

Cattle Weekly

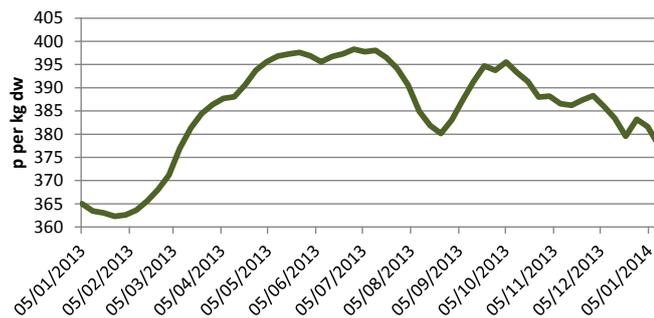
17 January 2014, Issue 3

January blues for cattle trade

With consumer demand evidently undergoing the usual drop in January, [deadweight cattle prices](#) have continued to ease in the latest week. January is traditionally a time when farmgate prices come under pressure as consumer budgets are constrained, following the holiday period and austerity and abstinence are the order of the day.

Overall, in week ended 11 January, both steer and heifer values fell to 380.9p/kg, taking the trade in these animals to the lowest point, since March of last year. Young bull prices fell further, dropping by over 7p/kg to average 342.4p/kg, the lowest point this indicator has been since February 2013. Overall the all prime price fell by over 4p/kg to average 377.7p/kg, its lowest point since March 2013.

GB all prime cattle indicator



Source: AHDB/EBLEX

The fall in prices was likely exacerbated by the resumption of more 'normal' trading, with the latest week representing the first full week of trading after the holiday period.

[Liveweight prime cattle](#) prices have undergone much the same pattern, with the all prime indicator in week ended 15 January falling 9p/kg on the week to average 189.9p/kg.

Cull cow values also eased once again, with the overall average price dropping 3p/kg on the week to 223.2p/kg. However, this price is still higher than pre-Christmas levels when the trade had fallen to as low as 207.1p/kg.

Record prime trade in 2013, but lower values in second half

Following the trend of recent years, deadweight prime cattle prices in GB continued to rise in 2013, with the annual averages representing record highs for all three classes of prime stock. This comes as there remains a tight supply situation globally, meaning many beef producing countries experienced record high prices. In addition, the revelations surrounding the discovery of

Cattle market at a glance

GB Liveweight prices week ending 15/01/14

	Price p/kg lw	p/kg change on wk
Steers	191.4	-7.8
Heifers	200.5	-9.3
Young bulls	173.4	-8.8
Cows	107.9	-0.3

GB Deadweight prices week ending 11/01/14

	Price p/kg dw	p/kg change on wk	
Steers :	R4L	387.7	-4.0
	All	380.9	-3.3
Heifers :	R4L	384.2	-3.4
	All	380.9	-3.6
Young bulls :	R3	357.8	-4.7
	All	342.4	-7.5
Cows :	-O4L	235.7	+2.9
	All	232.2	-2.8

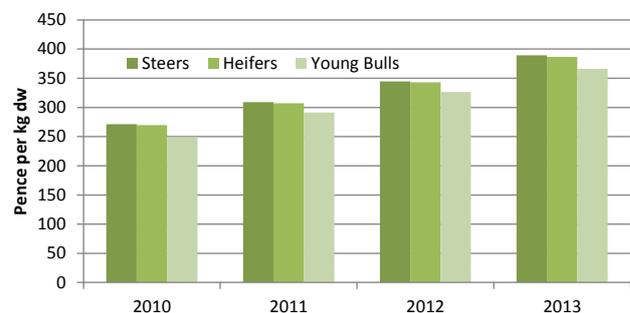
GB Estimated slaughterings

	11/01/14	04/01/14
Steers	15,800	11,700
Heifers	12,500	9,700
Young bulls	3,400	2,400
All prime	31,700	23,800
Cows	11,600	7,700

Source: AHDB/EBLEX/LAA/IAAS

horsemeat in beef products early in the year meant that provenance was a key issue throughout the year, resulting in strong demand for British product.

