# Cattle Weekly

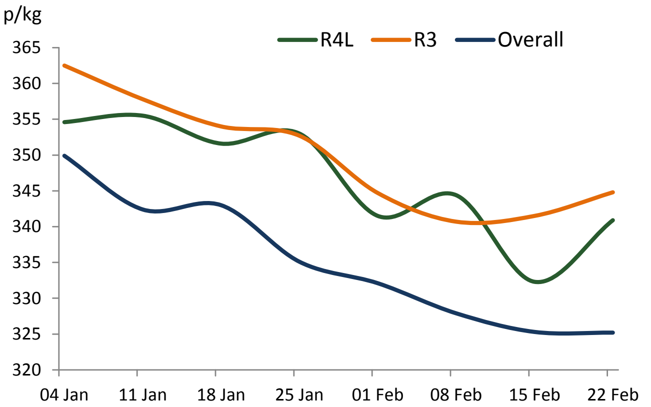
*28 February 2014, Issue 9*

## Prime cattle trade stabilises as cows strengthen

Following a slowdown in the decline of deadweight cattle prices a fortnight ago, the prime trade in week ended 22 February demonstrated some stability. With supply and demand in a more balanced position, steer and heifer values were almost unchanged on the week, contributing to the all prime cattle average levelling at 363.9p/kg. Despite this, reports continue to suggest that there remain some significant pressure points in the trade, particularly for dairy-sired bulls outside supermarket specification, which continue to attract substantial penalties in many cases.

Analysis of the latest week's throughputs indicates that, compared with the week earlier, a greater proportion of the young bull kill fell into fat class 1 or 2. This meant that, while better quality bulls increased in price, R3 up 3p and R4L up 9p, the overall young bull price was unchanged on the week at 325.2p/kg. This was a result of the increased proportion of cheaper, leaner animals dragging the average down, even though most of these categories were also higher on the week.

**Deadweight young bull prices 2014**




*Source: AHDB/EBLEX/LAA/IAAS*

The cow trade strengthened for the second week in a row as numbers forward were tighter once again. At 228.5p/kg, the overall cow average price increased another 5p on the week to reach its highest position this year so far. With the stronger value of sterling making exports less attractive, it is possible that the domestic market will become increasingly important to the cow trade. Looking forward, the news that ready meals can be branded with the Red Tractor logo when they contain UK farm assured meat could result in a boost for manufacturing grade cow beef prices.

## Higher weights mostly offset lower numbers

Entirely as a result of lower supplies in Northern Ireland and Scotland, total UK prime cattle throughputs were 1% back on the year, at 179,200 head. In contrast, England and Wales, throughputs were up 4% on the year. While UK heifer throughputs were back 1% and steers back 2%, the number of young bulls processed was up 2% compared with January 2013, as numbers in Scotland and Northern Ireland were significantly higher. As expected, with high culling early in 2013, adult cattle throughputs in January continued to be lower than year earlier levels, being down 8% at 59,000 head. This came as all regions of the UK recorded lower numbers.

Carcase weights for both steers and heifers were higher year on year during the month, offsetting the lower numbers of prime cattle to a large extent. As a result, production from prime cattle was similar to that in January last year. Slaughter weights of cows were significantly up on the year, averaging 11kg higher, as lower cereals prices may be offering the opportunity for producers to add some finish to cows. As such, despite the notably lower throughputs, production from adult cattle in January was back only 5% year on year. Consequently, overall UK beef and veal production for the month was back just 1% on the year at 81,100 tonnes.

## Cattle market at a glance

**GB Liveweight prices week ending 26/02/14**

| | Price p/kg lw | p/kg change on wk |
|---|---|---|
| Steers | 187.9 | +0.2 |
| Heifers | 194.6 | -2.9 |
| Young bulls | 165.2 | -2.6 |
| Cows | 112.3 | -2.6 |

**GB Deadweight prices week ending 22/02/14**

| | | Price p/kg dw | p/kg change on wk |
|---|---|---|---|
| Steers : | R4L | 375.0 | +0.2 |
| | All | 367.3 | +0.1 |
| Heifers : | R4L | 370.2 | -0.3 |
| | All | 366.7 | -0.3 |
| Young bulls : | R3 | 344.8 | +3.3 |
| | All | 325.2 | -0.1 |
| Cows : | -O4L | 236.1 | +2.9 |
| | All | 228.5 | +5.1 |

**GB Estimated slaughterings**

| | 22/02/14 | 15/02/14 |
|---|---|---|
| Steers | 15,800 | 15,800 |
| Heifers | 12,400 | 12,800 |
| Young bulls | 3,500 | 3,100 |
| **All prime** | **31,800** | **31,800** |
| Cows | 9,200 | 9,900 |

