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National Craft Butchers

Beef Market Update & Outlook

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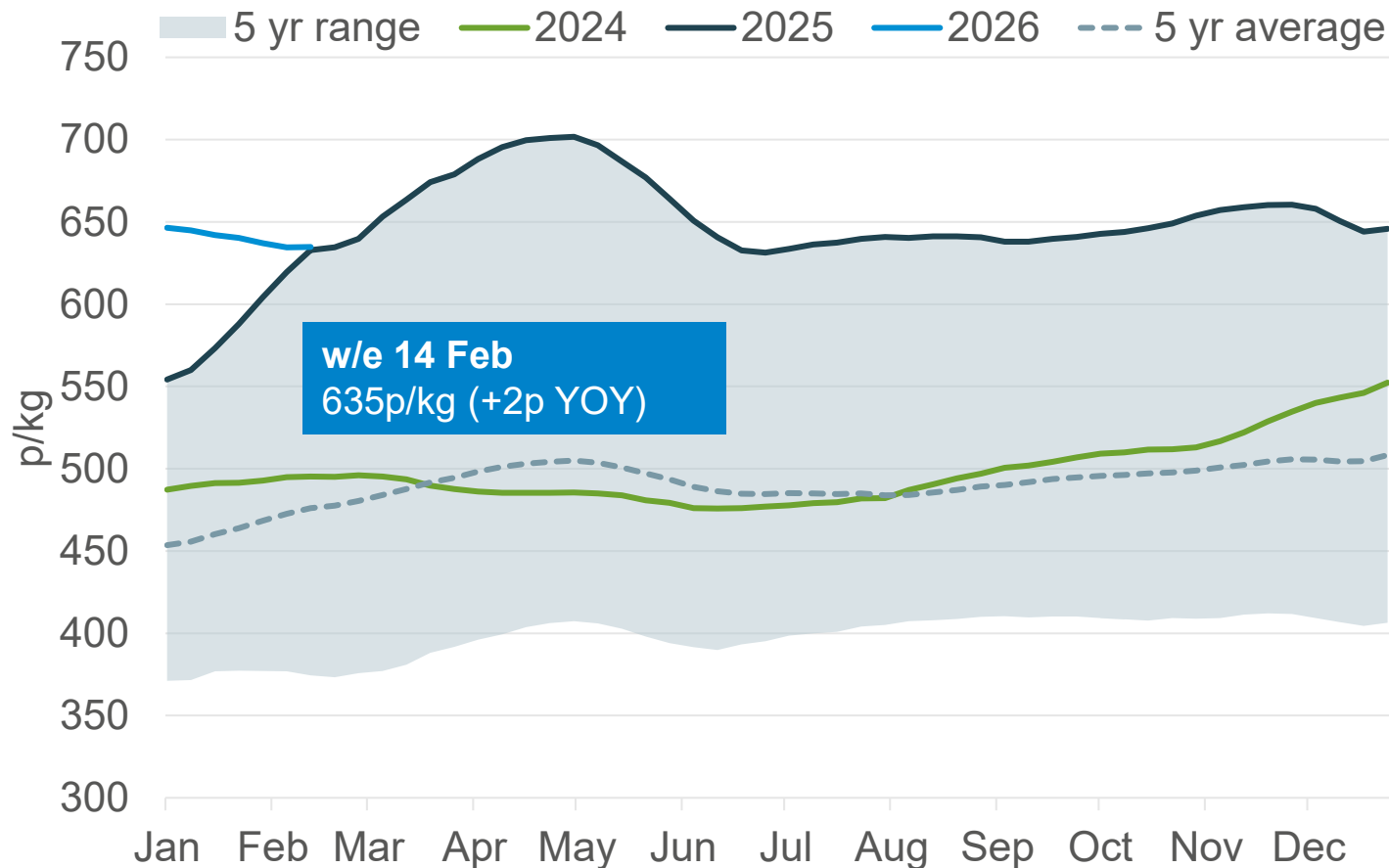
BEEF & LAMB



Beef market update

Prime cattle prices soften into 2026

GB all prime average deadweight cattle price



Source: AHDB

Market factors



Demand slower

- Retail vols 12w/e 25 Jan -6.7% YoY



Prime supply growing

- AHDB sample prime kill +1% YoY YTD 14 Feb (7wks)



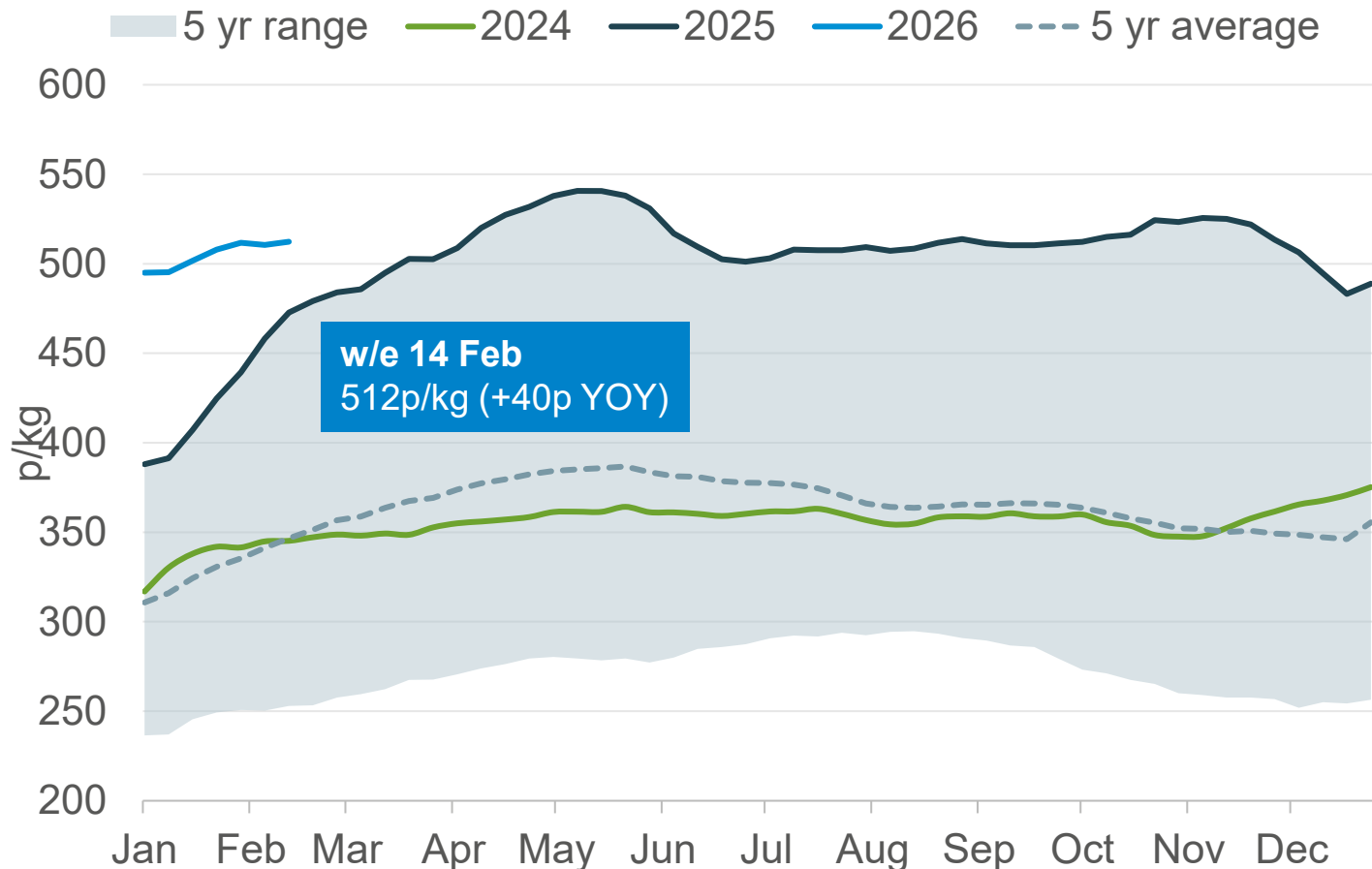
Trade

- Dec-25 imports +4% YoY
- Irish -13%
- **NZ+Aus** up significantly YoY
 - ~5,200T in Dec25
 - ~900T in Dec24



Cow prices strengthen seasonally

GB overall average deadweight cow price



w/e 14 Feb
512p/kg (+40p YOY)

Market factors



Demand slower

- Retail vols 12w/e 25 January -6.7% YoY



Cow supply up in recent weeks

- AHDB sample cow kill +1% YoY YTD 14 Feb (7wks)



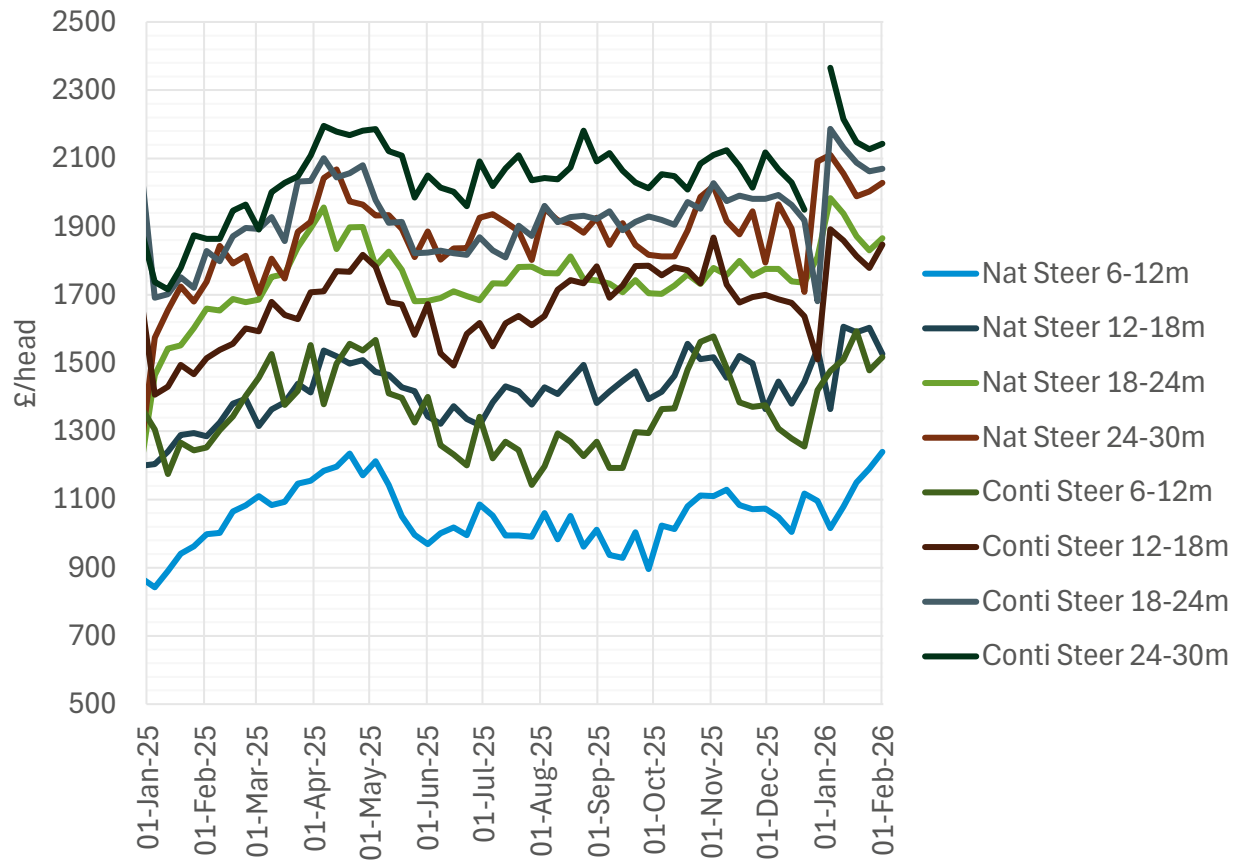
Trade

- Irish vol main driver of import, but Dec25 import vols up significantly YoY
 - ~5,200T in Dec25
 - ~900T in Dec24



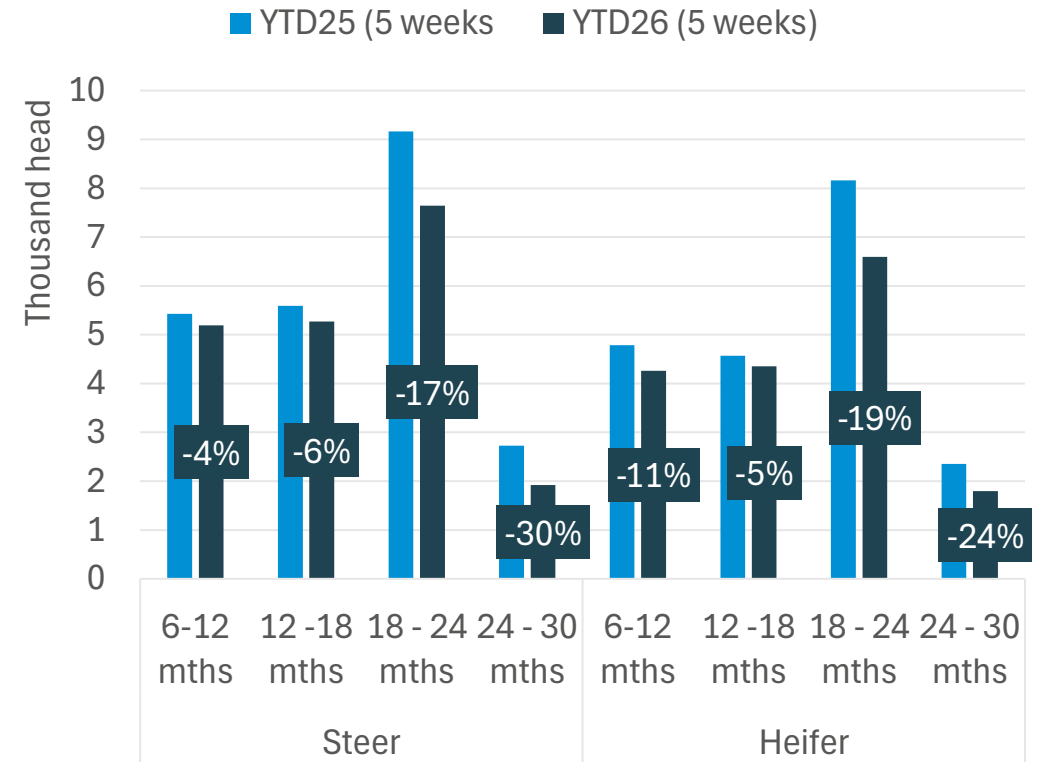
Store cattle markets up on lower numbers

Average E&W store steer prices, weekly



Source: Livestock Auctioneers Association

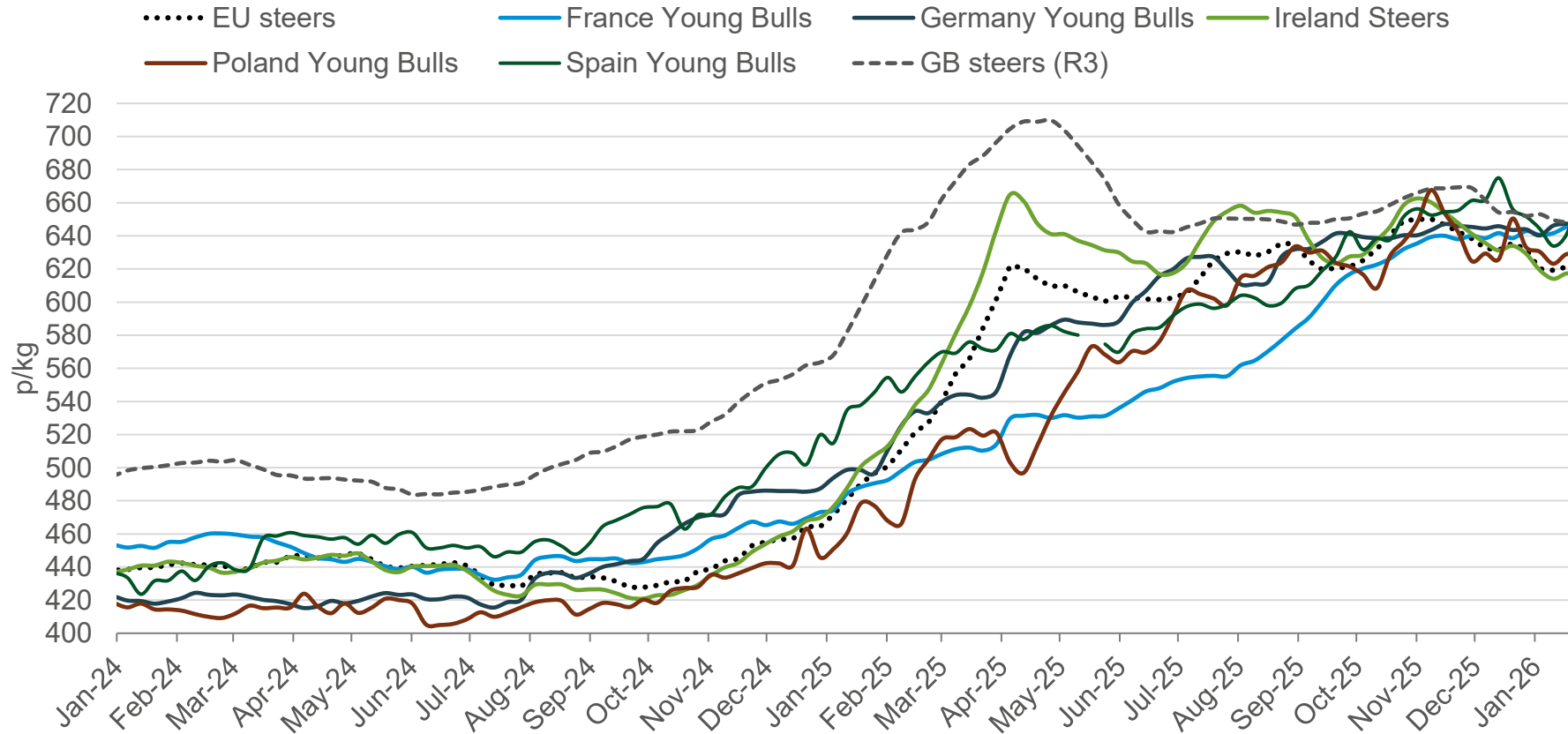
Total E&W store cattle throughputs by age & sex, YTD



Source: Livestock Auctioneers Association
Includes native, continental and dairy cattle

EU cattle prices firm on lower supply

Selected EU deadweight prime cattle prices (p/kg)



Tighter supply

- Jan-Sep EU beef slaughter -5% YoY

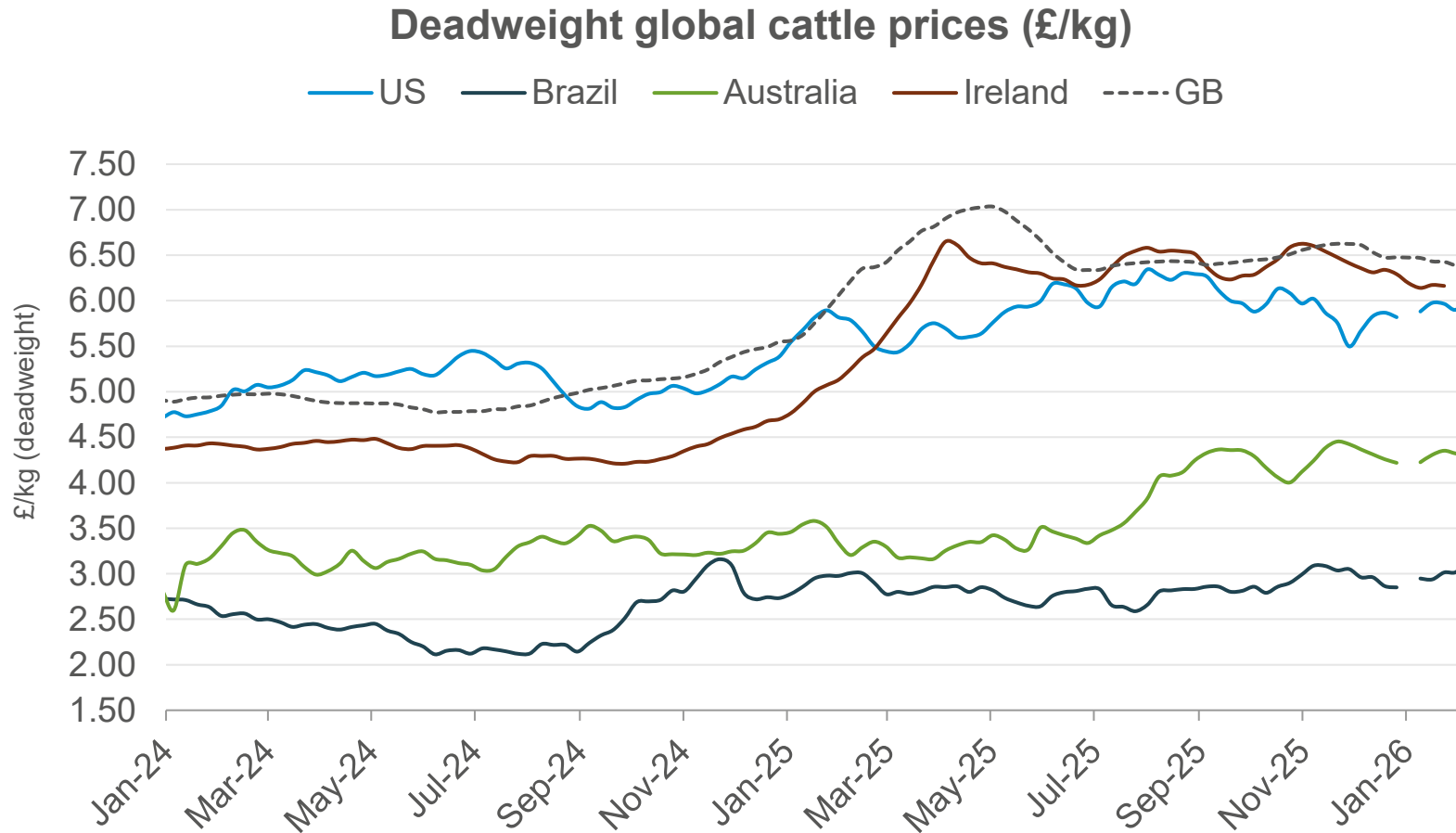
Tighter price spread

EUR avg R3 steer price €7.18/kg w/c 26 Jan

- +€1.26/kg (+21%) YOY

Young bulls category AR3; steers category CR3, GB price is AHDB R3 steer average
Source: European Commission, AHDB

