

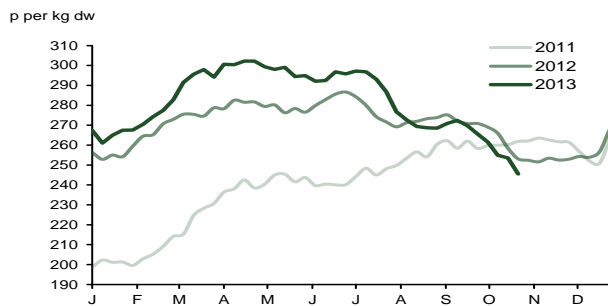
Cattle Weekly

1 November 2013, Issue 44

Cattle trade still finely balanced

As expected, ahead of the start of the Christmas procurement period, in week ended 26 October deadweight cattle prices eased again. With all classes of cattle cheaper on the week, the [GB all prime cattle indicator](#) was back another 3p to average 388.0p/kg. Reports suggest that with the somewhat mild weather continuing, consumer demand has not increased significantly enough to offset adequate supplies. However, with the seasonal uplift in demand imminent, it is likely that upwards pressure on price will re-assert itself, particularly for cattle which meet tight supermarket specifications, as processors attempt to source adequate supplies to fulfil contracts.

-04L deadweight cull cow price



Source: AHDB/EBLEX

Cow prices continue to be under pressure. In week ended 26 October the [-04L cow price](#) fell 8p on the week to average 245.5p/kg. Cow prices on the continent have also fallen and given that the UK is an exporter of cow beef, this may have contributed to the movement in domestic prices. The sustained price decline since the summer is seasonal to some degree. However, it has been more marked than normal, suggesting some easing in demand given production was behind last year's level during the summer. The increased availability of cheaper Polish beef on some markets has also contributed to the easing in demand. Further analysis of the EU cow market is available on the [EBLEX website](#).

Reduced sales of stewing and roasting joints impact on overall beef performance

According to the latest [Kantar Wordpanel data](#), in the four weeks to 13 October household beef purchases declined 4% on the year. This fall was heavily influenced by a notable reduction in the number of households buying stewing beef, which resulted in a 16% decrease in household purchases compared to last year. On the back of a significant reduction in the number of consumers buying beef roasting joints sales also struggled. Increased promotional activity on pork leg and shoulder roasting joints appeared to have provided an attractive, cost-effective alternative to shoppers buying roasting joints. Mince sales were back almost 1% on the corresponding period last year.

Cattle market at a glance

GB Liveweight prices week ending 30/10/2013

	Price p/kg lw	p/kg change on wk
Steers	195.8	-2.0
Heifers	205.1	-0.6
Young bulls	178.9	-1.9
Cows	101.6	-4.4

GB Deadweight prices week ending 26/10/2013

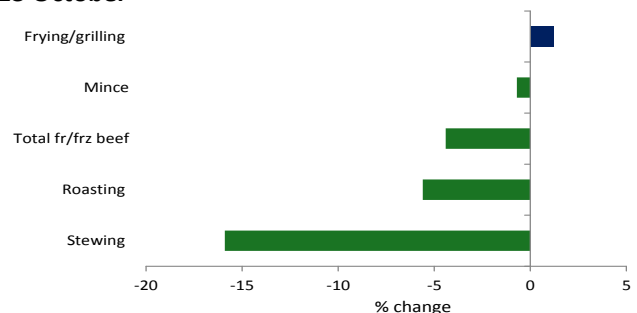
	Price p/kg dw	p/kg change on wk	
Steers :	R4L	400.2	-1.4
	All	391.9	-3.0
Heifers :	R4L	395.3	-3.0
	All	390.1	-3.0
Young bulls :	R3	372.5	-3.6
	All	360.5	-4.0
Cows :	-04L	245.5	-8.1
	All	222.6	-4.6

GB Estimated slaughtering

	26/10/2013	19/10/2013
Steers	15,500	15,500
Heifers	12,300	12,800
Young bulls	4,200	3,900
All prime	32,000	32,200
Cows	10,500	10,100

Source: AHDB/EBLEX/LAA/IAAS

Household beef purchases, change on year, 4 weeks to 13 October



Source: Kantar Worldpanel

Despite the fall in volume purchases the continued increase in average retail prices drove expenditure in the four-week period up 4% on the year to £165 million.

Little change to the forecast for prime cattle supplies

The key conclusions of the latest AHDB/EBLEX forecasts for the UK cattle sector are now available in detail on the [EBLEX website](#). With a drop in production and a broadly unchanged trade position, supplies available for domestic consumption in 2013 are revised lower from previous forecasts. A small increase in available supply is expected in 2014, largely on the back of an increase in production and imports.