*Source: AHDB/EBLEX/LAA/IAAS*

# Sheep Weekly

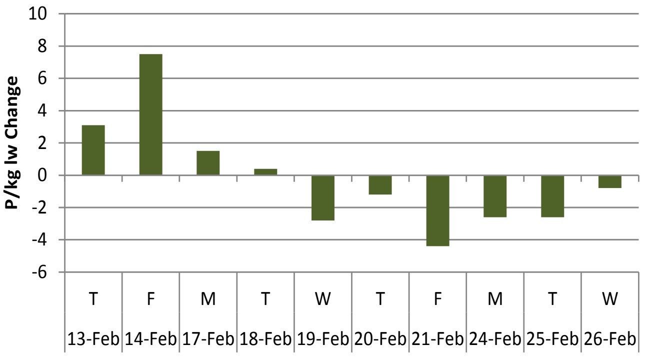
28 February 2014, Issue 9

## Lamb trade edges back

In the latest week, liveweight old season lamb prices have eased back as some of the pressure in the market has been relieved. Across the country, numbers were variable, with some marts reporting considerably increased numbers forward and others showing significantly lower throughputs. Similarly, the trade across the country was somewhat variable as a number of centres have reported a stronger trade on the week, despite the overall national average falling.

Overall GB auction mart lamb throughputs were down 2% in week ended 26 February. Despite this slight tightening of supply, the average price for the week was down 2p on the week at 190.5p/kg. However, by the end of the week, with numbers down 10% on the week, the rate of decline seemed to be slowing. At 188.8p/kg the SQQ for Wednesday 26 February was less than a penny lower on the week.

**W-O-W change in daily GB LW SQQ**




*Source: AHDB/EBLEX/LAA/IAAS*

Meanwhile, the provisional SQQ for Thursday 27 February was showing some uplift in the trade again, being 2p higher on the week at 195.2p/kg.

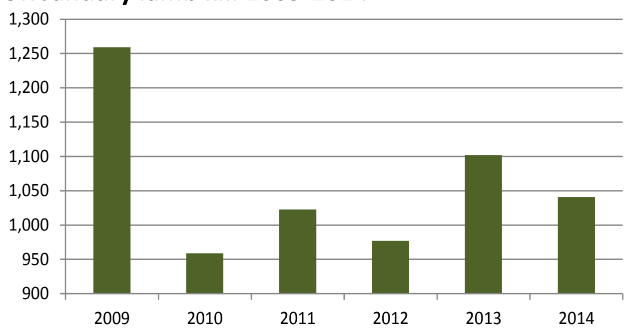
## Spring lambs coming forward

With the weather a little more like spring, there are a small number of new season lambs now entering the market. In week ended 26 February, over 100 of these animals were traded at various markets across lower England and the midlands. At 202.2p/kg the NSL SQQ was down slightly on the week but is some 6p ahead of year earlier levels.

## January lamb kill lower

Latest DEFRA figures show that the UK lamb kill for January was over 5% lower on the year at 1.04 million head. However, this follows the considerable increase in slaughterings in early 2013 due to the large carryover of lambs from 2012. As a result, these latest figures are still almost 7% higher than January 2012 levels and represent the second highest January lamb kill since 2009.

**UK January lamb kill 2009-2014**




*Source: DEFRA*

Following better seasonal conditions in the second half of 2013, carcase weights during January were almost 2% higher on the year at 19.3kg, offsetting the lower numbers to some degree.

## Adult sheep kill higher

At 214,000 head, the UK adult sheep kill for January was 13% higher on the year. This follows a similar rise in January 2013, meaning that current levels are over a quarter above where they were two years ago. These increased adult numbers were the key driver in total UK mutton and lamb production for the month being 1% higher on the year at 26,100 tonnes.

## Sheep market at a glance

| GB Liveweight prices week ending 26/02/14 | | |
|---|---|---|
| | **Price p/kg** | **p/kg change on wk** |
| Lambs SQQ - OSL | 190.5 | -1.8 |
| | **£ per head** | **£ change on week** |
| Cull ewes | 59.6 | n/c |
| Store lambs - OSL | 61.9 | 0.3 |

| Deadweight prices week ending 22/02/14 | | |
|---|---|---|
| | **Price p/kg** | **p/kg change on wk** |
| GB lambs SQQ - OSL | 422.4 | +12.4 |
| **European prices week ending 23/02/14 (converted from €)** | | |
| United Kingdom | 419.3 | +8.4 |
| Republic of Ireland | 369.2 | +2.4 |
| France | 479.2 | +2.1 |
| EU-25 | 420.1 | +3.5 |

| Estimated slaughterings (lambs) | | |
|---|---|---|
| | **22/02/14** | **15/02/14** |
| Great Britain | 178,900 | 182,900 |
| Northern Ireland | 6,000 | 6,800 |
| Republic of Ireland | 36,900 | 35,900 |

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