Global cattle prices steady-to-firm



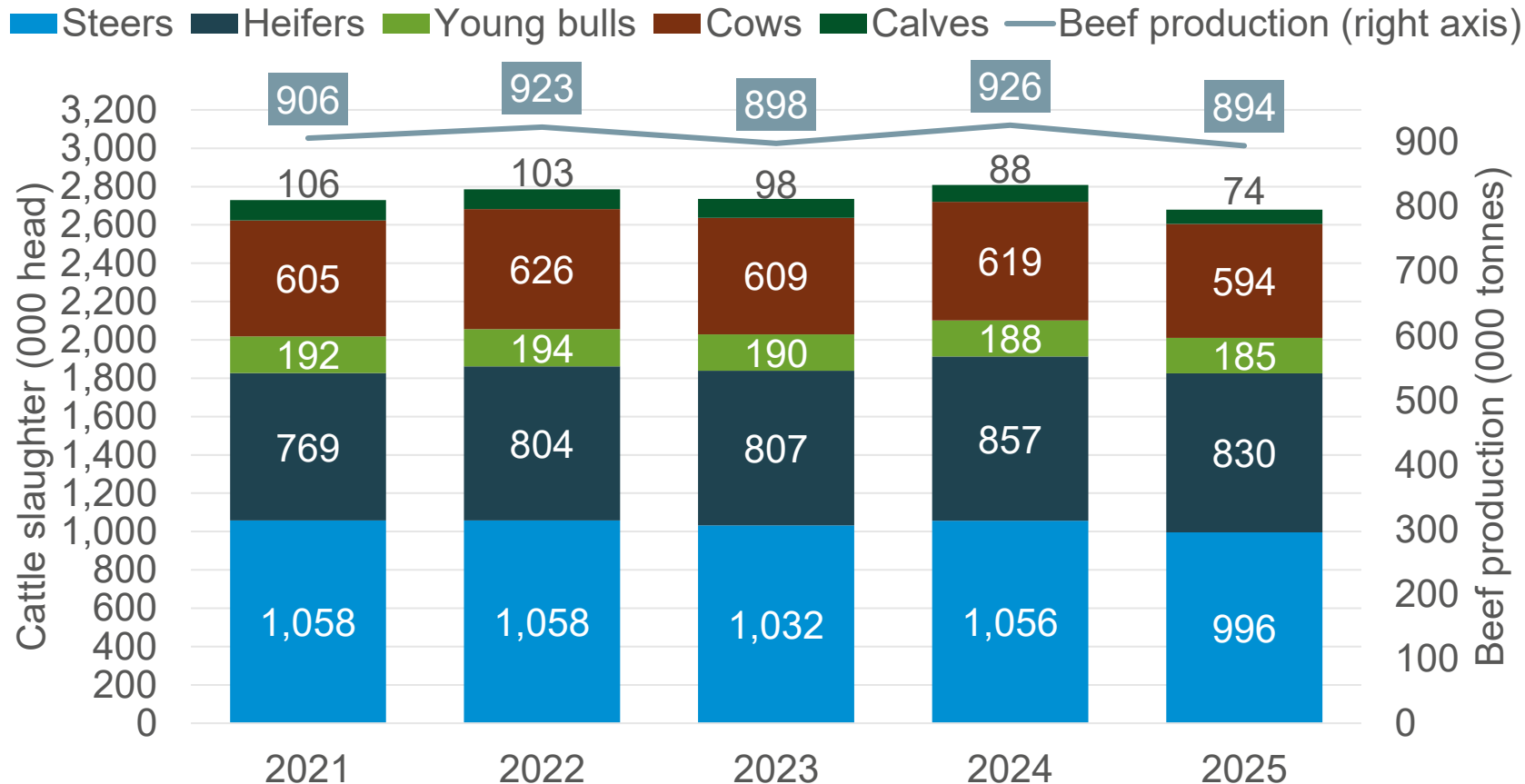
Key points

- Global prod to decline in 2026
 - Aus and Braz cattle cycles peak
 - US herd rebuilding begins
 - EU structural decline
- Medium-term global prod growth
- Chinese safeguards will disrupt/reduce imports in 2026, likely more beef on global market
 - Aus & Braz most susceptible to disruption
 - Frontloading in early 2026
 - Tight global market, price growth in H1, easing in H2?

Source: AHDB, European Commission, INAC, MLA, Consorcio de Exportadores de Carnes Argentinas, Informe Ganadero Argentina

Domestic beef production

UK beef production - full year

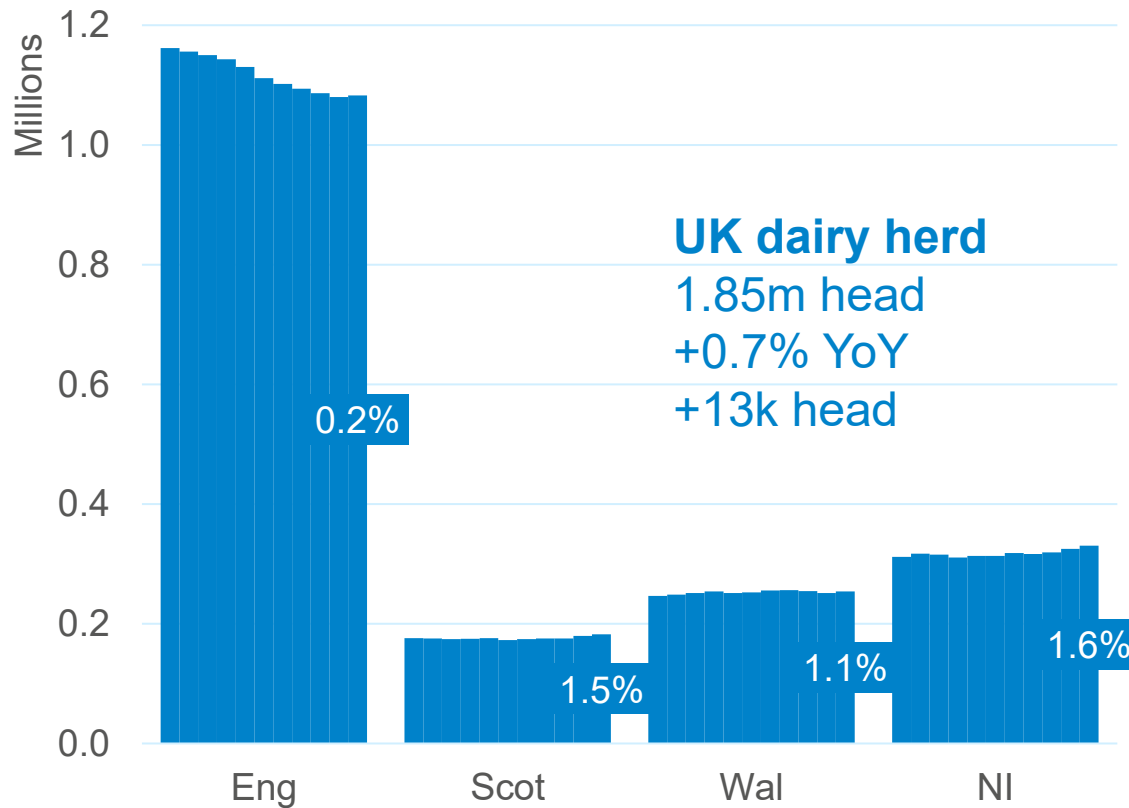


Headlines

- Production -3.4%
- Prime cattle slaughter -4.3%
 - Steers -5.7%
 - Heifers -3.2%
 - YBs -1.8%
- Cow slaughter -3.9%
- Average prime cattle carcase weights 346.5kg (+3.5kg, +1%)

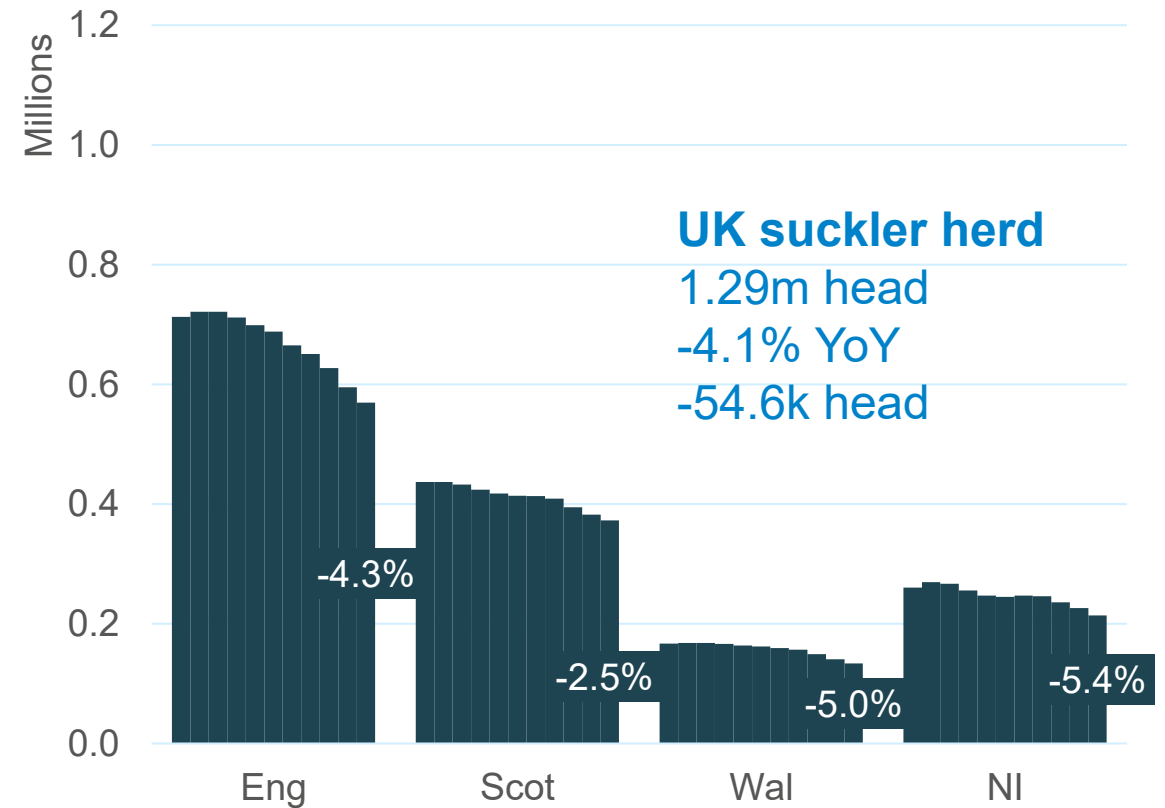
The view of cow numbers at June

UK dairy cow herd at 1 June (2015 – 25)
With YoY change for Jun25



Source: Defra

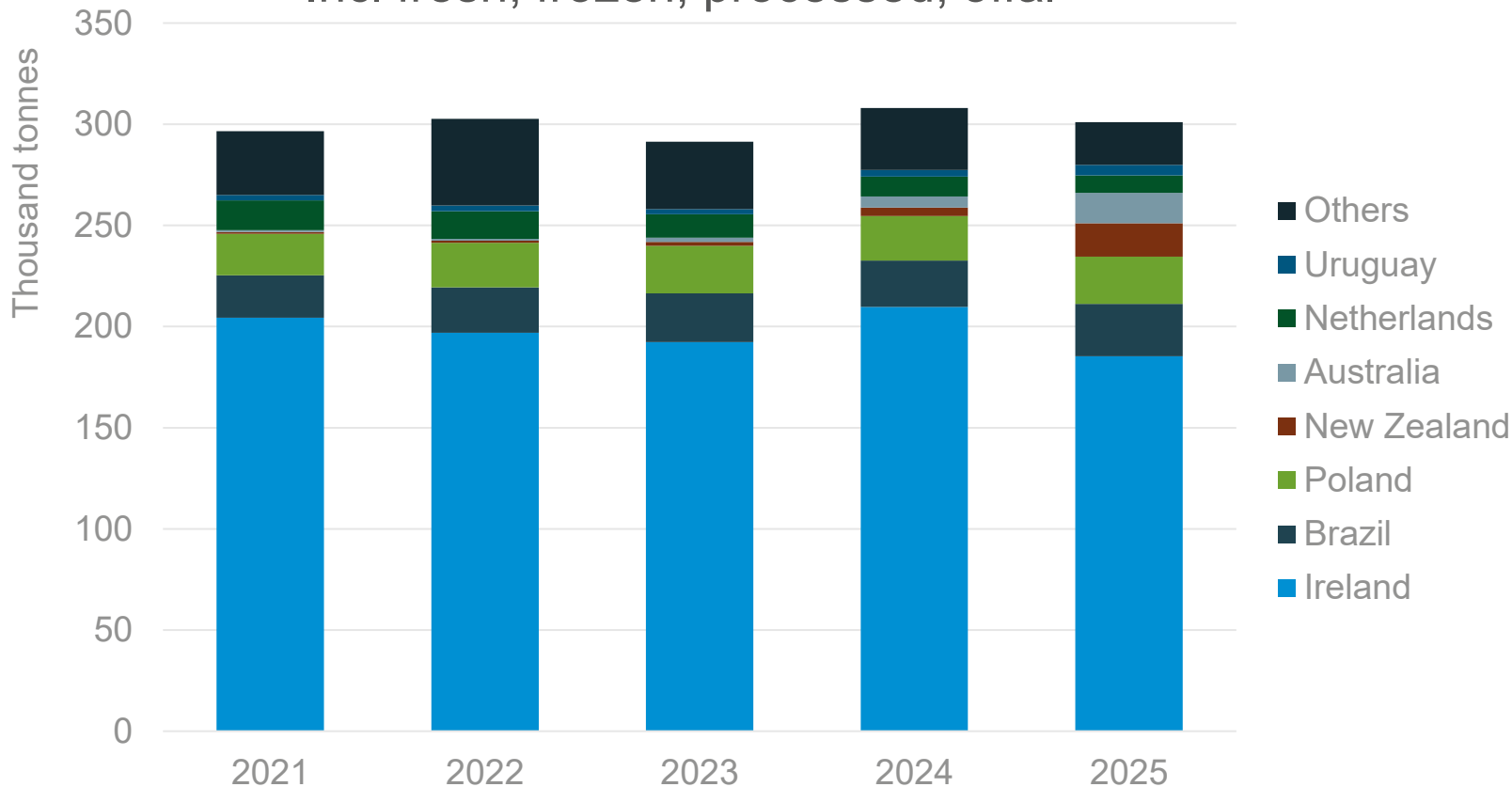
UK suckler cow herd at 1 June (2015 – 25)
With YoY change for Jun25



Source: Defra

Irish production & slower demand weigh on total import volumes

UK beef import volume
Incl fresh, frozen, processed, offal



Key points

- Jan-Dec 301KT -2% YoY

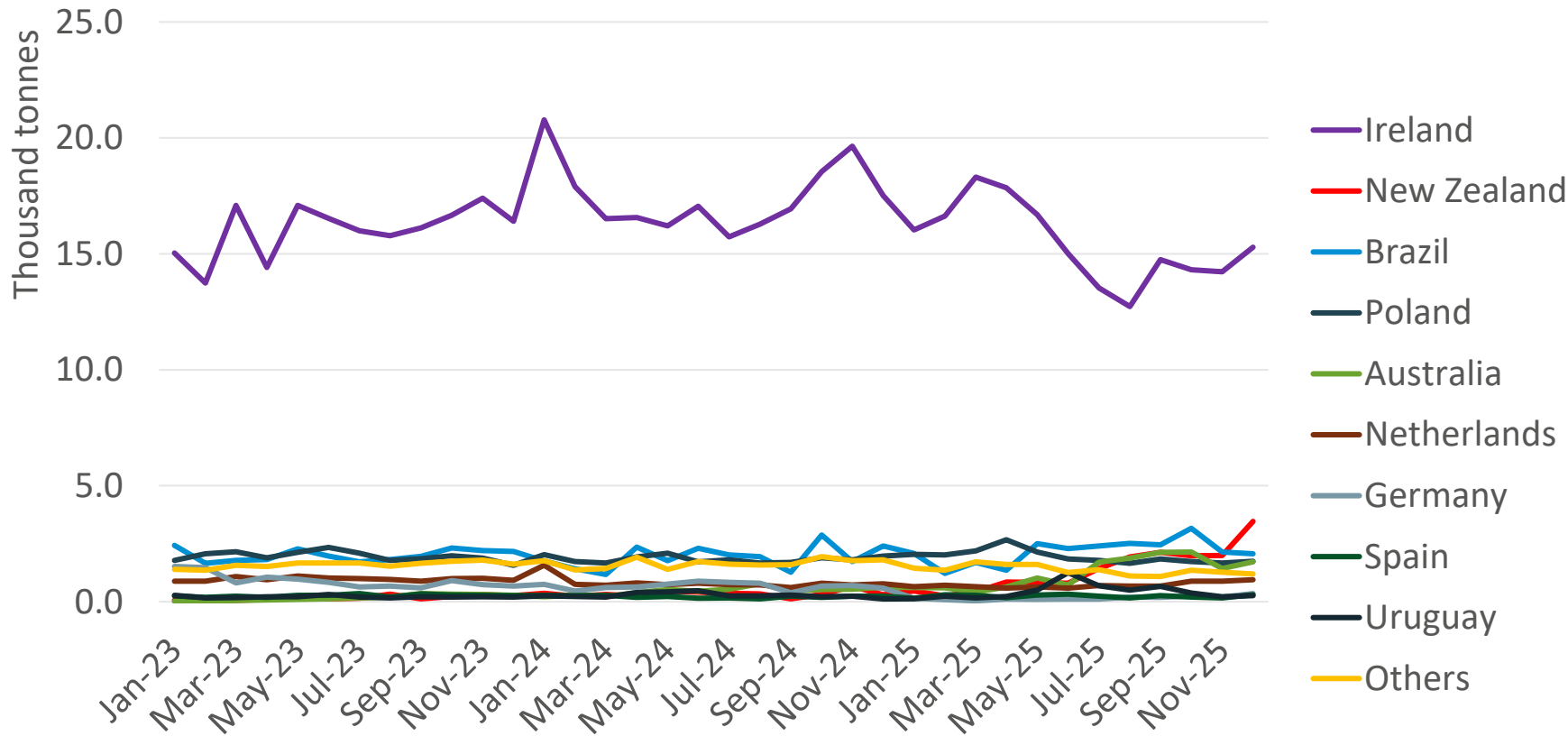
Market factors

- High GB cattle prices
- Narrower IE:GB price diff
- Softer domestic demand amid inflation

Data incl. fresh, frozen, processed beef and offal

Aus and NZ increase import volume share

Monthly UK beef imports (fresh, frozen, processed, offal)

