



Department  
for Environment  
Food & Rural Affairs

# Note of the meeting of the UK Agricultural Market Monitoring Group, 10 September 2024

The UK Agricultural Market Monitoring Group comprises representatives from Defra, DAERA, Scottish Government and Welsh Government.



Scottish Government  
Riaghaltas na h-Alba  
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Department of  
**Agriculture, Environment  
and Rural Affairs**



Llywodraeth Cymru  
Welsh Government

# Contents

Introduction .....	3
Key points: Market situation .....	3
Intervention scheme announcements .....	3
Overview and market updates .....	3
Sector discussions .....	4
Horticulture .....	4
Dairy .....	4
Arable .....	4
Beef .....	5
Sheep .....	5
Pigs .....	5
Poultry .....	5
Eggs .....	5
Any other business .....	6
Date of next meeting .....	6

# Introduction

This note records the key points discussed at the meeting of the UK Agricultural Market Monitoring Group (UK AMMG) held on 10 September 2024. Present were representatives of Defra, Scottish Government, Welsh Government and DAERA (Northern Ireland). The meeting assessed issues impacting on the agricultural sector and reviewed the market situation across a range of UK agricultural commodities.

The publication of these notes is in the interest of preserving transparency and accountability. The accompanying data reports will be published on the same GOV.UK landing page.

## Key points: Market situation

- Most meat and the dairy sectors are performing well currently, with many operating at prices well above the 5-year average. Arable yields are down year-on-year, largely down to the difficult planting conditions earlier in the year, as well as the prolonged period of wet weather. Where there is a decrease in the level of domestic production for certain commodities, any deficit is being met by imports.
- The Consumer Prices Index (CPI) rose by 2.2% in the 12 months to July 2024, up from 2.0% in June 2024. Food and non-alcoholic beverage prices rose by 1.5% in the year to July 2024, the same rate as the year to June.
- The Met Office projections suggest near normal climate for the time of year, with increased chance of warmer, wetter, and stormier than normal conditions for September, October and November.

## Intervention scheme announcements

There were no new market intervention schemes announced.

## Overview and market updates

Exchange rates across the board have shown some volatility at the beginning of August 2024, though these settled in the second half of the month. The Pound continues to be stronger than at the same point last year against all tracked currencies other than the AUS Dollar.

According to the Office for National Statistics (ONS), inflation increased slightly, with the Consumer Prices Index at 2.2% in the 12 months to July 2024, up from 2.0% in June 2024. Food and non-alcoholic beverage prices (commonly referred to as food inflation) rose by 1.5% in the year to July 2024, the same rate as the year to June 2024.

Supply of seasonal workers appears to be meeting demand. Demand in August 2024 was higher than in August 2023 by about 3,000 workers though at current trend the 2024 allocation of 45,000 workers is likely to be sufficient

During August 2024 the average Brent crude oil average price stood at US\$80.24 per barrel, the average price of red diesel stood at 80.9 p per litre, and the average European natural gas price stood at €38.35/ per megawatt hour. These changed from July 2024 by a decrease of 5.8%, a decrease of 5.8%, and an increase of 18%, respectively.

Major global prices in fertiliser markets remain steady though in some parts of the world natural gas and ammonia prices have risen which could indicate rising fertiliser prices this autumn. Domestic demand for fertiliser is low due to harvest and slightly higher prices than they were in May/June 2024 suggesting farmers may wait until after harvest to see where prices go.

The Met Office projections suggest near normal climate for the time of year, with increased chance of warmer, wetter, and stormier than normal conditions for September, October and November when viewed at the UK-scale.

## Sector discussions

### Horticulture

The apple market is in a period of transition from the supply of old season Southern Hemisphere to new season Northern Hemisphere.

Strawberry supply has been particularly erratic over the last few weeks with prices ranging from 50p/Kg to £5/Kg.

There are no anticipated difficulties for later crops or winter vegetables, as always, the weather may have an impact. The only other caveat is that the later plantings for brassicas are showing signs of club root, due to them having been planted during the period of wet weather. Whether this will affect yields will be known only when they are harvested.

### Dairy

UK July farmgate milk price (FGMP) of 39.5ppl is again up month-on-month supported by continued increases in dairy commodity values on the back of constrained supply.

Month-on-month UK milk supply for July 2024 declined as would be expected at this time of year but remains down almost 1% year-on-year.

The 7-day rolling average for the week commencing on 24 August 2024 for GB daily milk deliveries was 38.1 million litres, virtually unchanged year-on-year.

### Arable

The UK cereals harvest generally continued to progress well over the past fortnight. However, wetter weather has led to some delays in the west of the UK, and especially in Northern Ireland. Arable yields are down year-on-year, largely down to the difficult planting conditions earlier in the year, as well as the prolonged period of wet weather. Information indicates that imports are meeting any shortfall.

## **Beef**

Beef production has reached its highest levels since 2020, with a strong performance throughout the year. July 2024 production increased 10.5% year on year, and cattle kill was up by 12.1% compared to last year.

Prime cattle prices increased 7.4% year on year in August 2024, driven by strong demand and market competition. Strong retail and foodservice demand, especially for mince and BBQ items, has supported higher cattle prices. However, Irish beef prices have been declining, widening the price gap with UK beef and potentially increasing imports.

## **Sheep**

Clean sheep kill decreased by 8% in the first seven months up to July 2024, marking the lowest year-to-date figure since 2021.

Sheep deadweight prices (August 2024) have increased 17% from August 2023.

## **Pigs**

Deadweight monthly pig prices have remained stable in August 2024 with the Standard Pig Price (SPP) at 211.5p/kg and All Pig Price (APP) at 209.9p/kg.

In July 2024, UK weekly pig meat production was 17,300 tonnes, 19% higher than July 2023.

In July 2024, weekly clean pig slaughtering was 17% up on the year at 210,200 head.

## **Poultry**

Broiler slaughter remains consistently high, up 26% compared to June 2024, reflecting increasing demand. However, July 2024 was a 5-week month which impacts the month-on-month comparison.

Turkey slaughter is up both month-on-month and year-on-year as industry prepares to meet Christmas demand. However, the 5-year trend is one of declining consumer demand for turkey meat.

Weekly average poultry meat production is up both on the month (+33%), the year (+9.3%) and the 5-year average (+9.9%). Again, the 5-week month will impact the monthly comparison.

Weekly EU Broiler Price remains high and steady at €276.4 /100kg, sitting at the top of the 5-year min-max.

## **Eggs**

The average egg price in Q2 2024 was 143.7 p/dozen, a 16% Year on Year increase.

Total egg production for human consumption for Q2 2024 was 249.5 million dozen – this is a 6.4% increase year on year.

The weekly average for commercial layer eggs set were up across the board 0.4% on the month ,16% year on year and 4.6% on the 5-year average.

The weekly average for commercial layer chicks placed was 0.74 million, down on the month by 3.8%. But up on the year by 17% and the 5-year average by 6.9%.

The market is still tight, but industry is confident that egg supply will continue to improve, with a continued steady rather than accelerated increase.

## Any other business

No other issues were raised.

## Date of next meeting

The next scheduled meeting of the UKAMMG will take place on 8 October 2024.



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Any enquiries regarding this publication should be sent to us at

[UKAMMGSecretariat@defra.gov.uk](mailto:UKAMMGSecretariat@defra.gov.uk)

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