GB annual prime cattle values



Source: AHDB/EBLEX

While the overall annual averages continue to show strong growth, the year was very much a tale of two halves. In the first six months of the year prices rose steadily, reaching record highs during June and early July. From this point onwards prices generally eased as a number of factors weighted on the trade.

A summary of the year can be found on the [EBLEX website](#).



Sheep Weekly

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Lamb trade heading towards pre-Christmas levels

After the disruptions of the holiday period the [liveweight lamb trade](#) has moved back to more normal trading in week ended 15 January. With lamb prices increasing in response to these disruptions, they have now eased back with the latest GB liveweight SQQ down 5p/kg to 175.1p/kg. This easing was despite supplies tightening, with numbers down 12% on the week. At this level the trade is now heading back towards pre-Christmas levels. It is fairly common for domestic lamb prices to ease in January as consumer demand weakens and some retailers move more towards stocking New Zealand product.

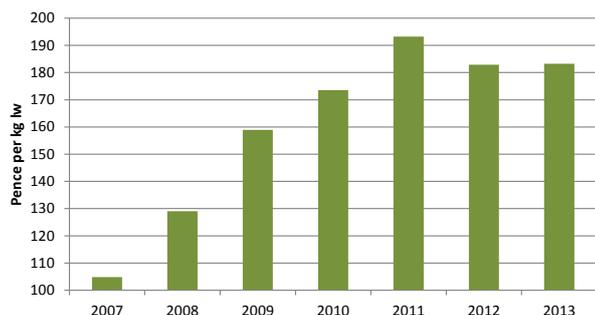
If the trade continues to adhere to the seasonal pattern, as expected, then prices should strengthen in the run up to Easter. This should be helped by a forecast tight supply situation, both at home and abroad, however demand remains a slight concern. It should be noted that Easter is three weeks later this year, meaning any uplift in prices is likely to occur later than it did last year.

As with the liveweight trade, following a slight uplift during the holiday period, the [deadweight GB SQQ](#) decreased 3p/kg to 402.9p/kg in the week ended 11 January.

Variable lamb trade in 2013

2013 was another interesting year for the lamb trade at auction markets in GB. Overall, the average GB liveweight SQQ for the year was 183.2p/kg, slightly ahead of the overall average for 2012 and 10p/kg behind the record high level achieved in 2011. While this average for the whole year is almost the same as it was in 2012, the two years were very different, with prices in 2013 adhering much more to the usual seasonal pattern.

Lamb SQQ at GB auction marts



Source: AHDB/EBLEX/LAA/IAAS

Sheep market at a glance

GB Liveweight prices week ending 15/01/14		
	Price p/kg	p/kg change on wk
Lambs SQQ - OSL	175.1	-4.9
	£ per head	£ change on week
Cull ewes	50.1	-3.0
Store lambs - OSL	55.6	-0.1

Deadweight prices week ending 11/01/14		
	Price p/kg	p/kg change on wk
GB lambs SQQ - OSL	402.9	-3.3

European prices week ending 12/01/14 (converted from €)		
United Kingdom	400.1	-3.6
Republic of Ireland	356.8	+1.8
France	538.7	-5.1
EU-25	421.5	-3.9

Estimated slaughterings (lambs)		
	11/01/14	04/01/14
Great Britain	217,600	164,900
Northern Ireland	8,300	6,900
Republic of Ireland	36,700	37,300

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

The seasonal price variation was considerable across the year, starting with a low of 140.2p/kg at the start of January. From here prices strengthened considerably in the run up to Easter with old season lambs averaging around the 190-200p/kg mark from the middle of March.

Reported prices peaked as the pricing mechanism changed to new season only at the end of May, with an average SQQ of 253.0p/kg. Having stayed remarkably firm in June and early July prices fell sharply in mid-July, before falling to a seasonal low of 162.3p/kg at the start of October. While there was some uplift in October, the full seasonal winter and Christmas uplift failed to occur, with prices showing little change from October onwards.

Overall, 2013 will be remembered as better than 2012 for the most part. However, it remained another challenging year for many producers. While prices largely recovered from the lows at the turn of the year, bad weather and increased usage of bought-in feed resulted in higher costs. As such, many producers will likely have struggled to cover their costs of production once again.

A more detailed summary of the year can be found on the [EBLEX website](#).