EBLEX

AHDB Agriculture & Horticulture DEVELOPMENT BOARD

Cattle Weekly

17 April 2014, Issue 16

Processor caution continues to subdue trade

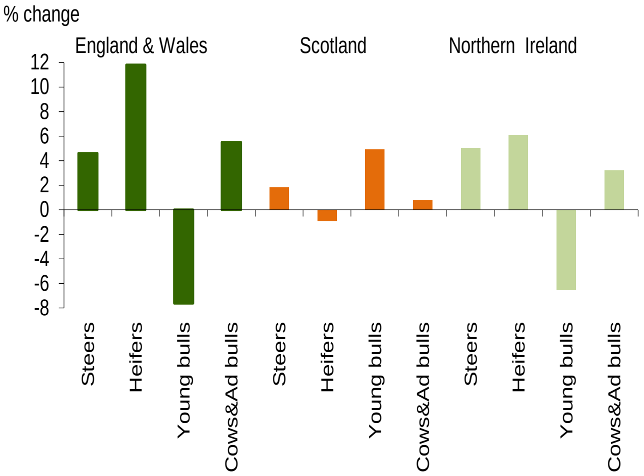
For another week the deadweight prime cattle trade generally eased, as sluggish demand, increased numbers forward and caution from processors continued to affect prices. In week ended 12 April, both overall steer and heifer values fell. In contrast, young bull prices rebounded slightly following a greater-than-average drop in the previous week. Overall, the all prime price fell by nearly another 2p to average 356.2p/kg. The increased overall throughputs were on the back of more heifers and young bulls coming forward, being up almost 550 and 350 head respectively on the week. In contrast, the estimated steer kill for the week fell by 300 head, which did little to prevent the price of R4L steers falling 1p on the week to average 366.7p/kg.

The cull cow market once again fared better, with demand reportedly remaining just ahead of supply, prices continued to firm. At 249.3p/kg, -O4L cow prices were up a penny on the week. Whilst still trading well below year-earlier levels, they have recovered 19p/kg since the low point of the year so far in early February. With the current fine weather, spring turn out is on the horizon in some areas. This may keep numbers tight in the coming months as producers look to add condition at grass in order to take advantage of better prices on offer for well-finished cows.

Beef and veal production higher in March

UK prime cattle throughputs in March were up 4% on the year at 154,000 head as all regions of the UK recorded higher slaughterings compared with a year earlier. Continuing the recent trend, heifer throughputs were up again, being 8% higher year on year. However, in a change to recent developments, and for only the second time since late 2011, steer throughputs were also higher on the year. In contrast, young bull throughputs were back 6%.

Change in cattle slaughterings, March 2014/13



Source: Defra

Cattle market at a glance

GB Liveweight prices week ending 16/04/14	Price p/kg lw	p/kg change on wk
Steers	179.9	-3.5
Heifers	190.9	-2.0
Young bulls	164.9	+0.2
Cows	112.7	-2.4

GB Deadweight prices week ending 12/04/14		Price p/kg dw	p/kg change on wk
Steers :	R4L	366.7	-1.1
	All	359.2	-1.2
Heifers :	R4L	362.9	-1.7
	All	357.9	-1.8
Young bulls :	R3	340.8	+4.2
	All	323.7	+1.0
Cows :	-O4L	249.3	+0.9
	All	234.1	+1.4

GB Estimated slaughterings	12/04/14	05/04/14
Steers	16,600	16,900
Heifers	12,600	12,000
Young bulls	3,500	3,100
All prime	**32,600**	**32,100**
Cows	9,100	9,600

Source: AHDB/EBLEX/LAA/IAAS

Adult cattle numbers were also higher than in March 2013, as producers may have taken advantage of better cow prices.

As expected, improved conditions have meant that carcase weights for all types of cattle were once again heavier than in the corresponding month last year. Combined with the increased throughputs, this meant that UK beef and veal production in March was up 8% on the year, at 69,100 tonnes.

As of December 2013, there was reportedly an increased number of cattle on the ground, as weaker market conditions gave little encouragement for producers to market cattle. These results indicated the potential for a modest increase in supplies of prime cattle for slaughter in the first half of 2014.

As some of these cattle have come forward, prime cattle slaughterings in the first three months of the year were 1% higher on the year at 490,500 head. Meanwhile adult cattle throughputs were broadly unchanged at 154,000 head. With higher slaughter weights boosting production further beef and veal production for the quarter was up 3% on the year at 221,100 tonnes.

