



Latest TB statistics

- The latest [TB statistics](#) have been released by Defra covering the year to April 2020.
- The number of new herd incidents in England in the year to April 2020 was 3,266 compared with 3,504 in the year to April 2019, a decrease of 7%. 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 28,812 in the year to April 2020, compared to 32,154 in the year to April 2019, a decrease of 10%. High risk, low risk and edge areas all saw a decrease in slaughterings.

Sector Headlines

Liveweight lamb prices pick up again

- The liveweight lamb trade at GB auction markets picked up a little in the latest week, with numbers coming forward also increasing. Having fallen in the previous week, the NSL SQQ rose by 2p to just under 224p/kg in the week ended 15 July.
- This increased the difference compared to 2019 to over 41p, as prices at this time last year were falling. Overall throughput was up 3% on the previous week at over 122,000 head. Strong prices over the past few weeks may well be encouraging producers to market their lambs, and it seems the market can currently support this.
- Deadweight prices fell in the week ending 11 July, however, there had been a very strong price increase in the week before. The deadweight NSL SQQ fell by 5p to 483.2p/kg, but this was still the highest level, at this time of year, for the last 5 years. Sharper falls this time last year meant the difference compared to 2019 widened to about 70p.

Prime cattle price holds, cow price rises

- In the week ending 11 July, the GB all-prime average cattle price was 361.0p/kg, down just 0.2p on the week before. The measure is now 34.7p more than the same week last year, and 11.7p more than the five-year average.
- Total prime slaughter at British abattoirs rose 200 head to an estimated 34,600 head for the week.
- Overall, cow prices rose by 0.8p on the week to average 259.9p/kg. The price continues to trend above 2018 and is currently the highest it has been in last six years. Estimated throughput of cows at British abattoirs fell by 500 head on the week to total 11,000 head.

Global Releases

EU beef production forecast lower in 2020

- The European Commission has just published the latest edition of its [short-term outlook for agricultural markets](#), reflecting the impacts of the COVID-19 outbreak. As of 2020 the outlook refers to the EU27, excluding the UK.
- Production of beef is expected to fall compared to 2019, by a greater extent than was forecast in the spring. This reflects reduced demand from foodservice due to COVID-19 lockdown measures, as well as lower cattle supplies.
- The dry spring is also expected to have restricted forage supplies, and so lighter carcass weights are expected, as producers decide to slaughter earlier to ease feed pressure.
- The Commission forecasts that EU27 beef exports will grow by 2%, and imports will fall by 7% year-on-year.



Wider Economy

Marginal increase for inflation in June

- [The UK's inflation rate](#) rose to 0.6% in June, with the Consumer Prices Index (CPI) picking up slightly from May's four-year low of 0.5%, according to the Office for National Statistics (ONS).
- Food and alcohol prices fell, but prices for clothing and games rose.
- Despite the slight increase in the rate, inflation well remains below the Bank of England's 2% target. Many Economists forecast that the small rise in inflation was unlikely to be sustained and that deflation was "around the corner" as early as July or August's figures.

UK economy rebounds more slowly than expected

- The UK's economy rebounded more slowly than expected in May, growing just 1.8% from the previous month, as the gradual easing of lockdown had a modest impact. As a result of big contractions in previous months, the UK economy is now 24.5% smaller than it was in February, the ONS added.
- The return to economic growth in May was described as "disappointing" by economists, who had expected an expansion of 5% or more. The increase came after a fall of 6.9% in March and a record 20.4% decline in April.
- "The economy was still a quarter smaller in May than in February, before the full effects of the pandemic struck," said Jonathan Athow, deputy national statistician for economic statistics at the ONS. "In the important services sector, we saw some pick-up in retail, which saw record online sales. However, with lockdown restrictions remaining in place, many other services remained in the doldrums, with a number of areas seeing further declines."

Temporarily VAT cut from 20% to 5% for hospitality and tourism businesses comes into force

- An estimated £4bn [cut in Value Added Tax](#) (VAT) has come into force, allowing firms in the food, drink and hospitality sectors to slash prices.
- The Treasury estimates households could save £160 a year on average, but not all firms will pass on the benefit. Many companies are expected to use the windfall to shore up finances hit by the lockdown, rather than cut prices.
- The VAT reduction will stay until 12 January next year, Chancellor Rishi Sunak announced last week. It was part of a package of measures to help firms recover and get consumers spending.
- VAT is paid on everyday goods and services, but the tax is usually included in the price most consumers see.

Coronavirus: UK payrolls shrink by 649,000 jobs in lockdown

- The number of workers on UK company payrolls fell by 649,000 between March and June, official figures show.
- Unemployment has not surged, as many feared, because large numbers of firms have put employees on the government-backed furlough scheme. But economists say the full effect on employment will not be felt until the scheme ends in October.
- But because of the effect of the furlough scheme on the employment market, analysts say the number of hours worked per week is currently a truer reflection of the impact of the coronavirus crisis.
- The ONS said that since the start of the pandemic, total weekly hours worked in the UK had fallen by a record 175.3 million, or 16.7%, to 877.1 million hours. "This was the largest annual decrease since estimates began in 1971", the ONS added.