

LOOKING FORWARD TO 2026

MARKET REPORT
JANUARY 2026



INTRODUCTION

**As Christine Lagarde,
President of the European Central Bank, stressed,
“the world ahead is more uncertain”**

Market conditions across the global meat industry are shifting rapidly, and with over 35 years of experience, Meadow Vale Foods offers insight into the key forces driving change. This report explores how rising input costs, trade tensions, and supply constraints are shaping supply and demand in the months ahead.

Meat prices continue to climb, with chicken emerging as the clear protein winner amid escalating beef, pork, and fish costs. Poultry output remains under pressure from avian influenza, as Europe faces its most widespread outbreaks in over a decade - raising the risk of further disruption and higher prices.

While the UK financial markets remains somewhat uncertain, there are encouraging signs of recovery for the food service industry, particularly for QSR operators with a strong focus on poultry, where early growth indicators are beginning to emerge.

Despite these challenges, demand for chicken continues to outpace expectations, creating new opportunities for growth and innovation.

We hope this report provides valuable perspective as the industry navigates another period of rapid transformation.

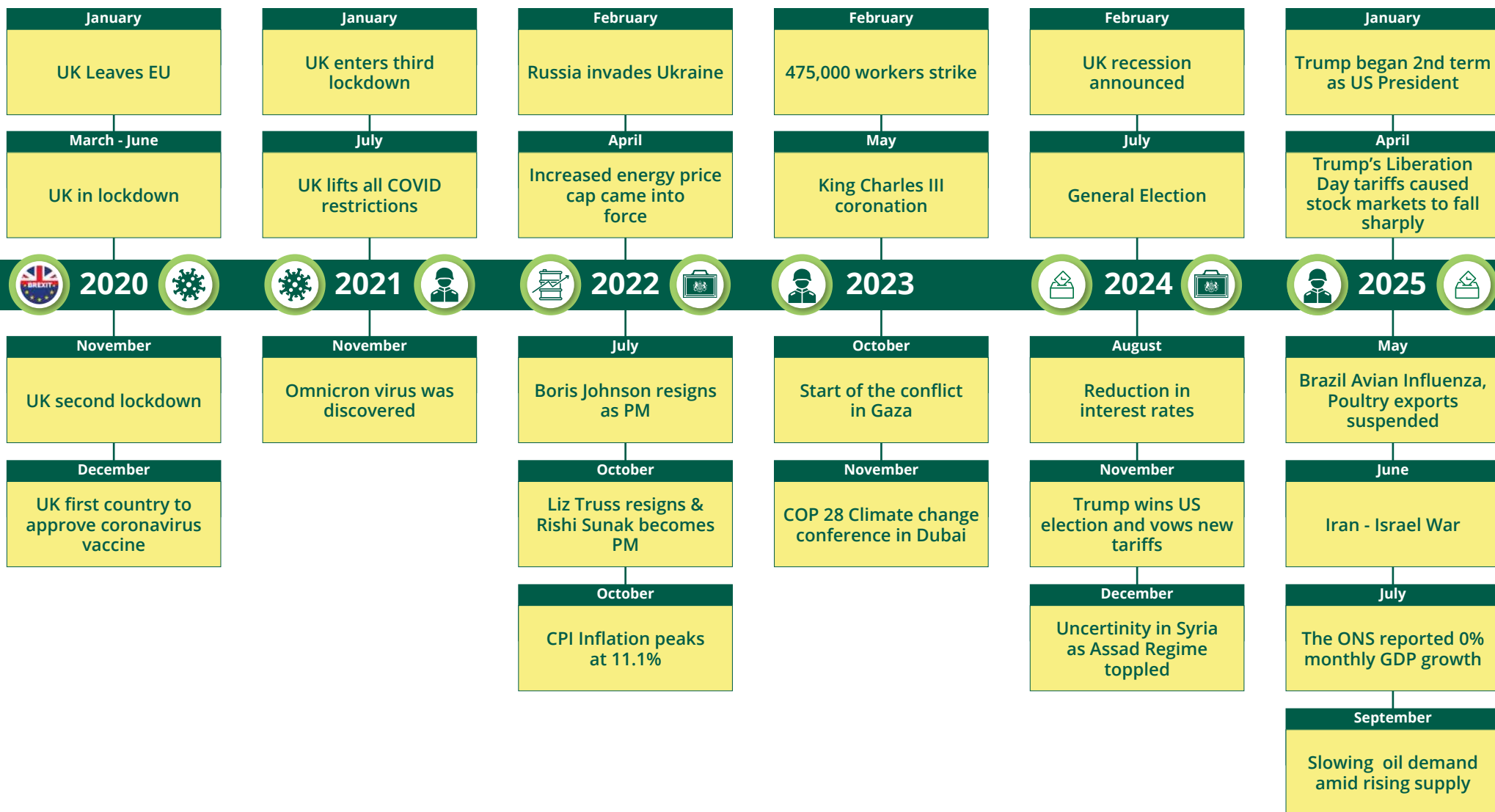


Nigel O'Donnell
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Managing Director

