

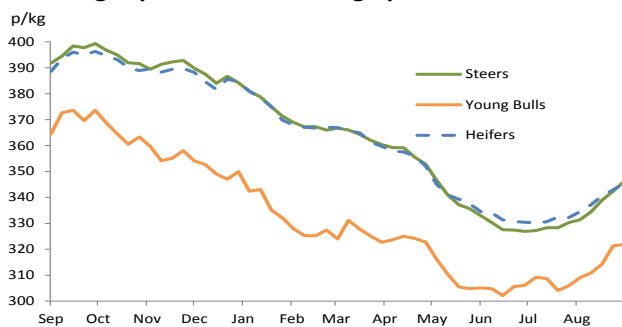
Cattle Weekly

12 September 2014, Issue 37

Positive movement in the prime cattle trade again

The recent upward momentum in the cattle trade has continued for another week. Despite prime cattle numbers coming forward estimated to be up on the week, in week ended 6 September prices increased across the board. Consequently the GB all prime [deadweight average](#) increased 3p on the week to 342.8p/kg. It has now moved up 18p/kg over the past month or so. Despite heifer throughputs being up 1,900 head and steer numbers up 1,500 head, robust demand, in particular for cattle fitting supermarket specification, still prevailed. As a result, R4L steers were up 5p on the week to 355.1p/kg, while heifers of the same grade increased 4p on the week at 350.1p/kg, surpassing the 350p/kg threshold for the first time since early May.

Deadweight prime cattle average prices, 2013/14



Source: AHDB/EBLEX

As trade has firmed, reports suggest that, while many of the rigorous penalties for out of spec cattle have reduced, for young bulls over 16 months of age they are still being applied. In the latest week, the number of young bulls forward was unchanged on the week before. As a result, and following a strong uplift in price the previous week, upwards pressure on young bull prices was somewhat softer than that for other classes of prime cattle. The overall young bull average was up less than a penny at 321.9p/kg.

In the latest week, there was a marked increase in the number of cull cows coming forward, possibly a reflection of producers starting to give consideration to uneconomic cows ahead of autumn housing. Despite this, and demonstrating the continuing robustness of the trade, the [GB deadweight average cow price](#) was unchanged on the week at 229.4p/kg.

Beef and veal exports perform well again

In July, on the back of increased production, [beef and veal exports](#) increased 7% on the year to 8,500 tonnes. While higher shipments to the Netherlands and Ireland largely drove this increase, there was a spectacular increase in exports to Hong Kong. Despite this uplift in volume, the value returned to the industry was still lower compared with July last year, down 3% at £29.8 million; the unit price was back 9% on the year at £3,500/tonne.

Cattle market at a glance

GB Liveweight prices week ending 10/09/14

	Price p/kg lw	p/kg change on wk
Steers	184.1	-0.2
Heifers	197.3	-0.9
Young bulls	172.6	+1.9
Cows	107.9	+1.0

GB Deadweight prices week ending 06/09/14

	Price p/kg dw	p/kg change on wk	
Steers :	R4L	355.1	+4.8
	All	346.1	+3.8
Heifers :	R4L	350.1	+4.3
	All	345.4	+2.5
Young bulls :	R3	328.2	+0.4
	All	321.9	+0.6
Cows :	-O4L	244.0	-3.0
	All	229.4	-0.2

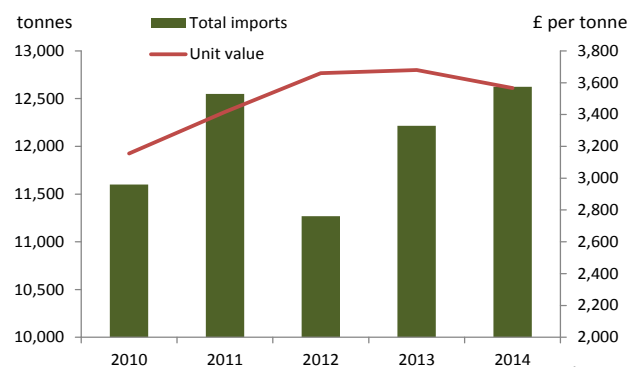
GB Estimated slaughtering

	06/09/14	30/08/14
Steers	15,300	13,800
Heifers	11,800	9,900
Young bulls	4,200	4,200
All prime	31,300	27,900
Cows	11,100	8,200

Source: AHDB/EBLEX/LAA/IAAS

For another month, offal exports continued their strong performance, being up 37% on the year at 3,200 tonnes. Shipments to all of the main destinations increased.