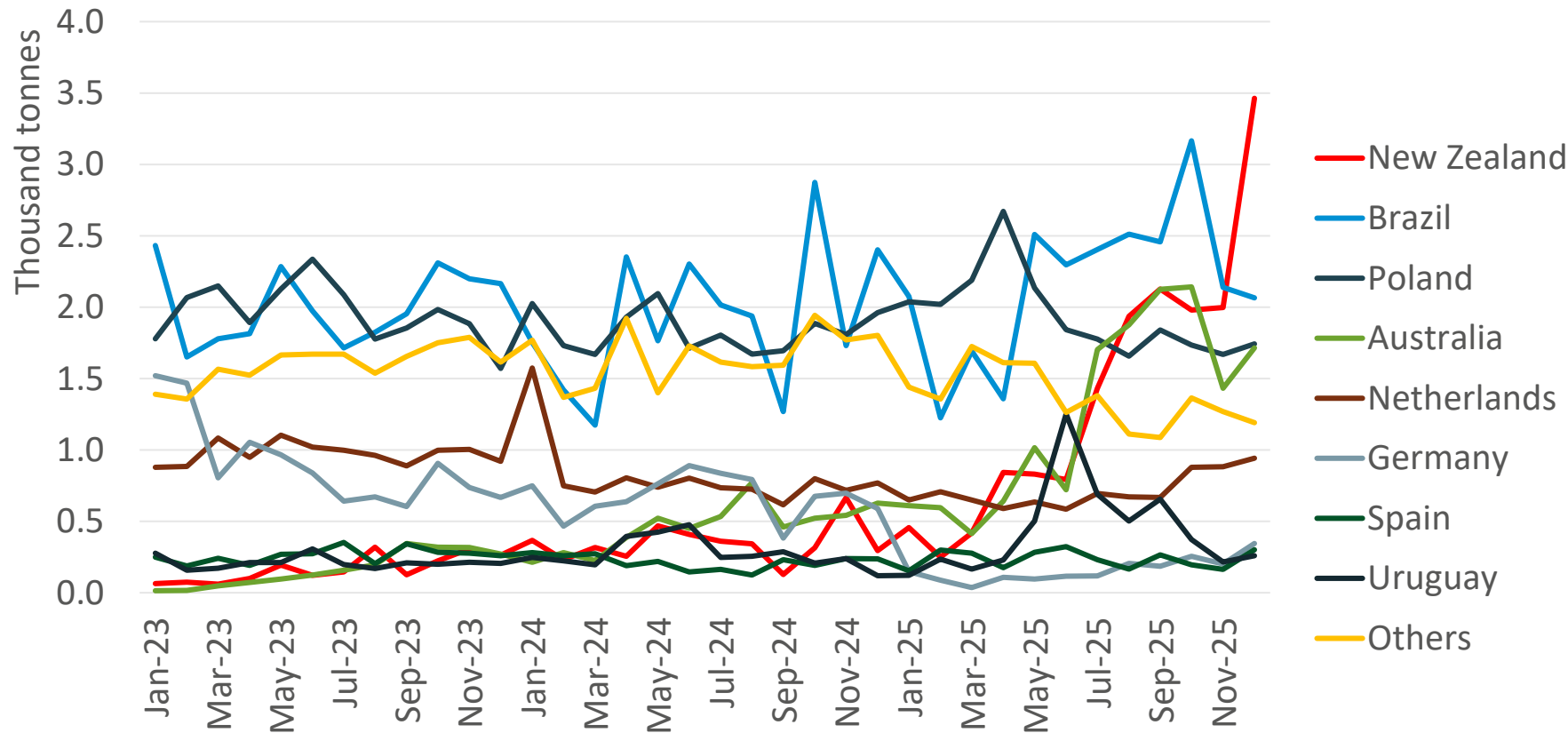


- Aus + NZ = 10% volume share in 2025
 - 3% in 2024

Source: HMRC, TDM LLC. Data in product weight

Aus and NZ increase import volume share

Monthly UK beef imports (fresh, frozen, processed, offal)

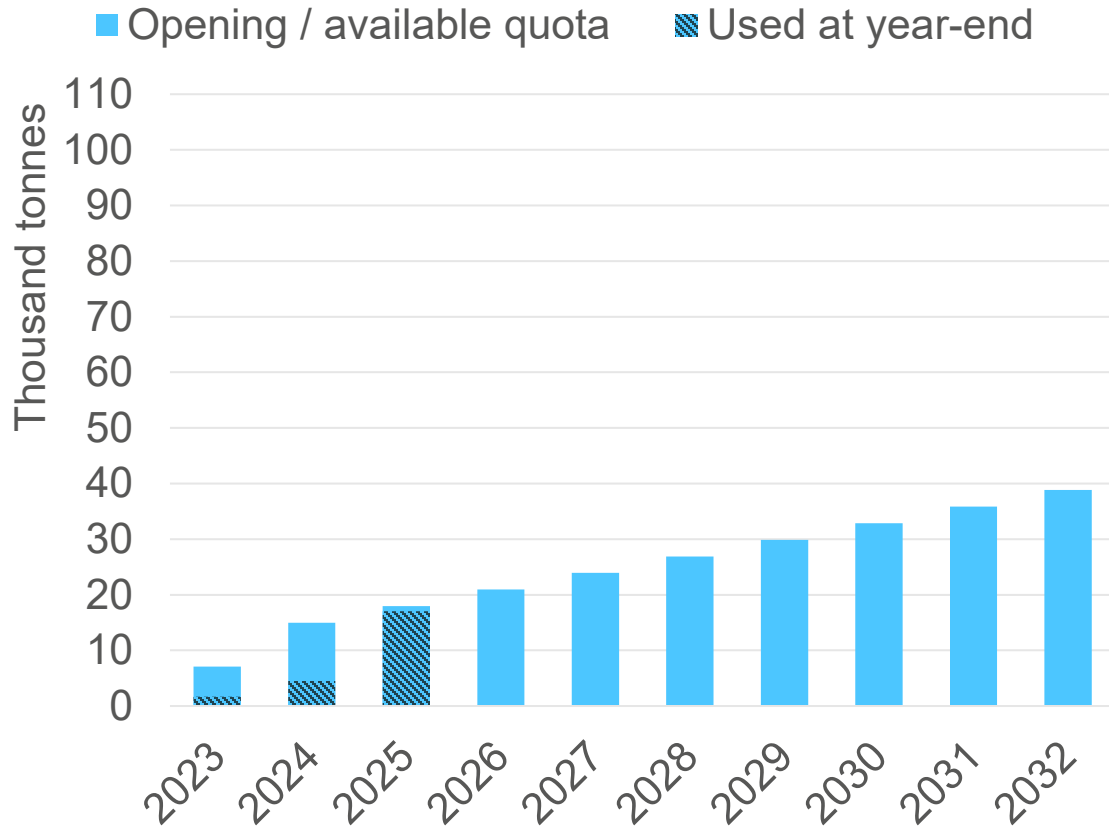


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Source: HMRC, TDM LLC. Data in product weight

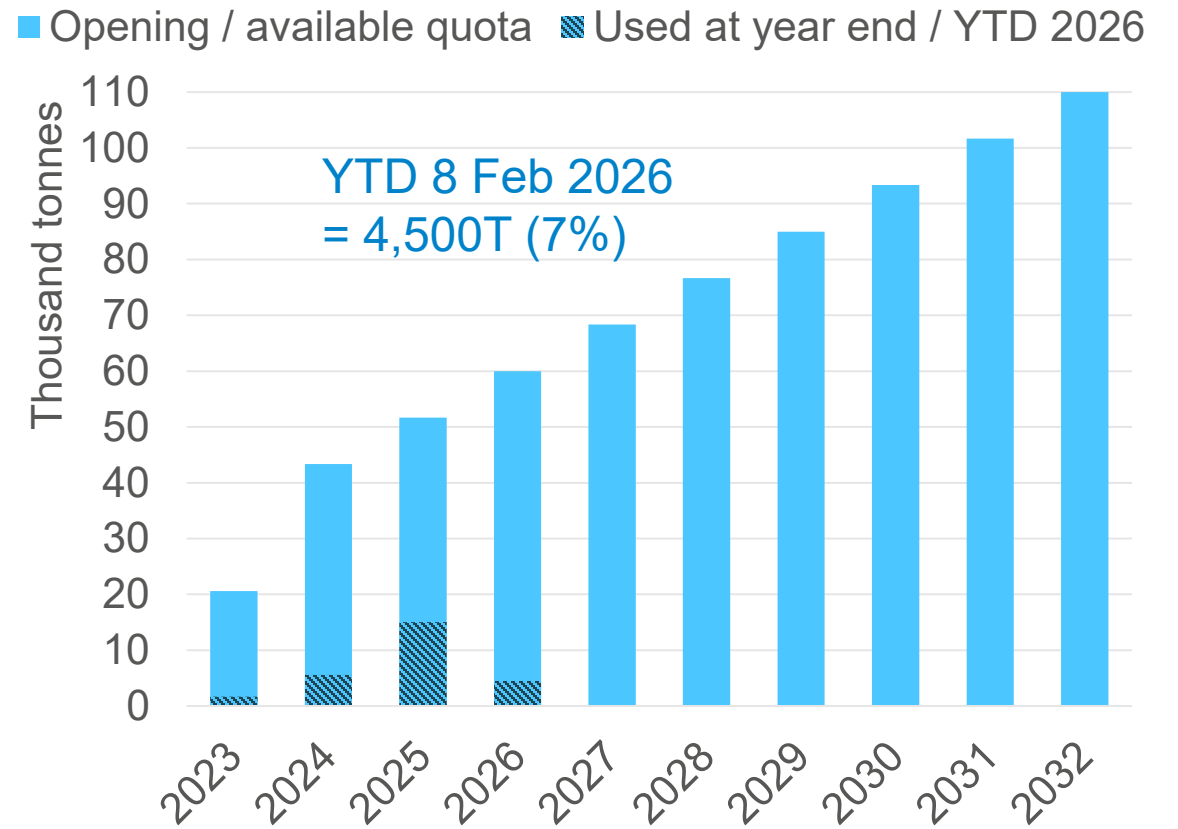
NZ and Australian FTA beef quota usage

Usage of NZ-UK FTA beef quota



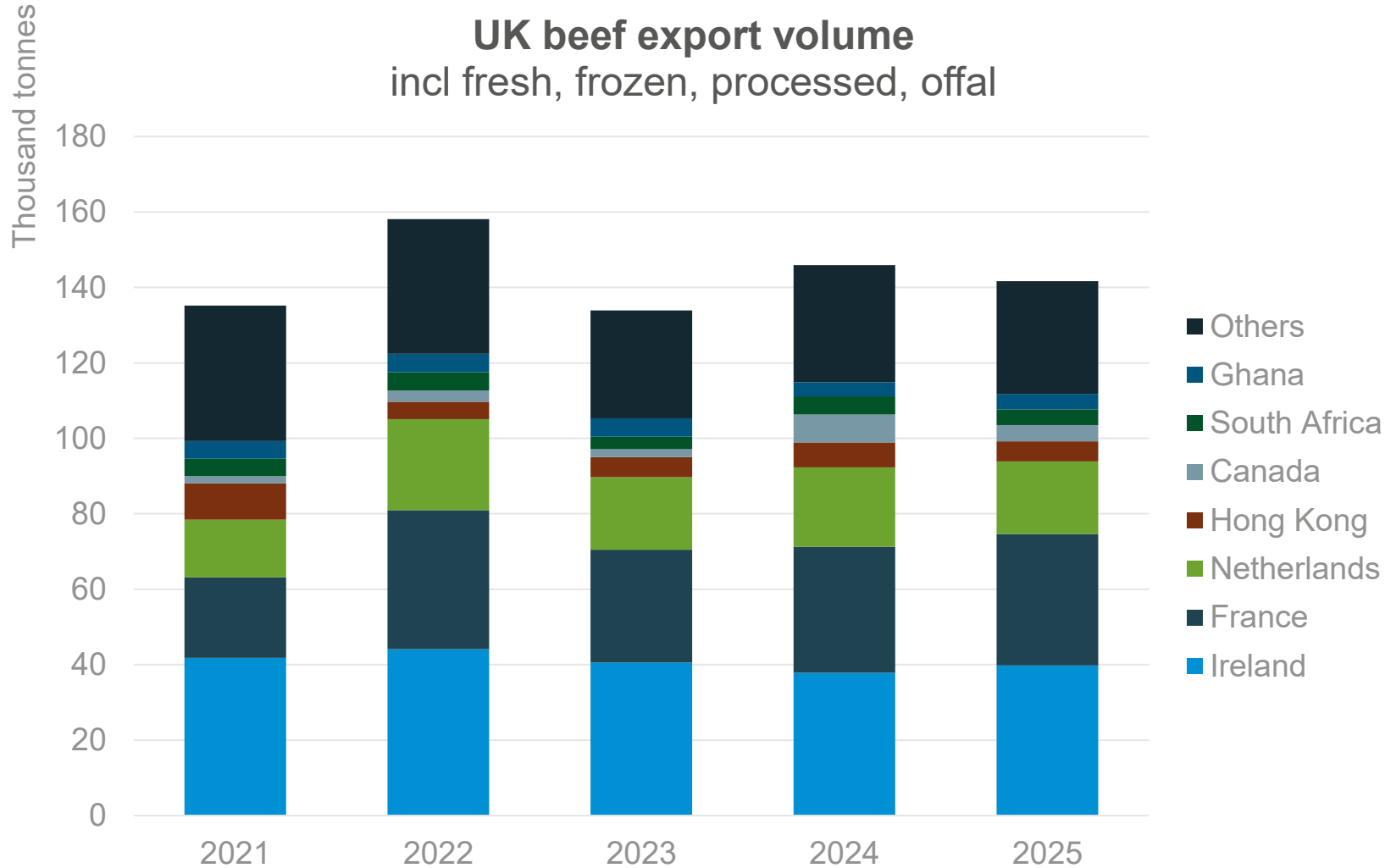
Source: New Zealand MFAT

Usage of Australia-UK FTA beef quota



Source: Australia DAFF

Exports lower in line with production

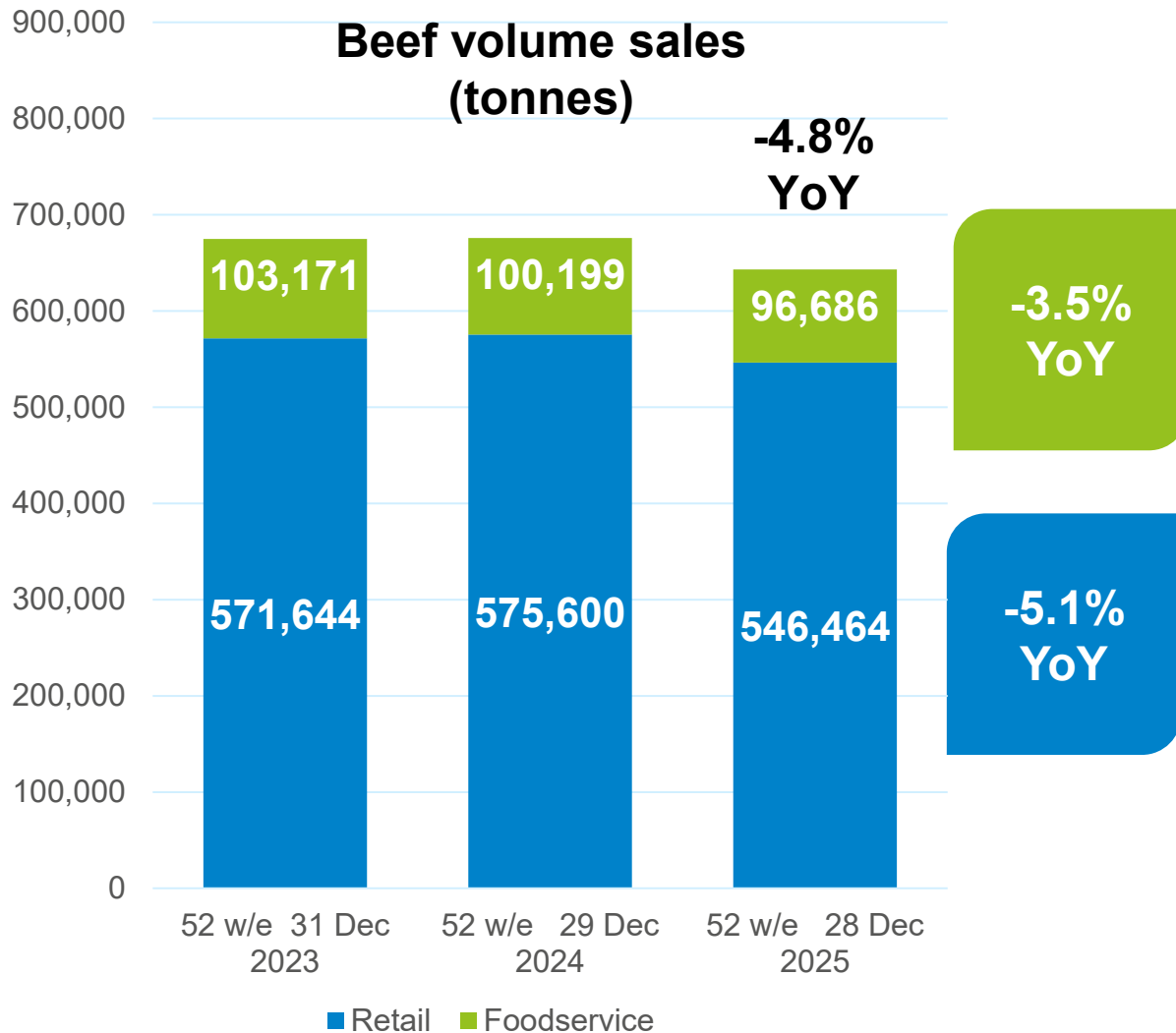


Key points

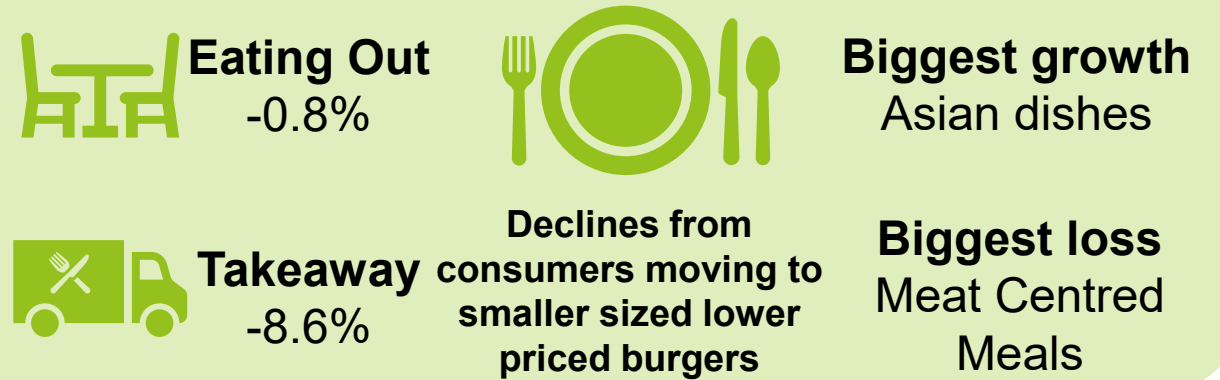
- Jan-Dec 142KT -3% YoY
- Production -4%
- Higher cattle prices
- Growth in frozen boneless (Ireland, France)
- Growth in livers (S.Af, Senegal)

