

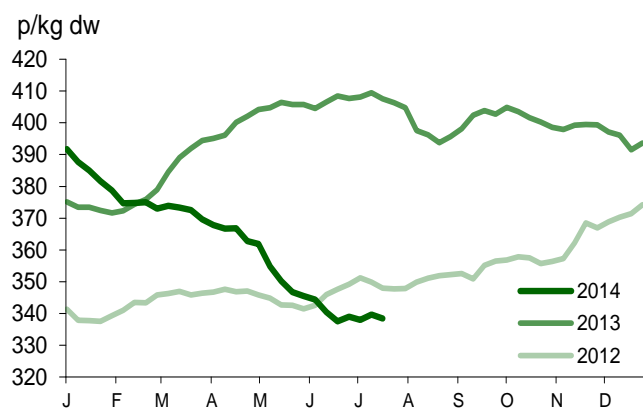
Cattle Weekly

25 July 2014, Issue 30

Good news for the beef sector?

In week ended 19 July, the [deadweight cattle trade](#) broadly levelled again. With some modest variations in price across the different categories of cattle, the all prime average price was up almost a penny up on the week at 325.8p/kg. This coming despite more cattle being forward according to AHDB/EBLEX estimates. As such, with the trade still hovering around this level for another week, the stability in the market is evidently continuing. Additionally, there has been some modest strengthening to the liveweight trade this week.

GB R4L deadweight steer price



Source: AHDB / EBLEX

While this position is better news for producers, reports suggest that some processors remain cautious. While some are actively in the market looking for cattle, others are managing their stocks tightly in order to avoid adding to cold store supplies. The stability in the trade would suggest that consumer demand is faring better of late, perhaps again buoyed by the continuation of good weather. However, the problem of carcase balance continues to be a significant issue facing processors and is contributing to the current lid on prices. The latest data from Kantar Worldpanel indicates that, in the four weeks to 22 June, mince accounted for 54 per cent of all beef sales.

Looking ahead, while the demand side of the equation is clearly critical to domestic price developments, equally so is the forecast for supplies. Current indications from Ireland are that, while supplies are likely to remain strong over the summer, in the second half of the year they will tighten. In the UK, the latest forecast for supplies will be published next week and are also expected to show a tightening in the supply position in the second half of this year.

Irish imports up again

In May the [UK imported 20,000 tonnes](#) of fresh and frozen beef, up 4% compared with last year. For another month, increased shipments of Irish beef drove this rise - volumes were up 14%. With Ireland accounting for 72% of UK imports during the month, this relationship

Cattle market at a glance

GB Liveweight prices week ending 23/07/14

	Price p/kg lw	p/kg change on wk
Steers	176.6	+1.2
Heifers	190.3	+3.3
Young bulls	157.9	+5.3
Cows	110.9	+1.2

GB Deadweight prices week ending 19/07/14

	Price p/kg dw	p/kg change on wk	
Steers :	R4L	338.4	-1.3
	All	328.3	+1.1
Heifers :	R4L	334.4	+1.2
	All	330.6	+0.5
Young bulls :	R3	312.6	+0.6
	All	308.7	-0.5
Cows :	-O4L	245.5	+0.9
	All	229.9	+0.4

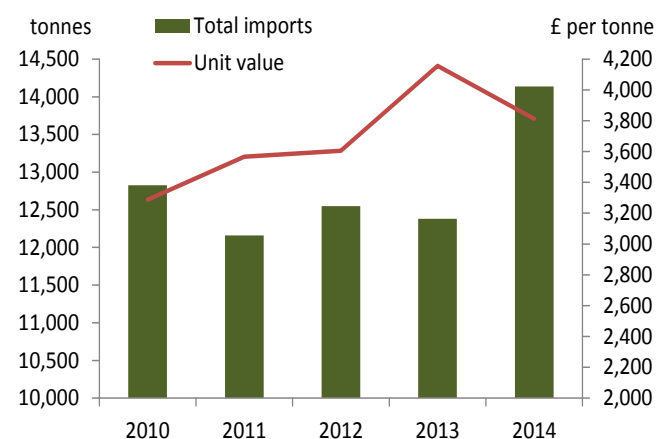
GB Estimated slaughtering

	19/07/14	12/07/14
Steers	15,000	15,300
Heifers	10,800	10,100
Young bulls	5,800	5,600
All prime	31,600	30,900
Cows	7,900	7,300

Source: AHDB/EBLEX/LAA/IAAS

continues to be the overwhelmingly dominant factor in UK import trends. As well as increased volumes, imports continued to be cheaper than they were a year ago, with average values during May down 8% on the year.

Volume/Value UK beef imports from Ireland, May 2010 to 2014



Source: GTIS/HMRC

Further adding to the supply of beef on the UK market, there have been lower volumes exported. This comes as UK product has struggled to compete, given its high price and the unfavourable movement of sterling. During May export volumes were down 5% on the year.