Volume/Value UK beef imports from Ireland, July 2010 to 2014



Source: GTIS/HMRC

For the second consecutive month, imports were lower on the year, being down 6% to 19,100 tonnes. Despite this, Irish shipments resumed their position of being higher than year earlier levels, up 3% to 12,600 tonnes, accounting for two-thirds of the UK's requirement in the month. There were lower shipments from a range of smaller suppliers, including the Netherlands, Poland, Australia, Germany and Botswana.

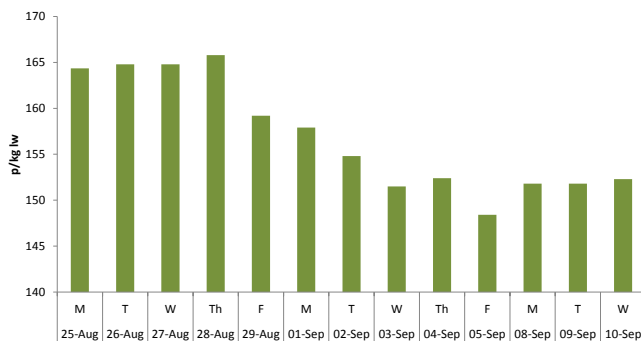
Sheep Weekly

12 September 2014, Issue 37

Prices stabilise after throughputs fall

In week ended 10 September, [liveweight lamb prices](#) continued to follow a 'normal' seasonal pattern and eased on the week. The average GB SQQ for the period was back 5p on the week to average 152.3p/kg. Numbers at GB auction markets were tighter, being back over a quarter on the notably higher throughputs of the week earlier. It is possible that, with the arrival of the breeding sale season, producers' focus may have switched to marketing breeding sheep. Despite the GB NSL SQQ being down on the week overall, prices did demonstrate stability in some areas. Whilst the majority of auction market daily averages showed a drop in prices, some centres, where numbers were tighter, recorded higher prices.

GB Daily liveweight SQQ at GB auction markets



Source: AHDB/EBLEX/LAA/IAAS

Despite the recent weakening of sterling against the euro it appears that it has not been enough to improve demand on the continent. As the autumn weather arrives and with the approaching festival of Eid el Adha offering some support to prices, it is possible that the downwards pressure of recent weeks could be alleviated to some extent. However, the extent of this will, in the main, depend on consumer demand.

Fewer cull ewes forward supported the trade somewhat, with the average in the latest week unchanged on a week earlier at £54.60 per head.

The [deadweight trade](#) for week ended 6 September was still showing the general downwards trend of the time. Consequently, the SQQ was down 5p on the week at 369.5p/kg. This takes the deadweight SQQ to its lowest point since February 2013.

UK exports fall as imports remain steady

Following the considerable increase in sheep meat exports in June, the [latest data from HMRC](#) indicates

Sheep market at a glance

GB Liveweight prices week ending 10/09/14		
	Price p/kg	p/kg change on wk
Lambs SQQ - NSL	152.3	-5.0
	£ per head	£ change on week
Cull ewes	54.6	-0.1
Store lambs - NSL	49.6	-0.3

Deadweight prices week ending 06/09/14		
	Price p/kg	p/kg change on wk
GB lambs SQQ - NSL	369.5	-5.2
European prices week ending 07/09/14 (converted from €)		
United Kingdom	365.9	-5.2
Republic of Ireland	325.3	-3.2
France	487.7	-1.8
EU-25	392.7	-3.3

Estimated slaughterings (lambs)		
	06/09/14	30/08/14
Great Britain	264,000	235,000
Northern Ireland	13,100	12,800
Republic of Ireland	56,300	55,000

Source: AHDB/EBLEX/LAA/IAAS, EU Commission, Bord Bia, DARD

that in July UK sheep meat exports were back 9% on the year at 8,200 tonnes. This decline was entirely due to a fall in the trade to other EU markets which had performed particularly well the month before. Shipments to other member states were back 12% on the year, largely due to a 1,300 tonne, or 25%, year on year decline in exports to France, as trade to Ireland and Italy strengthened. Despite this drop, fresh/chilled cuts to France still performed well, being up 75% on the year and accounting for over 20% of all trade to France. In July last year fresh/chilled cuts accounted for less than 10% of the product mix to France. Increased trade to Hong Kong helped cushion the EU decline to a limited extent, being up 4% to over 1,000 tonnes.

With the lower export volume, the total value of UK exports for July was down by 18% on the year, at £30.4 million, as the average unit value of exports fell 10%.

Imports in July were almost unchanged on the year, at 7,500 tonnes, as increased shipments from New Zealand were offset by reduced volumes from other countries. With a tighter global market so far this year, the average unit value of shipments has been consistently higher than year earlier levels. For July, the average value was 19% higher on the year at £4,400 per tonne.