

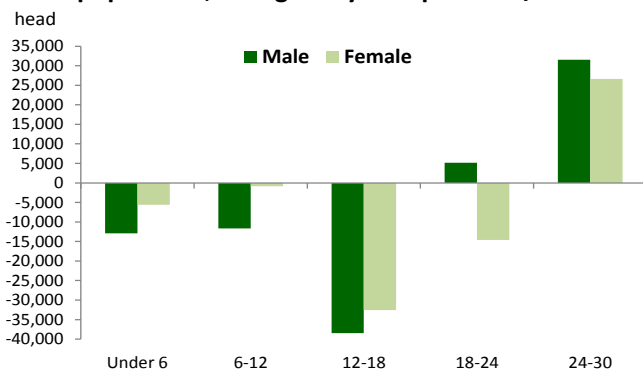
## Substantial fall in cattle prices

Reflecting the continued imbalance in supply and demand, cattle prices remained under pressure for another week. In week ended 10 May, the [deadweight GB all prime cattle price](#) was back 7p on the week at 343.0p/kg. This represented the largest week-on-week fall recorded since July 2008. Similar declines were apparent across the regions of England, as the malaise has spread northwards, while in Scotland, although still back on the week, prices held up a little better.

With the season in transition it is possible that as yarded cattle supplies tail off, the balance in the trade could tighten and support prices somewhat. However, with the mild weather not stimulating demand for roasting cuts it is likely that, amid continued ample supplies, caution amongst processors could result in continued downwards pressure on price in the short term.

Looking further ahead, while BCMS data in April shows the continued potential for increased supplies in the short term it also demonstrates clear signs of lower availability later this year and into 2015. The number of younger cattle under 18 months of age on the ground is significantly back on the year. This means that a return to tight supplies of domestic prime cattle could be around the corner, which may have implications for the evolution of prices.

## Cattle population, change on year April 2014/13



Source: BCMS

[Cow prices](#) again fared better than prime cattle, with reports of a modest amount of competition for better finished cows. In the latest week, the average cow price levelled for the third consecutive week at just ahead of 230p/kg. With grass plentiful in some areas there is the opportunity for producers to take advantage of this by adding weight and finish to those cows that they can. Consequently, numbers are unlikely to increase until the autumn.

## Cattle market at a glance

GB Liveweight prices week ending 14/05/14		
	Price p/kg lw	p/kg change on wk
Steers	175.0	-1.2
Heifers	186.0	-1.8
Young bulls	156.8	+0.4
Cows	112.7	-2.5

GB Deadweight prices week ending 10/05/14			
		Price p/kg dw	p/kg change on wk
Steers :	R4L	354.8	-7.1
	All	346.5	-6.3
Heifers :	R4L	348.5	-6.9
	All	345.0	-7.1
Young bulls :	R3	325.4	-8.2
	All	316.1	-6.7
Cows :	-O4L	244.2	-2.5
	All	231.4	-0.3

GB Estimated slaughterings		
	10/05/14	03/05/14
Steers	15,200	16,400
Heifers	11,100	11,600
Young bulls	4,300	4,100
<b>All prime</b>	<b>30,600</b>	<b>32,100</b>
Cows	8,300	8,400

Source: AHDB/EBLEX/LAA/IAAS

## Beef expenditure still robust

According to the latest [data from Kantar Worldpanel](#) shopper spend on beef remained strong in the February to April period, being up just over 3% on the year. This growth was driven by an increase in retail beef prices, which were up almost 8% against a year ago, though they have stabilised since January this year. Volume sales of beef continued to come under pressure, with sales down 4% year on year, although the rate of decline has eased slightly against the previous period.

The drop in beef sales was driven by a significant fall in purchases of stewing beef, which accounted for just over three quarters of the total fall in volumes. Reduced promotional activity on stewing beef meant that household penetration was down almost 5% points this period, with one major retailer alone experiencing volume declines of over 50%, compared with a year ago. In contrast, at a total market level, sales of frying/grilling cuts and mince were up, with the milder weather experienced this winter and spring a likely contributor to their stronger performance.