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2020 - 2025 THE CHALLENGES CONTINUE



THE GLOBAL POULTRY MARKET IS SET TO CONTINUE TO GROW

The global poultry market is expected to remain strong through 2025 and into early 2026, supported by steady supply levels and sustained market growth



1 Strong growth in Asia

China leads global poultry growth (+7% in 1st half of the year), followed by Turkey, the Philippines, and Vietnam, driven by rising demand and import restrictions

1



2 Trade Shifts and Export Trends

Exports are up from Thailand, Russia, Ukraine, China, and Turkey, while Brazil, the EU, and the US saw decline, though Brazil and the US are poised to rebound

2



3 Geopolitical Volatility

Trade disruptions like potential further restrictions on Russian indirect exports could add volatility to already tight global poultry markets

3



4

Avian Influenza Risk Rising

Avian Influenza remains a key threat, especially in the Northern Hemisphere this winter. Biosecurity and new vaccination efforts (e.g. South Africa) are increasingly critical

Global Poultry Market

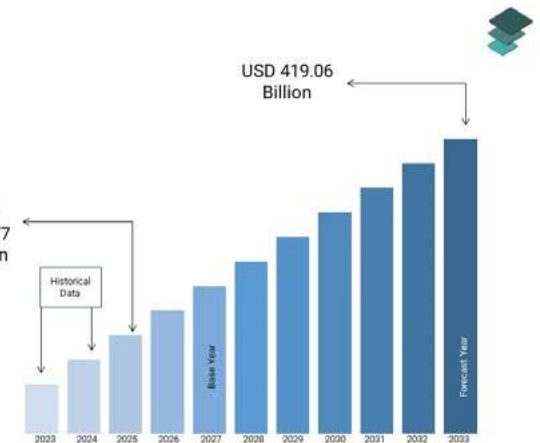
Market Size Overview

3.56%

Global market CAGR, 2025 - 2033

USD 316.77 Billion

USD 419.06 Billion



www.marketdataforecast.com

Source: Market Data Forecast Analysis

FISH PRICES ESCALATING YEAR ON YEAR

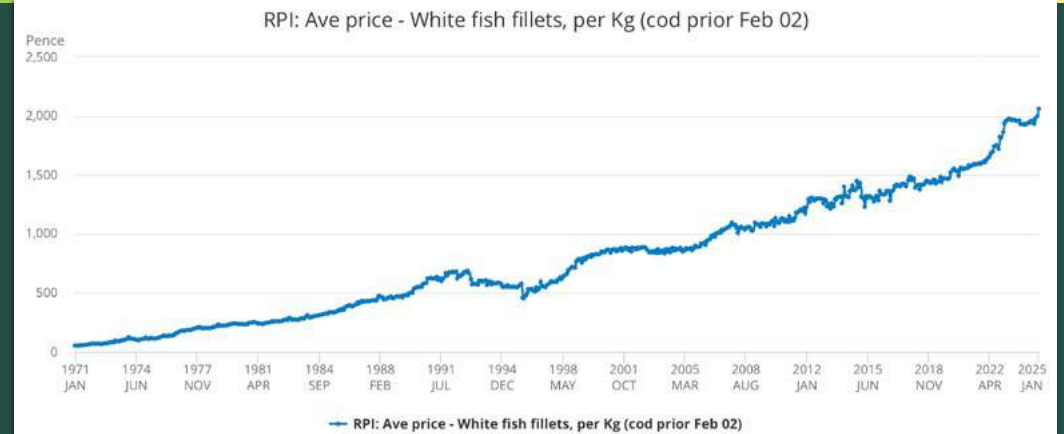
Prices of Cod continue to rise as restrictions and demand rise



Cod quotas have been sharply reduced, with the catch allowed in key areas such as the Barents Sea falling from 1 million tonnes to 340,000 tonnes. For 2025, the Northern Shelf cod TAC has been set at 25,028 tonnes - a 20% reduction from 2024 - giving the UK 9,419 tonnes in the North Sea and smaller allocations elsewhere

