

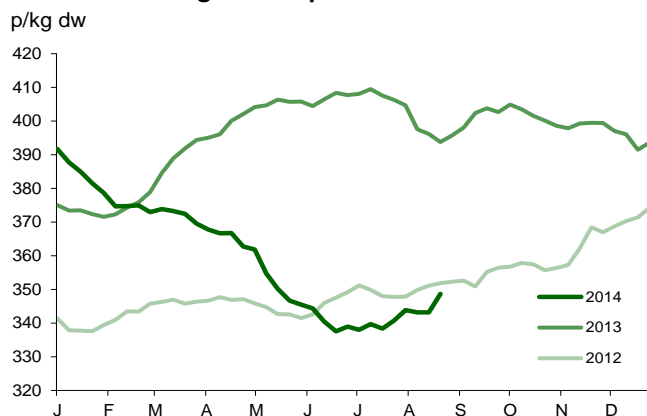
Cattle Weekly

29 August 2014, Issue 35

Positive trading environment continues

Following recent price increases, in week ended 23 August the deadweight cattle trade moved up again. Playing some part in the upwards pressure on price, estimates suggest that the number of prime cattle forward was back 1,500 head on the previous week, although still ahead on the year. With reports suggesting that demand for domestic cattle has been more robust, processors have been more active in the market, meaning competition has intensified. At 335.9p/kg, the overall GB prime cattle deadweight average increased 4p on the week and has now moved up by 10p/kg over the past four weeks, as all classes of cattle have benefited from the tighter marketing conditions.

GB R4L deadweight steer price



Source: AHDB / EBLEX

Although these recent price rises are certainly welcome for producers, the market could still be finely balanced as autumn approaches and the seasonal increase in throughputs occurs. As always, much will depend on consumer demand as the season changes and colder weather arrives.

Irish production increase slows in July

The combination of more cattle coming forward and higher carcase weights has resulted in some very significant year-on-year increases in Irish beef and veal production in the first half of 2014. However, at 138,200 head, cattle slaughterings in July were up just 1%, or 1,900 head, compared with July last year. With carcase weights staying higher, beef and veal production for the month still increased by 4% to 45,700 tonnes. However, this was the smallest year-on-year uplift in 2014 so far, well behind the double digit increases in the March to June period. With the UK by far the largest destination for Irish beef, reduced availability could in some part have contributed to the stability on the UK market during July.

While it could be interpreted that this slowdown in production offers better news for the UK industry, Irish cattle supplies are still relatively robust. The expectation is that there are around 40,000 more cattle

Cattle market at a glance

GB Liveweight prices week ending 27/08/14

	Price p/kg lw	p/kg change on wk
Steers	184.9	+3.1
Heifers	198.6	+2.0
Young bulls	171.4	+7.1
Cows	110.0	+2.5

GB Deadweight prices week ending 23/08/14

	Price p/kg dw	p/kg change on wk	
Steers :	R4L	348.7	+5.5
	All	338.9	+4.5
Heifers :	R4L	343.5	+2.6
	All	340.6	+3.5
Young bulls :	R3	320.2	+4.9
	All	314.3	+3.4
Cows :	-O4L	243.6	-1.3
	All	230.8	+1.5

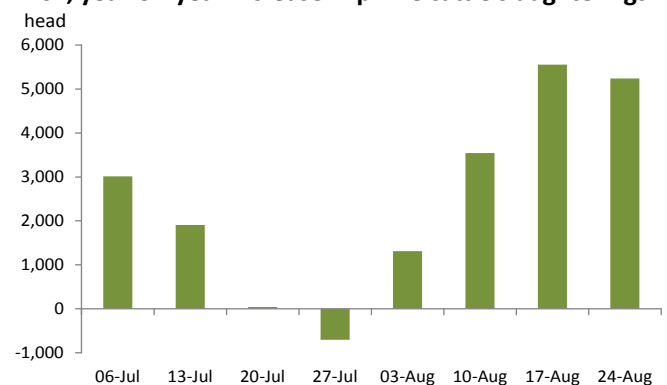
GB Estimated slaughterings

	23/08/14	16/08/14
Steers	14,700	15,000
Heifers	10,900	11,600
Young bulls	4,600	5,000
All prime	30,100	31,600
Cows	9,900	10,000

Source: AHDB/EBLEX/LAA/IAAS

set to come forward, compared with last year. While there was a short period of lower supplies in July, Irish cattle slaughterings have once again started to track ahead of year-earlier levels.

Irish, year-on-year increase in prime cattle slaughterings



Source: Bord Bia/DAFM

Consequently, with price pressure on the Irish market likely to persist, there is still some risk that the price differential could impact on the UK market. With Irish prices broadly leveling while UK prices have moved up, the differential has begun to widen and was close to 50p/kg in week ended 17 August. However, this is still lower than the high point of 70 to 75p in autumn last year.