# Sheep Weekly

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## Lamb trade rebounds

Having shown some sign of stabilising, and a slight pickup in the previous week, the [liveweight lamb trade](#) for week ended 14 May has rebounded strongly. At 208.8p/kg, the GB OSL SQQ was up 7p on the week. Some of this is on the back of tightened numbers, with old season throughputs down 8% on the week, but demand has likely improved to some extent as well.

While the old season trade experienced tightened supplies, new season prices rebounded. Despite increasing numbers coming forward, further indicating improved demand. At 249.6p/kg the GB NSL SQQ for the week was up 8p on the previous seven days, with numbers 51% higher.

By the end of the week, there was little sign of the rebound slowing, with Wednesday's GB OSL SQQ being up 5p on the week at 209.2p/kg, while the GB NSL SQQ was up 10p at 250.9p/kg.

While there looks to be some increased demand in the market, the exchange rate with the Eurozone looks to be moving in the wrong direction for UK exports. This week, Sterling hit its highest point against the Euro since January 2013, on the back of strong UK economic indicators. If this trend continues continental demand might dampen in the longer term, or at least the buying power of importers could be reduced.

## Total numbers lower year on year

In week ended 14 May, just under 100,000 lambs were reportedly marketed at GB auction marts. This represents an increase of 3% on the week but is a drop of nearly 6% on year earlier levels.

With a considerably lower carryover from 2013 this drop was driven by 11% fewer old season lambs than a year earlier. This decline was somewhat offset by more new season lambs being sold, with numbers up nearly 10% on the year. This comes as the 2014 lamb crop should be larger and better conditions have meant lambs have come forward quicker. However, while new season numbers are higher than last year they are still lagging behind the levels recorded in 2011 and 2012. In this latest week, 29% of lambs sold were new season compared with 25% a year ago, 41% in the corresponding week of 2012 and 54% in 2011. In contrast, old season numbers are still well ahead of the levels recorded in 2011 and 2012.

## Sheep market at a glance

GB Liveweight prices week ending 14/05/14		
	Price p/kg	p/kg change on wk
Lambs SQQ - OSL	208.8	+6.6
Lambs SQQ - NSL	249.6	+8.3
	£ per head	£ change on week
Cull ewes	73.7	+2.5
Store lambs - OSL	63.8	+1.6

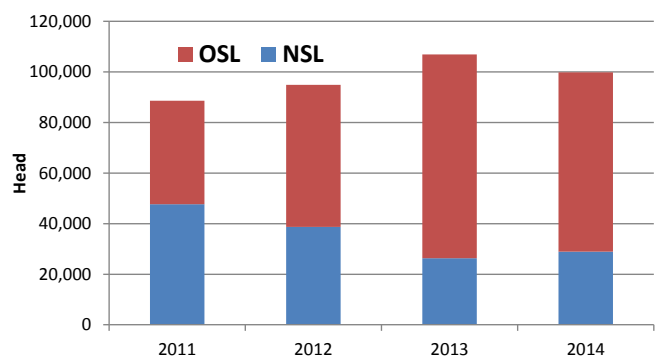
Deadweight prices week ending 10/05/14		
	Price p/kg	p/kg change on wk
GB lambs SQQ - OSL	463.3	-9.7
GB lambs SQQ - NSL	520.1	-12.4

European prices week ending 11/05/14 (converted from €)		
United Kingdom	475.0	-4.1
Republic of Ireland	429.0	-12.9
France	556.4	-4.5
EU-25	477.9	-3.0

Estimated slaughterings (lambs)		
	10/05/14	03/05/14
Great Britain	201,400	223,100
Northern Ireland	4,600	4,900
Republic of Ireland	n/a	36,300

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

## Lamb numbers at GB marts in latest week



Source: AHDB/EBLEX/LAA/IAAS

## Reduced imports of NZ lamb hit total sales

Latest figures from [Kantar Worldpanel](#) show that, with lower volumes of New Zealand product entering the UK, retail sales of lamb have declined, compared with last year, being down 10% in the 12 weeks to the end of April. However, with higher prices on the back of lower availability, expenditure has remained strong and is still historically high.

A full analysis of these figures can be found on the [EBLEX website](#).