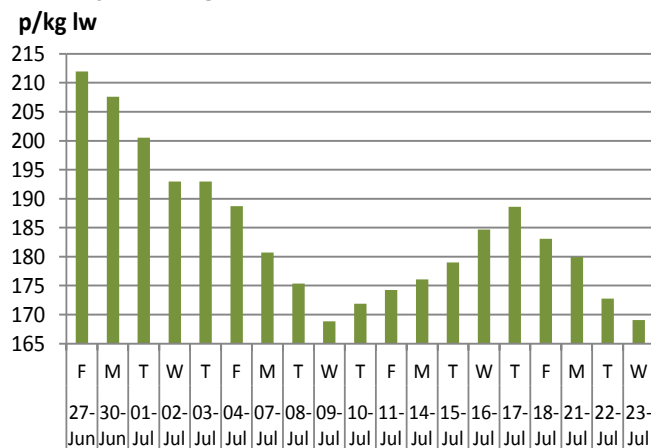
Sheep Weekly

25 July 2014, Issue 30

Lamb trade showing decline again

After the recovery of the previous week, the [liveweight lamb trade](#) in week ended 23 July resumed the downwards trend as the number of lambs coming forward showed no sign of tightening. At 177.6p/kg, the NSL GB SQQ was down only marginally on the previous week. However, by the end of the week the daily SQQ for Wednesday 23 July was only marginally ahead of the level recorded two weeks earlier, which was the lowest point recorded so far this year.

GB Daily Liveweight SQQs



Source: AHDB/EBLEX/LAA/IAAS

Across the week, the number of lambs forward increased by 40% on the previous week and was 46% higher than year earlier levels.

With little sign of a slowdown in numbers and the hot weather likely continuing to dampen demand, the downwards pressure on the market is likely to continue, although the [end of Ramadan](#) may add some impetus to the market. Additionally, the sterling exchange rate with the Euro continues to be unfavourable for the export market.

[Deadweight lamb prices](#) continue to slide as trade realigns itself with the liveweight trade. At 392.8p/kg, the GB NSL SQQ for week ended 19 July was down 27p week on week.

UK sheep meat imports lower in May

During May, the UK [imported](#) 10,600 tonnes of sheep meat, a decline of 5% compared with 2013 levels. This comes as supplies from New Zealand, Ireland, the Netherlands and Spain all fell. These declines were somewhat offset by increased shipments from Australia, the Falkland Islands, Chile and Argentina.

While total shipments of fresh and frozen product were lower on the year, the decline was solely in fresh/

Sheep market at a glance

GB Liveweight prices week ending 23/07/14		
	Price p/kg	p/kg change on wk
Lambs SQQ - NSL	177.6	-0.5
	£ per head	£ change on week
Cull ewes	59.7	-3.0
Store lambs - NSL	58.2	+6.2

Deadweight prices week ending 19/07/14		
	Price p/kg	p/kg change on wk
GB lambs SQQ - NSL	392.8	-26.6

European prices week ending 20/07/14 (converted from €)		
United Kingdom	389.1	-25.1
Republic of Ireland	333.9	-9.7
France	500.9	-0.2
EU-25	410.4	-16.0

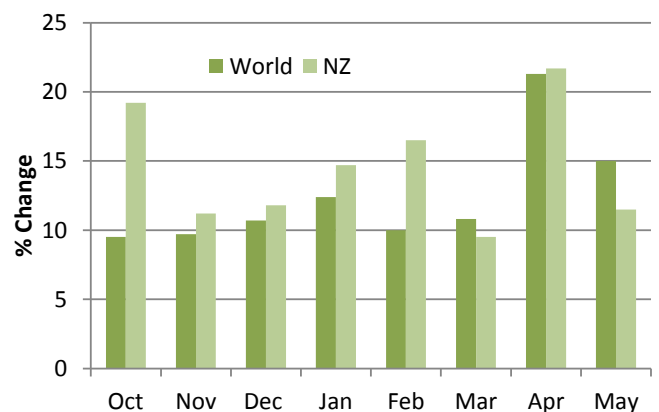
Estimated slaughterings (lambs)		
	19/07/14	12/07/14
Great Britain	244,000	249,900
Northern Ireland	9,700	11,800
Republic of Ireland	51,400	50,100

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

chilled shipments, with frozen volumes actually 6% higher on the year at 7,000 tonnes. Against this increase, there was a 22% decline in imports of fresh/chilled sheep meat, with Australia the only supplier to ship more of this product to the UK market.

With the world sheep meat market experiencing more favourable supply and demand conditions so far this year, the cost of procuring product has increased. As a result, the average unit value of UK imports for May was 15% higher than it was a year ago, at £4,300 per tonne.

Year on year change for average UK import values



Source: HMRC/GTIS