EBLEX

AHDB Agriculture & Horticulture DEVELOPMENT BOARD

Sheep Weekly

17 April 2014, Issue 16

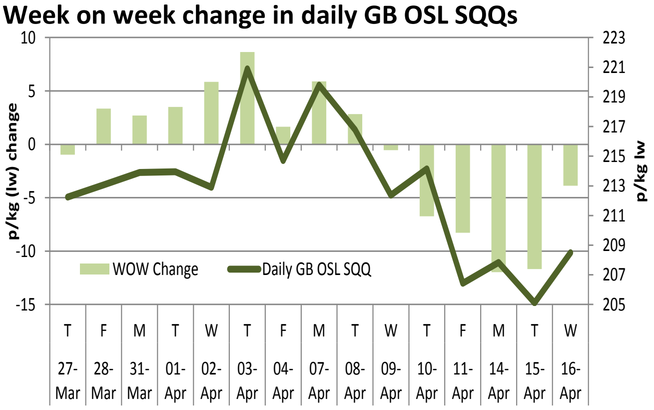
Lamb trades follow different trends

After a number of weeks where both the new season and old season lamb trades have generally strengthened, the respective liveweight prices are now following different trends.

Firstly, the old season trade at GB auction marts has eased in the latest week. At 209.5p/kg, the GB OSL SQQ was down 8p in week ended 16 April.

Initially this decline seemed to be on the back of much increased numbers coming forward, with throughputs on Thursday 10 April up 37% on the week, while prices fell 7p. However, with numbers tightening considerably as the week progressed, the trade has continued to fall. By Wednesday 16 April prices were down 4p on the week at 208.5p/kg, despite numbers being 41% lower. As a result, it appears that the procurement pressure ahead of Easter has now eased to a large extent. However, normally prices rebound slightly immediately after Easter as processors look to restock and the Bank Holidays disrupt the trade.

Week on week change in daily GB OSL SQQs



Source: AHDB/EBLEX/LAA/IAAS

Meanwhile, the new season trade has continued to push higher ahead of Easter. At 264.6p/kg the GB NSL SQQ was up 6p on the week, even as increased numbers continued to come forward, with numbers up 83% at 8,500 head.

Slaughterings continue to be lower

As expected, UK slaughterings of both lambs and adult sheep continue to track below the high levels of 2013. At 840,000 head, the UK lamb kill for the month was down 6% on the year. However this is still above the levels recorded between 2010 and 2012.

These lower numbers were largely offset by higher carcase weights, following better conditions over the last 12 months and the lower stocking rates that many farms will have experienced. At 20.2kg, the average carcase weight for UK lambs during March was 5% (1.0kg) higher than it was a year ago.

Sheep market at a glance

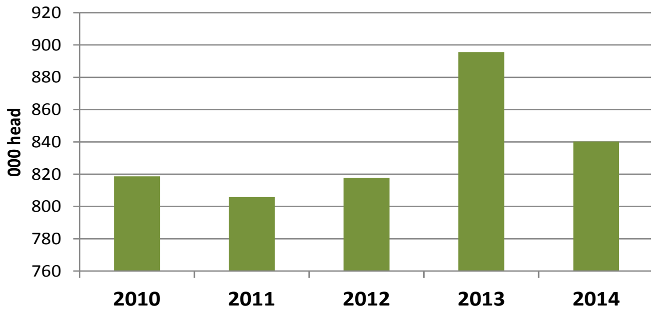
GB Liveweight prices week ending 16/04/14		
	Price p/kg	**p/kg change on wk**
Lambs SQQ - OSL	209.5	-7.9
Lambs SQQ - NSL	264.6	+5.9
	£ per head	**£ change on week**
Cull ewes	71.4	-5.7
Store lambs - OSL	65.9	-3.8

Deadweight prices week ending 12/04/14		
	Price p/kg	**p/kg change on wk**
GB lambs SQQ - OSL	489.8	+8.9
GB lambs SQQ - NSL	516.9	-0.2
European prices week ending (converted from €)		
United Kingdom	n/a	n/a
Republic of Ireland	n/a	n/a
France	n/a	n/a
EU-25	n/a	n/a

Estimated slaughterings (lambs)		
	12/04/14	**05/04/14**
Great Britain	236,100	234,300
Northern Ireland	5,500	4,600
Republic of Ireland	41,100	35,100

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

UK lamb slaughterings in March



Source: DEFRA

This is also the highest monthly average weight since April 2007 and the third highest on record (with DEFRA figures going back to Jan 1986).

UK adult sheep slaughterings were down 11% on the year at 134,000 head. This is compared with the relatively high levels of 2013 and follows a much better season, meaning fewer animals are likely to be culled. At this level, the monthly kill is almost exactly the same as it was in March 2012. As with lambs, these lower numbers were somewhat offset by increased carcase weights. With lower numbers being largely offset by increased carcase weights, UK sheep meat production for March was only 2% lower on the year at 20,600 tonnes.