

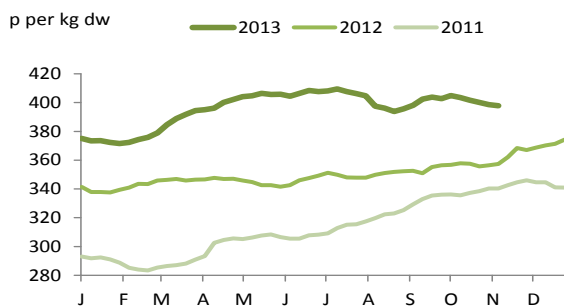
# Cattle Weekly

15 November 2013, Issue 46

## Slow trade keeps lid on prices

With no sign of a seasonal uplift, and supplies running ahead of demand, the [deadweight trade](#) remained subdued in week ended 9 November. This comes as reports suggest that many processors are managing their stocks carefully, awaiting their retail orders before coming into the market for supplies to cover the upcoming holiday period. With heifer prices level on the week and steers and young bulls cheaper, the all prime average was back 2p to 386.6p/kg. Cattle outside required specifications are reportedly proving difficult to sell, particularly young bulls over 16 months of age and any plainer steers and heifers.

### GB R4L steer price



Source: AHDB/EBLEX

Despite the current trend being contrary to seasonal expectations, prime cattle average prices are still over 10% up on the year. With Christmas Day and New Year's Day falling mid-week, the holiday period is likely to be a drawn out affair. As such, a significant proportion of families are likely to opt for a full two weeks off, meaning there is still plenty of time for robust consumer demand to prevail. However, the requirement for maturation periods of 21 days and over means that the next 2-3 weeks will be the key procurement period for Christmas.

While the deadweight trade is still stalled, the latest prices at [GB auction markets](#) have again moved in a more positive direction. In week ended 13 November the all prime cattle average was up a penny on the week at 199.7p/kg.

### EU cow price falls to eighteen month low

After reaching a peak in July, the [EU average O3 cow price](#) had fallen by over 11% by early November. While this decline is seasonal to some degree, slow demand during the hot summer weather on the continent resulted in an increase in stocks in some markets, such as France. There have also been indications that cow beef had become too expensive, with some markets switching to young bull beef instead. This has happened in France in particular where cow prices had fallen by 9% by mid-October, from the mid-July peak. Increased availability of cheaper Polish beef

## Cattle market at a glance

GB Liveweight prices week ending 13/11/13		
	Price p/kg lw	p/kg change on wk
Steers	199.9	+1.8
Heifers	210.4	-1.0
Young Bulls	185.7	+3.9
Cows	100.9	-0.7

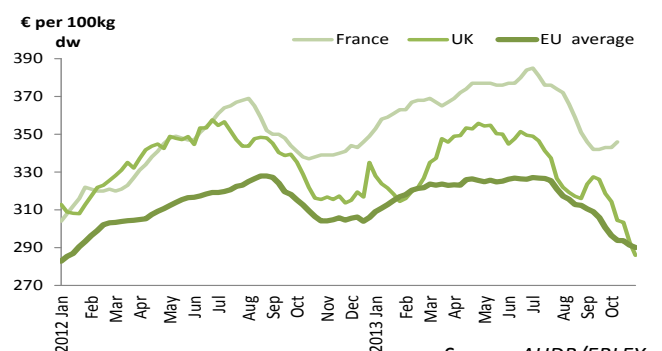
GB Deadweight prices week ending 09/11/13			
		Price p/kg dw	p/kg change on wk
Steers :	R4L	397.9	-0.7
	All	389.4	-2.2
Heifers :	R4L	393.8	-0.8
	All	389.5	+0.6
Young bulls :	R3	368.2	-4.7
	All	359.7	-3.6
Cows :	-O4L	237.2	-3.2
	All	213.7	-2.5

GB Estimated slaughterings		
	09/11/13	02/11/13
Steers	14,700	15,200
Heifers	12,700	13,200
Young bulls	3,800	3,500
<b>All prime</b>	<b>31,200</b>	<b>31,800</b>
Cows	11,400	9,900

Source: AHDB/EBLEX/LAA/IAAS

on some markets has also contributed to the easing in demand for cow beef as this product has been very competitive.

### French, UK and EU O3 cow price 2012-13



Source: AHDB/EBLEX

### Irish production forecast higher in 2014

Latest forecasts for Irish beef production point to volumes in the later period of this year still being up on the year. In 2013 as a whole, production is now forecast to be 7% up on the year and up a further 4% next year. This rise is being driven by increased supplies of cattle, particularly in the first half of 2014. Further details can be found on the [EBLEX website](#).

