

# Cattle Weekly

2 August 2013, Issue 31

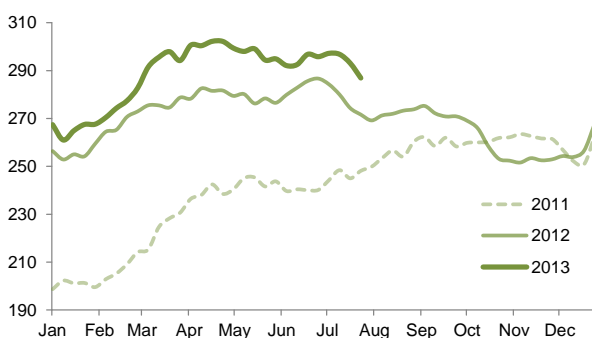
## Lid stays on cattle prices

In week ended 27 July, at 394.1p/kg the [GB all prime cattle indicator](#) was back another 2p on the week. Trade again responded to reports of subdued domestic consumer demand as the weather remained fine. AHDB/EBLEX estimates suggest that slaughterings were broadly similar to last week. Going forward, they are expected to fall with harvest on the horizon and young bull supply slowing after its peak period in the past couple of months. Hovering around the 400p/kg mark, prices are still around 50p ahead of year earlier levels.

The cow trade eased for the second consecutive week. The GB -04L cow price has eased 10p per kg over the past fortnight to average 286.9p/kg in week ended 27 July, although this still remains around 20p/kg ahead of year earlier levels. Intelligence suggests that a large quantity of Polish beef has been on offer at discounted prices on the continent, affecting export demand.

It is reported that, under pressure from animal rights activists, the Polish Parliament has banned the practice of ritual slaughter. The Polish beef industry is very export dependent, with trade accounting for over 80% of production. Its beef is among the cheapest in the EU and an immediate result of the ban appears to have been a surge in displaced beef which would previously have been sold onto markets across the Middle East. Talks are ongoing in Poland in an attempt to resolve the situation which may curb the destabilising effect on trade.

## GB -04L deadweight cow price



Source: AHDB/EBLEX

## Barbecue opportunities boost beef burger and grill sales

According to the latest [Kantar Worldpanel data](#), in the four weeks to July 7 the improved weather and opportunity for barbecues has helped improve sales performance of burgers and grills, which were up 29% on the year. Despite this uplift, overall volume sales of fresh and frozen beef were back 8% compared with the same period last year. A combination of fewer households purchasing beef and a reduction in the average amount bought per shopping trip contributed to lower volumes. In addition, consumer demand for

## Cattle market at a glance

GB Liveweight prices week ending 31/07/13		
	Price p/kg lw	p/kg change on wk
Steers	202.4	-8.0
Heifers	210.6	-3.5
Young bulls	185.2	-6.3
Cows	121.1	-5.4

GB Deadweight prices week ending 27/07/13			
	Price p/kg dw	p/kg change on wk	
Steers :	R4L	406.3	-1.3
	All	398.8	1.0
Heifers :	R4L	399.4	-4.4
	All	396.9	-2.9
Young bulls :	R3	379.2	-3.2
	All	374.4	-5.4
Cows :	-04L	286.9	-6.2
	All	269.0	-4.9

GB Estimated slaughterings		
	27/07/13	20/07/13
Steers	13,300	13,200
Heifers	10,600	10,700
Young bulls	5,500	5,500
<b>All prime</b>	<b>29,400</b>	<b>29,400</b>
Cows	8,700	8,600

Source: AHDB/EBLEX/LAA/IAAS

some higher priced cuts appears to have been subdued in response to the fine weather. In particular, purchases of roasting joints were back 17% on the year. Frying and grilling steaks also struggled, as a reduced number of price promotions resulted in higher prices.



Source: Kantar Worldpanel

In the 52 weeks to 7 July consumer spending on beef continued to be ahead of year earlier levels on the back of robust demand and higher prices. At £2.1 billion it was up 4% year on year.

