UK Red Meat Market Update

March 2025

Global Market Insights

MEAT & LIVESTOCK AUSTRALIA

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Contents

Click to jump to section

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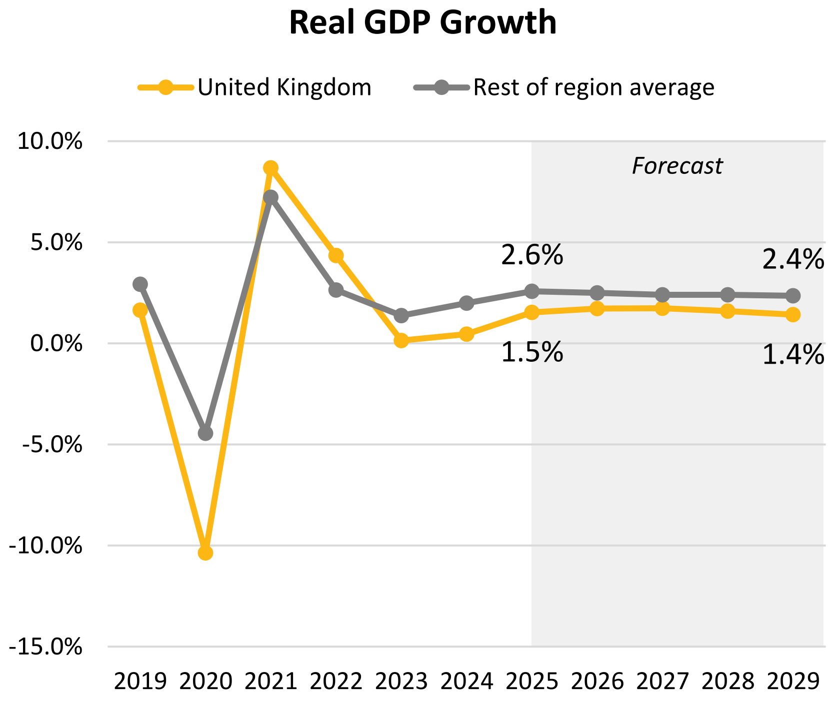
10 Key factors affecting the UK food and drink market

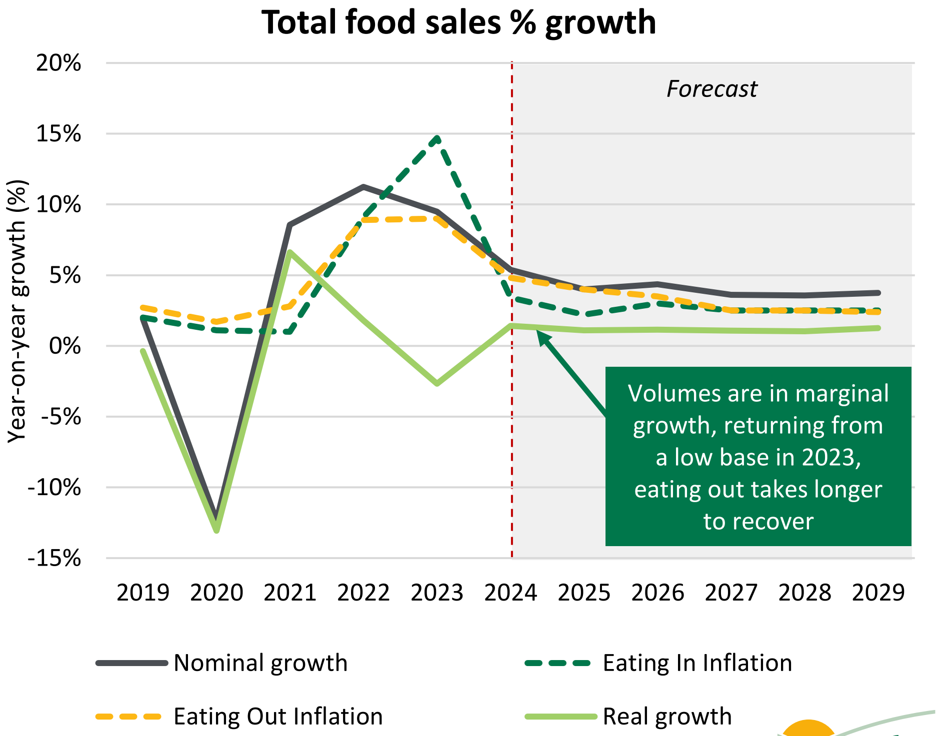
Key: 👍 Positive impact 👎 Negative impact — Neutral impact

		Eating in	Eating out	Impact Timing
1	New year, new government	👎	👎	Through 2025
2	Summer of sport – London Athletics Meet, Wimbledon, Euro 2025	👍	👍	Through 2025
3	Continued squeeze on consumers disposable income	👍	👎	Ease through 2025
4	Workers return to offices	—	👍	Now to next few years
5	Increasing labour costs, forcing further price increases in service channels	—	👎	Next few years
6	Inflation continues to fall and interest rates decline resulting in more disposable income for many	👍	👍	Next few years
7	More inbound tourism, but fewer staycations	👎	👍	Ongoing into the future
8	Retailers premium ranges of dining at home solutions	👍	👎	Ongoing into the future
9	Increase and improvement in food-to-go ranges within Convenience	👍	👎	Ongoing into the future
10	Change in population demographics – ageing population	—	👍	Long term

Source: IGD

UK is moving into a slow recovery phase with modest growth and lower inflation – total food and drinks sales in growth from 2024 onwards

