

# Cattle Weekly

20 June 2014, Issue 25

## Pressure on the prime trade continues

In week ended 14 June, the [deadweight GB all prime cattle price](#) was back another 2p on the week at 327.6p/kg. The combination of slow consumer demand and ample supplies of both domestic and imported beef continues to drive caution amongst processors and exert downwards pressure on the market. Reports suggest that in some areas cattle are still proving difficult to place and significant numbers of animals at slaughter condition are being kept on farm longer than would be ideal.

Despite steer numbers being broadly unchanged on the week, R4L steers were still down 4p on the week to 340.5p/kg. In addition, while the number of heifers estimated to have been marketed fell around 250 head, at 335.7p/kg, R4L heifers were also back another 2p week on week. In contrast, despite young bull numbers estimated to be up almost 1,100 head on the week to their highest weekly level in the year so far, prices fared better. At 314.0p/kg, the average price of young bulls graded R3 was almost unchanged on the week.

Following a number of weeks where the cull cow trade has fared better than prime cattle prices, cow prices eased modestly in the latest week. At 244.9p/kg the -O4L cow average was down 2p on the week. Despite this, reports consistently suggest that demand for cow beef is still ahead of supply, particularly for those animals with a better finish. With grass plentiful in some areas, there is the opportunity for producers to take advantage by adding weight and finish to those cows that they can.

## Beef and veal production up in May

[UK prime cattle throughputs](#) in May were up 3% on the year at 156,000 head. For the third consecutive month, steer throughputs were higher than year earlier levels, being up 6% on the year. This represents the most significant uplift of the year so far. Increased numbers were evident in all regions of the UK. Continuing the longer term trend, heifer throughputs were up again and, as with steers, all regions of the UK recorded increased numbers. In contrast, as has been the case for most of the year so far, young bull slaughtering were lower year on year.

Meanwhile, adult cattle throughputs were significantly lower than they were in May 2013. The better weather may have encouraged producers into keeping cows on farm, taking the opportunity to add condition at grass, in order to take advantage of the firmer prices on offer for well-finished cows.

## Cattle market at a glance

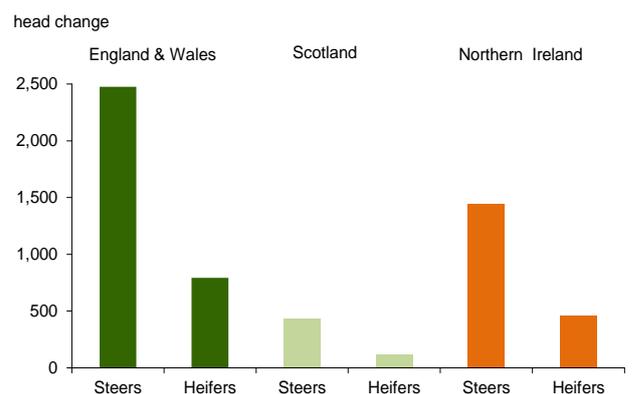
GB Liveweight prices week ending 18/06/14		
	Price p/kg lw	p/kg change on wk
Steers	174.7	+3.6
Heifers	188.4	+4.9
Young bulls	152.5	-0.4
Cows	114.7	+1.4

GB Deadweight prices week ending 14/06/14			
		Price p/kg dw	p/kg change on wk
Steers :	R4L	340.5	-3.9
	All	330.3	-2.6
Heifers :	R4L	335.7	-1.9
	All	334.0	-0.5
Young bulls :	R3	314.0	-0.1
	All	304.8	-0.3
Cows :	-O4L	244.9	-2.2
	All	232.3	-2.1

GB Estimated slaughtering		
	14/06/14	07/06/14
Steers	16,000	16,100
Heifers	11,400	11,600
Young bulls	6,500	5,400
<b>All prime</b>	<b>33,900</b>	<b>33,100</b>
Cows	8,300	8,400

Source: AHDB/EBLEX/LAA/IAAS

## Change in cattle slaughtering, May 2014/13



Source: Defra

As expected, the improved conditions over the past 12 months have meant that carcass weights for all types of cattle were once again heavier than in the corresponding month last year. On average, prime cattle carcass weights were recorded to be 12kg higher than in May last year, while cows were up over 15kg. As a result, combined with higher prime throughputs, this meant that UK beef and veal production in May was 5% ahead of year earlier levels at 67,900 tonnes.

