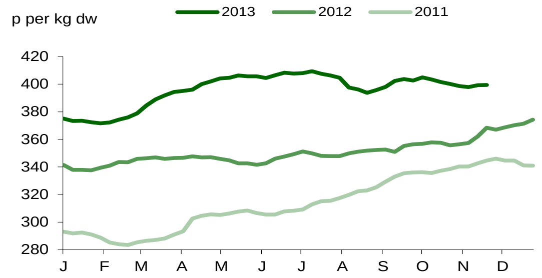
Cattle Weekly

29 November 2013, Issue 48

Unseasonally slow trade keeps lid on cattle prices

With trade still reported to be slow and processors carrying adequate stocks, deadweight cattle prices demonstrated little, if any, seasonal uplift in the latest week. In week ended 23 November with heifer and steer prices edging up a fraction the all prime cattle average increased just a penny on the week to 387.4p/kg.

GB R4L steer price



Source: AHDB / EBLEX

As in the deadweight trade, the latest prices at GB auction markets have also remained unseasonally subdued. In week ended 27 November the all prime cattle average was unchanged on the week at 199.9p/kg.

Still on a downwards trend, the cull cow trade is unlikely to show any strengthening until the New Year when consumers' attention is drawn back to fresh mince. In the latest week, at 227.7p/kg, the GB -04L cow price fell a further 3p on the week.

Cattle throughputs lower again in October

UK prime cattle slaughterings in October totalled 196,000 head, 1% lower compared with the corresponding month last year. Continuing recent trends, throughputs of steers were significantly lower on the year, being back 5%, while heifer throughputs were up 3%. Cull cow and adult bull throughputs continued the trend of recent months and were back 15% on the year at 67,600 head

To no surprise, carcase weights during the month were again lower than in the corresponding month in 2012, exacerbating the lower cattle kill. As a result, total beef and veal production in the UK during October was almost 6% lower year on year at 87,200 tonnes.

Suckler cow numbers decline further in Wales

According to the June Survey of Agriculture the overall number of cattle and calves in Wales fell 2% on the year. Reflecting the continued concerns over profitability in suckler beef production, there was a 5% decline in the number of beef cows with offspring. There were increased numbers of both dairy and beef females aged between 1-2 years and those aged over two years with no offspring, which indicates that some rebuilding could occur. However, it is still likely that the majority of these may be destined for slaughter, rather than retained for breeding.

Welsh cattle numbers - June

	2013	% change 2013/12
	(000 head)	
Dairy cows (with offspring)	223.2	-
Beef cows (with offspring)	174.1	-5
Other female cattle	96.3	+2
Female 1-2yrs	154.4	+1
Female <1yr	168.8	-5
Male cattle	277.9	-2
Total cattle	**1,094.6**	**-2**

Source: Welsh Government

The total number of male slaughter cattle was almost 2% lower on the year. This was entirely as a result of a significant decline in male calves under one year of age, indicating no potential for an increase in supply in the longer term. However, the number of male cattle between one and two years of age was higher. This suggests a modest uplift in the availability of cattle for finishing in the remainder of this year and into early 2014.

Cattle market at a glance

GB Liveweight prices week ending 27/11/13

	Price p/kg lw	p/kg change on wk
Steers	201.5	+1.5
Heifers	210.0	-1.5
Young bulls	181.2	-2.5
Cows	102.0	-0.3

GB Deadweight prices week ending 23/11/13

		Price p/kg dw	p/kg change on wk
Steers :	R4L	399.5	+0.2
	All	392.2	+0.9
Heifers :	R4L	395.7	+1.3
	All	389.4	+1.1
Young bulls :	R3	367.2	-3.5
	All	355.1	+1.0
Cows :	-O4L	227.7	-3.1
	All	208.4	-1.1

GB Estimated slaughterings

	23/11/13	16/11/13
Steers	15,000	14,700
Heifers	12,400	12,700
Young bulls	4,400	4,600
All prime	**31,700**	**32,000**
Cows	11,900	12,000

