

IDC Market Report

Fresh Produce



February 2021

We can only start with the recent Storm Filomena, the worst snowstorm to hit Spain in 50 years, hitting the supply of salad staples such as lettuce and tomatoes. Madrid and the surrounding area was blanketed in snow and temperatures plummeted to record lows in Almería and Granada, two important vegetable growing regions. The bad weather has piled extra pressure on UK food retailers and suppliers at a time when they are navigating complex new post-Brexit border controls as well as coronavirus restrictions.

Poking out of the rock-hard ground and covered in snow, these Spanish vegetables haven't made it to our supermarket shelves. Whole fields of broccoli and lettuce lie buried in snow.



When it's cold the crops effectively stop growing, so we will see smaller crops across Spain. The storm will have an effect on crops until April, but there is uncertainty as to what level with the current lock down restricting demand.

The good news is the weather has turned for the better and is helping matters. Prices for Spanish products are slowly returning to normal levels after the recent price spikes.

It's worth mentioning that Aubergine, Courgettes and cucumbers have been hit the hardest and price will remain a little higher than anticipated until crops and the weather settle down.



Scan to visit
our website.

Find us on:



Potatoes

GB grower held potato stocks, as at the end of November 2020, are estimated to total 3.27Mt. This is up 12.5% (363Kt) from 2019 and 4.7% (147Kt) to the 5-year average (2015-2019). These high stocks held and the closing of the catering sector is keeping any prices at bay.

Table 1: GB grower held potato stocks at end-November

Month	End-Nov 2015	End-Nov 2016	End-Nov 2017	End-Nov 2018	End-Nov 2019	End-Nov 2020
Estimated stocks, Mt	3.19	2.92	3.62	2.99	2.91	3.27

Source: AHDB

- ▶ It is unsurprising that overall end of November stocks are lagging behind previous years, with the pandemic continually impacting consumers' eating and purchasing habits.
- ▶ Since the end of November retail demand has been relatively strong, with restricted movement across the country for much of December and all of January, this will likely show in the end of January stocks survey.
- ▶ Draw down of packing material is expected to increase in the next stocks survey, as consumers have had limited ability to eat out in recent months. Higher production has allowed stocks to remain plentiful this season, although this is likely to differ by variety.
- ▶ Demand for processed and fresh chipping potatoes relies on a return to normality to boost demand, so the roll-out of the vaccine and easing of restrictions is crucial. However, we could see a reduced need for raw material if processors have an abundance of supply in their ownership.

Brassicas

Savoy cabbages are affected with the frost and reduce the UK crops supply at this time of year. We rely on Spanish and Portuguese cabbage which always pushes prices up. Cauliflower and Broccoli have been affected with short supply and will come back down to more normal levels as the weeks progress.



Scan to visit our website.

Find us on:



Stone Fruit

South African plums are available and eat well, prices remain higher than expected from Southern Hemisphere imports and will run alongside the new to arrive Chilean season.

Pleach and nectarine are awaiting new season Chilean, which are for cooking use only. Unlike the South African, Spanish and Italian fruit it does not ripen well.

Top Fruit

UK apples like Bramley and Cox will start to rise in price as the fruit is now cold stored with smart gas. Bramleys will run all year while the UK Cox apples start to dry up in March/April depending on demand.

Easy Peelers

We move onto stronger varieties of mandarin such as the Nadorcotts at this time of year, pushing up prices slightly. Nadorcott is a high quality, mid to late-maturing Clementine-type of mandarin. It is a fruit with great depth of flavour and sweetness and a good acidity balance. The smooth, deep orange peel is fairly tightly adhering to the segments but is easily removed. It's also worth noting that Nadorcott are practically seedless.

Melons

We will be moving over from the Brazilian season of melons to Costa Rica and Honduras. There is usually some minor price fluctuation as the seasons cross over.

Buyer's Choice - supporting British

The UK purple sprouting broccoli season runs from January to May. Purple sprouting broccoli should look fresh, firm and healthy, not dry or wrinkled. The spears should snap cleanly and the florets should show no sign of yellowing. purple-sprouting broccoli has great flavour, a long harvesting season and is extremely good for you. A single portion provides half your daily requirement of carotenoids, plus high levels of folic acid and vitamins A and C.



Scan to visit
our website.

Find us on:





In an ordinary year (remember those?) we would examine the likely effects on meat prices by looking at the number of available live animals, changing consumer demand and even weather patterns. This year all of those will be in play as well as challenges from Covid-19, African Swine Flu worldwide, Bird Flu across Eastern Europe as well as the new regulations on importing goods.

All meat protein will be subject to two major factors. Firstly, although we do not have tariffs to contend with from the EU, there is still a charge of £100 per item on a pallet, so if there are two commodities on a pallet, the tariff is £200. The second issue is one we saw with the first lockdown where prices rose due to uncertainty over when hospitality would open again and to what level. It is also likely that demand will outstrip availability when the hospitality and educational sectors do re-open.

Headlines		
Beef	↑	15-18%
Lamb	↑	10-12%
Pork	↑	5-10%
Poultry	↑	8-12%



Scan to visit our website.

Find us on:



IDC Market Report

Meat & Poultry



February 2021

Beef

Cattle prices have started the year on a high trajectory with prices 46p per kg higher for deadweight cattle than this time in 2020, and 27p above the 5-year average. Slaughterings are down 6%, and the new regulations on importing & exporting have meant slow, or even returned goods at ports, so with supply tight, prices have risen. The retail sector is shifting its supply to UK sourced product where possible as the concern is, without Southern Irish product, this will mean shortages that they do not want or need. If this does happen, deadweight prices are forecast to hit £6 per kg, from the current price of £3.80 per kg. Import tariffs from South America remain, which continues to make this an expensive option. Cattle numbers are also down 1% in the UK versus 2020 - 96,000 fewer animals. We anticipate there could be as much as 15-18% increase as imports are likely to return with a better tariff and ports will sort the new regulations.

Poultry

Since 1 January 2021 poultry prices have been on the same high trajectory as Beef and Lamb. Prices were a staggering 25% higher last week than the week before. Much of this is related to the pace of imports coming into the UK from Europe. Production is slow and issues at the ports means that, we expect Poultry to rise by between 8-12%.

Lamb

Lamb prices have started the year the same as cattle, a whopping £1.14 per kg higher than the same period in 2020, with Slaughterings down by 6%. Imports are well down on previous years, 35% last year alone, and are not expected to return the heights of a few years ago. The lamb breeding flock is also down to 15.4 million head, 4% down on 2020, 616,000 fewer animals. We expect prices to rise by around 10-12%, again dependent on imports and ports.



Pork

Pork seems to have stabilized with exports to China slowing. Germany had its exports to China halted with African swine flu found in wild boar in certain German states. Industry reports are highlighting that producers will slow down production with the view to inflate prices when hospitality returns. Prices are still above the 5-year average and we expect increases to be between 5-10%, again dependent on imports and ports.



Scan to visit
our website.

Find us on:

