

Farming Foodsteps is Quality Meat Scotland's interactive educational resource, which explores the journey Scottish red meat makes from farm to fork and the role that red meat plays as part of a healthy, balanced diet and in the economy and environment. Start exploring at **www.farmingfoodsteps.co.uk**

The Scotch Beef Club

QMS works closely with the food service sector to raise awareness and increase the understanding of Scotch Beef UK GI, Scotch Lamb UK GI and Specially Selected Pork. Get in touch by calling **0131 510 7920** or emailing **info@qmscotland.co.uk**

Make it Scotch

Scotland is one of the most sustainable and reputable places in the world to produce beef, lamb and pork.
Visit **www.makeitscotch.com** to discover more about the Scotch difference and to be inspired by our delicious recipes.

Baselining Project

QMS is working with AHDB to conduct a UK-wide baselining project that will gather accurate information on the levels of sequestration on farm. The project will measure soil carbon, soil nutrients, and will use innovative technology to gather information on the GHG emissions that are captured by vegetation, trees, hedges and crops. For more information on the project, contact Bruce McConachie by emailing **bmcconachie@qmscotland.co.uk**

Quality Meat Scotland's Weekly Newsletter

By subscribing to the mailing list for our newsletter, readers have access to exclusive content straight to their inbox, keeping them informed about everything related to the sector.

From the latest QMS news to issues affecting the wider industry, readers can expect plenty of expert analysis, development updates as well as the latest job vacancies. Stay up to date by signing up to the newsletter by emailing **info@qmscotland.co.uk**

For more information on QMS, visit **www.qmscotland.co.uk** and follow **@qmscotland** on social media.

The latest market prices can be viewed on the QMS website at:
www.qmscotland.co.uk/market/prices

QMS
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