# Sheep Weekly

20 June 2014, Issue 25

## Lamb prices coming back hard and fast

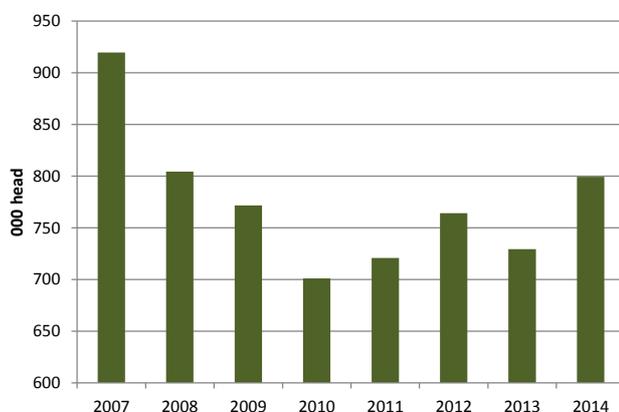
The seasonal decline in lamb price now looks to be in full effect, with the [trade at GB auction marts](#) falling sharply in the latest week. In week ended 18 June, the GB NSL SQQ was down 18p on the week, at 220.1p/kg. The rate of decline was much sharper at the end of the week, with the SQQ for Wednesday down 25p on the week at 207.5p/kg. However, week-on-week price drops of around 20p at this time of year are not uncommon and are normally coming from a much lower starting point. The latest weekly average was almost unchanged on the level recorded a year ago.

This decline comes largely as a result of the usual increase in supplies. In the latest week, new season lamb numbers were 29% ahead of the corresponding period of last year. Additionally, the usual slowdown in demand for lamb over the summer has likely been hastened by the recent good weather. Lastly, demand on the continent will not be being helped by the high British farmgate prices versus those in other regions, notably [France](#) and Ireland, and the recent strengthening of sterling against the euro.

## UK May lamb kill at six-year high

[UK lamb slaughterings](#) during May were well above year earlier levels, being 10% higher at 799,000 head. This is also 5% higher than the corresponding period of 2012 and 8% above a five-year May average between 2009 and 2013. The last time the May lamb kill was higher was in May 2008.

### UK May lamb kill 2007-2014



Source: DEFRA

While it was likely these were still a surprising number of old season lambs being processed in May, much of

## Sheep market at a glance

GB Liveweight prices week ending 18/06/14		
	Price p/kg	p/kg change on wk
Lambs SQQ - NSL	220.1	-17.6
	£ per head	£ change on week
Cull ewes	70.2	-3.7

Deadweight prices week ending 14/06/14		
	Price p/kg	p/kg change on wk
GB lambs SQQ - NSL	521.1	-3.6

European prices week ending 15/06/14 (converted from €)		
United Kingdom	514.4	-3.4
Republic of Ireland	413.0	+1.5
France	504.7	-7.0
EU-25	488.7	-2.9

Estimated slaughterings (lambs)		
	14/06/14	07/06/14
Great Britain	249,200	216,600
Northern Ireland	10,300	9,100
Republic of Ireland	49,800	42,900

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

this increase can probably be attributed a larger lamb crop and better conditions this year. With conditions over the past 12 months much better and the UK breeding flock reportedly higher, the expectation of a larger lamb crop has been mooted by the industry for a while. Additionally, with good grass growth and good weather, growth rates should have been much improved, resulting in animals finishing quicker than normal and being slaughtered earlier in the season. With good prices over this period, there has also been little incentive to hold onto animals. With improved growth rates, carcase weights were once again well ahead of year earlier levels, being up nearly 3% on the year at 19.6kg.

Following the trend of the year so far, adult sheep slaughterings were well below year earlier levels, being down 14% on the year at 123,000 head. This comes after the relatively high levels of culling in 2013, but is still well below a five-year average figure for May between 2009 and 2013. These lower numbers were somewhat offset by higher carcase weights, which were up nearly 9% on the year.

Overall UK mutton and lamb production for the month was up 8% on the year at 19,300 tonnes.