Haddock quotas have also been trimmed by 5%, with a total TAC of 112,435 tonnes

At the same time, operating costs for fish and chip shops have surged by around 50%, adding further pressure to prices*. With supply tightening and demand remaining strong, cod prices are expected to stay elevated through 2026



RPI: Ave price - White fish fillets, per Kg (cod prior Feb 02) - Office for National Statistics

*Fish and chip shop owner's concern as prices 'escalating quickly' - BBC News

ICES Issues Advice



Scientific advice is issued on catch limits for individual stocks based on the principle of Maximum Sustainable Yield

Coastal State Negotiations



Representatives from Coastal States meet to negotiate Total Allowable Catch and quota shares for each stock

EU Agriculture and Fisheries Council



The December Council of Fisheries Ministers meet to decide on quota shares among EU Member States

WHY IS BEEF GETTING MORE EXPENSIVE?

HIGH DEMAND – LOW SUPPLY – LACK OF GOVERNMENT SUPPORT



Production Costs

Increases in production costs, including feed and energy, are adding pressure to overall cattle pricing



Supply & Demand

A 5% shortfall in cattle on the land, combined with a 1% increase in consumer demand, is driving prices upward



Government Schemes

Government schemes have focused on environmental initiatives rather than supporting production



Cattle Prices Rising

The AHDB, funded by farmers and growers, reports that UK cattle prices have been rising at unprecedented levels since the start of 2025



12.5%

Beef prices at a record high

The price of Beef has increased by around 12.5% in the last 12 months

Beef prices have risen sharply this year

Annual CPI inflation rate for selected items



Source: Office for National Statistics

BBC

Beef drives food inflation to highest in a year - BBC News

BEEF PRICES DRIVE DAIRY TO BEEF TRANSITION

Soaring beef prices are prompting dairy farmers to breed more cattle for meat, reshaping livestock markets and production strategies



Rising beef prices and ethical concerns are driving global interest in dairy-beef

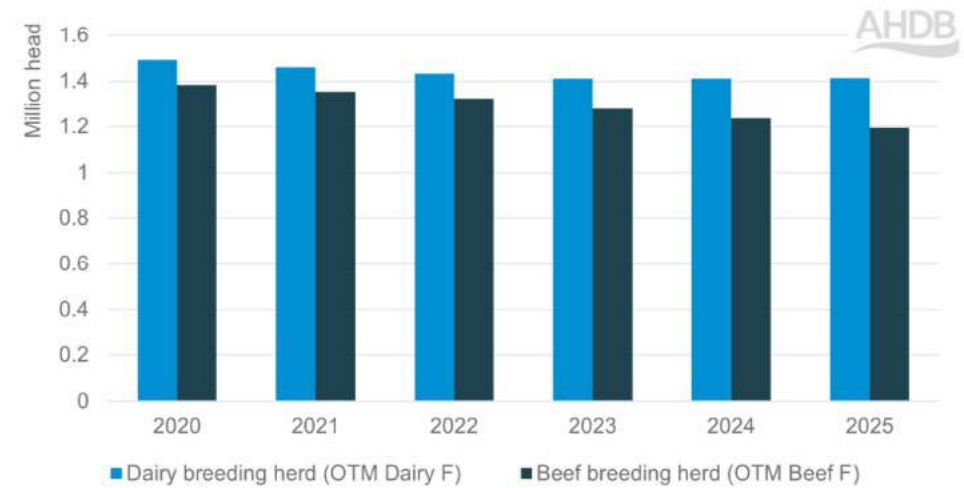
Market signals vary by region, with the US leading and Ireland supported by policy

New Zealand and Australia face slower growth due to export complexities and low domestic demand