# Sheep Weekly

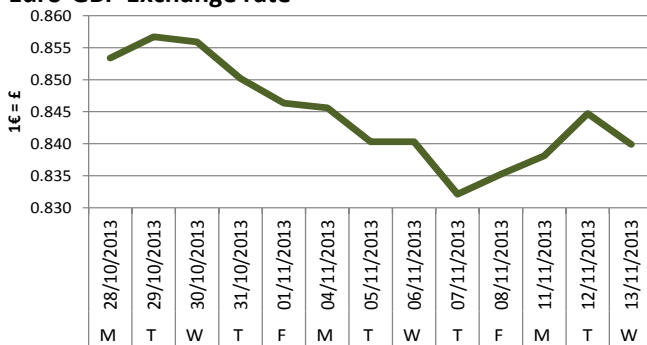
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## Lamb trade level as demand subdued

With the expected winter rise in demand yet to kick in, [liveweight lamb prices](#) in week ended 13 November were level, being only 0.6p lower on the week at 171.6p/kg. Overall supplies at GB auction marts were tighter on the week, indicating this current malaise is a demand issue rather than a supply-driven one.

While the overall weekly average was static, there was some movement across the week as the trade has been somewhat variable. At the start of the week an unfavourable currency movement seemingly resulted in the trade easing slightly. On Thursday 7 November the daily liveweight SQQ was down almost 2p on the week at 171.9p/kg. This comes at the same time as sterling strengthened against the Euro, moving from between 0.85 and 0.86 in the previous week to 0.83. This movement meant that in the European market was paying lower prices in Sterling terms. A four-day week in France will also have likely lowered demand in this key market.

## Euro-GBP Exchange rate

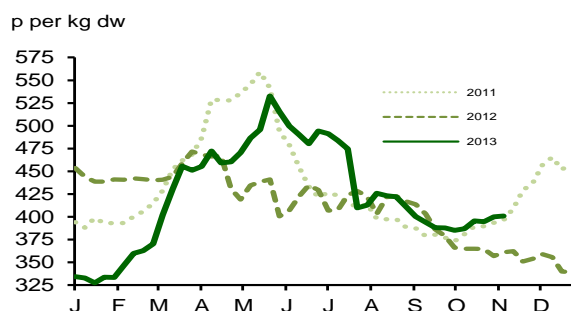


Source: European Central Bank

By Wednesday 13 November the trade was almost 2p higher on the week at 171.3p/kg, as supplies tightened somewhat and the sterling weakened.

[Deadweight prices](#) in week ended 9 November continued to edge up with an overall average GB SQQ of 400.7p/kg, up a penny on the week.

## GB Deadweight SQQ lamb price



Source: AHDB/EBLEX

## Sheep market at a glance

GB Liveweight prices week ending 13/11/13		
	Price p/kg	p/kg change on wk
Lambs SQQ - NSL	171.6	-0.6
	£ per head	£ change on week
Cull ewes	45.4	-0.1
Store lambs - NSL	54.4	-0.7

Deadweight prices week ending 09/11/13		
	Price p/kg	p/kg change on wk
GB lambs SQQ - NSL	400.7	+0.9

European prices week ending 14/11/13 (converted from €)		
United Kingdom	396.8	+1.1
Republic of Ireland	343.1	-1.8
France	544.7	-3.7
EU-25	424.2	-0.7

Estimated slaughterings (lambs)		
	09/11/13	02/11/13
Great Britain	251,800	257,400
Northern Ireland	11,900	10,400
Republic of Ireland	50,700	41,800

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

[Cull ewe prices](#) also remain subdued, with the average price in the latest week virtually unchanged week on week. There continues to be more ewes coming forward, with throughputs at GB auction marts 11% higher on the corresponding week of last year. These higher throughputs continue the trend of 2013 and, combined with some weakened demand, is the main driver behind the lower prices recorded so far in 2013.

## New Zealand lamb prices peak at NZ\$6.20/kg

With the procurement drive for the Christmas chilled trade in Europe now over NZ lamb prices have seemingly peaked at around the NZ\$6.20/kg (dw) mark. This being approximately equivalent to £3.20/kg dw. This compares favourably with the prices received at the peak a year ago when it was approximately NZ\$5.70-5.80/kg. However it is well behind the record peak of 2011 when prices were reportedly in excess of NZ\$8.00/kg.

While farmgate prices in NZ are 7-8% higher on the year, export values to the UK are well ahead of year earlier levels. Latest trade data for September lamb exports from New Zealand shows that the average value of shipments to the UK was 16% higher year on year. However, they were 14% cheaper than the high levels of 2011.