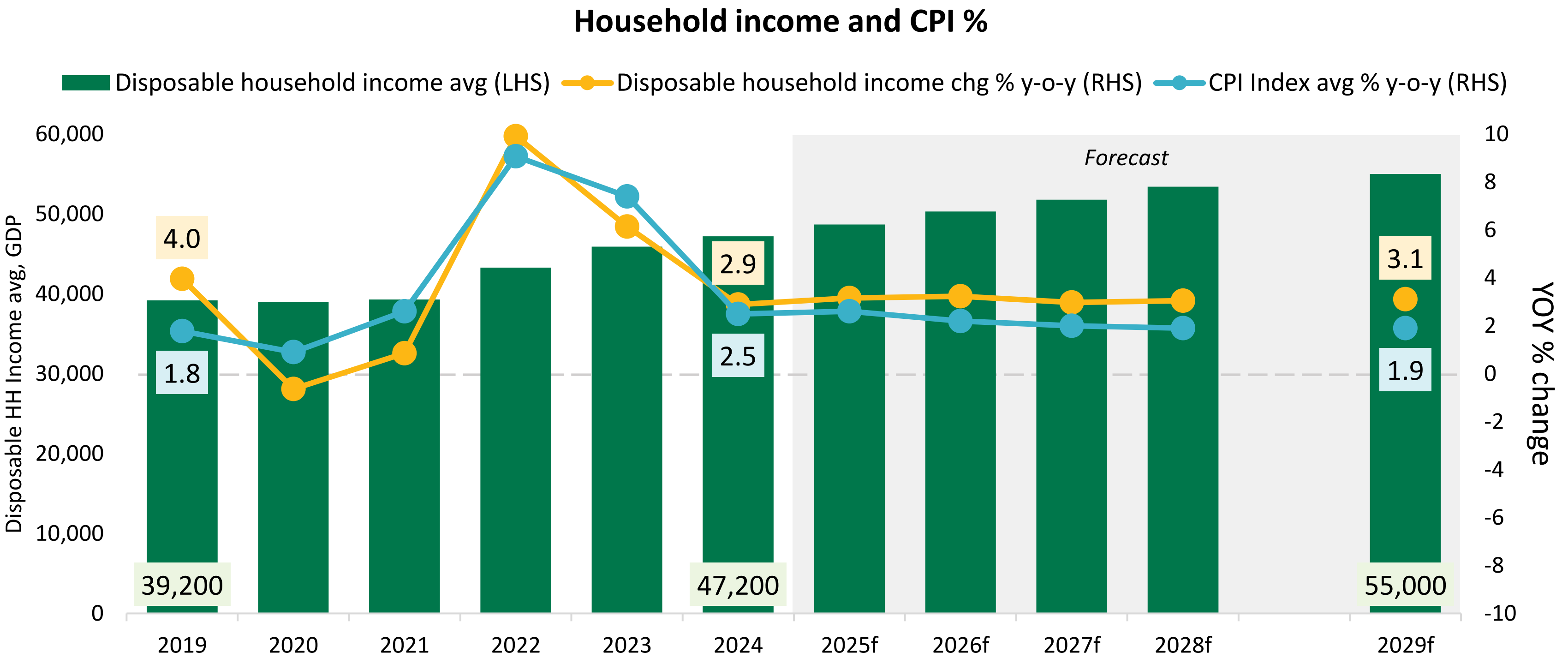




Sources: IGD

MACRO

Average disposable household income in the UK has not increased significantly post-COVID but its growth is forecast to outpace inflation growth



Sources: Fitch Solutions, data accessed March 2025

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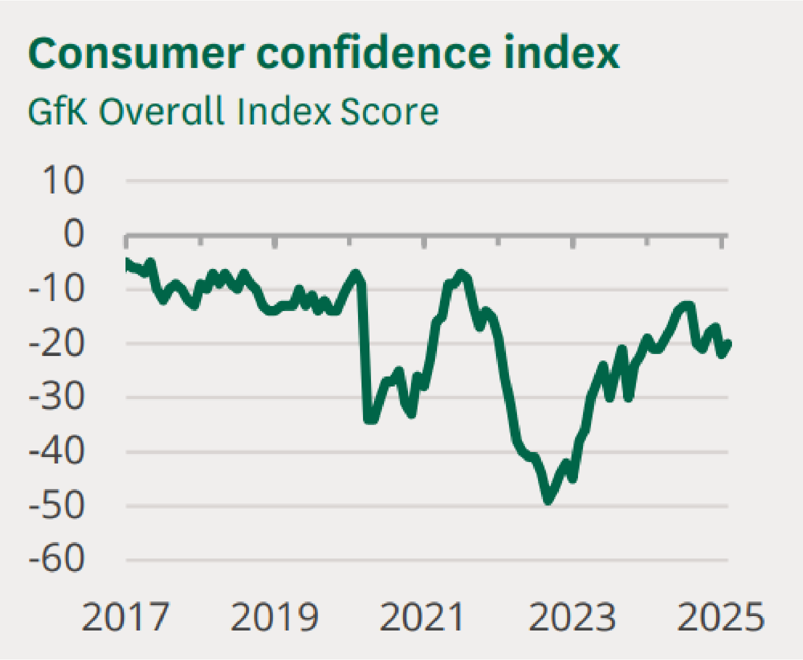
Despite lifts in consumer confidence, consumers remain concerned on sluggish economic growth and persistent inflation



- February 2025 saw slight improvement as households expressed more optimism about their personal finances and the broader economic outlook.
- Concerns remain about sluggish economic growth and persistent inflation, which could potentially lead to stagflation.
- UK economy grew at a near standstill in the second half of 2024, while inflation surged unexpectedly to a ten-month high of 3% in January.

Sources: UK Parliament House of Commons Library Feb 2025, GFK

TRADE

A-UK FTA presents ongoing opportunities with Australian red meat exports volumes to UK reaching the highest in the last 10 years in 2024 – headroom for growth as total quota usage was at 2%

Sources: DAFF

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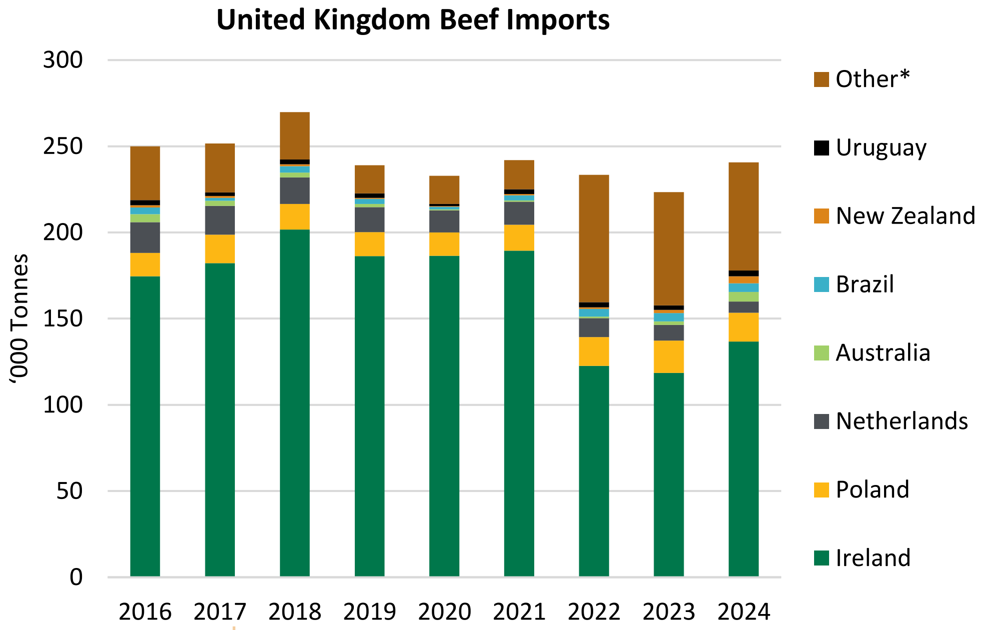
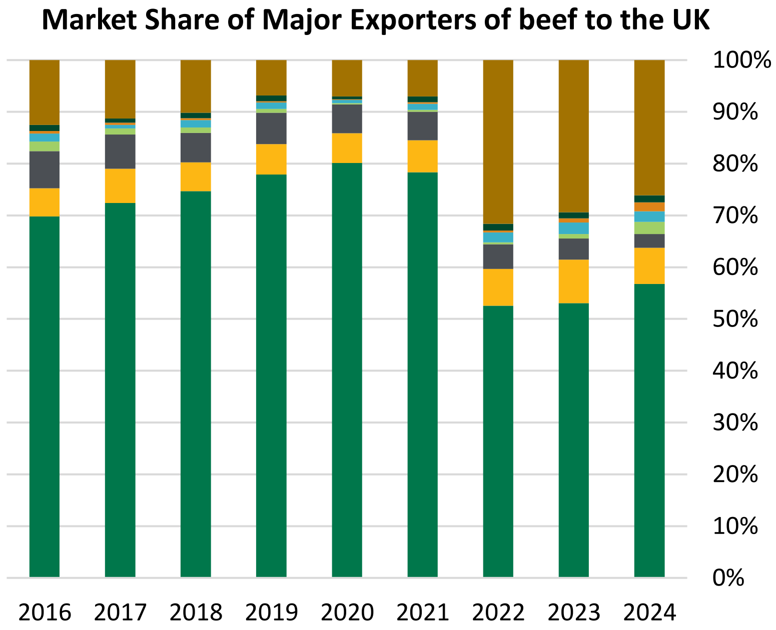
Australia represents the 4th largest supplier of beef to the UK but only holds 2.2% market share, Ireland making up 57% of total beef imports