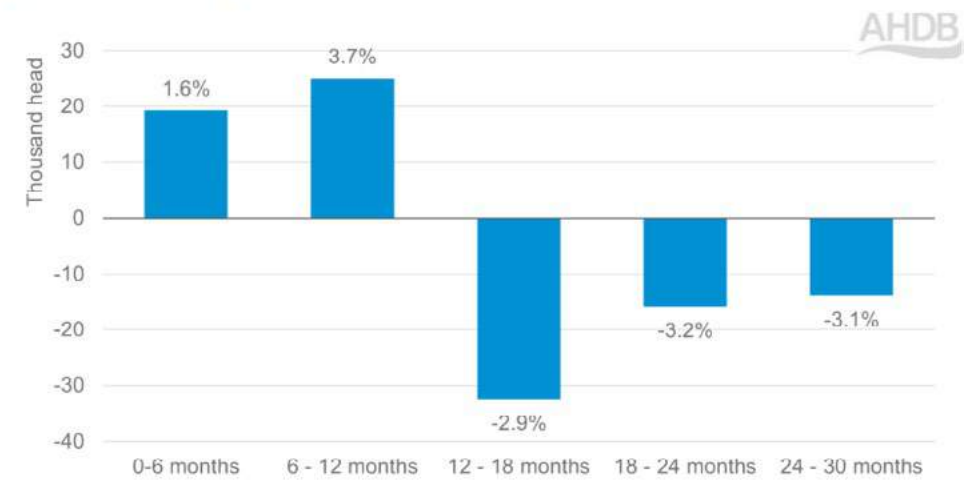
Full potential requires coordinated investment in breeding, rearing, processing, and traceability

Execution is challenging; Australia and New Zealand must align breeding with demand and build supply chains

GB breeding herd populations at 1 July



Year-on-year change in number of cattle in GB available for beef production, 1 July 2024/2025



GB cattle populations: dairy-beef calves boost youngstock numbers as suckler continues to contract | AHDB

Beefing up global dairy with dairy-beef - Rabobank

PORK PRICES STRENGTHEN ON SUPPLY CONSTRAINTS & SHIFTING DEMAND

UK pig meat production has been revised marginally lower since May and is now forecast at 988,000 tonnes in 2025. Despite this small downward revision, output remains higher year-on-year, supported by larger clean pig numbers and increased carcasse weights

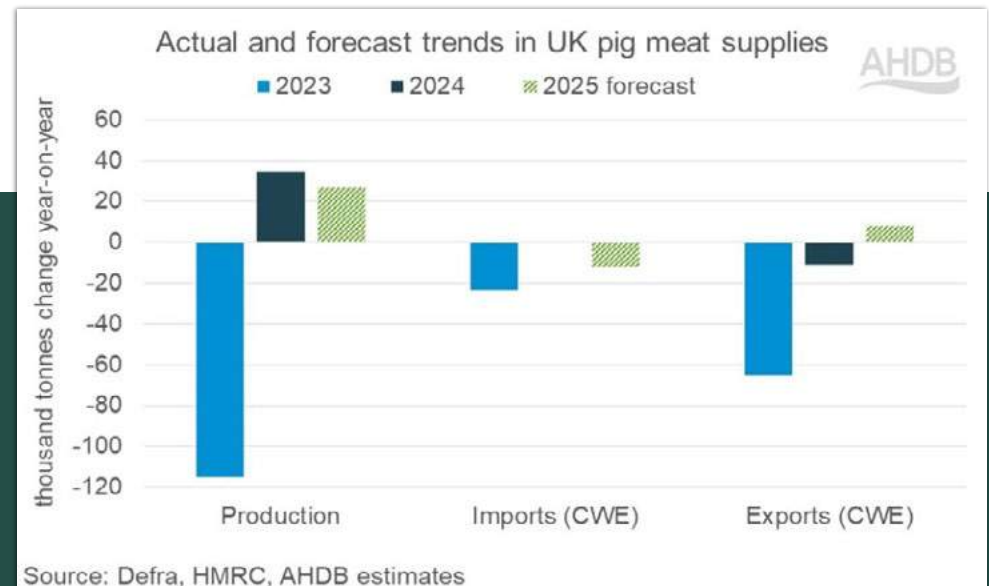
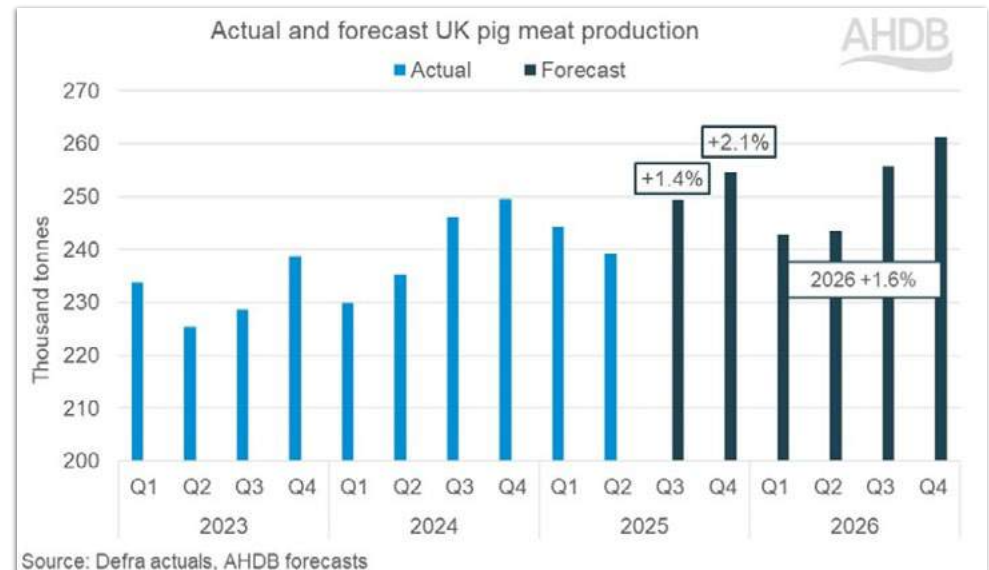


