

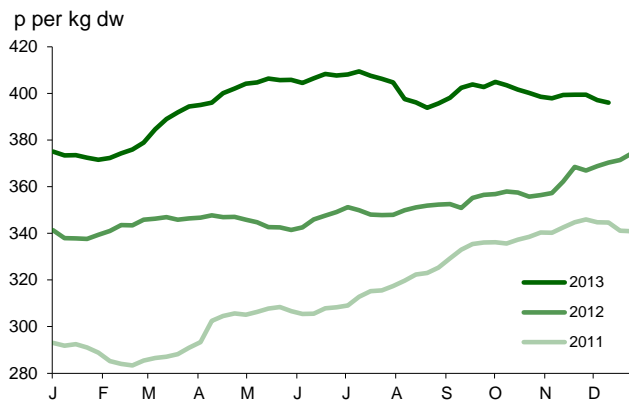
# Cattle Weekly

20 December 2013, Issue 51

## Expectations for an uplift in price fades

As December has progressed and with a general acknowledgement of the absence of any significant seasonal uplift in the appetite for beef at retail level, expectations of a December increase in prime cattle values have faded. In week ended the 14 December, [deadweight cattle prices](#) eased again as demand remained subdued. Prices for all categories of cattle were down on the week, resulting in the all prime cattle average falling 3p to 383.4p/kg. Reports suggest that processors remain cautious; with a particular reluctance to take young bulls over 16 months of age, they are picking the best quality cattle where they are able. Despite the current trend being contrary to seasonal expectations, prime cattle average prices are still 6% up on the year.

### GB R4L deadweight steer price



Source: AHDB/EBLEX

In contrast to the deadweight market, there were significant increases in [liveweight prices](#) early in the month as the Christmas show and sale season got underway, with prize animals reaching above market values. Sharp price increases are rarely repeated as the marketing period for the Christmas trade ends. Consequently, the all prime average at GB auction markets in the week ended 18 December was back 12p on the week at 195p/kg.

## Tight supply continues to impact on trade

With tight cow beef supplies, [beef and veal exports](#) in October were back significantly on the year. On the back of a 5% drop in production shipments to the UK's top 4 destinations, Ireland, the Netherlands, France and Belgium, were all lower. Higher valued boneless cuts continued to take a greater share of the product mix while the proportion of carcase shipments declined. Even with lower slaughterings, offal exports continued to be ahead of year earlier levels. Trade to Ireland increased almost three-fold on the year while shipments to Hong Kong and Ghana increased and together accounted for almost 20% of trade in October.

## Cattle market at a glance

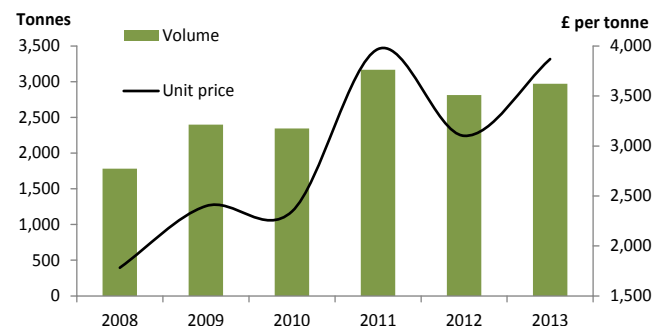
GB Liveweight prices week ending 18/12/13		
	Price p/kg lw	p/kg change on wk
Steers	199.9	-8.9
Heifers	206.1	-12.5
Young bulls	175.1	-12.3
Cows	102.9	+1.4

GB Deadweight prices week ending 14/12/13			
	Price p/kg dw	p/kg change on wk	
Steers :	R4L	396.1	-1.0
	All	387.5	-2.3
Heifers :	R4L	390.7	-0.5
	All	384.6	-3.6
Young bulls :	R3	362.3	-3.0
	All	352.7	-1.4
Cows :	-O4L	229.6	-3.7
	All	209.4	-2.2

GB Estimated slaughterings		
	14/12/13	7/12/13
Steers	16,200	16,000
Heifers	13,100	13,200
Young bulls	3,700	3,900
<b>All prime</b>	<b>33,000</b>	<b>33,100</b>
Cows	10,800	10,700

Source: AHDB/EBLEX/LAA/IAAS

## Volume Vs Value of UK Offal exports, Oct 2008 to 2013



Source: HMRC/GTIS

[Beef and veal imports](#) in October were again up on the year. Despite increased volumes from Ireland, shipments from the EU as a whole were back 2% as demand for manufacturing beef in the UK was still largely fulfilled by domestic supplies. Conversely, there was again a significant uplift in supplies from a number of sources outside the EU, notably, Brazil, Namibia, Australia and Botswana.