Data incl. fresh, frozen, processed beef and offal

Beef consumption trends



Foodservice volumes – 52 w/e 28 December 2025



Retail – 12 w/e 25 January 2026



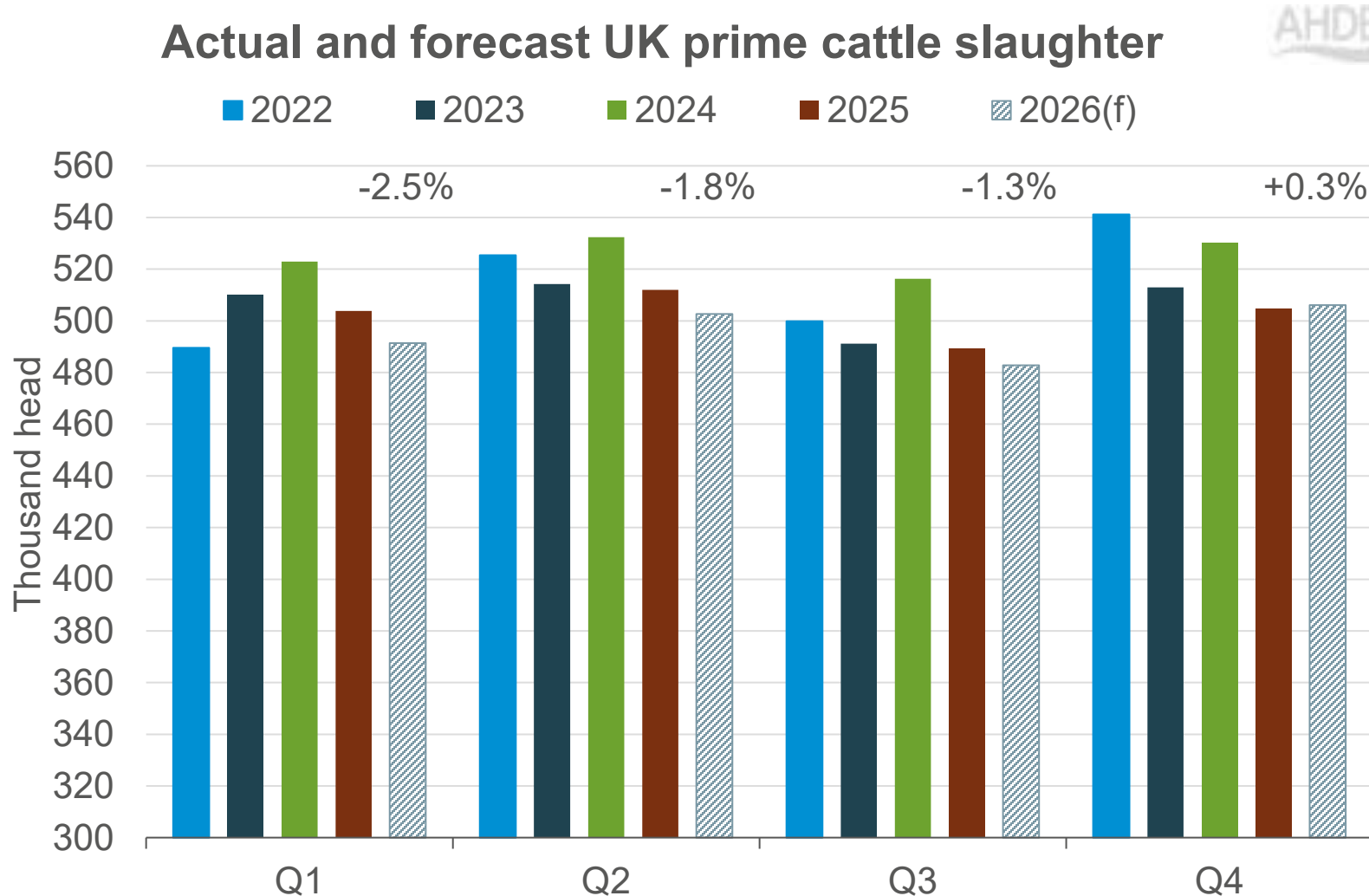


Beef market outlook

2026 ONLINE NOW

Prime cattle slaughter

Actual and forecast UK prime cattle slaughter

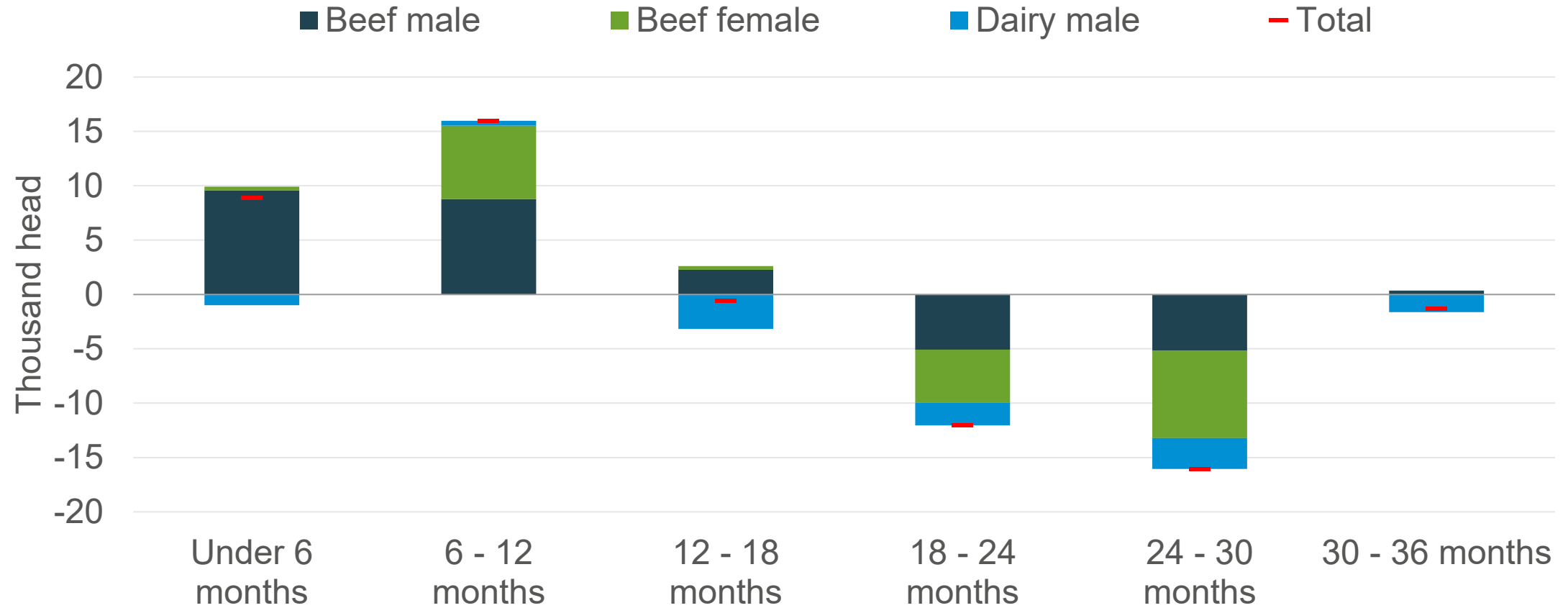


Prime cattle slaughter totals 1.98m head (-1% YoY)

- More normal seasonal kill patterns
- Population data, tight supplies in the short term (18-30m down YoY)
- Biggest falls in Q1/2, closer to year ago levels later in the year

Source: Defra, AHDB forecasts in hashed bars

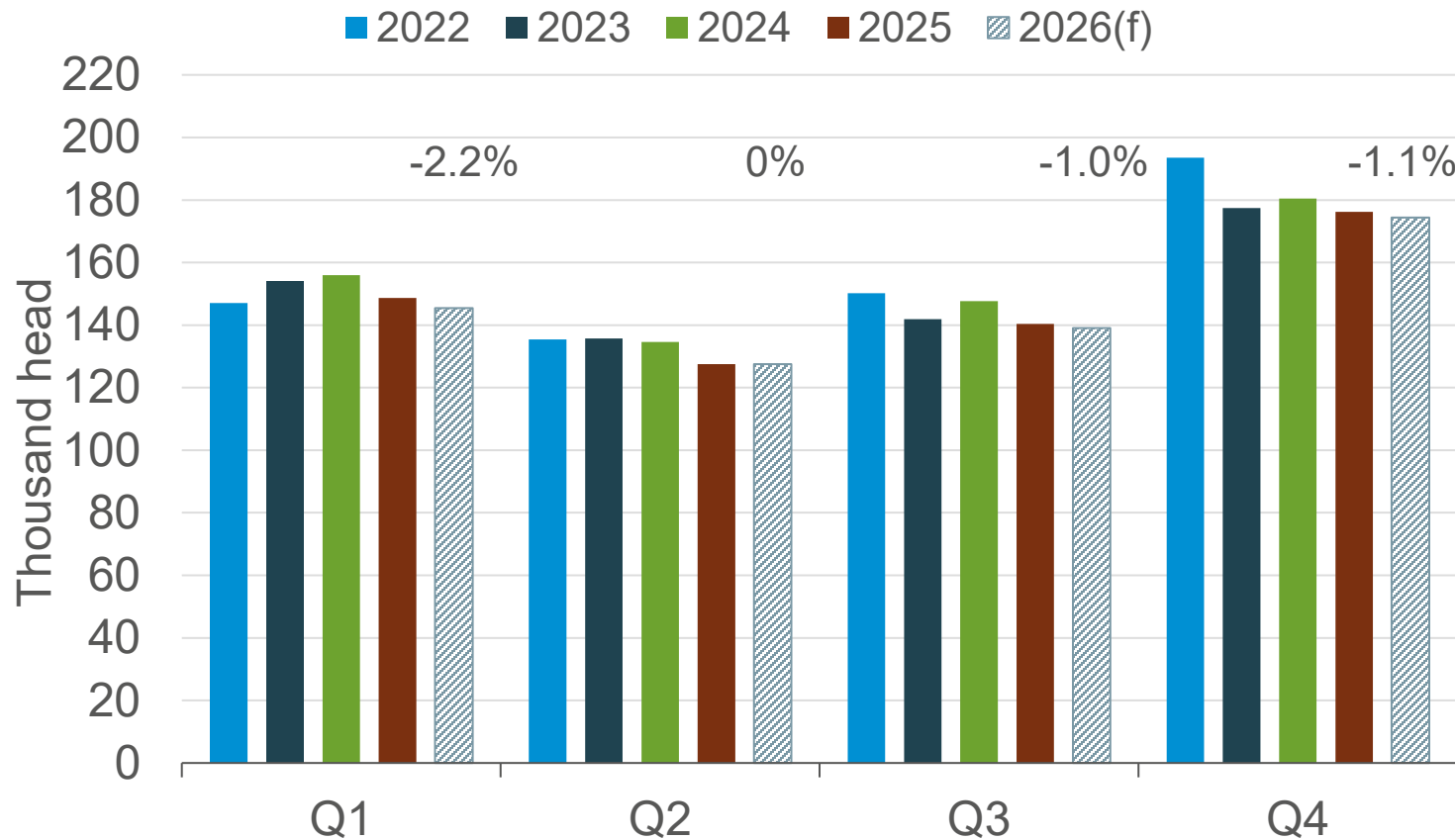
Year-on-year change in number of cattle in GB 1 Oct 2025/2024 (data includes beef animals + dairy males)



Source: British Cattle Movement Service, AHDB calculations.

Cow slaughter

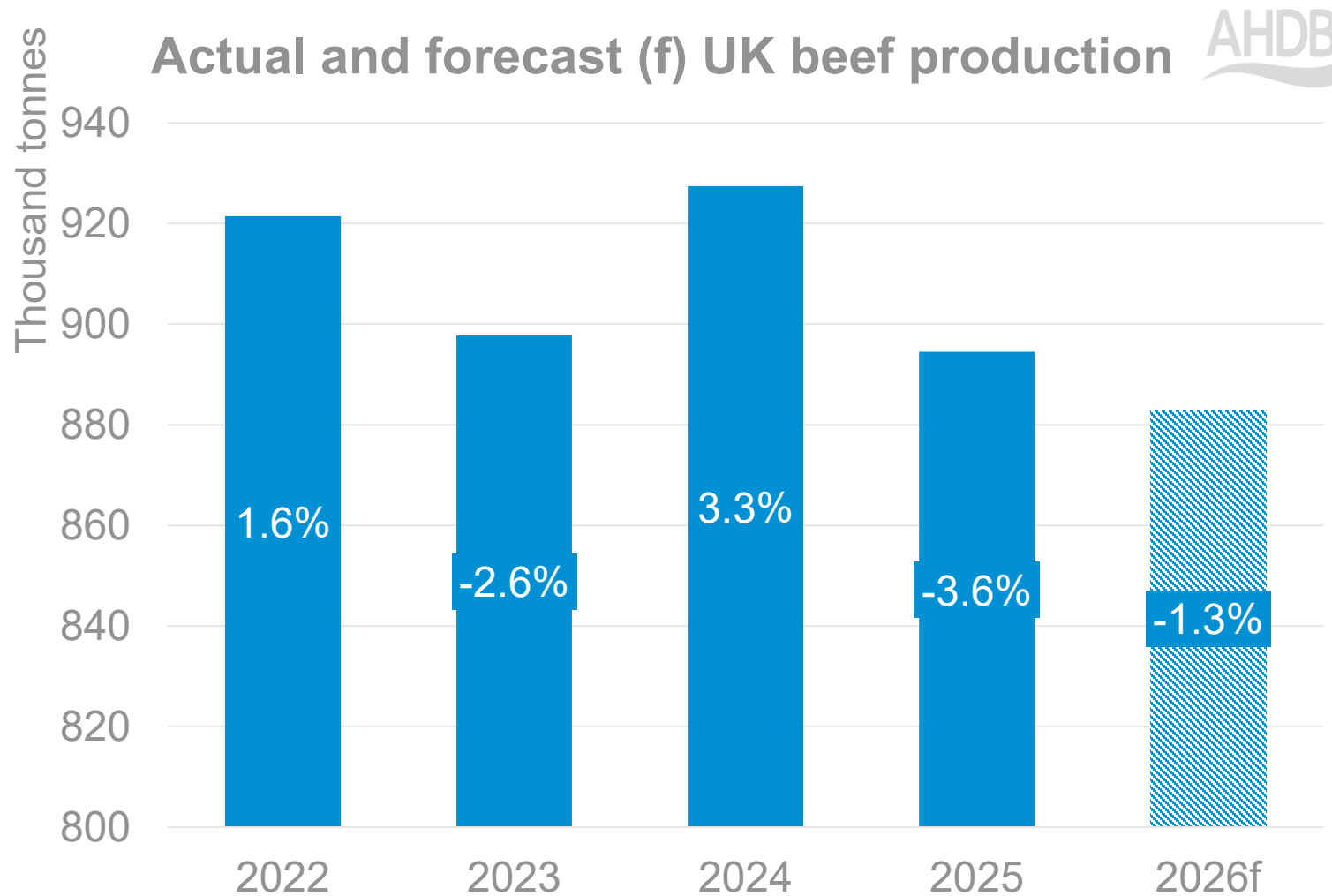
Actual and forecast UK cow slaughter



- Small falls YoY throughout the year
- Potential for greater dairy contributions – milk prices
- Potential for fewer suckler cows – rebuilding/ retention?
- **Cow slaughter totals 586,000 head (-1% YoY)**

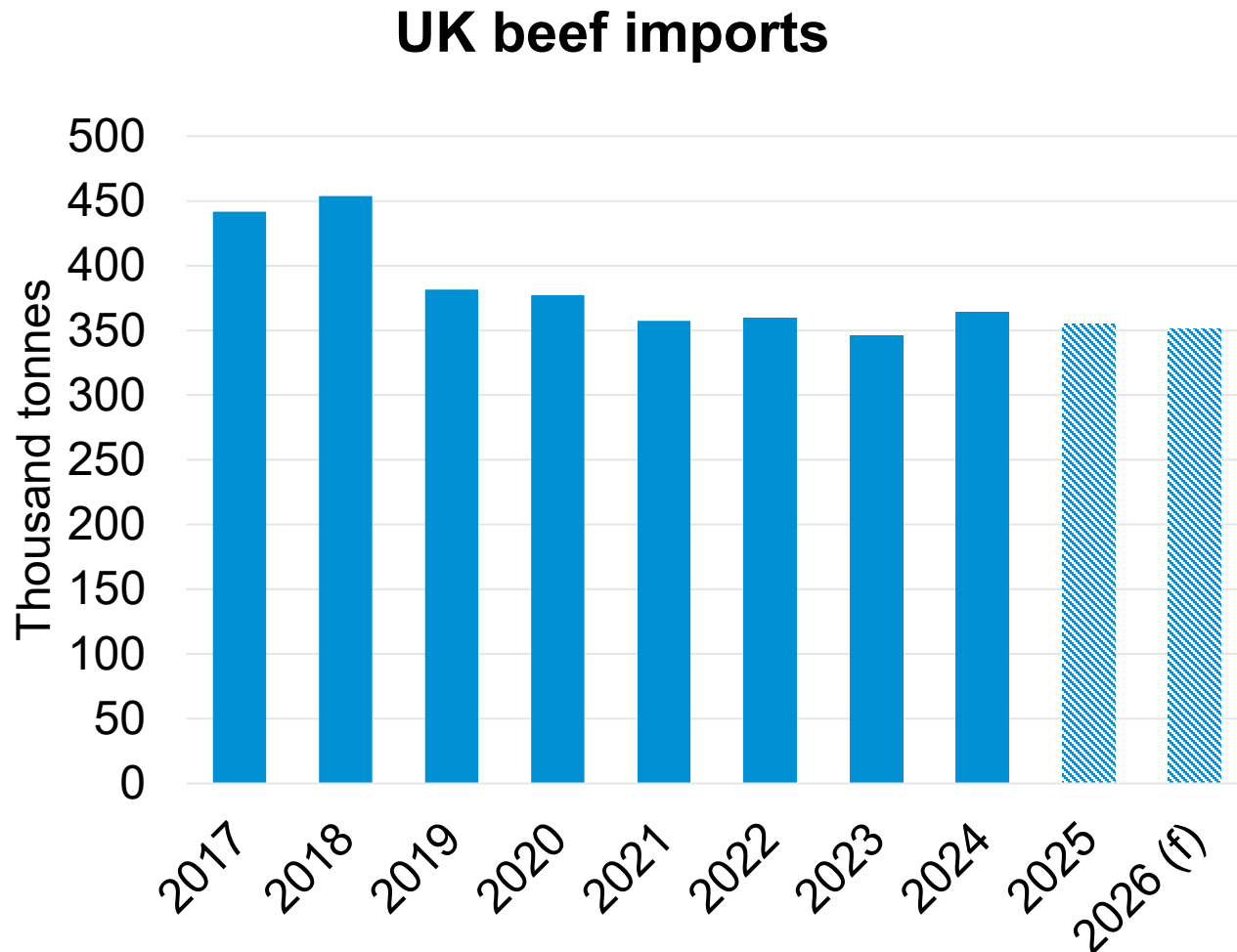
Source: Defra, AHDB forecasts in hashed bars

UK beef production



- Carcase weights remain strong
- Production falls slightly YoY
- Beef production totals **883,000 tonnes (-1% YoY)**

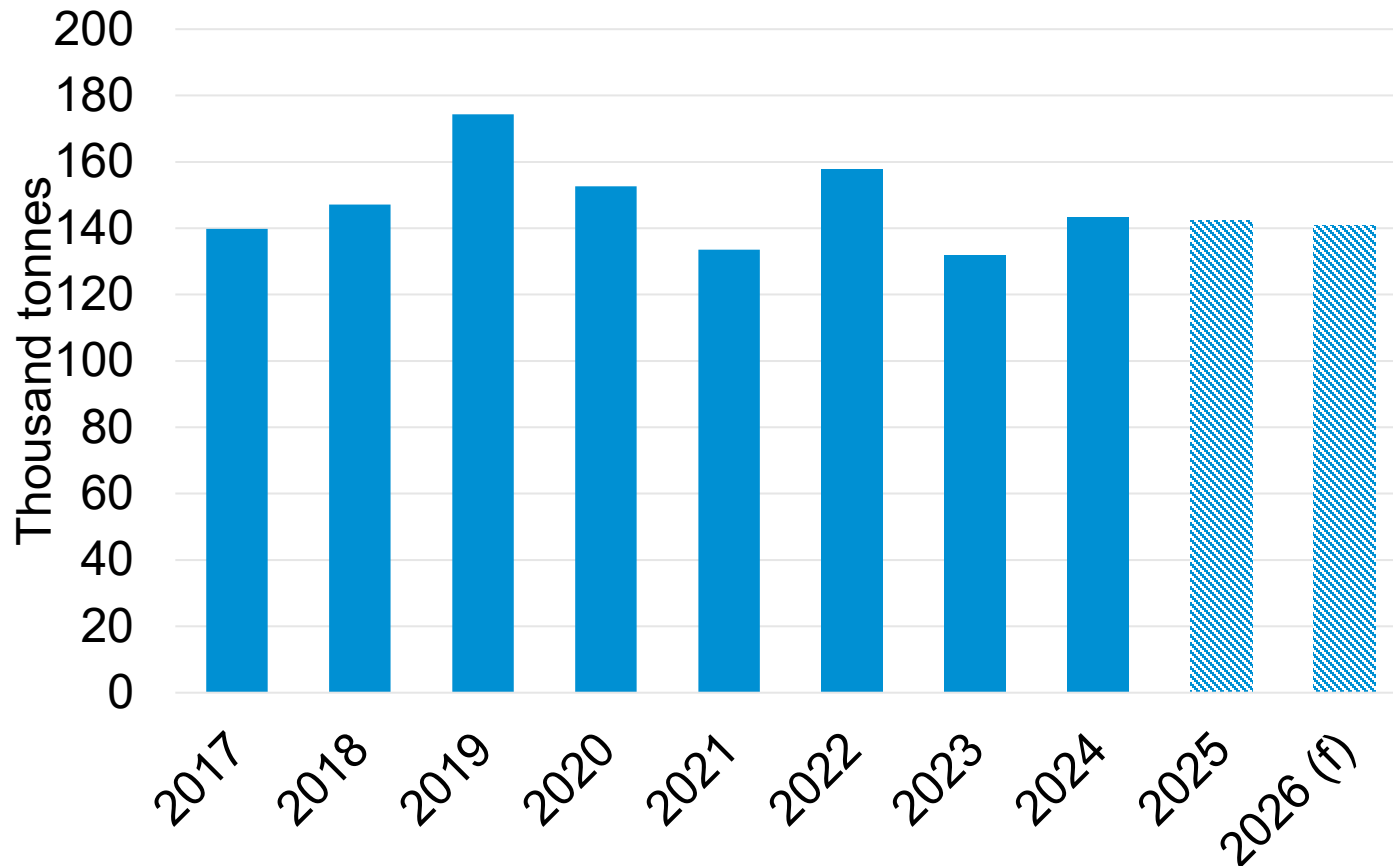
UK beef imports



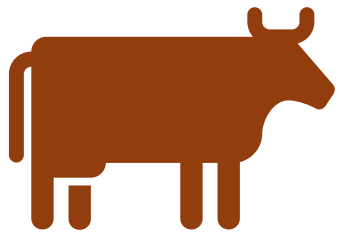
- Beef imports fall 1% YoY in 2026
- Weaker domestic demand prospects
- Lower imports from Ireland, limited by their production (Teagasc forecasting 4% fall in 2026)
- Greater imports from Poland, Aus, NZ and S.Am

UK beef exports

UK beef exports



- UK beef exports -1% YoY
- Exports limited by domestic production
- Tighter EU price spread, favourable for beef exports to the continent
- Export values expected to remain strong



