



Throughout July we have seen a much steadier supply chain across all fresh produce from both UK and overseas. There have been fewer sudden shortages (for various reasons) that led to sharp price increases than we've seen in previous months.

As with July, both cauliflower and broccoli prices are still marginally higher than usual at this time of year and while we were expecting a decrease in pricing for August, the reopening of hospitality coupled with the recent wet weather has meant that availability has suffered slightly and prices remain the same.

## Great buys this month

From a perspective of quality of produce, given this wonderful time of year, the following list of UK products are all exceptional and in season;

### Salad

Iceberg  
Cos  
Lollo rosso  
Oakleaf

### Vegetables

Broccoli  
Cauliflower  
Tenderstem broccoli  
Courgette  
Broad beans  
Green beans  
Sugar snap peas  
Peas

### Fruit

Raspberries  
Strawberries  
Blueberries  
Cherries

In addition to UK, Spanish season stone fruits (nectarines and peaches) and melons (Galia, cantaloupe and water) are coming through nicely now with apricots to follow towards the end of August.

## Produce to buy with care

Although prices haven't increased further from June/July, citrus fruits and some apples remain expensive, as we continue to be supplied from the southern hemisphere.



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## Pork

Pork prices continue to rise slowly, still tracking above last year's level. The continued uplift is partly due to the current situation in northern Europe, where the closure of a large German processing plant and suspension of Dutch exports to China are starting to weigh on prices. It is currently unclear how and when these situations will be resolved.

Bacon & gammon pricing has seen its biggest rise for a few months, with Covid-related closures in Denmark and hospitality re-opening being the main drivers.

Estimated slaughter recorded a considerable uplift in recent weeks. Furthermore, slaughter was higher than the same time last year, for the first time since late April.



## Beef

Deadweight prime cattle prices remain firm, with a slight movement up in price.

The latest figures show that slaughter at British abattoirs was estimated at 34,400 head, virtually unchanged from the previous week, but 3,300 head higher than in the same week last year.

Reports suggest that prime supplies are sufficient at present. With hospitality opening back up supplies could become tight, all dependent on demand.



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## Lamb

Lamb prices remain firm

Typically, at this time of year prices come under pressure as demand eases after Easter and numbers available for kill pick up. This year, despite the seasonal rise in numbers available for kill, pricing has remained firm. While this might usually indicate a rise in demand, this time it is likely that supply is the key factor.

EU production dropped 10% (5,500 tonnes) year-on-year during April. Many countries are yet to publish data for May; however, France and Ireland have both recorded declines in production. Meanwhile, exports from New Zealand to Europe were down on-the-year during April and May, 47% and 37% respectively. With a six-week shipping time, it is that which is reducing current supplies.

With the current COVID-19 situation it is hard to imagine demand for lamb in Europe is growing strongly. Although, there is currently some additional demand, with the festival of Eid-al-Adha falling at the end of this month.



## Poultry

Poultry products, after a period of calm, have risen slightly once again over the last few weeks and with hospitality re-opening demand has been greater.

Pricing looks to remain at these levels until there is a further increase in demand for product.



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Wholesale prices generally went up in June. Demand from the retail sector remained strong, while the gradual easing of restrictions in Europe and the UK has lent some support to the foodservice sector. On the supply side, prices have tightened as milk comes down from the peak, potentially emphasised by the dry weather.

The month started with an uplift in prices for fat, as demand remained good and volumes came down from the peak. After the initial rise, prices stabilised for many and stayed consistent through the middle of June. Demand was good, particularly for fat to be sold as cream; prices are currently a little above the butter markets.



## Butter

Butter prices partially followed cream and rose on the month but not to the same extent. The spot cream market is currently above the spot butter market. The increased demand in Europe also continues to have some influence on the market. Some reports suggested spot trading was a little quiet this month.

## Cheddar

Mild Cheddar movements were a little more mixed, with some reporting slight increases and some reporting stability. High retail demand is affecting cheddar supplies, though this is mainly affecting the mature end of the market. Some reported increasing interest from the foodservice side as the market slowly reopens.



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## Eggs

The unprecedented egg sales over the past few months show that the UK's love affair with eggs is as strong as ever and this provides some huge opportunities for the industry to continue to grow the market – there are so many reasons to be optimistic.



Trade patterns will be disrupted as economies recover from the pandemic, but also due to the uncertainties linked to Brexit and future trade agreements with key partners. This could cause prices in the UK to diverge from global trends and increase risk for manufacturers.

Consumer demand for dairy products at a global level is expected to weaken due to slower economic growth, although the impact will vary by product. However, supply and demand imbalance will lead to some stock build-up at a global level, keeping dairy product prices under pressure for the remainder of the year.

For most of our dairy supply partners the last three months has been tough. Prices are still holding firm and look set to stay that way on key dairy lines for the foreseeable future, with further updates planned throughout the coming months. As a business IDC will continue to support our dairy supply partners ensuring we adapt to our customer's needs and delivering the best option for their businesses.

Hopefully as more foodservice, hospitality and coffee shops open over the next weeks the dairy industry will start the long process of recovery to pre Covid-19 conditions. Only time will tell how long this will take, but leading industry experts are saying that it will be 2021 before we start to experience normality again.



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