

Cattle Weekly

4 October 2013, Issue 40

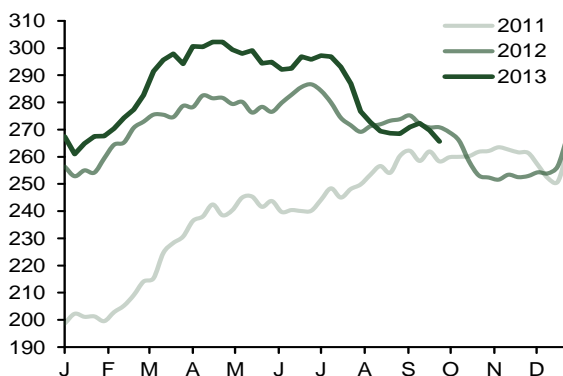
Supply and demand finely balanced

In week ended 28 September, the deadweight [GB all prime cattle indicator](#) eased a penny on the week to average 393.8p/kg. Reports suggest that trade has levelled on the back of increased numbers of grass-finished cattle coming forward; in particular, native-bred cattle are reported to be in plentiful supply. The spell of milder weather could potentially impact on beef sales and at a time when processors are looking to manage their supplies efficiently, this has resulted in the upwards pressure on price cooling off. However, as late autumn arrives and the number of grass-fed marketings dries up, the seasonal uplift in retail demand could assert itself as the driver of upwards pressure on price.

As producers take stock of the performance of cows in their herds ahead of winter housing, a few more cows have been coming forward in recent weeks, tipping the supply and demand balance in favour of processors. Despite being significantly back on last year's high levels, AHDB/EBLEX estimates for September suggest that cow slaughterings in GB were around 10,000 head each week. In week ended 28 September [deadweight cow prices](#) eased for the second consecutive week with cows graded -O4L back 4p to average 265.6p/kg.

-O4L deadweight cull cow price

p per kg dw



Source: AHDB/EBLEX

Increased sales of roasting joints helps to improve overall beef performance

The latest [Kantar Worldpanel data](#), covering the four weeks to 15 September, reports that household purchases of beef increased over 1% compared with the same 4-week period last year. The continued increase in average retail prices drove expenditure up 9% year-on-year to £153 million. Following three months of year-on-year declines, as competition from other competitively priced roasting products had an impact, purchases of beef roasting joints returned to positive growth, up 5% on the year. Sales of roasting joints

Cattle market at a glance

GB Liveweight prices week ending 02/10/13

	Price p/kg lw	p/kg change on wk
Steers	204.7	+3.3
Heifers	211.5	+2.3
Young bulls	189.8	+1.2
Cows	110.2	-3.5

GB Deadweight prices week ending 28/09/13

	Price p/kg dw	p/kg change on wk	
Steers :	R4L	402.7	-1.1
	All	397.7	-0.7
Heifers :	R4L	399.8	-1.1
	All	394.9	-1.1
Young bulls :	R3	376.3	-4.6
	All	369.6	-4.0
Cows :	-O4L	265.6	-4.1
	All	244.2	-6.9

GB Estimated slaughterings

	28/09/13	21/09/13
Steers	16,900	16,400
Heifers	12,600	11,900
Young bulls	4,100	4,500
All prime	33,600	32,800
Cows	9,800	10,500

Source: AHDB/EBLEX/LAA/IAAS

were boosted by shoppers buying more per trip and growth in purchases of non-promoted lines, which had a lower average price than last year.

In addition, sales of frying and grilling cuts increased 4%, assisted by increased penetration and a slight uplift in promotional activity compared to last year. Beef mince purchases levelled, with reduced trip volume and purchase frequency offsetting a slight increase in penetration. Mince expenditure remained notably higher than a year earlier, influenced by the continued rise in average retail prices.

Harvest yields higher than expected

The UK grain harvest is now virtually complete following generally favourable weather for the combining season, which was a welcome relief following the extreme growing season that resulted in delayed crop development. However, despite a late start, by the end of the 2013 harvest campaign, progress had caught up with the five year average. Presenting an opportunity for the ruminant feed sector, the UK barley crop is expected to rebound and could be the largest in 15 years. Find further details on the [EBLEX website](#).