Beef performance 2025

Rising prices

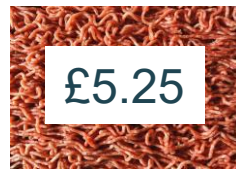
Beef Inflation
+27% Dec 2025*

Retail total beef
Average price per Kg
+12.9% YOY**

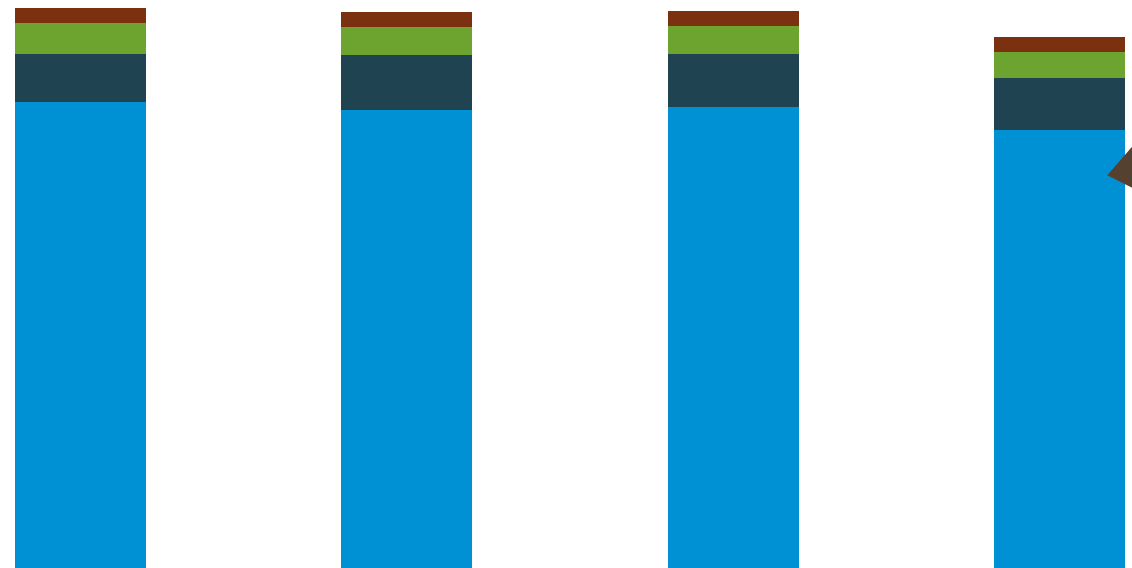
500g pack of 5% fat mince***

Q1 2025

Q4 2025



Beef volumes



Total Beef*: -5% YOY
Retail**: -5% YOY
Out-of-home***: -4% YOY

Switching to cheaper proteins

Buying lower volumes

Dropping out of beef altogether

Signs of consumers adapting to a new norm for pricing in Q4

Sources:

*Office for National Statistics

**Worldpanel by Numerator UK, 52 w/e 28 December 2025

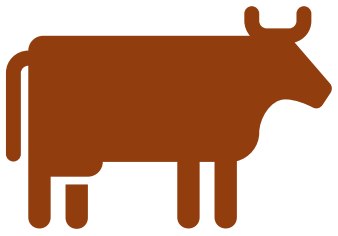
***Worldpanel by Numerator UK, 12 w/e 23 March 2025, 28 December 2025, Average price per pack

Sources:

*AHDB estimates

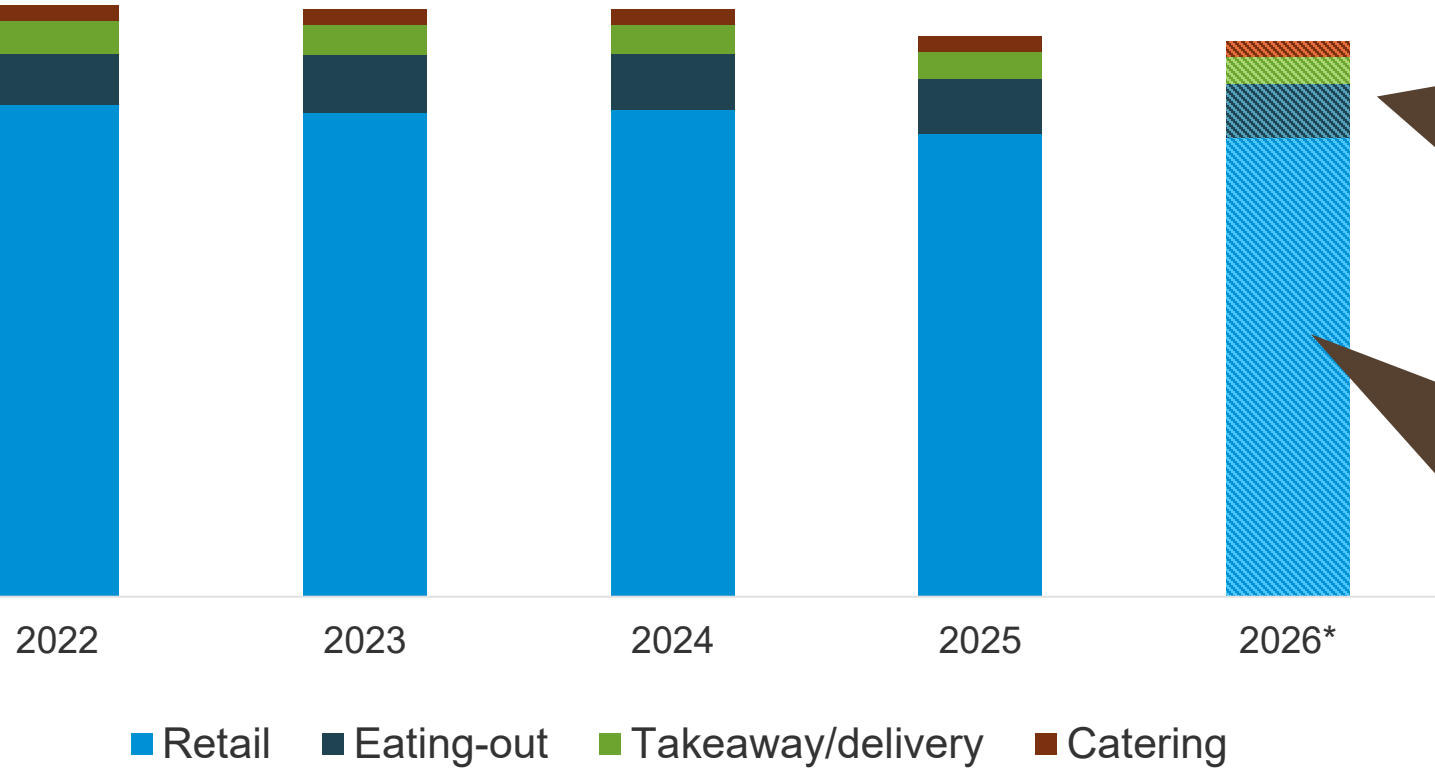
**Worldpanel by Numerator UK retail, 52 w/e 28 December 2025, volumes

***AHDB volume estimate based on Worldpanel by Numerator UK OOH, 52 w/e, 28 December 2025



Beef demand outlook 2026

Beef volumes



Total Beef*
-1% YOY vs 2025
-6% YOY vs 2024

OOH

Focus on cheaper channels and dishes
e.g. pasties

Innovative value-led offerings on menus

World Cup uplift

Retail

Easy to cook, family friendly meals
which avoid waste

Joints & steaks for special occasions

Added value for dine at home
experiences

Sources:
*AHDB estimated volumes

Beef, lamb and pork markets, February 2026 – a Scottish perspective

Purpose: To provide an update on the key industry and economic factors driving beef, lamb and pork markets in 2026.

Prepared by: Iain Macdonald, Market intelligence Manager

Contact: imacdonald@qmscotland.co.uk

Date: 24 February 2026



Quality Meat Scotland is a Non-Departmental Public Body. This advice is freely available and further information can be provided by the designated contact above.

Data Disclaimer:

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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. © Agriculture and Horticulture Development Board [2026]. All rights reserved

Accurate, timely and independent data you can trust

AHDB

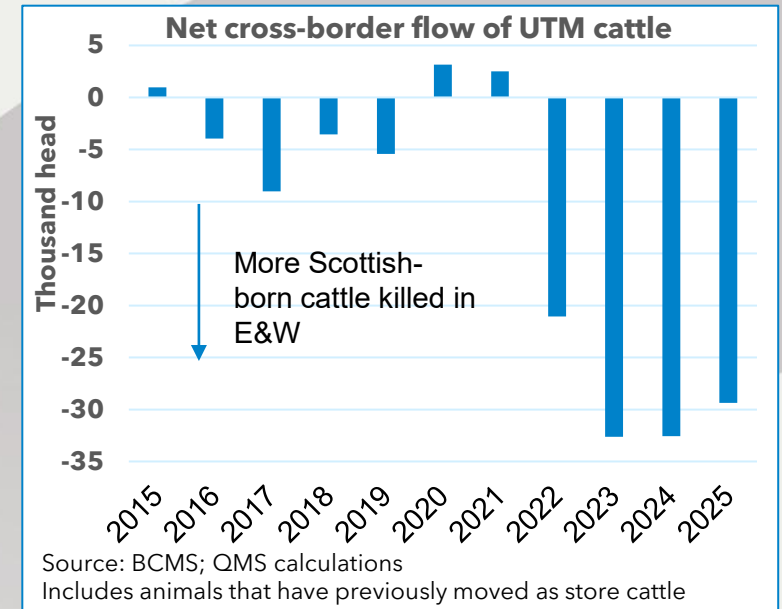
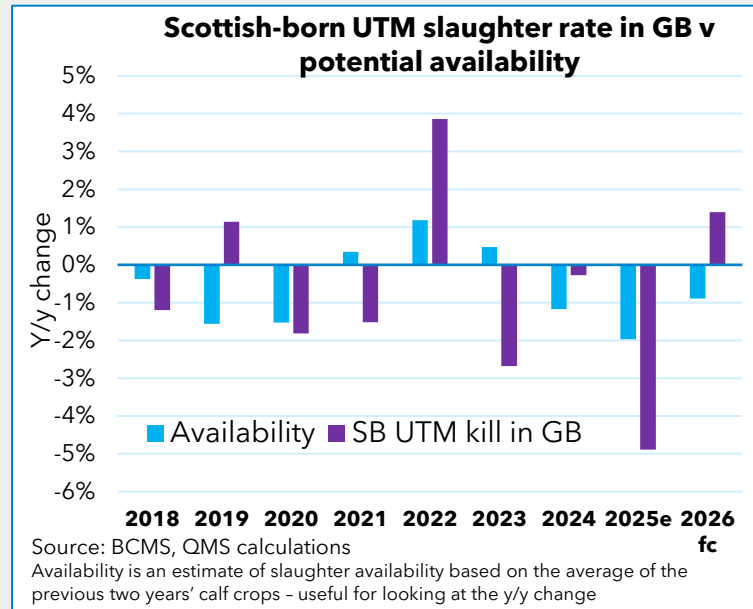
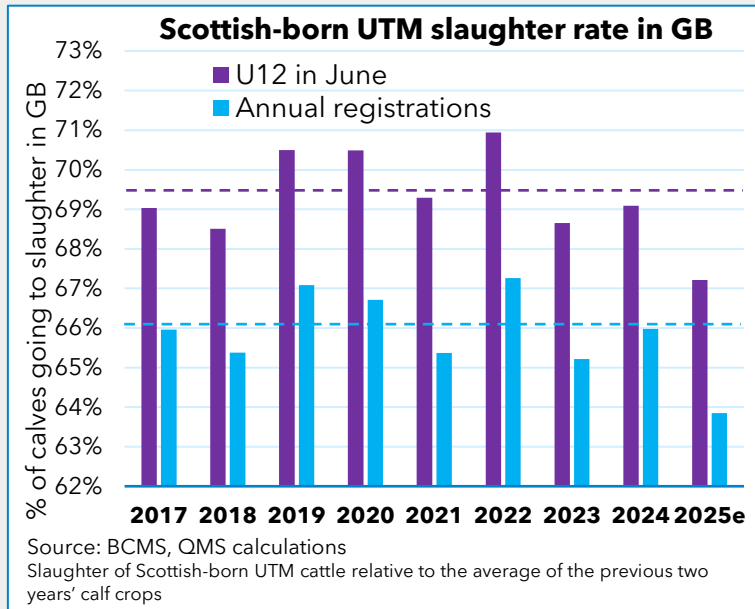


Beef sector update



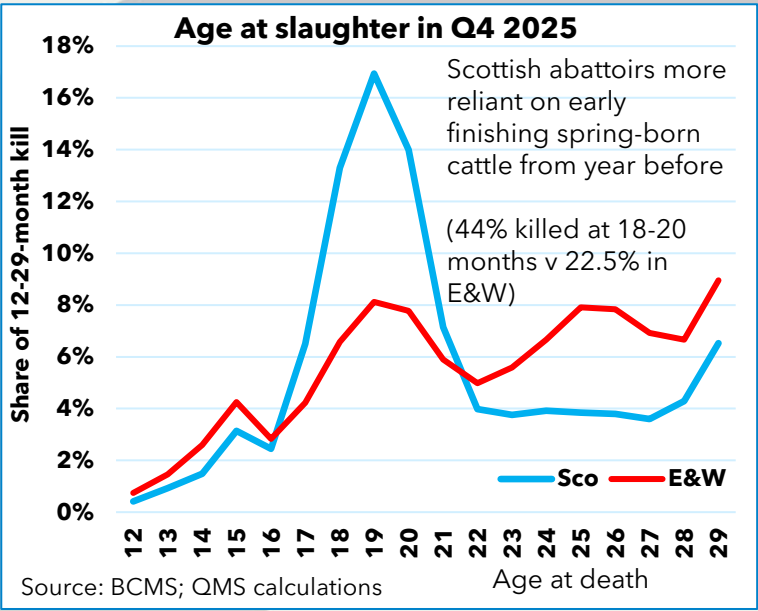
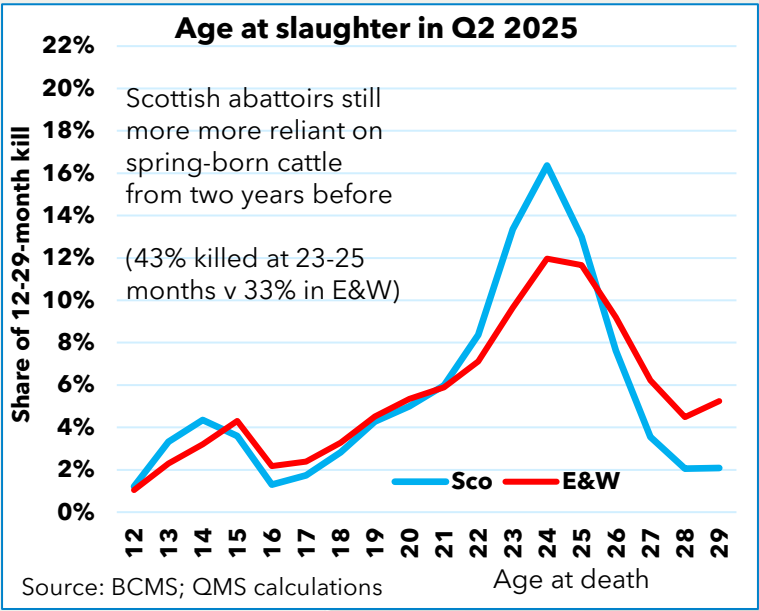
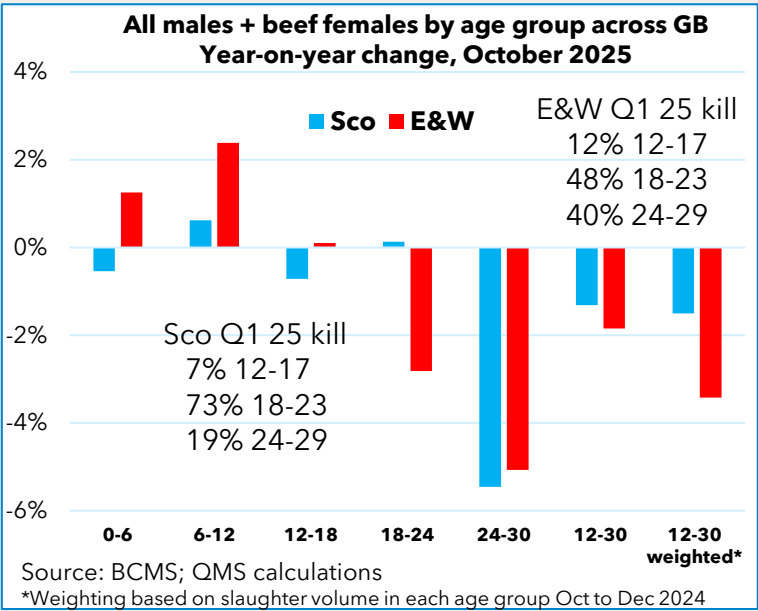
Some stability has returned to the beef market, with signs of historic seasonal trends returning. Supplies should be more stable this year in Scotland, while potentially improving by the autumn in England & Wales after a tight start.

Low slaughter rate in 2025 leaves the prospect for a small recovery in slaughter in 2026, offset by any move towards rebuilding herds



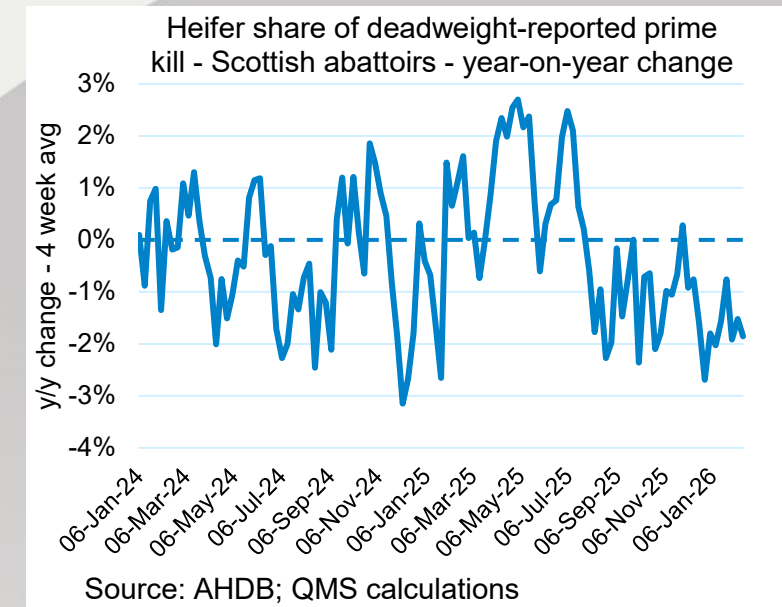
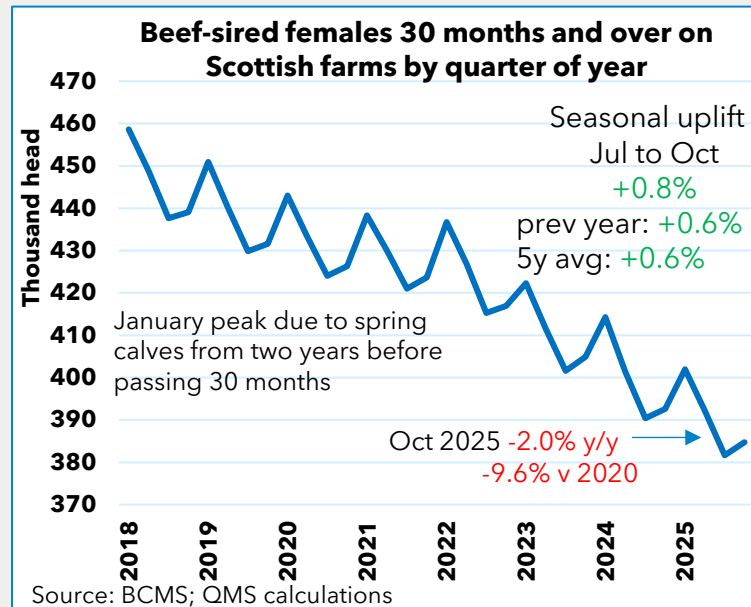
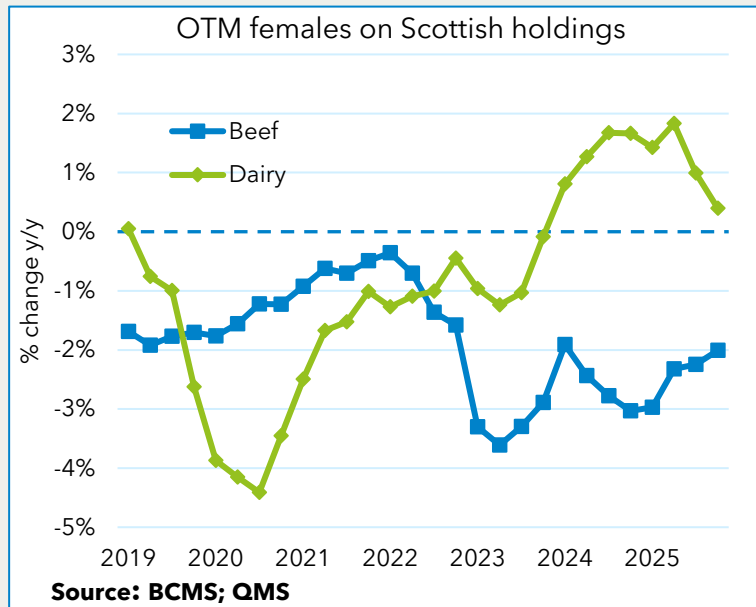
- Prime cattle slaughter fell significantly relative to expectations in 2025, reflecting the impact of the price surge on processing margins and the volume of consumer demand.
- While supply is theoretically set to remain tight in 2026, the lower slaughter rate of 2025 is likely to have resulted on a build-up on farm, supporting slaughter in 2026, along with any return towards normal slaughter rates. However, any rebound in slaughter rates could be limited by a move towards herd rebuilding and slaughter numbers in early-2026 are suggesting that slaughter rates have remained on the low side.
- The sharp reduction in prime cattle slaughter at Scottish abattoirs in 2025 was limited by a further dip in the net outflow of cattle to England & Wales. Changes in cross border movements add uncertainty to slaughter forecasts.