The UK female breeding herd is expected to grow by around 3% year-on-year by June 2025, following trends seen in late 2024

However, herd numbers are unlikely to return to 2022 levels until 2027, as policy uncertainty continue to weigh on producer investment

Exports remain strong, particularly to China, while imports ease due to a narrowing price gap with the EU

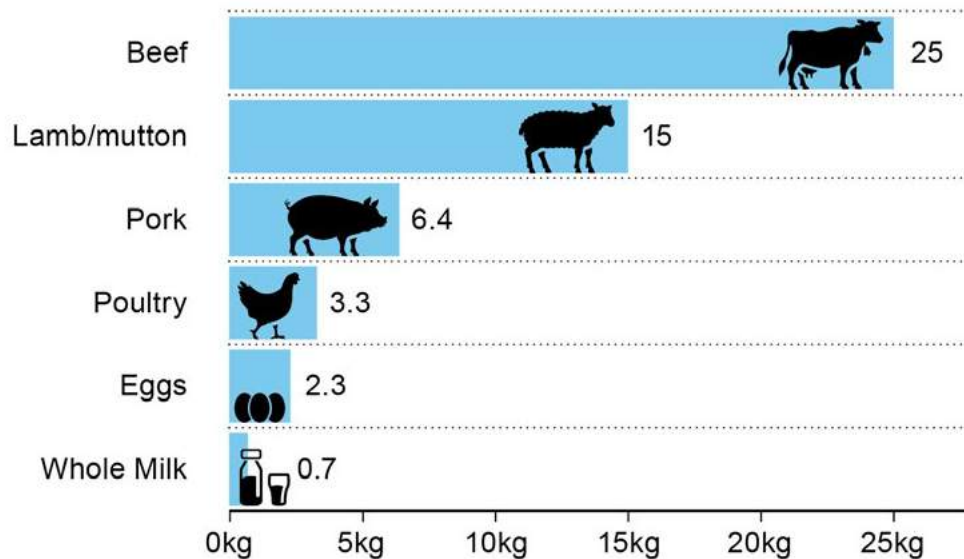
UK pig prices are currently stable compared with 2024, but bullish factors are emerging. Higher retail beef prices are encouraging customer to switch to pork, lifting domestic demand. Although growth in the out-of-home market has softened, overall market conditions point to a firmed price outlook through 2025



ANIMAL FEED REQUIRED TO REAR 1KG OF PRODUCT

Poultry is one of the most feed-efficient sources of animal protein

Animal feed required for 1kg of product¹



1) Quantity of animal feed required to produce one kilogram of meat, egg or milk product. This is measured as dry matter feed in kilograms per kilogram of edible weight output

Source: USDA, World Resources Institute, Meat conversion efficiencies - Alexander et al. (2016), Environmental footprint by food type (kcal) – Clark & Tilman (2017) © blue horizon

It takes around 3.3kg of feed to produce 1kg of chicken meat

In comparison:

Beef requires about 25kg of feed per kg of meat

Lamb/mutton requires about 15kg

Pork requires about 6.4kg

Chicken's lower feed requirement makes it more cost-effective and resource-efficient. This efficiency results in lower production costs, smaller land use, and reduced environmental impact. As a result, poultry demand is rising globally, driven by its affordability and sustainability advantages over beef and lamb



CHICKEN THE WINNER IN 2025!