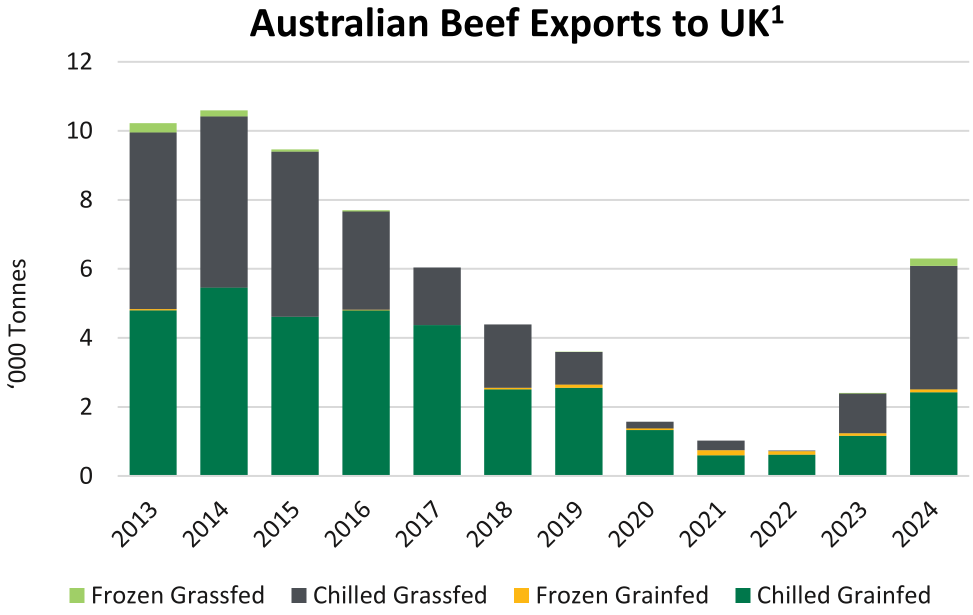




For the most up to date import stats, head to ***Global Trade Watch*** section on **Aussie Meat Trade Hub**

*Source: Trade Data Monitor (TDM). *Note on Other: Previously country of origin was not collected for UK imports from EU and country of dispatch used instead. From 2022 onwards, country of origin is now used instead with exception of Northern Ireland which still uses country of dispatch and thus grouped into 'other' as origin is not clear.*

While current Australian beef exports to UK are mainly chilled grainfed, historically chilled grassfed and grainfed volumes were equally split suggesting headroom to grow with the realisation of the A-UK FTA



Majority (87%) of commercial beef produced in the United Kingdom is from grass-fed cattle[2]

UK produces very little grain fed beef so the majority sold in the UK is imported

MLA estimates the vast majority of Australian beef exported to the UK is utilised in the foodservice sector.

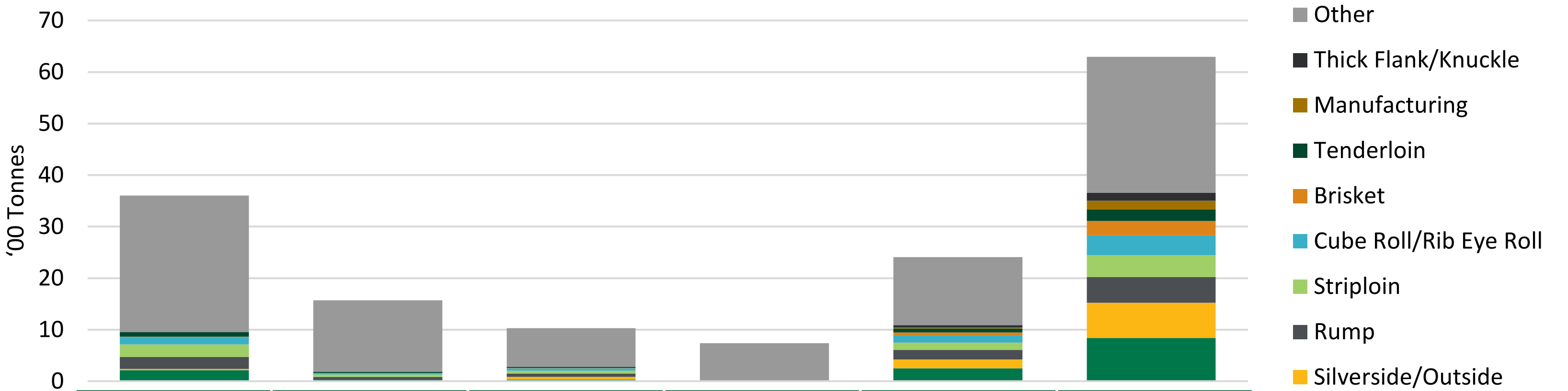
2024 demonstrates growth across all segments of beef and a resurgence in frozen grass-fed beef (+1022% vs LY)

For the most up to date export stats, head to ***Global Trade Watch*** section on **Aussie Meat Trade Hub**

Source: [1] DAFF, [2] Department of Environment Food & Rural Affairs Cattle Farm Practices Survey 2019

Australian *grassfed* exports to UK and Top Cuts

TRADE



Top 8 Cuts	2019	2020	2021	2022	2023	2024
	Striploin	Rump	Rump	Striploin	Topside/inside	Topside/inside
	Rump	Striploin	Silverside/outside	Ribs prepared	Rump	Silverside/outside
	Topside/inside	Cube roll/rib eye roll	Cube roll/rib eye roll	Tenderloin	Silverside/outside	Rump
	Cube roll/rib eye roll	Topside/inside	Striploin	Cube roll/rib eye roll	Striploin	Striploin
	Tenderloin	Tenderloin	Topside/inside	Rump	Cube roll/rib eye roll	Cube roll/rib eye roll
	Silverside/outside	Flank steak	Tenderloin	Brisket	Tenderloin	Brisket
	Brisket	Skirt	Brisket	Chuck roll	Brisket	Tenderloin
	Flank steak	Ribs prepared	Chuck	Neck	Thick flank/knuckle	Manufacturing

See the most up to date export stats, on ***Global Trade Watch*** on **Aussie Meat Trade Hub**