Supply relatively tighter in England & Wales than in Scotland in the first half, but this is set to switch in the autumn



- October cattle population data pointed to a sharp fall in older prime cattle on farm, with this having more of an impact in England & Wales where cattle are processed at older ages. Supply should be more stable in Scotland.
- By the autumn, supply should improve in E&W, where calf numbers were showing significant increases in autumn 2025, while holding more steady in Scotland.

Limited sign of higher prices leading to a rebuild of the beef herd, but heifer share of the kill has softened

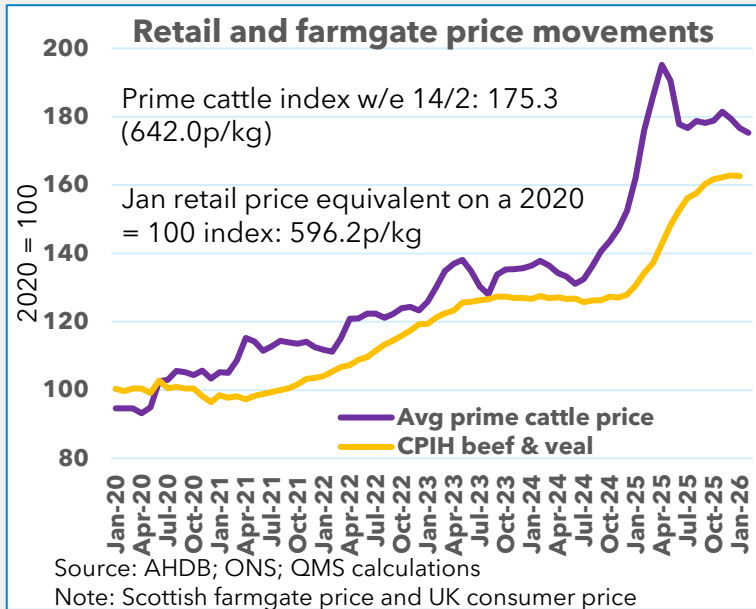


- Beef herd still declining at an annual rate of 2% in autumn 2025 – while confidence may have improved, reduced calf registrations in 2023 will provide offsetting pressure to any rebuilding this winter
- Dairy expansion had already slowed in summer 2025, and is expected to go into decline in 2026
- Notable slowdown in the heifer share of the kill in late-2025 and early-2026, suggesting some move towards rebuilding, but recent evidence suggests that this will be a slow process

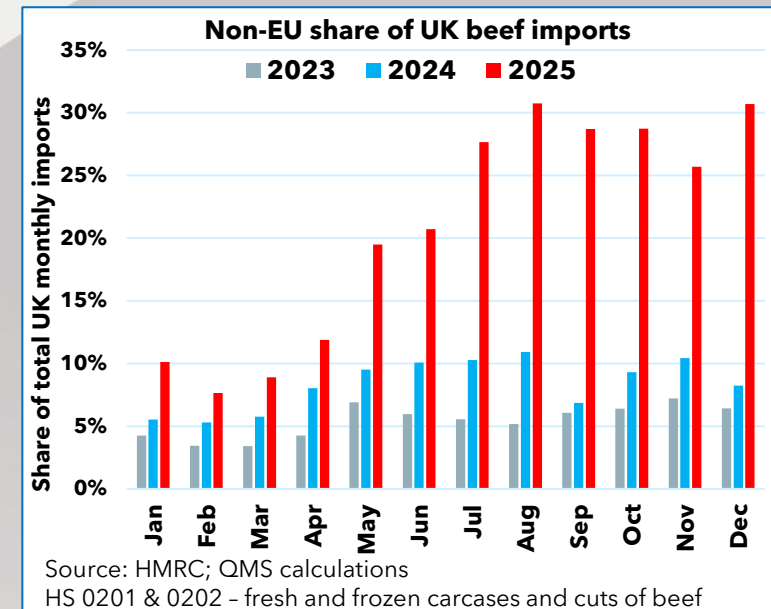
Consumer spending on beef remains strong but volumes are squeezed due to much higher price levels and foodservice has switched towards non-EU beef



BEEF 12 weeks to 25 January 2026

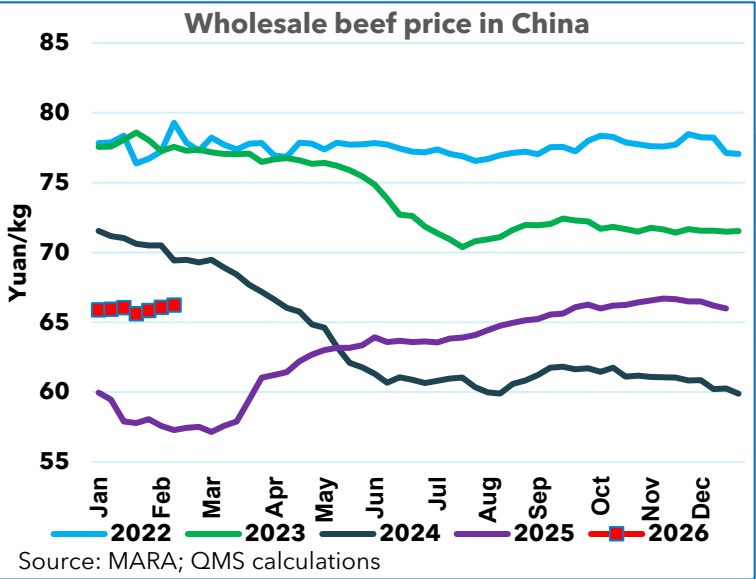
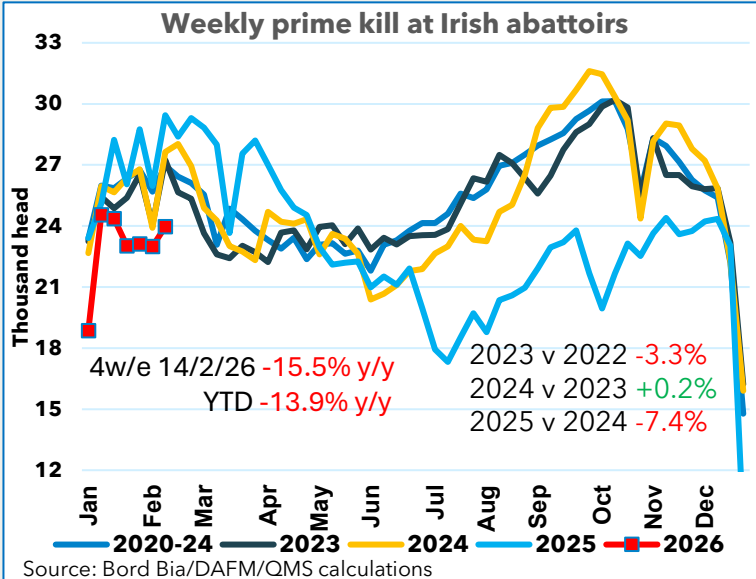


Source: Worldpanel by Numerator	GB		Scotland	
	Actual	% change y/y	Actual	% change y/y
Value (£m)	745.6	13.4%	67.3	15.0%
Volume (t)	60,393	-7.3%	5,358	-5.0%
Avg price (£/kg)	12.35	22.3%	12.57	21.1%
Penetration *	68%	-3.9%	69%	-3.4%
Frequency **	4.5	-1.4%	4.2	-5.8%



- Consumers have continued to allocate a higher proportion of their spending towards beef but much higher price levels are pressuring sales volumes, with fewer shoppers buying beef and those that still are buying less often.
- Retail prices dipped a fraction in January, with lower prime cattle prices supporting stability – this could support some recovery of sales volumes as the year progresses
- Non-EU beef has captured market share from Irish and British beef in the foodservice sector where price sensitivity is higher than in retail.

Tight EU and global market in 2026, with production set to fall back in Ireland, Australia and Brazil – though Irish supply could rebound year-on-year in the second half



USDA Global Beef Market Forecasts, December 2025
(million tonnes carcass weight)

Key indicators	2022	2023	2024	2025	2026 est
World, production	59.36	59.99	61.78	61.95	61.03
USA, production	12.89	12.29	12.29	11.81	11.71
Brazil, production	10.35	10.95	11.85	12.35	11.70
EU, production	6.72	6.46	6.66	6.48	6.43
Australia, production	1.88	2.22	2.58	2.89	2.87
All countries, imports	10.23	10.33	11.44	11.92	12.00
China, imports	3.50	3.58	3.74	3.82	3.75
USA, imports	1.54	1.69	2.10	2.42	2.47
EU, imports (from non-EU sources)	0.37	0.36	0.39	0.43	0.41

Source: USDA Foreign Agricultural Service

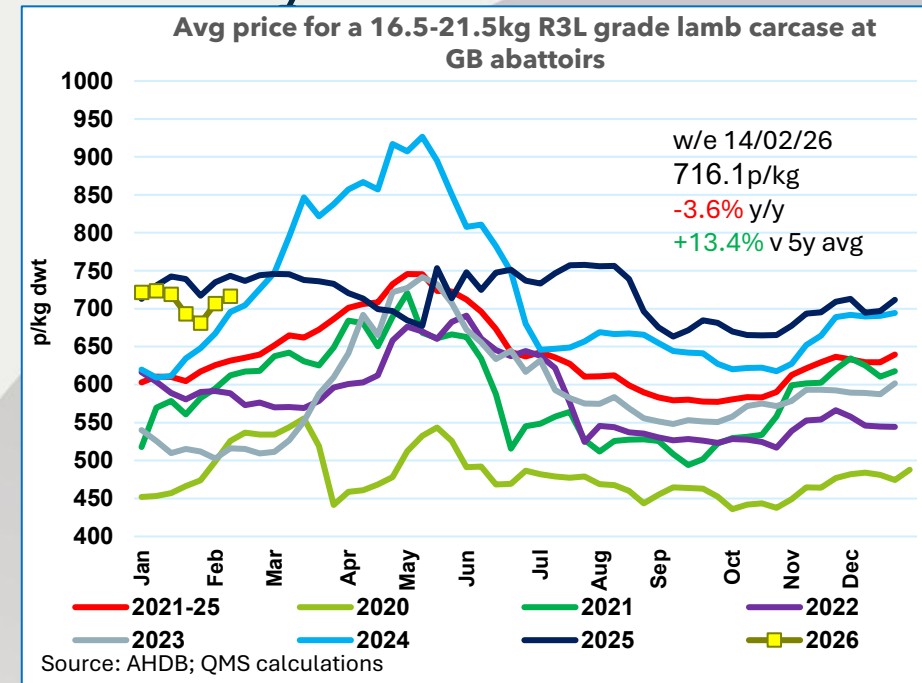
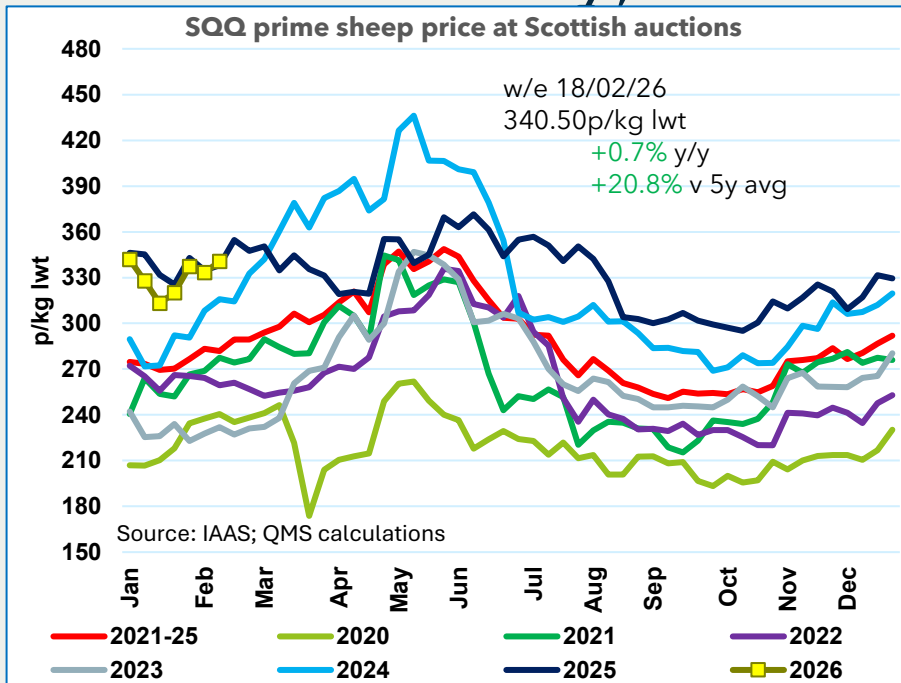
- The USDA is forecasting that global beef production will drop to a three-year low in 2026, resulting in an even tighter picture than in 2024 and 2025, with a higher share of global output being traded to support market balance (note: these forces were at play in the UK in 2025).
- Production is expected to have passed its peak in Australia and Brazil, while remaining at a lower level in Ireland – though the unusual seasonal pattern in Ireland in 2025 could support some year-on-year increases in the second half.
- The US market is set to stay extremely tight but the introduction of a beef safeguard in China, which is set to increase tariffs on Australian and Brazilian beef in the second half by an extra 55%, could result in some volatility as product tries to find new markets.



Sheep sector update

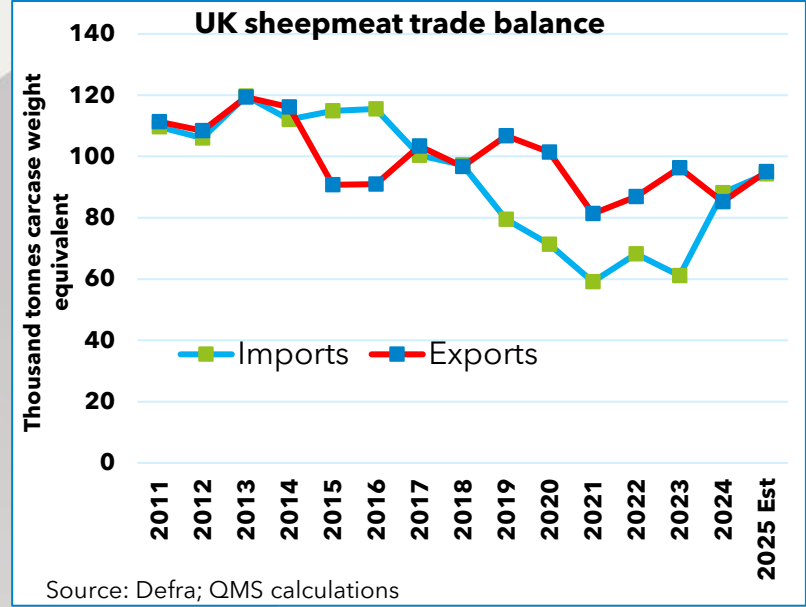
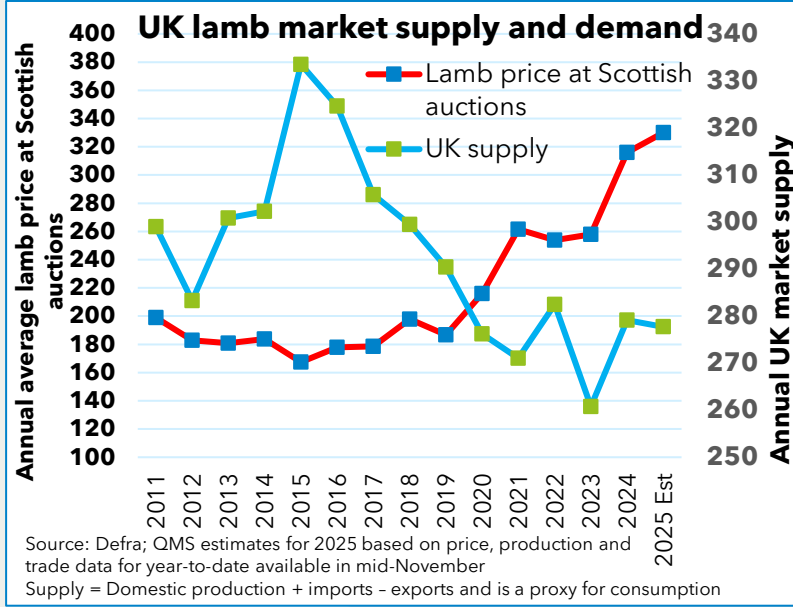
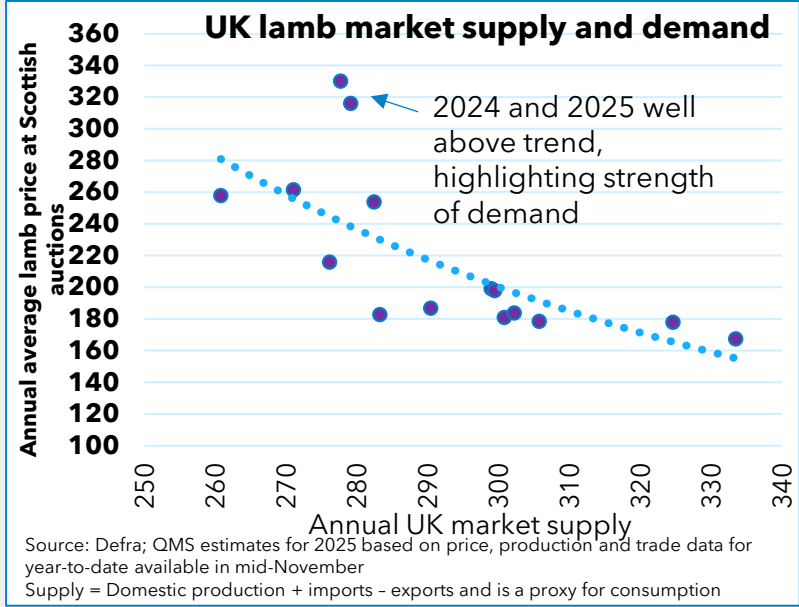
Strong domestic and external demand
continuing to support markets

After some seasonal softness in January, lamb prices have been supported by Ramadan in February, which runs from mid-February to mid-March