## Season's Greetings

Everyone involved with Cattle and Sheep Weekly would like to wish our readers a Happy Christmas and a prosperous New Year. We will not be publishing Cattle and Sheep Weekly next week so this edition will be the last of 2013. The next edition will be published at the normal time on Friday 3 January 2014.

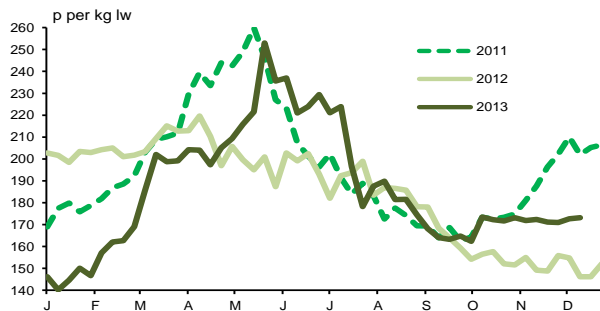
# Sheep Weekly

20 December 2013, Issue 51

## Lamb market still flat

The [liveweight lamb trade](#) has remained steady again in week ending 18 December, with the GB SQQ little changed on the previous week at 173.2p/kg, despite more lambs coming forward. Although prices remain well above last year's level and are broadly unchanged for a number of weeks, there has been little seasonal uplift for the second year running. The stable trade has come despite less New Zealand lamb being on the market this year, suggesting that consumer demand has been subdued. Despite some signs of an improving economic situation, consumer budgets are still under pressure and this is keeping a lid on prices.

### GB liveweight lamb SQQ

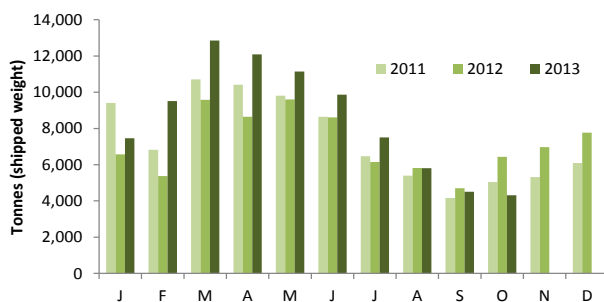


Source: AHDB/EBLEX/LAA/IAAS

## Imports hit a two year low

As expected, the [latest data from HMRC](#) show a further drop in UK sheep meat imports in October. At 4,300 tonnes, shipments were at their lowest level since September 2011 and were down by almost a third on last October. Imports are normally starting to rise at this time of year, as supplies of new season lambs from New Zealand pick up. However, this year, October volumes were 4% lower than in September.

### UK imports of fresh and frozen sheep meat



Source: HMRC/GTIS

For the first time this year, [UK sheep meat exports](#) were lower than a year earlier in October. Shipments were down 9% year on year, to stand at 9,200 tonnes. In part,

## Sheep market at a glance

GB Liveweight prices week ending 18/12/13		
	Price p/kg	p/kg change on wk
Lambs SQQ - NSL	173.2	-0.6
	£ per head	£ change on week
Cull ewes	49.5	-
Store lambs - NSL	55.9	+2.1

Deadweight prices week ending 14/12/13		
	Price p/kg	p/kg change on wk
GB lambs SQQ - NSL	396.3	-0.1

European prices week ending 15/12/13 (converted from €)		
United Kingdom	394.4	+0.5
Republic of Ireland	360.0	+7.7
France	551.6	+8.0
EU-25	423.8	+3.0

Estimated slaughterings (lambs)		
	14/12/13	7/12/13
Great Britain	309,300	264,900
Northern Ireland	9,220	9,990
Republic of Ireland	48,900	48,200

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

this is likely to be the result of the lower imports, meaning more of the UK's production being retained on the domestic market rather than being exported. This is supported by the fact that, while high value markets in the EU took less UK sheep meat, shipments to non-EU markets were up 15%.

The shift of volume share towards lower value markets meant that unit prices for lamb exports were less than 3% higher than a year earlier. While much lower in value, average export prices to Hong Kong were up by a third, reflecting the inclusion of more higher-priced cuts in the mix. Combined with the uplift in volumes, this meant that the value of trade with Hong Kong was up by over 60% on the year to £2.1 million.

## New Zealand lamb crop better than expected

The release of Beef + Lamb New Zealand's lamb crop survey indicated that, despite being larger than previously predicted, the lamb crop is still the second smallest in over 60 years. This is expected to result in a 7% reduction in the export lamb kill and, with higher carcase weights, a drop of 5% in export lamb production. Further details on what these figures mean for the global sheep meat sector can be found in the latest edition of the Cattle and Sheep Market Update [here](#).