Source: DAFF

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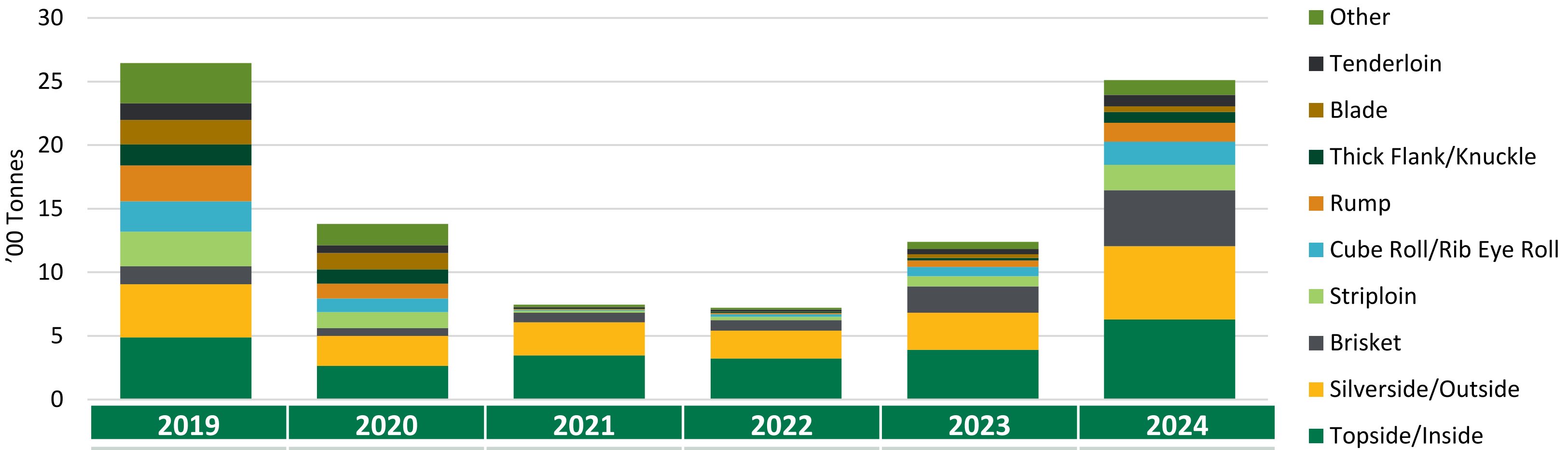
Australian *grainfed* exports to UK and Top Cuts

TRADE



Top 8 Cuts

2019	2020	2021	2022	2023	2024
Topside/Inside	Topside/Inside	Topside/Inside	Topside/Inside	Topside/Inside	Topside/Inside
Silverside/Outside	Silverside/Outside	Silverside/Outside	Silverside/Outside	Silverside/Outside	Silverside/Outside
Rump	Blade	Brisket	Brisket	Brisket	Brisket
Striploin	Striploin	Striploin	Striploin	Striploin	Striploin
Cube roll/rib eye roll	Rump	Tenderloin	Cube roll/rib eye roll	Cube roll/rib eye roll	Cube roll/rib eye roll
Blade	Thick flank/Knuckle	Ribs prepared	Tenderloin	Rump	Rump
Thick flank/Knuckle	Cube roll/rib eye roll	Rump	Thick flank/knuckle	Tenderloin	Tenderloin
Chuck roll	Chuck roll	Cube roll/rib eye roll	Rump	Blade	Thick flank/Knuckle

See the most up to date export stats, on ***Global Trade Watch*** on **Aussie Meat Trade Hub**

Source: DAFF

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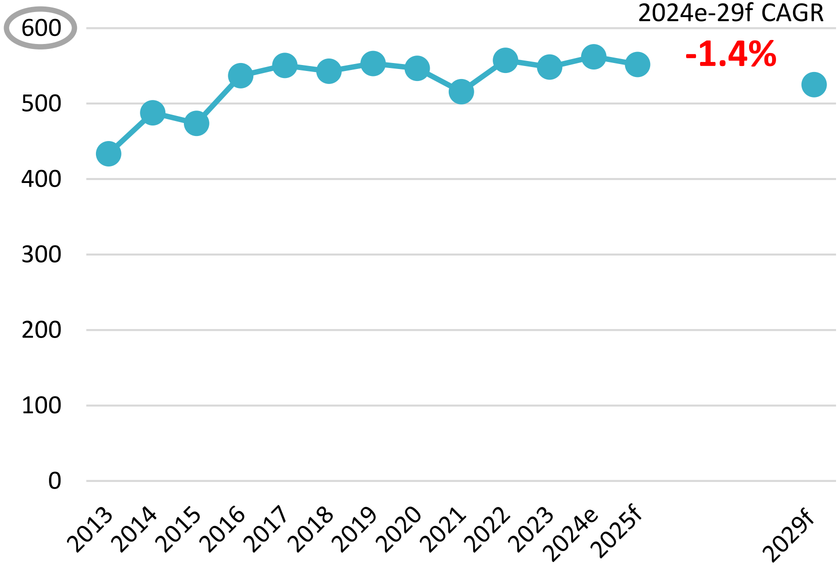
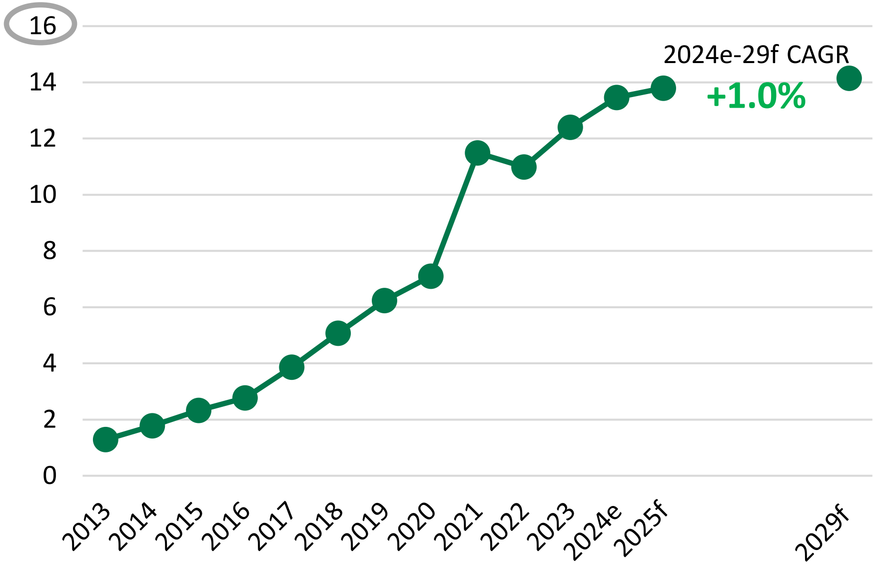
Ireland beef exports are forecast to decline in the coming years meaning softer competitor for Australian grassfed beef while growth in Japan beef exports could mean increased competition in wagyu segment