Chicken is positioned as the protein winner in the USA in 2025*

Consumers valued Chickens:

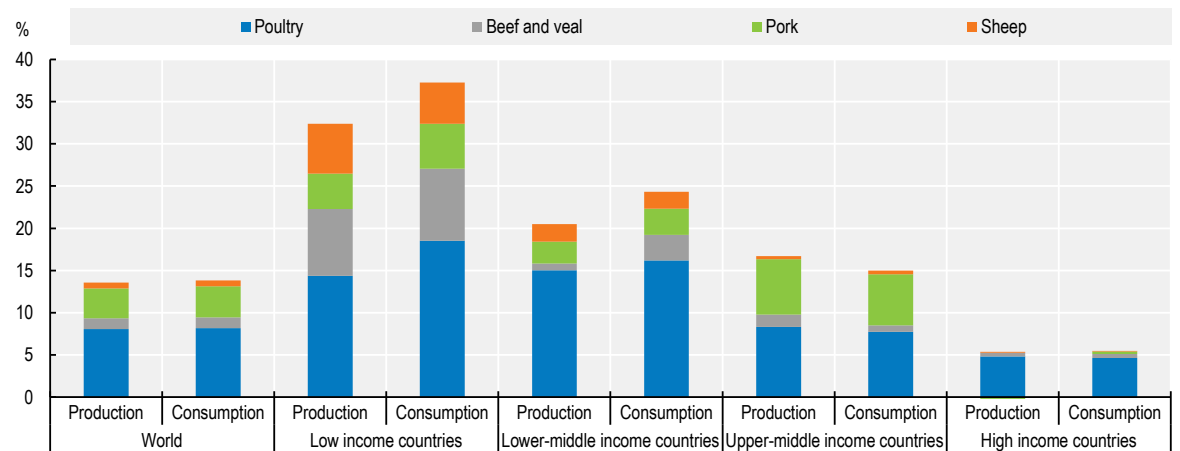
Low Cost

Healthiness

Taste

Demand for Chicken is so strong it has overtaken Beef and even replaced it in some cases. This is a trend expected to be replicated globally

Figure 6.1. Growth in meat production and consumption on a protein basis, 2021 to 2030




Note: The 38 individual countries and 11 regional aggregates in the baseline are classified into the four income groups according to their respective per-capita income in 2018. The applied thresholds are: low: < USD 1 550, lower-middle: < USD 3 895, upper-middle: < USD 13 000, high > USD 13 000.

Source: OECD/FAO (2021), "OECD-FAO Agricultural Outlook", OECD Agriculture statistics (database), <http://dx.doi.org/10.1787/agr-out-data-en>.

THAILAND'S CHICKEN INDUSTRY SET TO GROW IN 2026 AMID GLOBAL HEADWINDS



Thailand's chicken industry is expected to continue to grow in 2026, both in domestic consumption and export performance, despite facing multiple challenges including rising production costs, increasing competition, and slowing global demand

**3.44**
Million Tonnes
in 2025

Thailand's chicken meat production is set to reach 3.44 million tonnes in 2025, a 1.3 year on year increase. This growth aligns with a forecasted 0.7% recovery in domestic consumption, as consumers shift toward chicken

**\$4.45**
Billion

Thailand's chicken export value is projected to hit USD 4.45 billion in 2025, reflecting a 3% increase



Meanwhile the UAE is emerging as a promising market, particularly for halal certified chicken. In the first five months of 2025, Thai exports to the UAE increased more than fivefold year on year, highlighting rising demand from the middle east region

GLOBAL TARIFFS DUE TO THE US AND CHINA TRADE WAR

US-China Trade War Fuels Rising Tariffs, Driving Up Food Prices and Disrupting Global Supply Chains

Headline Tariff Issues

1. China's 10-15% Tariffs on US farm goods hit soy, beef pork imports hard
2. US farmers suffer as China cuts off major agricultural markets
3. Restaurant menus tighten: food supply chains disrupted by tariffs on imports
4. China deploys food as a low-cost weapon in trade retaliation
5. Tariff tit-for-tat: China imposes up to 15% levies on wheat, corn and chicken



In 2024-25, major fast-food chains in China raised menu prices due to increased costs of imported meats

U.S. chicken exports to China were hit hard after the reintroduction of tariffs in early 2025, causing cold storage inventories to swell at home and prices to fall locally