Sheep Weekly

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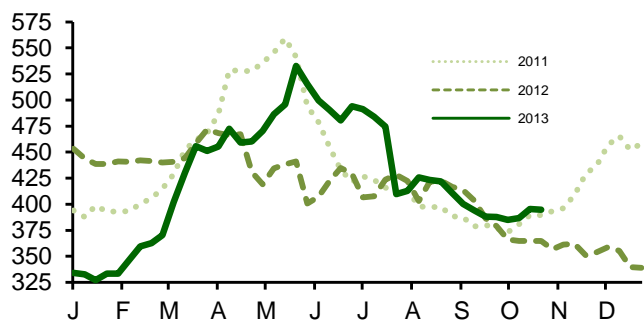
Lamb trade shows some pick up

Even with numbers increasing slightly on the week, the lamb trade at [GB auction marts](#) in week ended 30 October showed some signs of strengthening. Overall, the weekly SQQ was up nearly 2p week on week at 173.0p/kg, with the heavy lamb (45.6kg to 52kg) average up a similar amount to 167.1p/kg. This slight rise gives some indication that demand may be starting to pick up as we head towards more wintry weather. However, much sharper price increases are needed before this can really be considered the start of the seasonal uplift. While still remaining at a relatively low level, the cull ewe trade has also showed some pick up in the latest week. Overall, the average cull ewe value rose by nearly £1.50 to £45.64 per head.

[Deadweight lamb prices](#) for week ended 26 October broadly levelled with the overall SQQ easing by less than a penny on the week to average 394.7p/kg.

GB Deadweight SQQ lamb price

p per kg dw



Source: AHDB/EBLEX

Strong sales growth for the majority of lamb cuts

The latest [Kantar Worldpanel data](#), covering the four weeks to 13 October, indicates that household purchases of lamb increased 16% compared with the same four-week period last year. There was double digit growth in purchases of all lamb cuts, with the exception of stewing lamb. After six months of year-on-year declines, purchases of lamb shoulder joints returned to positive growth - up 40% on the year. With an increase in penetration, lamb leg roasting joints continued to record strong growth, although this continued to be heavily driven by availability of cheaper New Zealand product. With fewer households buying stewing lamb, purchases were down 22% compared to the corresponding period last year. In addition some shoppers switched into other lamb cuts.

Overall expenditure on lamb in the four week period increased in line with the uplift in volumes - up 16% to almost £50 million.

Sheep market at a glance

GB Liveweight prices week ending 30/10/2013

	Price p/kg	p/kg change on wk
Lambs SQQ - NSL	173.0	+1.6
	£ per head	£ change on week
Cull ewes	45.6	+1.5
Store lambs - NSL	54.2	+0.7

Deadweight prices week ending 26/10/2013

	Price p/kg	p/kg change on wk
GB lambs SQQ - NSL	394.7	-0.8

European prices week ending 27/10/2013 (converted from €)

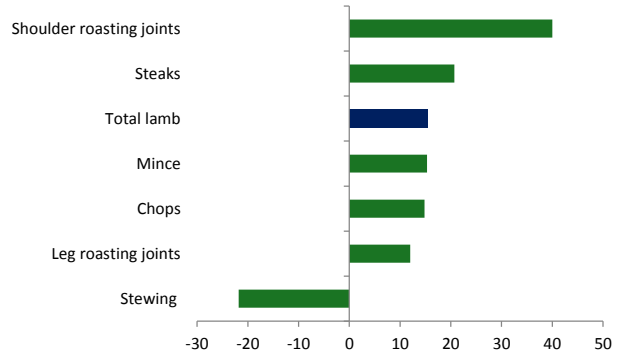
	Price p/kg	p/kg change on wk
United Kingdom	391.0	-0.3
Republic of Ireland	345.0	+4.6
France	527.7	+1.9
EU-25	419.3	+1.5

Estimated slaughterings (lambs)

	26/10/2013	19/10/2013
Great Britain	260,400	266,300
Northern Ireland	11,800	11,775
Republic of Ireland	na	50,400

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

Household lamb purchases, change on year, 4 weeks to 13 October



Source: Kantar Worldpanel

Latest sheep meat forecasts for the UK available

With the first releases from the regional June surveys indicating that the 2013 lamb crop was not as low as previously thought, there has been some upwards revision to lamb numbers in the latest AHDB/EBLEX forecasts. While these revisions indicate that UK production will be higher than previously thought, domestic supplies are now forecast to be tighter than previously expected. This comes as the trade balance is set to alter to some degree, with lower imports and higher exports. Full details of the revised forecasts are available on the [EBLEX website](#).