Ireland global beef exports

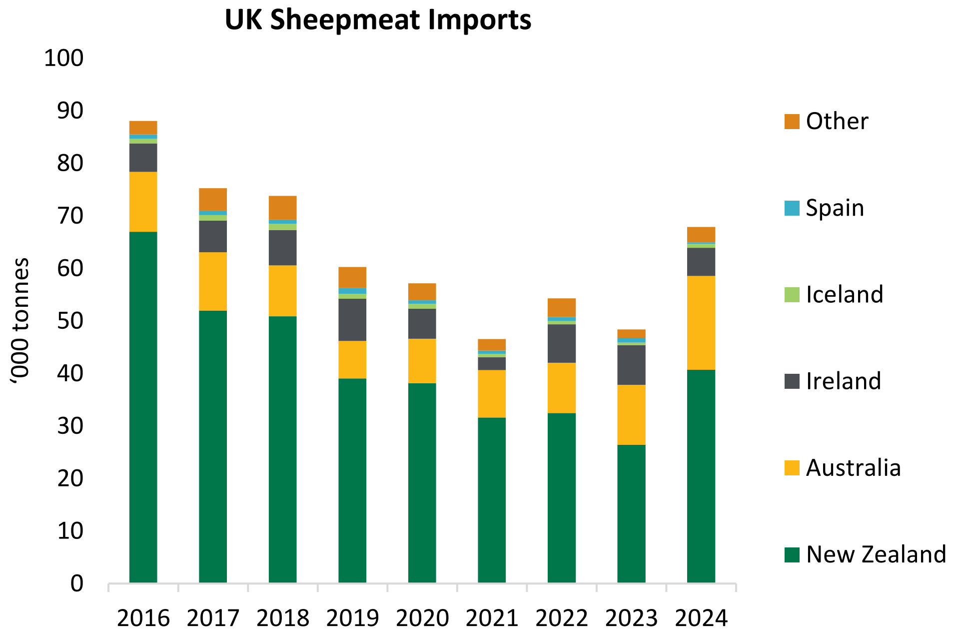


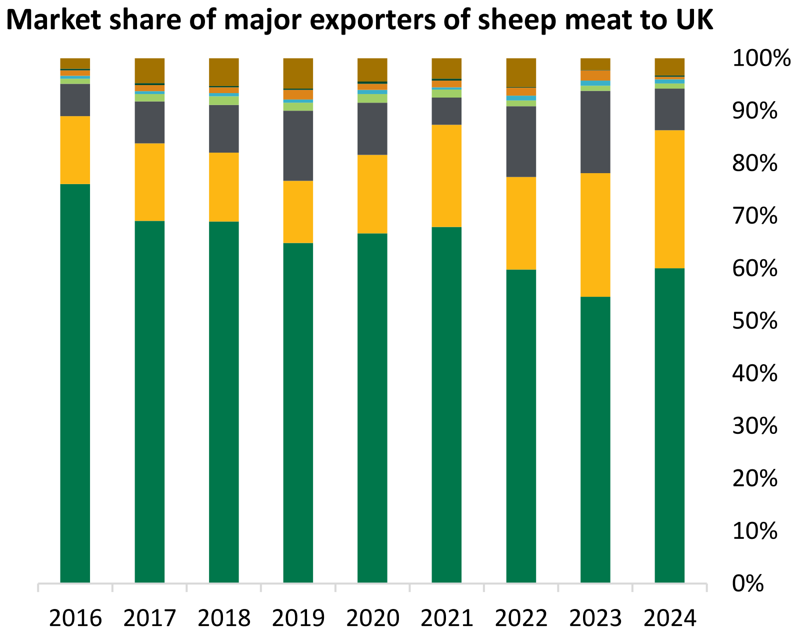
Japan global beef exports



Source: GIRA GMC2024. Note different scale here. Includes beef and veal

While Australia is second largest supplier of imported sheepmeat to UK, it's well behind NZ volumes – potential to win share with A-UK FTA in place



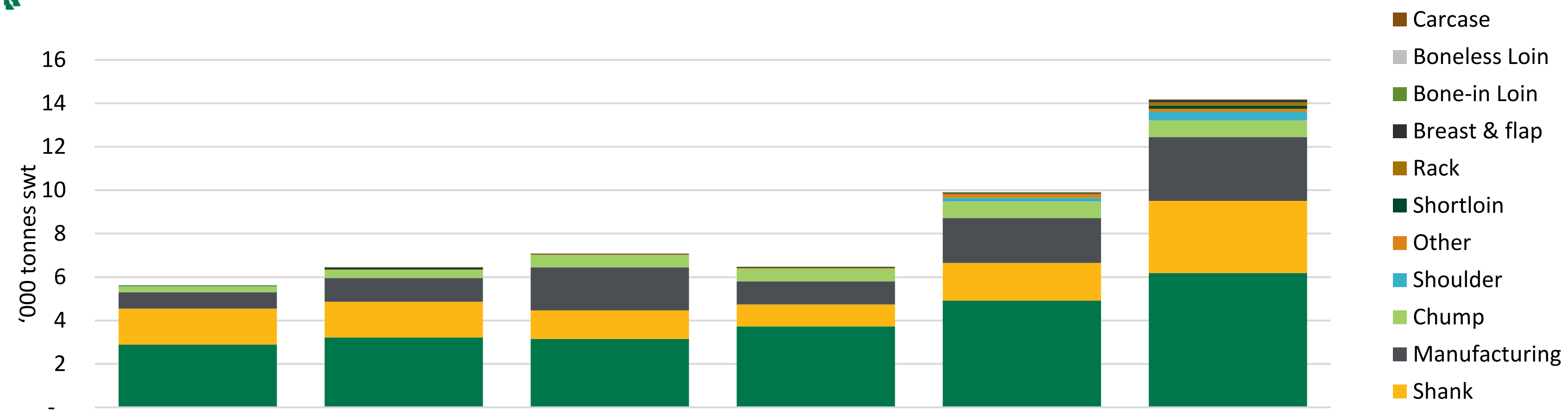


For the most up to date import stats, head to ***Global Trade Watch*** section on **Aussie Meat Trade Hub**

Source: Trade Data Monitor (TDM)

Australian lamb exports to UK and Top Cuts

TRADE



Top 5 Cuts	2019	2020	2021	2022	2023	2024
	Leg	Leg	Leg	Leg	Leg	Leg
	Shank	Shank	Manufacturing	Manufacturing	Manufacturing	Shank
	Manufacturing	Manufacturing	Shank	Shank	Shank	Manufacturing
	Chump	Chump	Chump	Chump	Chump	Chump
	Other	Other	Other	Other	Shoulder	Shoulder

See the most up to date export stats, on ***Global Trade Watch*** on **Aussie Meat Trade Hub**

