

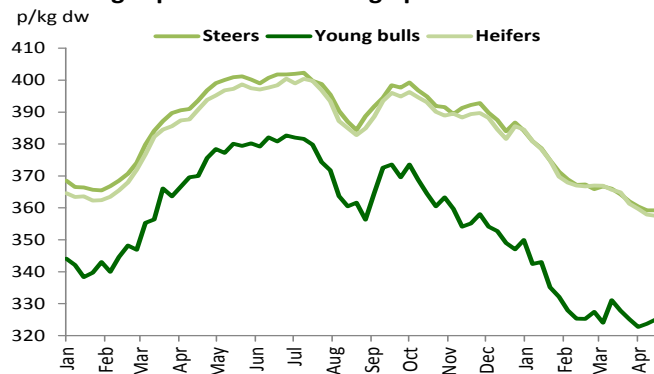
Cattle Weekly

25 April 2014, Issue 17

Deadweight cattle prices level

In week ended 19 April the [deadweight cattle trade](#) broadly stood on. With supply and demand matched in the disrupted Easter week, the all prime average price was only a fraction down on the week at 355.9p/kg. While average steer and heifer values levelled, young bulls, on average, were more expensive. With cattle benefiting from the improved conditions and better quality forage, the number coming forward should remain relatively strong. As such, the supply/demand balance is likely to remain narrow, thus keeping a lid on the resumption of any upwards pressure on price in the short term.

Deadweight prime cattle average prices 2013-14



Source: AHDB/EBLEX

Despite this, the holiday disruptions did give some impetus to the liveweight trade. In week ended 23 April, prime cattle values at [GB auction marts](#) showed some uplift. With all classes of cattle strengthening on lower numbers, the all prime indicator was up 6p on the week at 186.3p/kg.

Carcase quality continues to improve

The quality of British beef carcasses improved last year according to the latest annual carcass classification results released by [EBLEX](#). With significant improvements in steer and heifer results, over 55% of all carcasses in the sample met the 'R4L or better' target market specification. This represents an increase of almost 4% on the year and was achieved despite an increase in dairy male calf registrations in the period 2008 to 2012. With current difficulties in the trade for cattle outside target specification, these results are encouraging. These results indicate that producers are maximising their financial returns by producing the type of finished cattle the market place really wants and is prepared to pay the highest price for.

Contrasting trends in trade

According to the latest HMRC data, [exports of beef and veal](#) in February were down 21% on year earlier levels at 8,100 tonnes. This fall was largely the result of declining shipments to other EU member states as availability, relative price and consumer demand all impacted on volumes. Meanwhile, overall volumes to non-EU markets fell only 7% on the year.

Cattle market at a glance

GB Liveweight prices week ending 23/04/14		
	Price p/kg lw	p/kg change on wk
Steers	185.2	+5.3
Heifers	198.5	+7.6
Young bulls	167.6	+2.8
Cows	115.5	+2.7

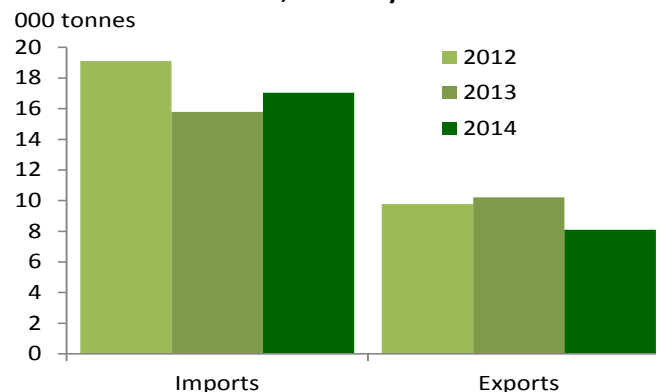
GB Deadweight prices week ending 19/04/14			
		Price p/kg dw	p/kg change on wk
Steers :	R4L	366.8	+0.1
	All	359.2	n/c
Heifers :	R4L	362.0	-0.9
	All	357.5	-0.4
Young bulls :	R3	337.8	-3.0
	All	325.0	+1.3
Cows :	-O4L	249.1	-0.2
	All	230.3	-3.8

GB Estimated slaughterings		
	19/04/14	12/04/14
Steers	14,800	16,600
Heifers	11,200	12,600
Young bulls	3,400	3,500
All prime	29,400	32,600
Cows	7,200	9,100

Source: AHDB/EBLEX/LAA/IAAS

Of these, the largest destination remained Hong Kong, with shipments more than doubling on the year.

