



Latest Defra & Government Releases

Latest TB statistics

- The latest [TB statistics](#) have been released by Defra covering the year to March 2020.
- The number of new herd incidents in England in the year to March 2020 was 3,229 compared with 3,540 in the year to March 2019, a decrease of 9%. The number of incidents in high risk, low risk and edge areas all saw a decrease in incidents.
- The number of cattle compulsorily slaughtered in England was 30,073 in the year to March 2020, compared to 31,898 in the year to March 2019, a decrease of 6%. High risk, low risk and edge areas all saw a decrease in slaughterings.

Sector Headlines

Deadweight cattle prices move up again

- In the week ending 13 June, deadweight cattle prices recorded another strong week, as competition for supplies remained robust.
- The GB all-prime average price rose 5.4p on the week to 358.4p/kg. The price is now 19.5p/kg higher than last year, and 12.3p above the five-year average.
- Prime slaughter in British abattoirs was estimated at 34,700 head, virtually unchanged on the week, but up 1,300 head on the year.

Liveweight lamb prices ease

- During the week ending 17 June the seasonal downwards pressure on lamb prices remained. The GB liveweight NSL SQQ dropped almost 20p, to 214.28p/kg. The figure currently stands just above year earlier levels.
- Auction market throughputs for the week totalled 96,000 head, down 8% week-on-week. Despite this, throughputs in June have been higher year-on-year, perhaps reflecting the lower kill recorded during April and May.

Global Releases

The FAO Food Price Index drops to a seventeen-month low

- The [FAO Food Price Index](#) (FFPI) averaged 162.5 points in May 2020, down 3.1 points (1.9%) from April and reaching the lowest monthly average since December 2018.
- With the continued negative economic effects of COVID-19, the FFPI has been on a downward trend for four consecutive months.
- The latest drop in May reflects falling values of all the sub-indices apart from sugar, which rose for the first time in three months.

Global cereal production set to rise to new record in 2020/21

- Despite uncertainties posed by the pandemic, FAO's first forecasts for the 2020/21 season point to a comfortable cereal supply and demand situation.
- Early prospects point to [global cereal production in 2020/21](#) surpassing the previous year's record by 2.6%. Based on conditions of crops already in the ground, planting expectations for those still to be sown, and



assuming normal weather for the remainder of the season, world cereal output is forecast at 2,780 million tonnes, nearly 70 million tonnes higher than in 2019/20, setting a new record high.

- Maize would account for the bulk of the predicted increase, with an expected expansion of 64.5 million tonnes to a record level of 1,207 million tonnes.

Wider Economy

Coronavirus: Bank of England pumps £100bn into UK economy to aid recovery

- The Bank of England will pump an extra £100bn into the UK economy to help fight the "unprecedented" coronavirus-induced downturn. However, they said there was growing evidence that the hit to the economy would be "less severe" than initially feared.
- The Bank's Monetary Policy Committee (MPC) also kept interest rates at a record low of 0.1%.
- The move comes just days after Bank governor Andrew Bailey said policymakers were ready to act after the economy suffered its biggest monthly contraction on record in April.
- Minutes from the MPC's June meeting said: "Payments data are consistent with a recovery in consumer spending in May and June, and housing activity has started to pick up recently." However, Mr Bailey warned that the outlook for the economy remained uncertain.

UK inflation rate at fresh four-year low as fuel prices slump

- A record fall in fuel prices, pushed the UK's inflation rate down to 0.5% in May, the second full month of the coronavirus lockdown.
- Fuel prices declined by 16.7% during the month, according to the Office for National Statistics (ONS), sending the Consumer Prices Index (CPI) to the lowest level since June 2016. May's inflation rate was down from 0.8% in April, the first full month of the pandemic lockdown.
- Also falling was clothing and footwear prices, down 3.1% amid heavy discounting. Supermarkets were among the few shops allowed to open in May and food prices rose by 1.6% in May.
- The ONS stated that it had difficulty compiling inflation statistics for May, since many areas of the economy were completely shut down.
- Separate figures issued by the ONS this week showed that in the three months to April, workers' regular pay, excluding bonuses, grew at an annual rate of 1.7%, the weakest since January 2015. However, when measured against the comparable three-monthly inflation rate, that means pay growth is continuing to outstrip inflation.

Slowdown in economy starting to hit the labour market

- The number of workers on UK payrolls fell more than 600,000 between March and May, early indicators suggest.
- Meanwhile, the number of people claiming work-related benefits - which includes the unemployed - was up 126% to 2.8 million. The early estimates reflect the impact of around six weeks of lockdown in which large parts of the UK were shut.
- But economists say the full effect on employment will not be felt until wage support schemes end in October.
- The ONS said "the slowdown in the economy is now visibly hitting the labour market, especially in terms of hours worked."
- Separate figures published by HMRC this week showed that a total of 9.1 million workers are having their wages paid through the government's furlough scheme - more than a quarter of the workforce.