Source: DAFF

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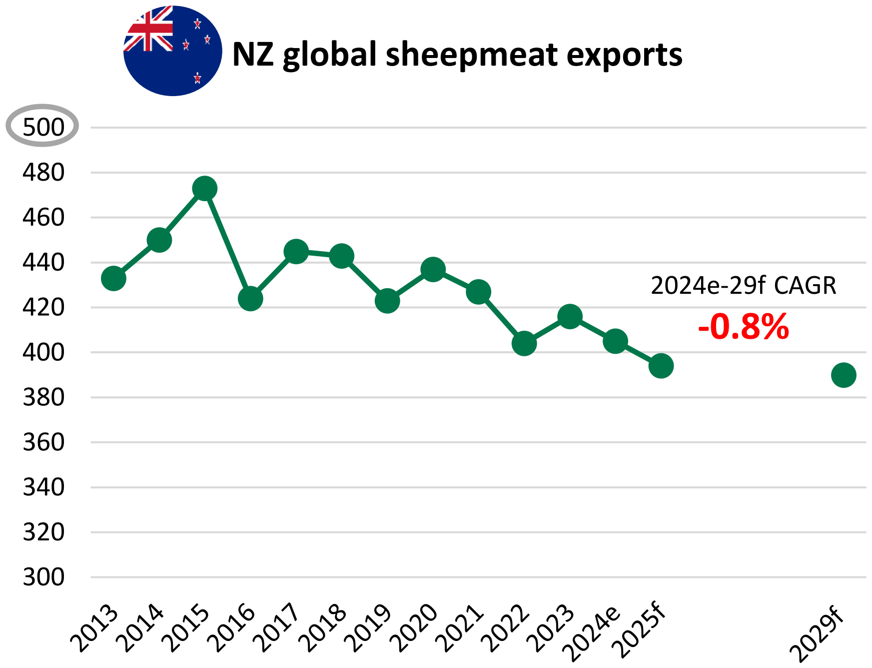
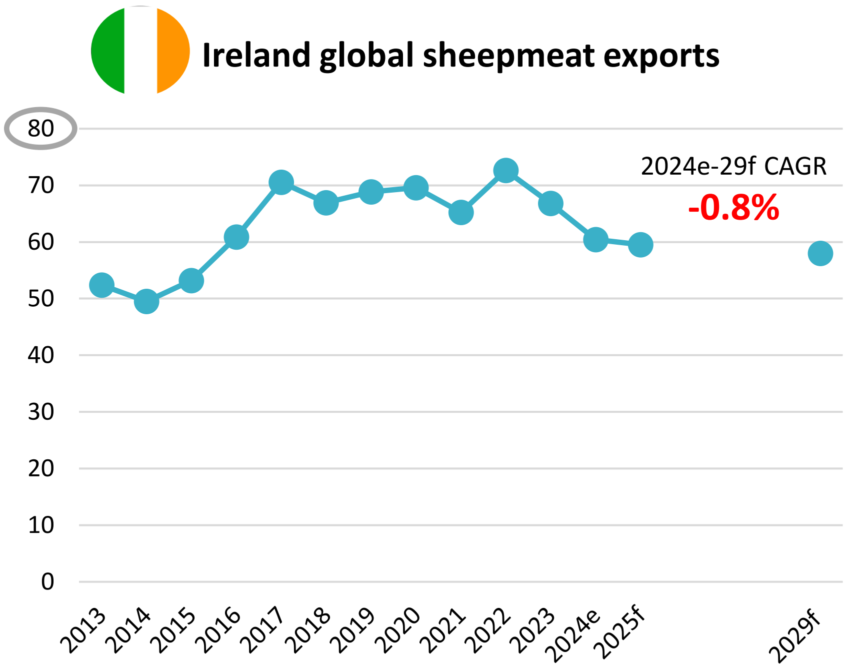
New Zealand and Ireland sheepmeat exports are forecast to continue to decline in the coming years out to 2029, just as Australian supply increases





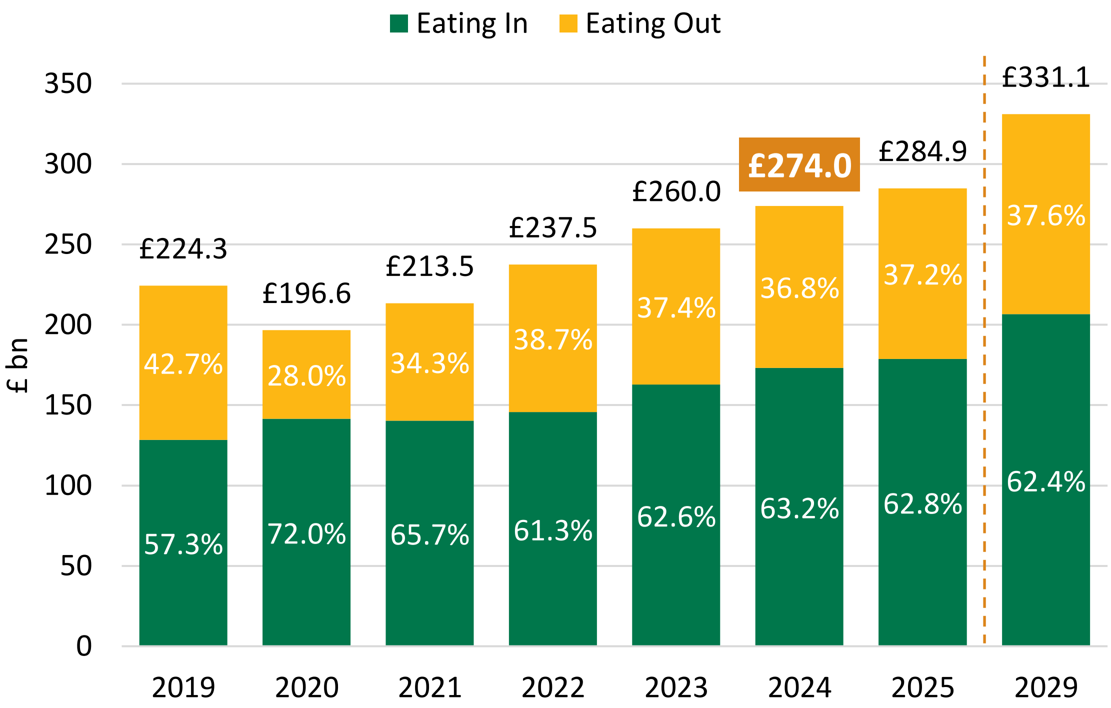
Source: GIRA GMC2024. Note different scale here. Includes sheepmeat and goat

Eating in reclaims share in the short-term

The total food and drink consumption market is forecast to continue gradual upward trajectory will continue in 2025 by +4%.

- Although eating out has recovered since COVID, economic conditions have allowed retailers to maintain their strong position while **consumers remain cautious** about how and where they spend their money
- **Retail channels won share of stomach back from foodservice in 2023 and continued in 2024.** Retailers provided tempting, affordable alternatives to eating out options
- In the **longer term, as disposable spend levels improve, there will be a gradual switch back into eating out**. However, sticky consumer habits will mean levels will unlikely return to those seen pre-pandemic

Total UK food and drink market (£ bn)



Source: IGD UK Channel forecasts 2024-2029 and Eating Out forecasts 2024-2029

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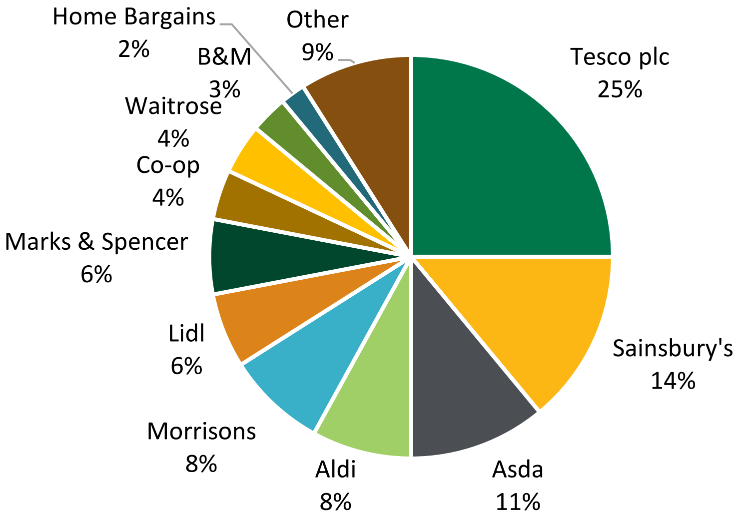
Good opportunities on the horizon in UK retail for red meat