Sheep Weekly

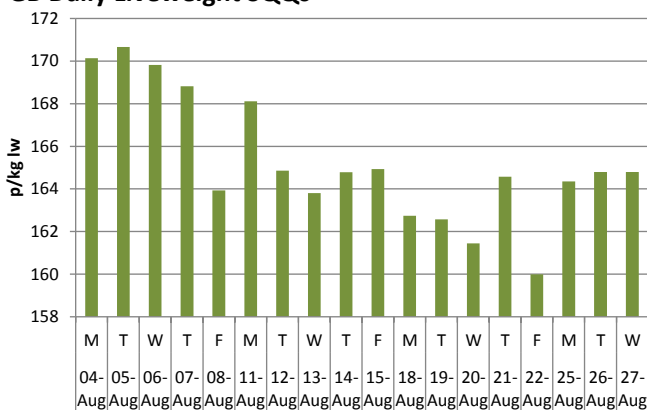
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Holiday disruptions buoy trade

With the August Bank Holiday causing the usual disruptions to the trade, [liveweight lamb prices](#) in week ended 27 August were higher on the week after a period of further easing. At 164.6p/kg, the GB NSL SQQ for the week was up nearly 2p on the week. This came as supplies were evidently tighter, with numbers down 8% on the week.

While the pressure on the market may resume once the Bank Holiday disruptions are over, the trade was still higher on the week on Wednesday 27 August. At 164.8p/kg, the daily average was over 3p higher week on week, although this was little changed from the trade on the Monday and Tuesday.

GB Daily Liveweight SQQs



Source: AHDB/EBLEX/LAA/IAAS

The [deadweight trade](#) for week ended 23 August was still showing the general trend of the time and was lower on the week, being down nearly 4p at 376.4p/kg. This takes the deadweight SQQ to its lowest point since February 2013. However, the liveweight average for the same week was only at the lowest point since the start of October last year.

Northern Irish sheep numbers fall

Preliminary results of the June 2014 Agricultural Census in Northern Ireland show that the Irish sheep flock fell by 1% on the year to 1.89 million head. This was driven by a 3% drop in the number of breeding ewes at 889,700 head. This came as the number of ewes not bred from in the previous year fell by 10%, while the number of those that had been previously tupped fell by 2%. This follows the recent trend of a declining sheep flock in Northern Ireland.

Looking at the 2014 lamb crop, numbers were evidently higher, but maybe not to the extent that was expected. At 953,600 head, the number of lambs aged under

Sheep market at a glance

GB Liveweight prices week ending 27/08/14		
	Price p/kg	p/kg change on wk
Lambs SQQ - NSL	164.6	+1.8
	£ per head	£ change on week
Cull ewes	55.8	-0.3
Store lambs - NSL	50.5	-2.7

Deadweight prices week ending 23/08/14		
	Price p/kg	p/kg change on wk
GB lambs SQQ - NSL	376.4	-3.9

European prices week ending 24/08/14 (converted from €)		
United Kingdom	373.2	-3.8
Republic of Ireland	330.2	-0.8
France	494.7	-1.7
EU-25	398.2	-3.7

Estimated slaughterings (lambs)		
	23/08/14	16/08/14
Great Britain	269,900	237,700
Northern Ireland	11,200	11,100
Republic of Ireland	n/a	49,900

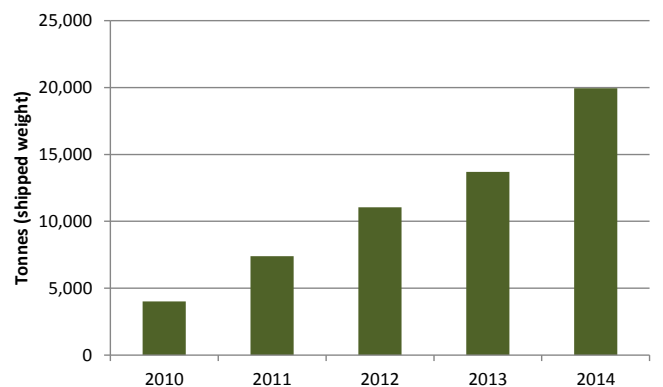
Source: AHDB/EBLEX/LAA/IAAS, EU Commission, Bord Bia, DARD

one-year old was only 1% higher on the year. However, with a 6% drop in the breeding ewe flock as of December 2013, lambing rates were evidently much improved compared with 2013, when adverse seasonal conditions resulted in a significant drop in lamb numbers.

Chinese July imports higher once again

After June, when Chinese sheep meat imports fell for the first time since January 2012, imports for July were once again ahead of year earlier levels. At 19,900 tonnes, total shipments were 46% higher year on year. This came as shipments from New Zealand were more than double year earlier levels at 11,600 tonnes.

Chinese July sheep meat imports



Source: China Customs/GTIS