Sheep Weekly

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Lamb prices level

In week ended 28 September, following the trend in the liveweight market, the [deadweight lamb trade](#) levelled on the week with the SQQ almost unchanged at 387.6p/kg. AHDB/EBLEX estimates suggest that throughputs were also broadly unchanged on the week. With the current spell of mild weather playing a part, supply appears to be matching demand. Despite this, trade could be close to the start of the seasonal uplift, which may benefit from the Muslim festival of Eid-al-Adha which falls in mid-October this year.

Deadweight lamb SQQ, 5-year average 2008-12 vs 13



Source: AHDB/EBLEX

In week ended 2 October, [liveweight lamb prices](#) have been subdued. With numbers forward increasing on the previous week, the SQQ was back 2p to 162.6p/kg. Trade could still be feeling the effect of the poorer seasonal conditions earlier in the year. With producers keen to move lambs off farm, reports suggest that some lambs coming forward haven't finished well off grass and are failing to meet target specification. In September, at GB auction marts the number of lambs marketed in the light (25.5kg to 32Kg) weight band was 20% up on the year while superlight (17kg to 25.4Kg) lamb numbers were over three quarters higher, suggesting many of these lambs could have been under-finished.

Following an increase last week, and as Eid-al-Adha approaches, cull ewe prices, which were under pressure for most of last month, edged up again. At £46 per head, the average price of a cull ewe has increased £3 per head over the past fortnight.

Improvement in overall lamb purchases

According to the latest data from [Kantar Worldpanel](#), in the four weeks to September 15, strong sales performance of leg roasting joints and chops helped drive overall lamb purchases up 2% on the year.

Sheep market at a glance

GB Liveweight prices week ending 02/10/13		
	Price p/kg	p/kg change on wk
Lambs SQQ - NSL	162.6	-2.1
	£ per head	£ change on week
Cull ewes	45.7	+0.3
Store lambs - NSL	49.2	-1.3

Deadweight prices week ending 28/09/13		
	Price p/kg	p/kg change on wk
GB lambs SQQ - NSL	387.6	-0.5

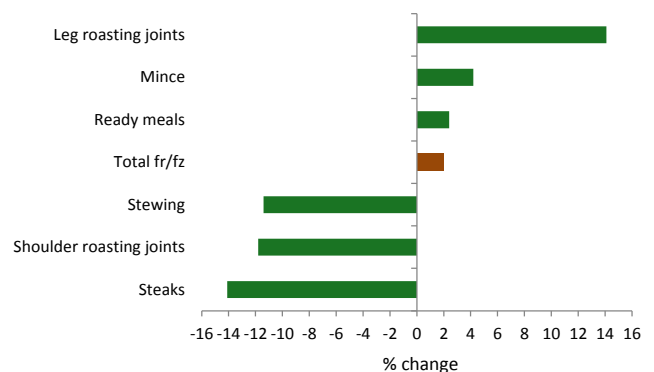
European prices week ending 29/09/13 (converted from €)		
United Kingdom	383.9	-0.3
Republic of Ireland	329.4	-3.7
France	548.9	-1.6
EU-25	418.9	-1.1

Estimated slaughterings (lambs)		
	28/09/13	21/09/13
Great Britain	307,500	307,800
Northern Ireland	11,000	10,600
Republic of Ireland	50,200	48,200

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

Lower prices on the back of strong promotional activity have attracted more consumers to the lamb category, although this has partly been driven by increased volumes of New Zealand lamb on the market.

Household lamb purchases, change on year, 4 weeks to 15 September



Source: Kantar Worldpanel

Household purchases of lamb chops increased 15% compared to a year earlier. In addition, lamb leg roasting joint sales also recorded a double digit uplift and were 14% higher year on year, supported by an increased number of households buying despite less being sold on promotion. In contrast, purchases of shoulder roasting joints have struggled in the latest period with a drop in penetration given a notable increase in average prices compared with last year.