RETAIL

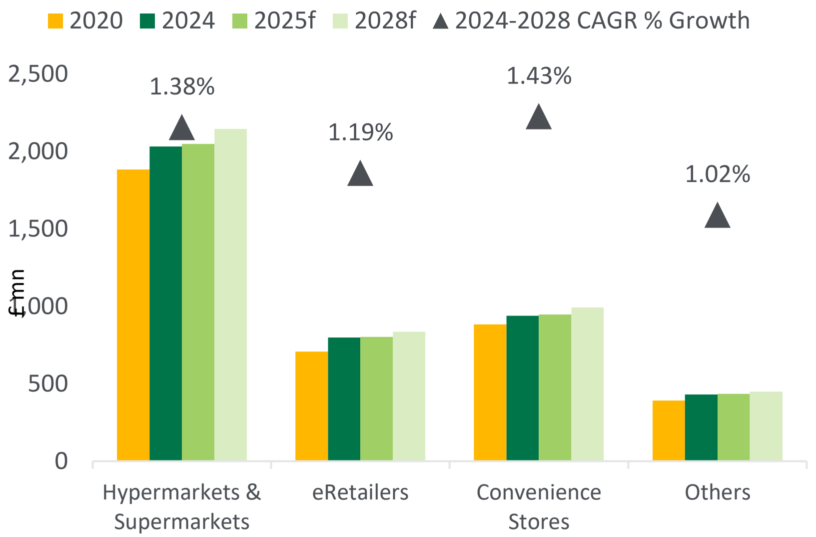
- Total UK grocery retail value GBP 366 Bn in 2025f
- Discount retailers Aldi and Lidl are growing at 6% p.a. and less committed to Buy British
- Online grocery retail continues rapid growth

UK grocery retailer market share, 2025f



Source: IGD. % based on total grocery sales value of GBP 366 billion.

UK Meat Retail Sales by Channel



Source: GlobalData
**Meat includes: Ambient meat, Chilled Raw Packaged Meat – Whole cuts and Processed, Fresh Meat (counter) and Frozen Meat*

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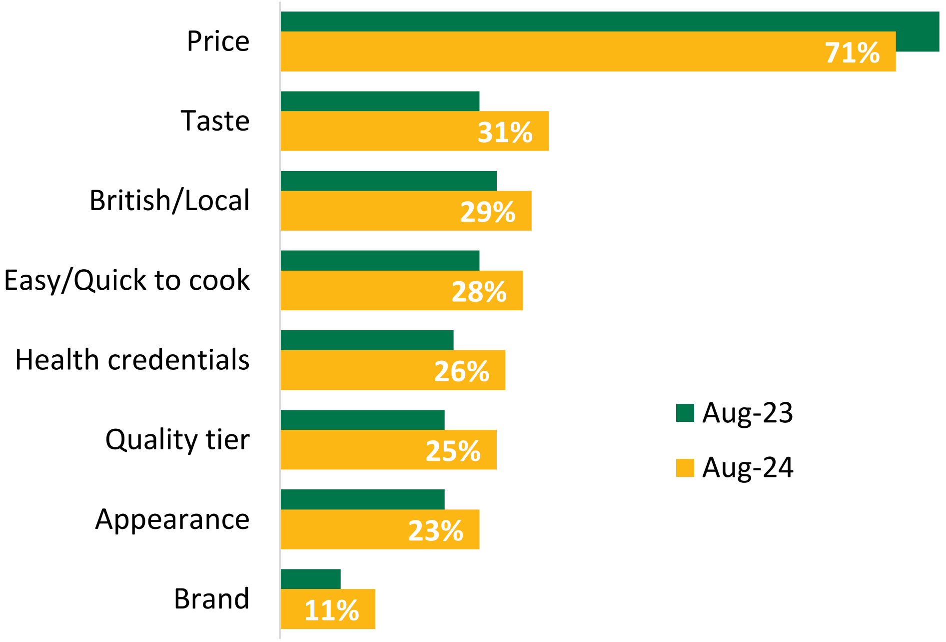
UK consumers are putting increasing importance on taste, quality, convenience, health credentials and local sourcing

Factors that have become more important to consumers when buying meat[1]



Price remains a large driving factor for consumers when buying meat but has become less important. Consumers are considering multiple factors to determine value - **taste**, **sourcing**, **convenience**, **health** credentials and **quality** are increasingly important. This is advantageous for **beef and lamb which are have stronger associations** in these areas than pork and chicken.

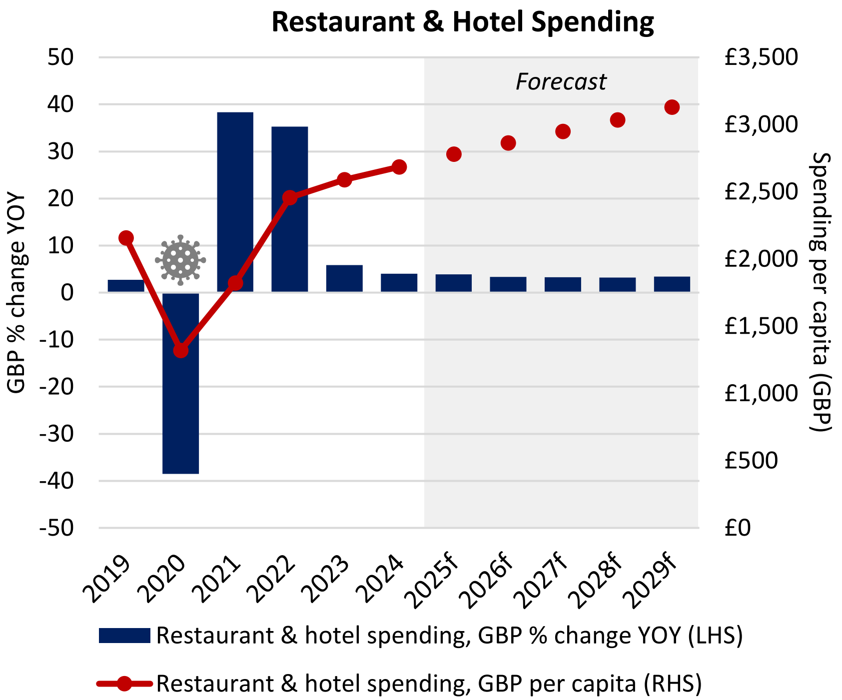
UK Consumer Associations of Different Proteins[2]