How the trade war has played out

US tariffs on China



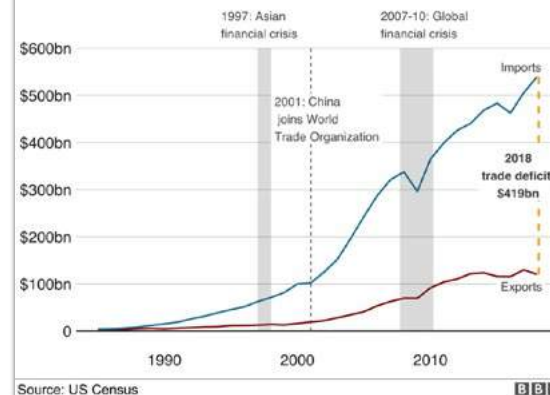
Chinese tariffs on US



Source: US Census Bureau, BBC research. Note: Data as of 8 May 2019

US trade with China

US trade deficit with China has soared since 1985



A 10-15% increase in feed prices can translate to several cents more per pound of chicken at wholesale, which cascades through to restaurants and retail

SUPPLY SIDE: POULTRY OUTPUT CONTINUES TO BE AFFECTED: AVIAN INFLUENZA - HIGH PRODUCTION COSTS

Production costs are expected to increase by 37.5% per kilogram of live weight

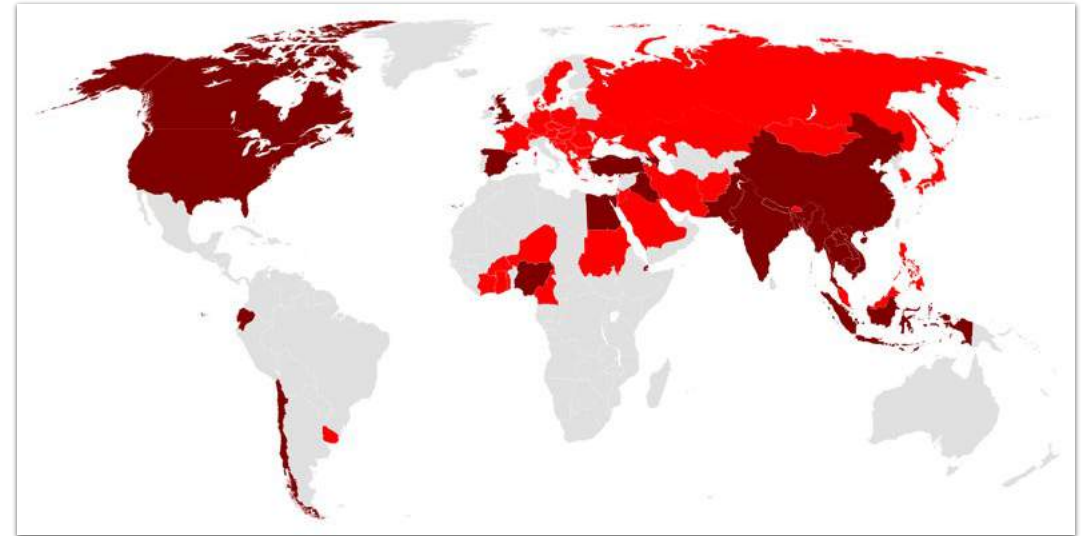


Driven by increases in water consumption, feed usage, energy labour costs

Supply constraints within the various EU member states where the production has been reduced



Due to HPAI (highly pathogenic avian influenza) as well as Newcastle disease



In March and April, a surge in cases hit Central Europe hard, with Poland, Hungary, and northern Italy among the worst affected



In October 2025, the UK suspended imports of poultry meat from Argentina due to an avian influenza outbreak



In September 2025, the EU announced it would resume imports of Brazilian chicken meat after a temporary ban due to a bird flu outbreak



Bird flu is spreading rapidly across Europe, with early outbreaks in the highest number of countries in a decade, raising fears of mass culls and higher food prices

RISKS IN THE UK FOOD SERVICE SECTOR

THINGS TO BE MINDFUL OF IN 2026

Potential risks for the UK foodservice industry in 2026 include continued supply chain volatility, rising operating costs, labour shortages, and shifting consumer spending habits driven by economic uncertainty

What's the Worry?