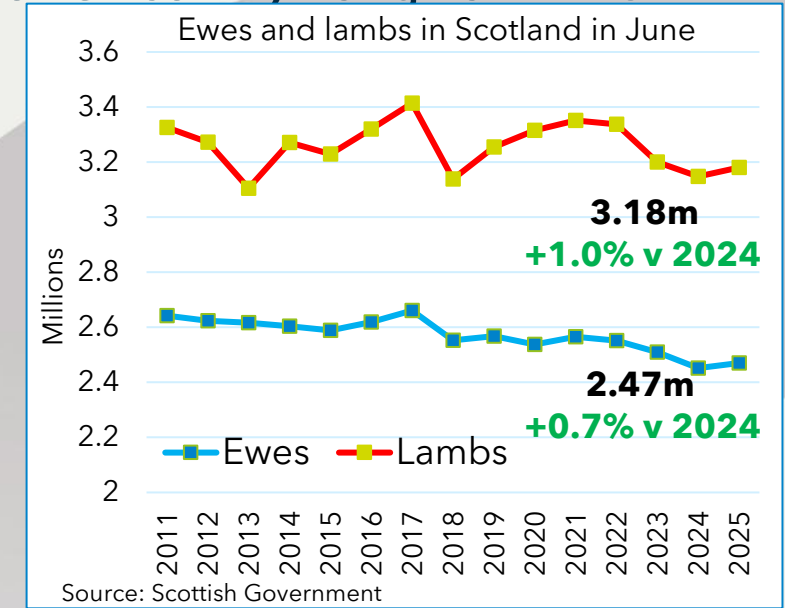
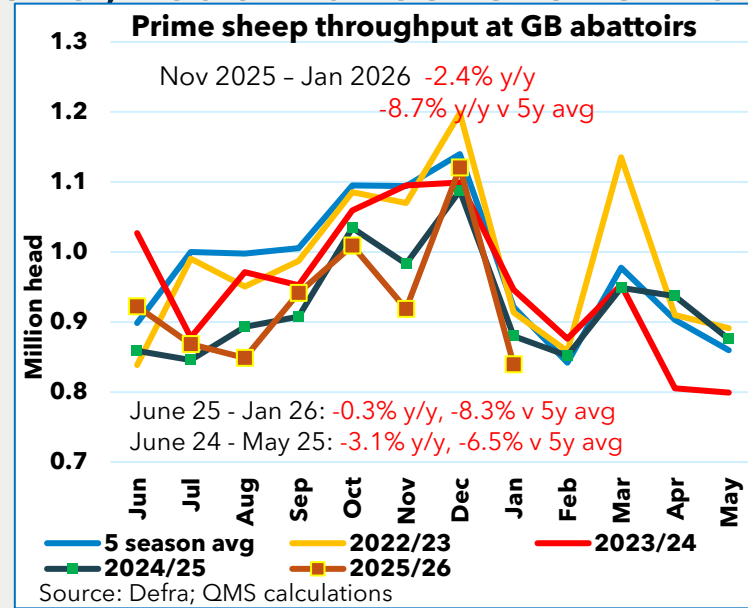
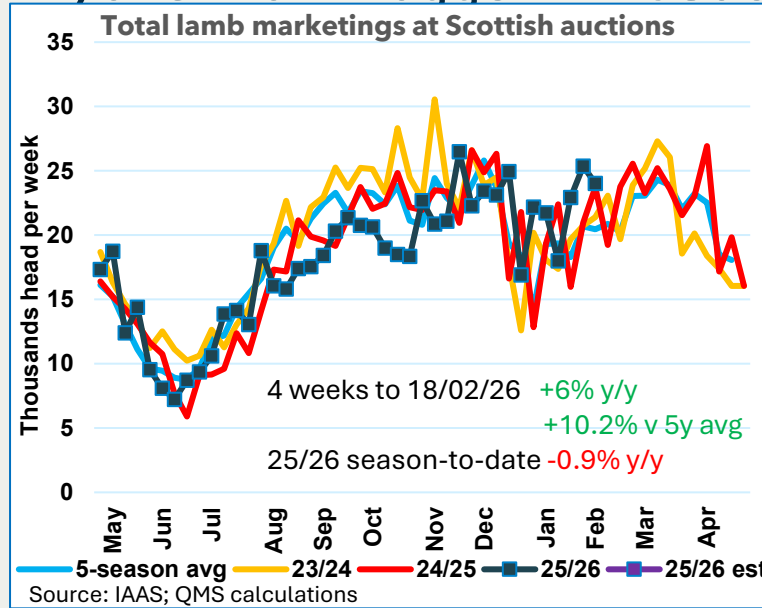
- After rising over the Christmas period, lamb prices opened 2026 averaging above 340p/kg at Scottish marts. However, prices quickly softened as demand cooled, slipping below 315p/kg by the third week of the month. Prices rebounded at the end of the month and rose further in February, supported by buying for Ramadan, which runs from mid-February to mid-March. As the festival began, prices were averaging above 340p/kg again.
- Having traded slightly above year-earlier levels in December, lamb prices slipped back slightly in January relative to a year earlier. They then converged on 2025 levels in February. Throughout this period, they held 15-20% above the five-year average.
- GB deadweight prices have shown a very similar trend to the Scottish auction trade, softening in the second half of January before regaining the lost ground in the first half of February. It should be noted that lamb deadweight price reporting became mandatory in GB (for abattoirs above a threshold kill level) and AHDB will start publishing prices from this larger sample at the beginning of March.

Lamb market has seen a positive demand shock since 2024, supported by home and export markets, with an import surge being absorbed



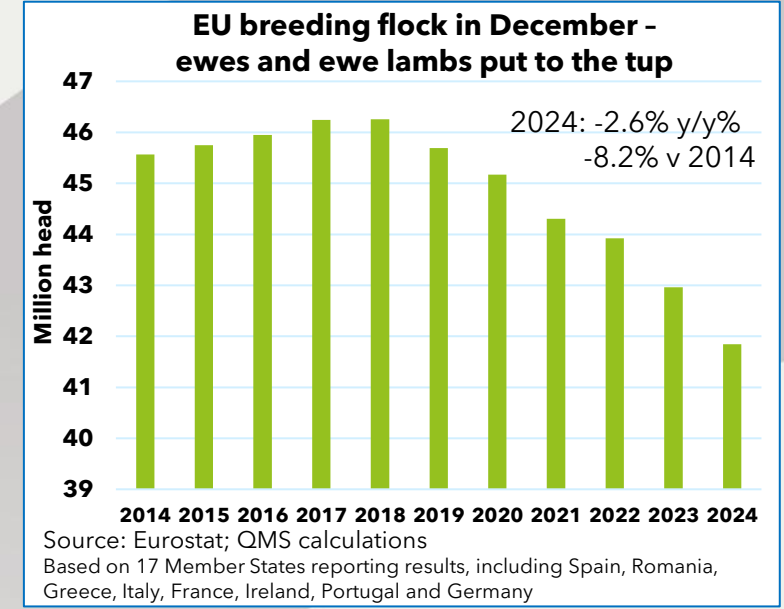
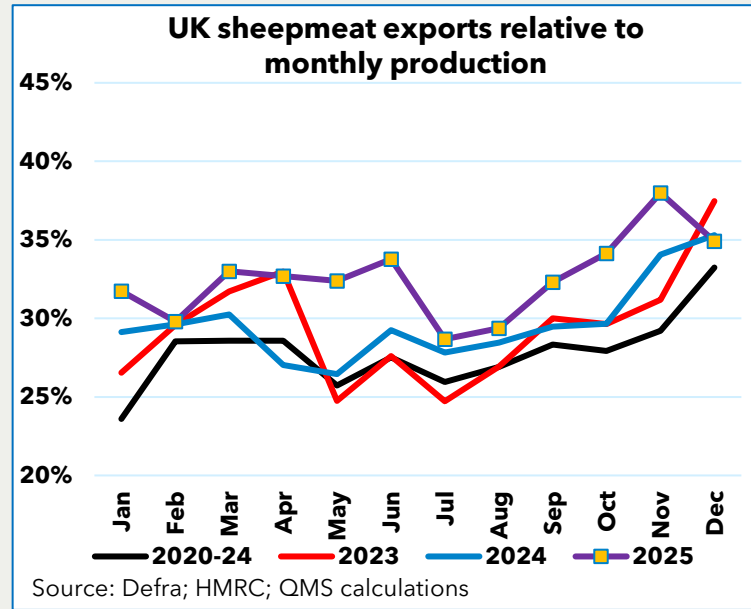
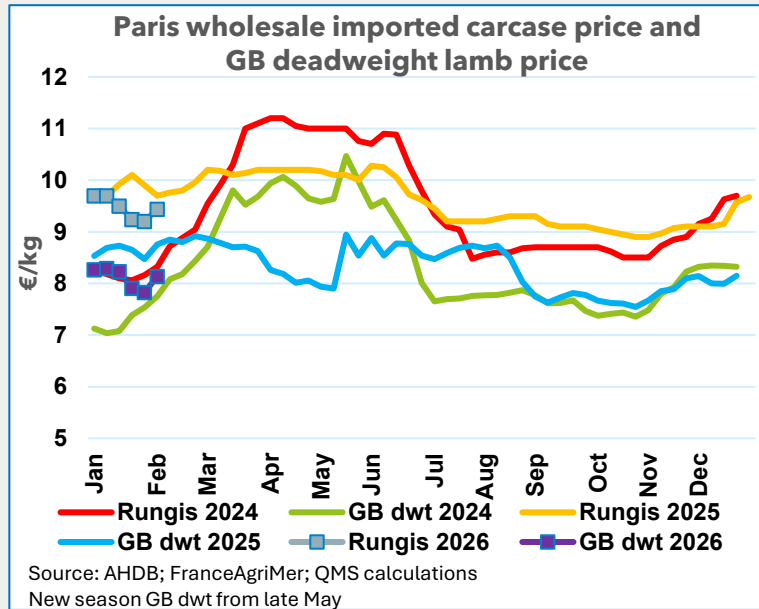
- While overall supply fell around the turn of the decade and has been more stable since, the upwards shift in farmgate prices highlights the strength of demand. Price rises have accelerated more recently, with price levels in 2024 and 2025 well above the historical trend, highlighting the strength of demand.
- Export demand has rebounded since leaving the EU, supported by a falling EU sheep flock and demographics.
- Supply rebounded strongly in 2024, as a surge in imports more than offset a drop in domestic output.
- Significantly higher imports in 2024 and 2025 without dampening domestic prices

Slow arrival of lambs onto the market in the autumn has resulted in a large carryover of hoggs in Scotland, but numbers are fundamentally tight in GB



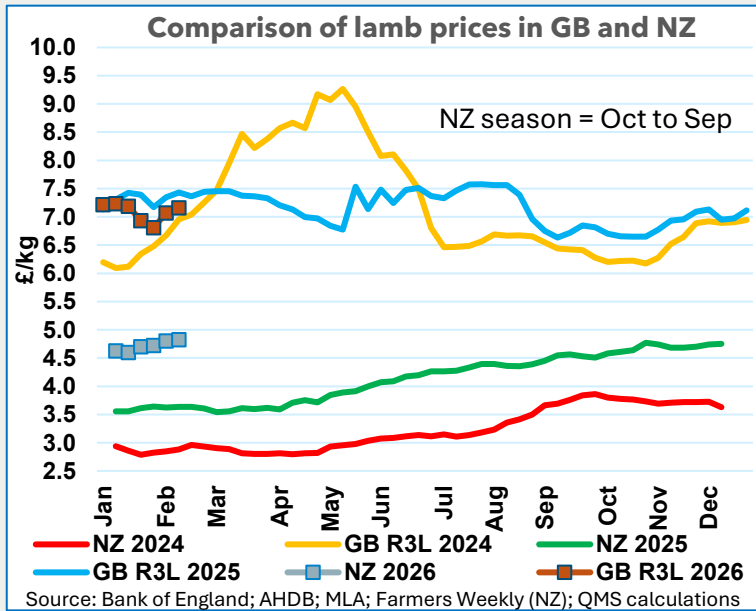
- After a sluggish autumn, auction throughput had a slightly stronger end to 2025, beginning to show year-on-year increases at Christmas. This has continued into 2026, with numbers up 12% on 2025 in the first seven weeks of the year.
- As a result, the season-to-date auction throughput has gone from running 6% lower in mid-December to show a reduction of under 1% in mid-February.
- A higher carryover of hoggs this year reflects a combination of a slow pace of sales in the autumn, a slightly increased lamb crop in Scotland, and a jump in store lamb sales (+9%).
- At GB level, lamb slaughter figures have been revised upwards and are now showing a softer reduction in sales during the autumn. However, numbers are provisionally shown to have fallen more significantly in January.
- A 2.5% reduction in the GB lamb crop in 2025 may restrict availability through Ramadan and in the run up to Easter. Easter is two weeks earlier than in 2025, with Easter Sunday on April 5, pulling demand forward to late-March. Eid al-Adha shifts forward to the last week of May.

Export support from falling EU sheep flock and demographics. Paris wholesale prices are indicative of margins in line with long-term average



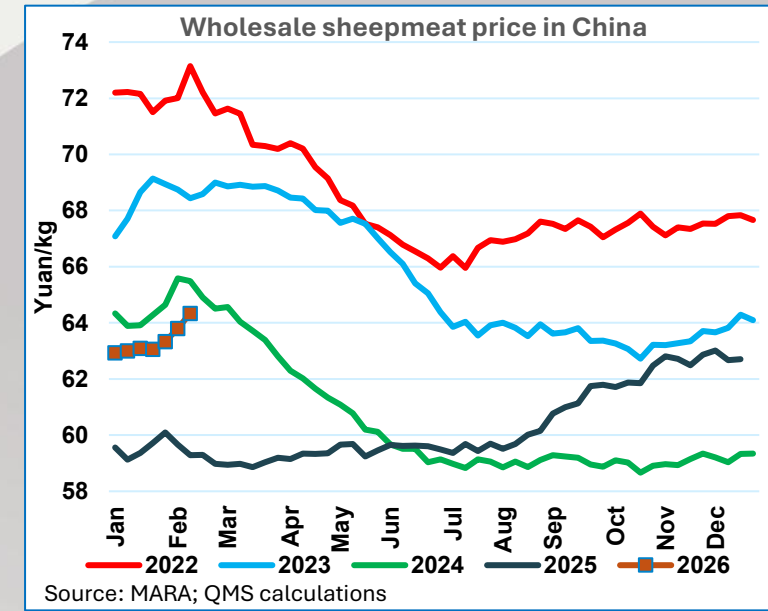
- While wholesale lamb prices in France have been tracking below the highs of early 2025, prices have now started to build for Ramadan.
- A weaker exchange rate has supported sterling values, and export margins have remained around their long-term average of 15%.
- Falling EU production is expected to support UK exports in 2026, though EU border controls have been tightened, potentially adding friction.

Strong global market and tightening supply supporting lamb prices in the Southern Hemisphere, pushing up UK import prices and limiting availability



Oceania lamb production forecasts					
	2023	2024	2025	2026	26 v 25
Australia: September 2025 Industry Projections (thousand tonnes)					
Sheepmeat production	847	927	866	819	-5.4%
Sheepmeat exports (product weight)	536	614	616	583	-5.6%
New Zealand: Stock Number Survey and New Season Outlook (head)					
	2023/24	2024/25	2025/26	y/y change	
Breeding ewes	14.80m	14.56	14.28	-1.9%	
Total lamb crop	21.0m	19.4m	19.7m	+1.0%	
Lamb production	348,600t	334,600t	329,300t	-1.6%	

Source: MLA; Beef + Lamb NZ; QMS calculations



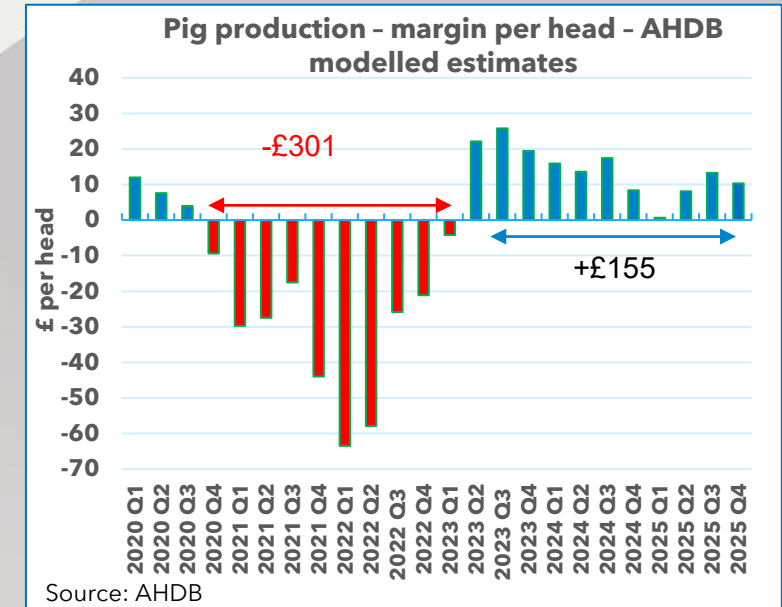
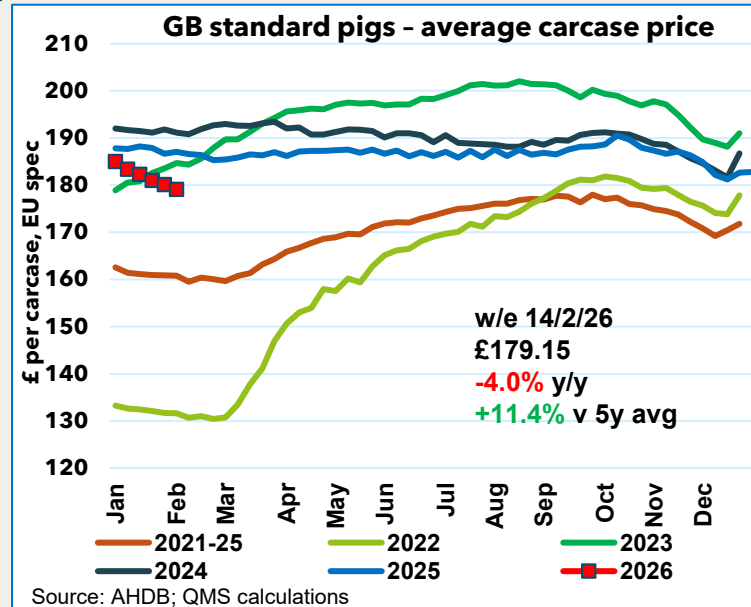
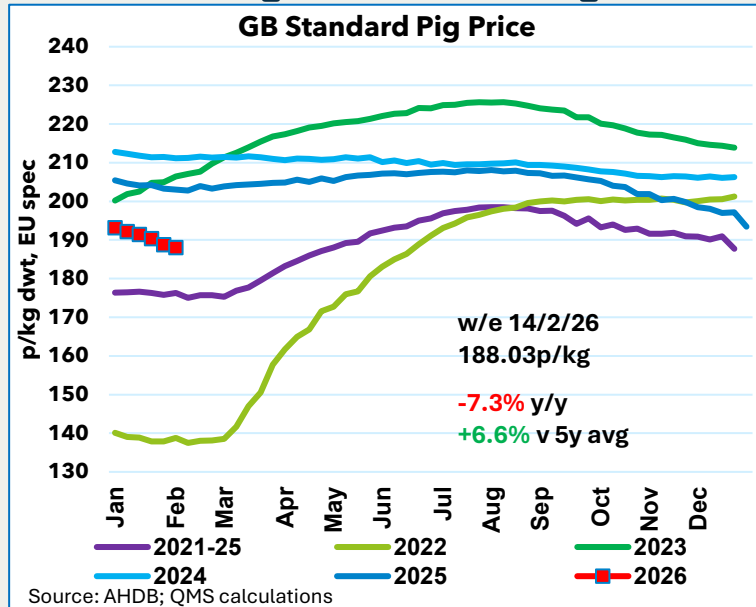
- The price gap between GB lamb prices and Australia and NZ prices narrowed significantly in 2025 as Southern Hemisphere pricing jumped higher, pushing up UK import prices.
- The price gap has narrowed further at the start of 2026 (though still c £2/kg)
- Australia and NZ pricing supported by strong global demand, including a recovery in the Chinese lamb market despite a continuing weakness in Chinese consumer demand, plus tightening local supplies.

Pig sector update

Bearish trends – a domestic backlog and external pricing pressure from a weak EU market are offsetting signs of positive domestic demand

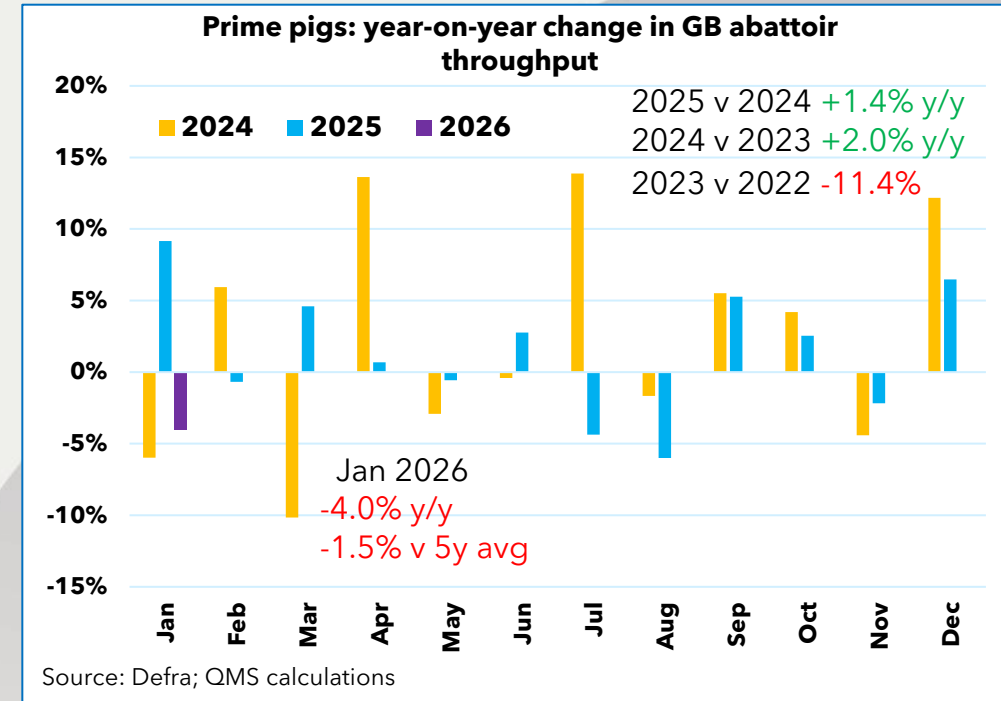
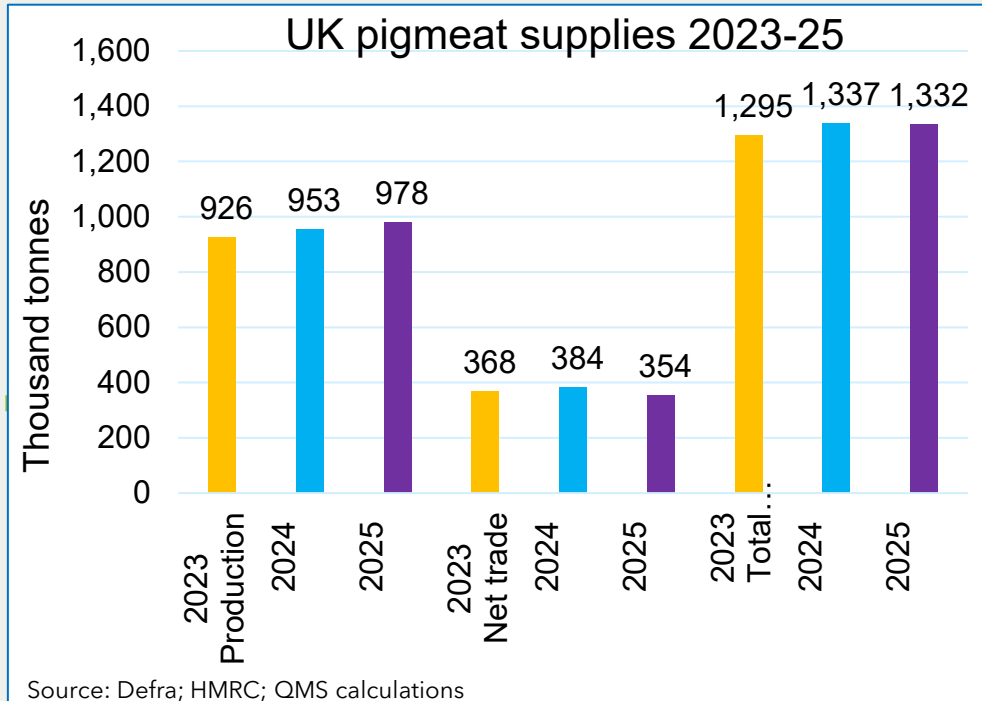


Steeper seasonal downturn this year, taking prices to around breakeven levels, but heavier weights have offset some of the fall in per kilo pricing



- Pig prices have continued to fall seasonally at the start of 2026. However, the pace of decline has been faster than in recent years. Although, prices have still held nearly 7% above the five-year average.
- Average carcase weights have been running 3-4% higher than last year, offsetting some of the decline in per kilo prices, and a general upwards trend in weights has seen the lead over the five-year average for carcase value outpace that of per kilo prices by 5 percentage points.
- AHDB's production cost model showed a continuing positive input-output balance for producers in Q4 2025, with per head prices around £10 higher than the breakeven level. However, the SPP dropped below the Q4 breakeven price of 190p/kg at the start of February, while the average carcase price was still £4 above the modelled £176 per head production cost.
- Although modelled margins have been in positive territory for three-and-a-half years, they have still only offset around half of the per-head losses from the financial crisis of 2021/22.