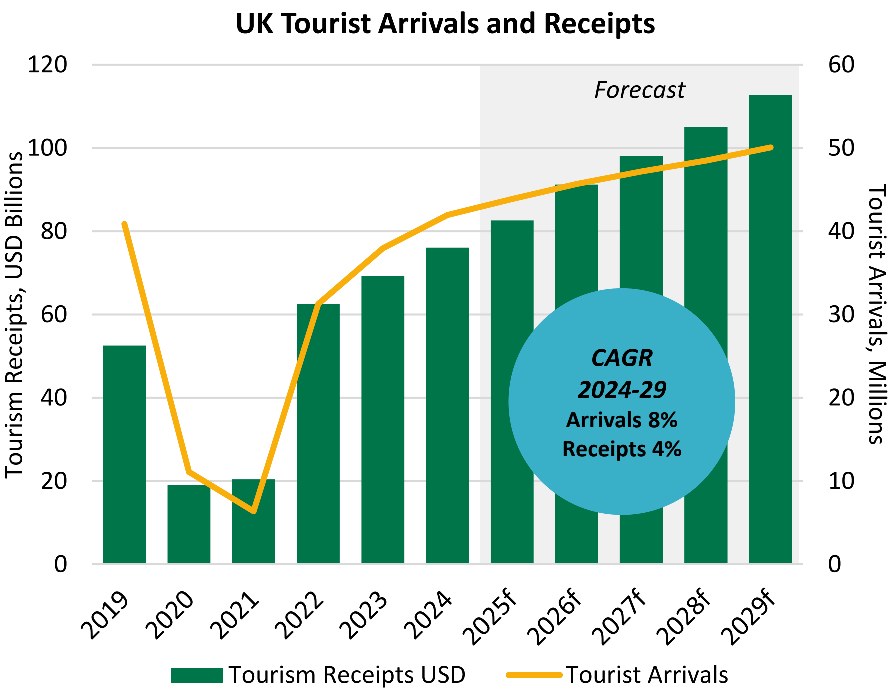
	BEEF	LAMB	CHICKEN	PORK	SEAFOOD
Easy everyday	✓		✓	✓	
Trusted quality	✓	✓			
A bit special		✓			✓
Good for you					✓

Source: [1] AHDB/YouGov, 52 weeks ending 1 December 2024, [2] MLA Global Consumer Tracker 2022

FOODSERVICE

Growth in tourism and restaurant and hotel spending provides an opportunities for Australian red meat featured in foodservice





Source: GBP Per Household - Fitch Solutions, data accessed February 2025, UK Tourist Arrivals and Receipts – Fitch Solutions, data accessed February 2025

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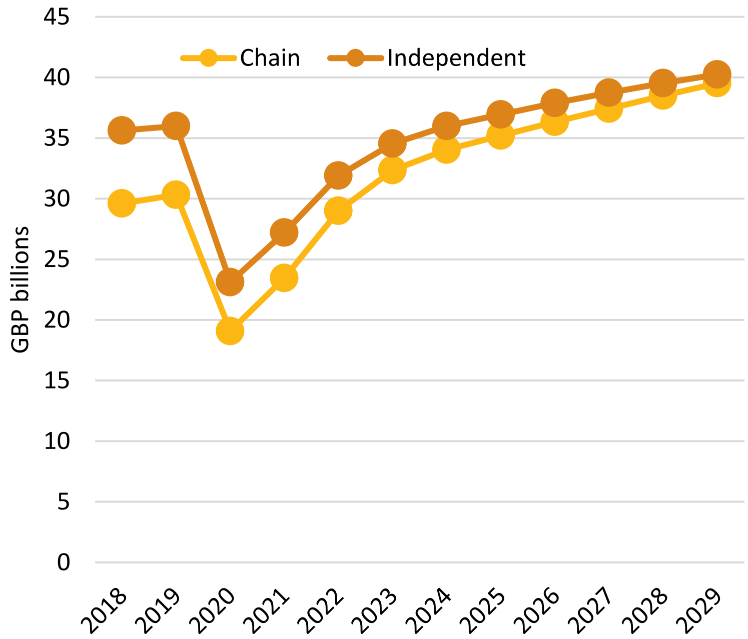
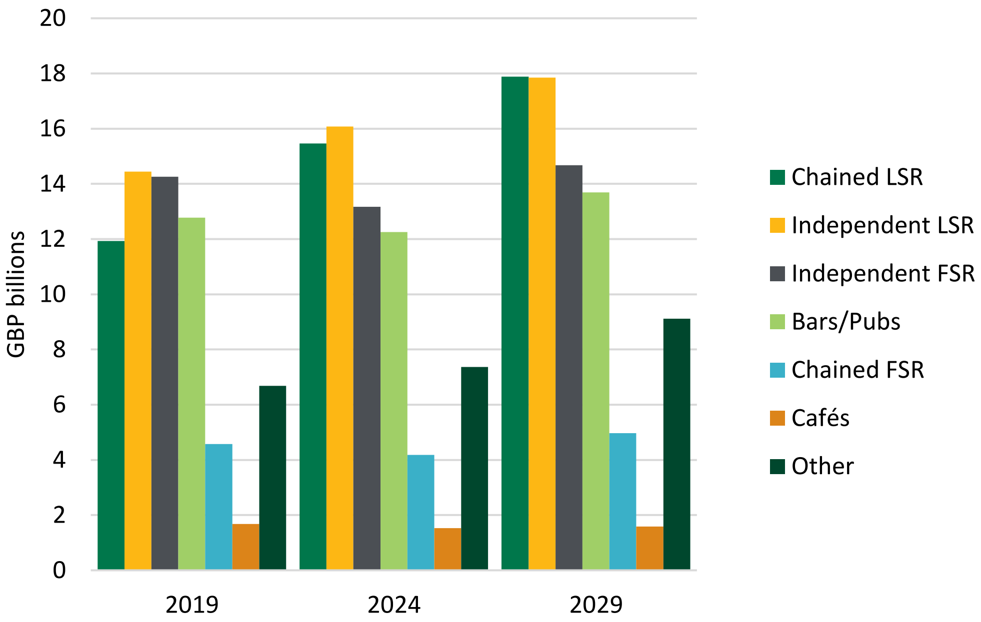
UK foodservice value is forecast to continue its growth trajectory, with chained and independent LSRs largely leading the increase in sales value

UK Foodservice value in RSP*



UK Foodservice value in RSP* by category



*Source: Euromonitor International, includes forecast. *RSP = Retail Selling Price. FSR = Full-Service Restaurant. LSR = Limited-Service Restaurant (fast food + 100% home delivery/takeaway outlets). Cafes/Bars, Bars/Pubs and other include both Chained and Independent*

MLA has identified the drivers of growth for different Australian red meat products in the UK market for the next several years

Peace of Mind

- Trusted safe and clean
- Traceable
- Authentic

Natural Goodness

- Natural protein
- Healthy balanced diet
- Easy nutrition

I Care

- Ethical
- Sustainable
- Guilt-free

Best in Class

- Quality consistency by tier
- Eating Quality attributes
- Willingness to pay a premium if quality assured

Ultimate Experience

- Extra-ordinary experiences
- Escape the every-day
- Multi-sensory indulgence
- Provenance stories

New and Different

- Enjoyment of new tastes
- Discovery of red meat versatility and expanded repertoires
- Taste the difference

Easy Everyday

- Easy, everyday solutions
- Healthier options
- Quality convenience

Learn more about ***Red Meat Growth Drivers*** in your key markets on **Aussie Meat Trade Hub**

MLA's UK red meat growth drivers apply to the United Kingdom which includes the 4 countries of England, Scotland, Wales and Northern Ireland. This is the entity that signed up to the A-UK FTA.

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THANK YOU

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