Source: AHDB/EBLEX/LAA/IAAS

Sheep Weekly

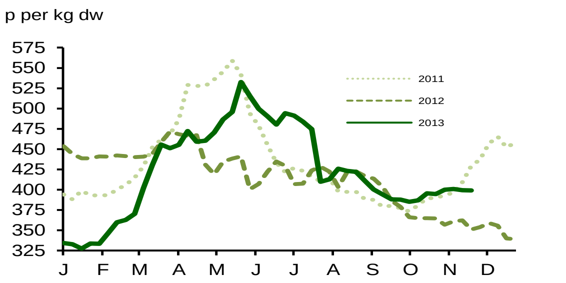
29 November 2013, Issue 48

Still no movement in lamb trade

The liveweight lamb trade was once again virtually stand-on week on week, with the GB SQQ in week ending 27 November edging back by a penny to average 171.0p/kg. With supplies unchanged this lack of movement still points to a slow demand position. With beef prices also failing to show any seasonal uplift, this looks to be a general malaise in consumer demand for the higher value meats, rather than a specific issue with lamb. Unlike with beef, with no need for a maturation period, there is still plenty of time for the lamb trade to respond to a change in the supply and demand balance.

The latest deadweight prices for week ended 27 November continue to reflect the liveweight trade with little movement recorded. Overall the GB SQQ was almost unchanged on the week at 399.1p/kg, while the R3L price eased by a penny to 402.0p/kg.

GB Deadweight SQQ lamb price

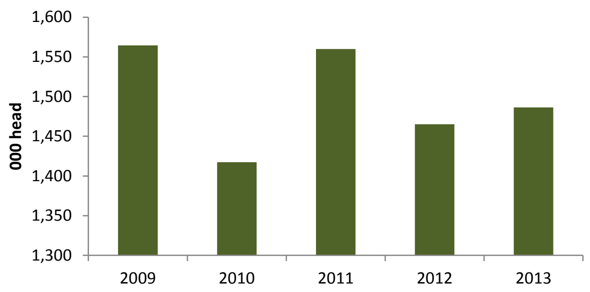


Source: AHDB/EBLEX

Lamb kill slightly higher in October

At 1.49 million head, the UK lamb kill for October was 1% ahead of year earlier levels. However, with slaughterings in the corresponding month of 2012 comparatively low, due to poor weather impacting on finishing, this increase is somewhat misleading. At this level slaughterings are still some 5% behind the level recorded in October 2011.

UK lamb slaughterings, October 2009-2013



Source: DEFRA

Sheep market at a glance

GB Liveweight prices week ending 27/11/13		
	Price p/kg	**p/kg change on wk**
Lambs SQQ - NSL	171.0	-1.0
	£ per head	**£ change on week**
Cull ewes	45.6	+0.8
Store lambs - NSL	52.7	-1.1

Deadweight prices week ending 23/11/13		
	Price p/kg	**p/kg change on wk**
GB lambs SQQ - NSL	399.1	-0.1
European prices week ending 24/11/13 (converted from €)		
United Kingdom	395.4	+0.1
Republic of Ireland	346.6	+7.5
France	549.7	+0.4
EU-25	422.7	+0.3

Estimated slaughterings (lambs)		
	23/11/13	**16/11/13**
Great Britain	272,700	275,200
Northern Ireland	10,700	11,800
Republic of Ireland	47,800	49,400

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

While slaughterings may not have recovered significantly from the low levels of 2012, carcase weights have more than recovered after considerably better seasonal conditions. At 19.0kg the average carcase weight for October was 3% (0.5kg) higher on the year, and was the highest recorded October weight since the FMD influenced year 2007.

Surprising results in Welsh sheep survey

Following the bad weather experienced over the previous 12 months, the results of the Welsh June survey of Agriculture have bucked the expected trend showing an increase to sheep numbers.

Firstly, the results indicate that the Welsh breeding flock was up 9% on the year at just over 4.0 million head. This takes the Welsh breeding flock to over 4.0 million head for the first time since 2007. Perhaps even more surprising is the number of lambs aged under one year. At 4.9 million head, the number of these animals was up 7% on the year. This figure makes the 2013 Welsh lamb crop the largest since 2000.

Given the surprising nature of these results, attention now turns to slaughter statistics over the coming months. This will allow the industry to ascertain whether supplies are better than expected. However the industry sentiment remains that the poor seasonal conditions of 2012/13 will have impacted negatively on lamb and ewe numbers in Wales.