Production up slightly in 2025, but offset by lower net imports



- According to Defra slaughter statistics, prime pig slaughter at GB abattoirs rose by 1% in 2025. Production increased more strongly due to increased carcasse weights.
- At UK level, total pigmeat production rose for a second consecutive year, up by 2.6% to reach 978,200t, but it remained below the 2022 peak (1.041m tonnes).
- After adjusting domestic production by adding imports and subtracting exports (HS codes 0203 and 0210 in product weight), total UK pigmeat market supply is estimated to have fallen slightly in 2025, down 0.3% to 1.332m tonnes. This followed a 3% jump in 2024, and total supply was closer to the 2022 peak than production was (-2% v -6%).

Positive domestic demand signalled by the retail sales figures for fresh pork, but foodservice softer

PORK
12 weeks to 25th January 2026



	GB		Scotland	
	Actual	% change y/y	Actual	% change y/y
Value (£m)	215.0	3.9%	12.4	7.5%
Volume (t)	33,722	2.3%	1,867	5.2%
Avg price (£/kg)	6.38	1.5%	6.62	2.2%
Penetration*	42%	-2.6%	35%	1.4%
Frequency**	3.0	4.5%	2.5	2.4%

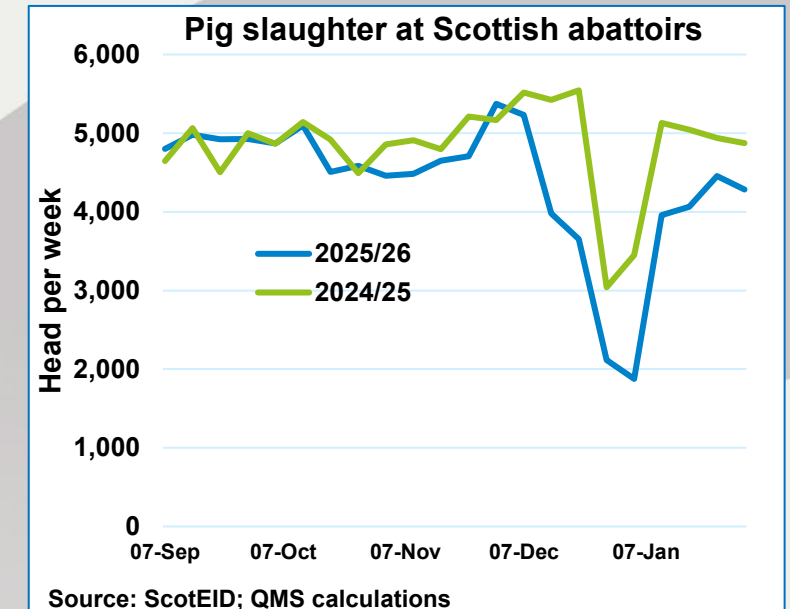
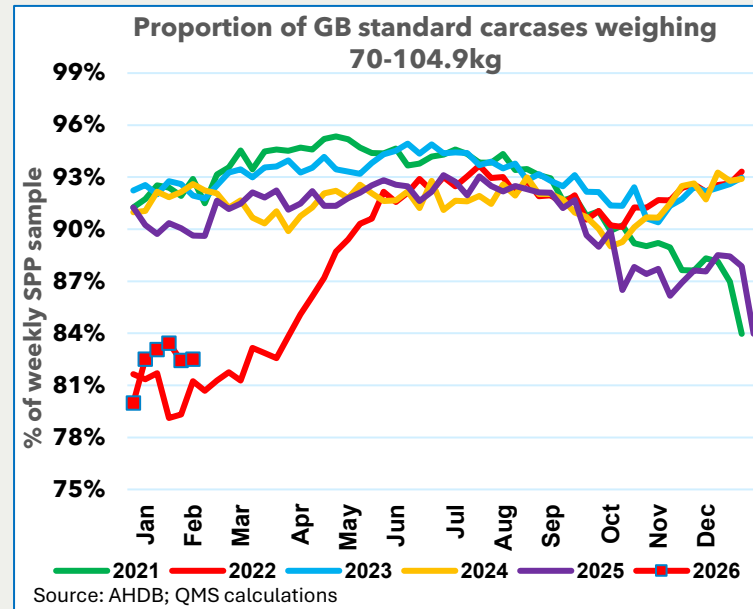
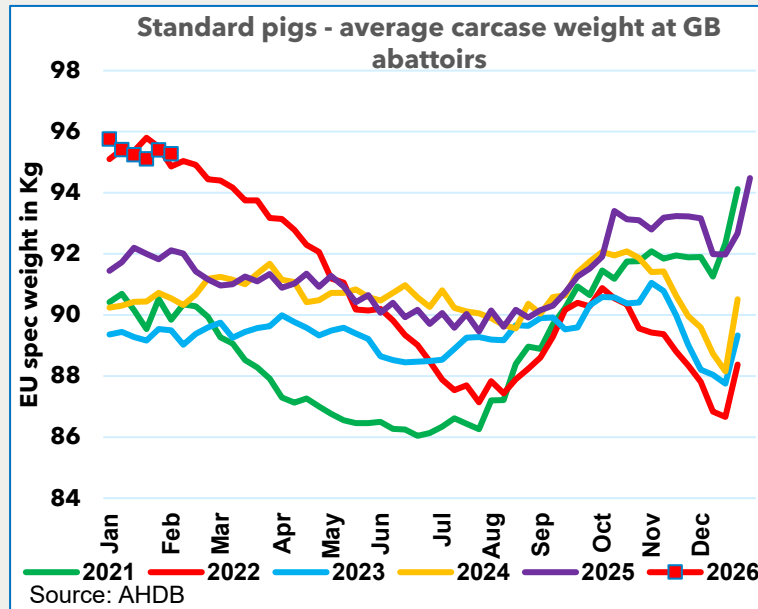
Source: Worldpanel by Numerator UK; data covers sales of fresh and frozen unprocessed red meat; please note that sales data for Scotland can be volatile due to the limited sample size

*Penetration % - Number of households/individuals that bought at least once in the time period as a percentage of total households/individuals.

**Frequency - Average number of purchase trips per buyer in the time period.

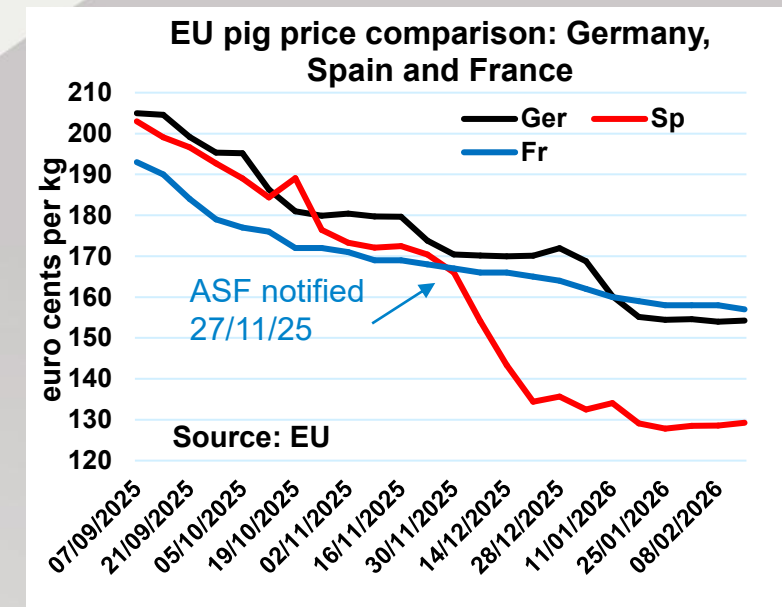
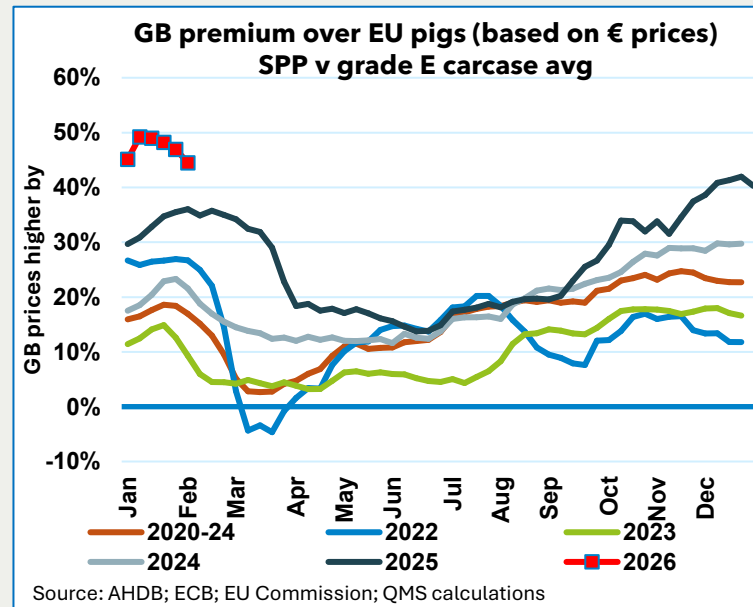
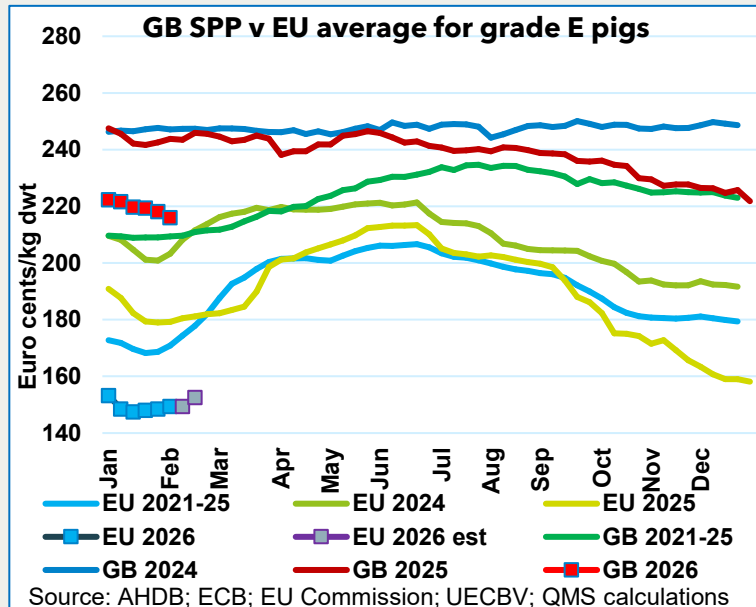
- Worldpanel data points to strong fresh and frozen pork sales at retail, supported by substitution away from beef
- Pork roasts did well at Christmas, while pork mince sales have been supported by sharp price inflation in the beef mince category. Medallions, ribs and fillet are also strong.
- However, AHDB estimates of pork sales through foodservice sector channels signalled a softening of demand in 2025, with volumes down 2.5%, led by bacon rolls and pork pies.
- No clear sign in the foodservice category figures of pigmeat being affected by the UPF issue

Market disruption – domestic market – backlog on farm



- Reports of issues in the pig processing sector first appeared in September 2025, when the weekly standard pig price sample went through some week-to-week volatility.
- Carcass weights, which had been averaging similar to 2024 levels then began to increase at a faster rate than normal for the time of year. Weights then stabilised in November, with only a limited dip before Christmas, with the picture closely matching the trends seen in late-2021 when there was a large backlog on farm
- The proportion of carcasses weighing outside the 70-104.9kg range also increased significantly in the autumn, again matching the trends seen in late-2021. At the start of 2026, carcass weights and the out-of-spec share remain elevated, indicating that there is still a backlog.
- It should be noted that a general upwards trend in carcass weights over time means that similar figures to those of late-2021 and early-2022 are not an exact like-for-like comparison with the 2021/22 situation. Indeed, the proportion of carcasses within the 70-104.9kg range was around two percentage points lower in the January to August 2025 period than in the same period of 2021.
- ScotEID data points to an issue in the Scottish processing sector which developed in late-2025 and continued into 2026. However, there was some recovery in the second half of January..

Market disruption – external factors – very weak EU market due to increased production, higher Chinese tariffs and ASF in Spain resulting in export restrictions

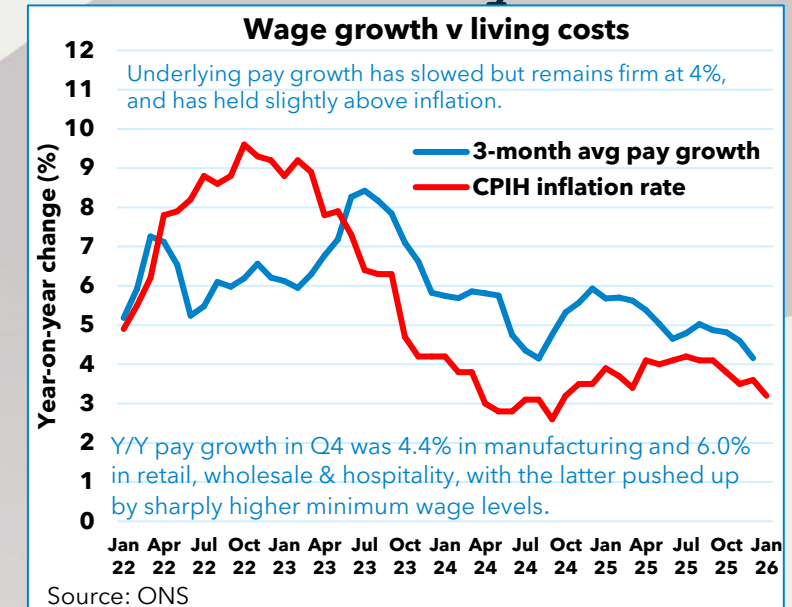
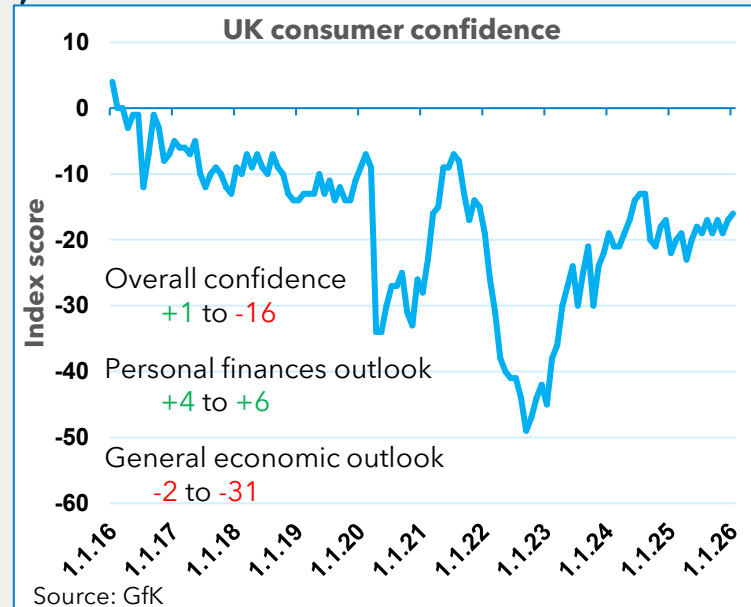
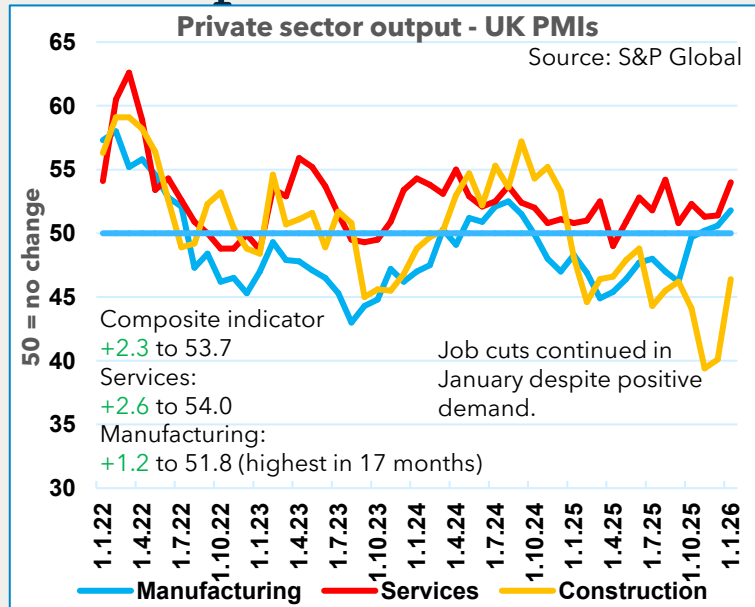


- Increased EU pork production in 2025 (+3% y/y Jan to Nov)
- Higher tariffs faced by EU pork in China since September – though tariffs were reduced in December from temporary levels following the formal conclusion of the anti-dumping investigation – retaliation to EU anti-dumping duties on Chinese EVs
- The discovery of African Swine Fever in Spain (the EU’s largest pork producer) in late-November has resulted in export restrictions, leaving extra Spanish pork on the EU market, at heavily discounted prices.
- Despite this pricing pressure, the latest available UK import data from December showed that pork imports from Spain were down more than 30% year-on-year. While import volumes from Spain increased in 2025, most of the growth came in the January to May period, with volumes down significantly throughout the final quarter.
- Low and falling EU pig and pork prices can place downwards pressure on the GB market from a supply chain negotiations angle as, particularly in the most price sensitive segments of the market, buyers have a much cheaper alternative to bargain with.

Economic update

- The UK labour market has softened, but wages have continued to outpace inflation, supporting overall spending power, and the economy has continued to grow, albeit slowly.
-

Mixed picture continues - Private sector activity growth saw an uptick at the turn of the year and consumers remained positive around personal finances, but labour market slowdown underway



- Private sector activity surveys continue to point to a slow-growth UK economy, although manufacturing sector prospects appear to have improved markedly. Lower interest rates could support investment. However, job cuts continued in January despite positive demand and confidence.
- Consumer confidence remains negative overall, reflecting pessimism around the general economic picture – likely influenced by the media. However, on average, people are positive around the outlook for personal finances.
- The UK labour market has softened after a prolonged period of tightness, with inactivity falling (supply) and employment growth slowing (demand). Pay growth has finally softened, with underlying pay growth slipping to 4.2% in Q4.
- Sectoral pay growth volatility – 2% finance & business services, 7.2% public sector, 4.4% manufacturing, 2.3% construction, 5.1% wholesale, retail, hotels and restaurants