# Sheep Weekly

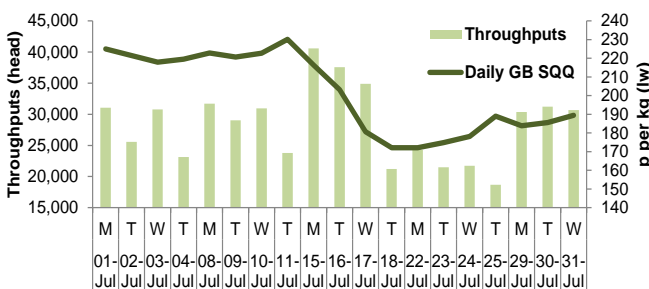
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## Lamb trade shows some recovery

[Liveweight lamb prices](#) have shown some recovery in week ended 31 July, with the daily GB SQQs trading between 183p/kg and 190p/kg. Overall, the average GB SQQ for the week was 186.8p/kg, a rise of 13p on the week. Outside of the SQQ, demand for heavy lambs has kept pace, posting a similar rise on the week, with an average price of 182.2p/kg.

With better prices being achieved there has been increased numbers of lambs coming forward, but throughputs are not back to where they were when the trade fell sharply. However, the trade continued to hold firm as the week progressed, even with more numbers forward. By Wednesday 31 July, numbers were still rising, being up 41% on the week, but the daily SQQ was still stronger at 189.5p/kg.

## GB mart throughputs vs daily SQQ

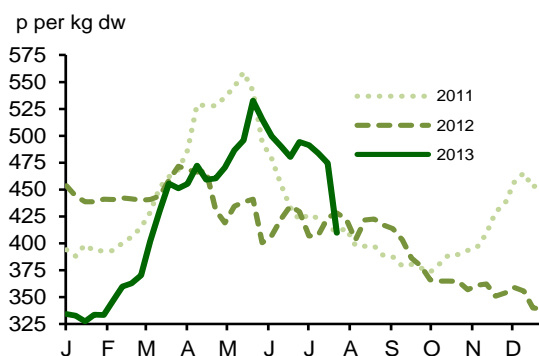


Source: AHDB/EBLEX/LAA/IAAS (does not include Friday trade due to low volumes) behind the current trend, demand has likely started to pick up now that the weather has broken.

## Biggest drop in the trade on record

[Deadweight lamb prices](#) have now followed the sharp downward trend, dropping 65p in week ended 27 July to 409.6p/kg. This drop represents the largest week-on-week fall on record (both in absolute and percentage terms).

## GB Deadweight SQQ lamb price



Source: AHDB/EBLEX

## Sheep market at a glance

GB Liveweight prices week ending 31/07/13		
	Price p/kg	p/kg change on wk
Lambs SQQ - NSL	186.8	+12.5
	£ per head	£ change on week
Cull ewes	55.2	+2.3
Store lambs - NSL	54.1	-0.8

Deadweight prices week ending 27/07/13		
	Price p/kg	p/kg change on wk
GB lambs SQQ - NSL	409.6	-64.9

European prices week ending 28/07/13 (converted from €)		
United Kingdom	406.4	-63.9
Republic of Ireland	379.1	-30.0
France	554.5	-2.1
EU-25	439.5	-35.1

Estimated slaughterings (lambs)		
	27/07/13	20/07/13
Great Britain	209,300	234,600
Northern Ireland	9,700	8,800
Republic of Ireland	46,700	50,800

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

## Legs and chops drive higher lamb sales

Consumer spending on lamb continued to grow in the four weeks to 7 July, according to the latest [GB retail sales data](#) from Kantar Worldpanel. Overall lamb expenditure rose 8% year-on-year, driven by strong increases for both lamb leg roasting joints (+27%) and frying/grilling chops (+13%).

The rise in expenditure on these two cuts was solely the result of increased volumes being purchased, with leg sales up 42% on the year and chops 25% higher. Overall, volume purchases of lamb were 15% higher on the year, driving the rise in expenditure. However, shoulder joint sales dropped 27% on the year as some people switched to leg joints. The rise in sales comes as availability has increased to some extent and prices have eased; the average leg price was 11% lower on the year while chops were 10% cheaper.

These lower prices (on the back of continued strong promotional activity) have attracted more consumers to the lamb category. Such strong promotional activity is likely still being driven by increased volumes of New Zealand lamb on the market.

The UK yearbook is available free of charge on the EBLEX website in two pdf files, one for sheep and one for cattle. You can find them in the [MI Publications section](#).