UK beef and veal trade, February



Source: GTIS, HM Revenue & Customs

[Imports of beef and veal](#) were above year earlier levels in February, being up 8% to 17,050 tonnes. Much of this uplift is as a result of increased shipments from Ireland. As expected, export availability in Ireland has been boosted by the continued increase in production. Imports from outside the EU were back 14% on the year as Australia, Namibia, Uruguay and Brazil all recorded lower shipments.

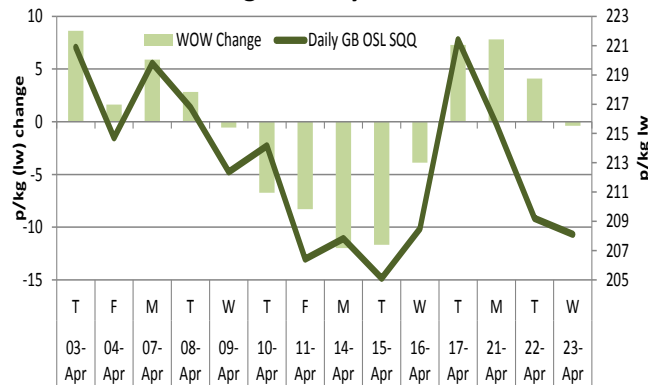
Sheep Weekly

25 April 2014, Issue 17

Old season trade rebounds on Easter disruptions

With the Easter Bank Holidays disrupting the marketing of sheep the trade for old season lambs at [GB auction marts](#) rebounded following a pre-Easter slowdown. At 212.5p/kg the liveweight GB OSL SQQ for week ended 23 April was up 3p on the week. However, by Wednesday 23 April prices were marginally lower on the week, showing that this uplift was only temporary. This follows the usual seasonal pattern as numbers are generally lower due to the Bank Holidays and processors and retailers look to restock following the Easter weekend.

Week on week change in daily GB OSL SQQs



Source: AHDB/EBLEX/LAA/IAAS

With Easter representing the peak of demand, the usual pattern for old season prices from here onwards would be for a general easing as the switch over to the new season starts to occur. Additionally, with the end of the old season approaching and producers getting into the tail end of their animals, quality should be easing as well. However, if sufficient supplies of new season lambs can't be procured and demand remains robust, then old season prices may remain firm, especially as supplies of these animals should be tight.

Reflecting the pre-Easter easing in the liveweight trade the [deadweight GB OSL SQQ](#) for week ended 19 April fell nearly 7p on the week to 483.2p/kg.

Spring lamb trade falls back

In contrast to the old season trade, prices for new season lambs at [GB auction marts](#) fell in week ended 23 April. At 255.7p/kg the liveweight GB NSL SQQ fell 9p on the week.

Given that the Easter period results in a strong pressure on the new season trade, it is fairly normal for new season prices to edge back once Easter is done with.

Sheep market at a glance

GB Liveweight prices week ending 23/04/14		
	Price p/kg	p/kg change on wk
Lambs SQQ - OSL	212.5	+3.0
Lambs SQQ - NSL	255.7	-9.0
	£ per head	£ change on week
Cull ewes	75.9	+4.4
Store lambs - OSL	65.7	-0.3

Deadweight prices week ending 19/04/14		
	Price p/kg	p/kg change on wk
GB lambs SQQ - OSL	483.2	-6.6
GB lambs SQQ - NSL	529.6	+12.7

European prices week ending 20/04/14 (converted from €)		
United Kingdom	481.5	-4.7
Republic of Ireland	434.9	-0.8
France	565.3	+13.9
EU-25	482.1	-1.1

Estimated slaughterings (lambs)		
	19/04/14	12/04/14
Great Britain	209,800	236,100
Northern Ireland	5,000	5,500
Republic of Ireland	41,500	41,100

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

From here there is not necessarily a set pattern that the trade follows with much relying on the supply of new season lambs and demand levels. In the past two years the trade has followed two very different patterns. In 2013 after the usual post-Easter drop the trade remained very firm right up until the end of May and was still above 200p until mid-July.

In contrast, during 2012 new season prices had fallen below the 200p mark by the end of May as the market in general was very difficult. The key factor in pricing over the next two months or so is likely to be how many new season lambs are available and at what point the usual summer glut arrives. Other important factors should be how many old season lambs are left to come forward, the weather and the level of consumer demand at home and abroad.

Reflecting the pre-Easter strengthening of the trade the deadweight GB NSL SQQ for week ended 19 April up 13p on the week at 529.6p/kg.

February trade data released

The latest HMRC release is now available on the [EBLEX website](#) as is further analysis of both [imports](#) and [exports](#).