Supply Chain Instability

Persistent global disruptions and ingredient shortages may continue to impact availability, pricing, and menu consistency for operators



Rising Operating Costs

Increases in energy, labour, and food costs are expected to squeeze margins further, making cost control and efficiency more important than ever



Labour Shortages and Skills Gaps

Ongoing recruitment challenges could limit capacity, slow service speeds, and place additional pressure on existing kitchen teams



Consumer Spending Uncertainty

Economic pressure on households may lead diners to reduce discretionary spending, affecting visit frequency and average order value

ON THE DEMAND SIDE: 4 KEY TRENDS

Experiential Dining



As customers seek more than just a meal, experiential dining is gaining traction. Restaurants are providing unique experiences such as interactive cooking classes or themed events. For example, Benihana combines food with entertainment through its interactive dining model, which has been a long-standing success

Delivery and Takeout Innovations



With the rise of third-party delivery services, restaurants must enhance their delivery and takeout options. Contactless delivery and seamless online ordering are becoming essential. Companies like Chipotle have excelled in this area by optimising their mobile app for easy ordering and efficient delivery

Sustainability



Sustainability remains a critical focus. Consumers are increasingly drawn to brands that commit to eco-friendly practices like using locally sourced ingredients, reducing food waste, and utilising sustainable packaging. Companies like Panera Bread and IKEA are known for their robust sustainability programs, which resonate with eco-conscious customers

Cloud Kitchens



These delivery-only kitchens, or ghost kitchens, are reshaping the foodservice landscape. Brands such as Domino's and startups like Nextbite are utilising cloud kitchens to scale their delivery operations, meeting the growing demand for convenient, home-delivered meals

ON THE DEMAND SIDE

IT'S STILL ALL GO FOR POULTRY IN FOOD SERVICE!

The UK chicken sector is set to remain one of the strongest growth pockets in foodservice going into 2026. Quick-service chicken concepts continue to expand rapidly, major chains are investing heavily in new sites, and consumer appetite for bold, convenient chicken formats (fillets, thighs, strips, wings) is translating into new openings and sustained sales momentum

What's driving growth?



Category momentum & consumer demand

Chicken-led outlets outpaced other fast-food segments in openings through 2024-25, reflecting strong consumer demand for handheld, flavourful chicken options



Major operator investment

Large players are committing significant capex to expand chicken footprints (eg. KFC's multi-hundred-million pound UK/Ireland investment programme), signalling confidence in long-term demand



New entrants & international expansion

Fast-growing US chicken brands (Popeyes, Dave's Hot Chicken, etc.) are rapidly opening UK sites, bringing scale, marketing buzz and menu innovation



Delivery & convenience economics

Chicken formats travel well and perform strongly on delivery platforms, which continues to support outlet economics and higher order frequency

RAW VS FROZEN

SPOTLIGHT: THE CASE FOR ADDED VALUE FROZEN POULTRY

Switching from Raw to Added Value Frozen products can be a difficult decision for some, but should be considered in this current climate

Watch Our Raw VS Frozen Video!



*See the video above illustrating 30% better yield

The Benefits of Switching



Review The Options

As with any ingredient swap, it's important to ensure you choose a quality product

It doesn't have to be all or nothing, many customers try a selection from the menu first to see how it works

Our Development Chefs Are Here To Help

Our team of Development Chefs are here to help. They can talk you through our range of over 70 Added Value Frozen Poultry products, advise on menu options and arrange samples for you to try



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SUMMARY

RIISING MEAT PRICES AND GLOBAL TRADE SHIFTS: POULTRY LEADS AMID SUPPLY CHALLENGES

As a leading UK supplier of fully cooked and IQF poultry products, we continue to closely monitor the rising poultry prices globally and within the UK. While sustained demand growth is driving market potential, supply remains constrained due to global conflicts, Avian Influenza, and ongoing inflation.

Rising beef prices are prompting many food service operators to replace beef with chicken on their menus, creating opportunities for agile operators to adapt to shifting consumer demand and capitalise on the growing popularity of chicken dishes.

Building on our June 2025 report, we highlight three key areas where successful operators are focusing to drive growth:

Operational Efficiency: Streamlining back-of-house operations, improving kitchen efficiencies, and reducing waste.

Menu Innovation: Catering to consumer demand for new flavours, health-conscious options, and premium poultry offerings.

Digital & Delivery Strategy: Meeting consumer expectations for convenience through these challenging times and continue to focus on service, quality and innovation, including maintaining a stable supply chain amidst the Global Supply Chain Volatility.

The links take you to our latest range, menu ideas and marketing support.

Should you need further information or have any questions, please contact me directly, our customer service team, or your account manager.



Nigel O'Donnell

Nigel O'Donnell
Managing Director

Follow the links below to see our latest Products, Menu Ideas and Marketing Support



Digital Product Guide



Menu Ideas



Marketing Support

connect
your account 24/7

For our wholesale partners, our Connect E-Commerce platform has made ordering faster and more straight forward. If you haven't registered already simply go to meadowvalefoods.co.uk/sign-in.



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