EBLEX

AHDB Agriculture & Horticulture DEVELOPMENT BOARD

Cattle Weekly

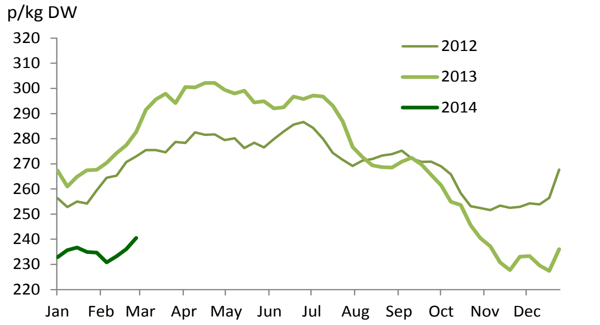
7 March 2014, Issue 10

Signs of buoyancy in cattle trade

With reports suggesting that the trade has been a little more buoyant than of late, despite increased numbers coming forward, prime cattle prices on average remained at a similar level to the week earlier. AHDB/EBLEX estimates suggest that in week ended 1 March throughputs were up nearly 4% or 1,200 head on the week. Despite this, the all prime average price levelled at 363.5p/kg. In the latest week, price increases were evident across some cattle categories, with both heifer and young bull overall average values increasing. In contrast, having demonstrated some stability for most of the month, steer prices declined. The R4L steer price was back 2p on the week to reach its lowest point in over a year at 373.0p/kg, as supplies appeared to be particularly abundant.

Cow prices continued their upwards movement in week ended 1 March. At 232.5p/kg the overall average price increased another 4p on the week and has moved up more than 10p/kg over the month. Although they still remain a long way behind the record prices of last summer, more producers are reportedly adding finish and benefiting from the higher prices that quality cows attract.

GB - 04L Cow Price



Source:AHDB/EBLEX

Suckler breeding herd in England declines again

According to DEFRA, the total number of cattle and calves in England, as of 1 December, was marginally up on the year, having totalled 5.3 million head. At 1.84 million head the total female breeding herd was marginally down on year earlier levels. At this point the breeding herd has been falling year on year since 2002, although given the disruptions of Foot and Mouth in 2001, the slight rise recorded in 2002 may have been somewhat anomalous.

While the overall breeding herd is still showing decline, the component parts of it are now diverging. At 1.14 million head the dairy herd showed a second consecutive year of growth, increasing by more than 1% on year earlier levels. In contrast, the suckler herd has continued to decline, falling a further 3% on the year to 699,000 head. This decline in beef cow numbers reflects the on-going concerns over profitability in the beef sector.

Cattle market at a glance

GB Liveweight prices week ending 05/03/14	Price p/kg lw	p/kg change on wk
Steers	188.7	+0.8
Heifers	197.4	+2.9
Young bulls	170.5	+5.3
Cows	115.1	+2.8

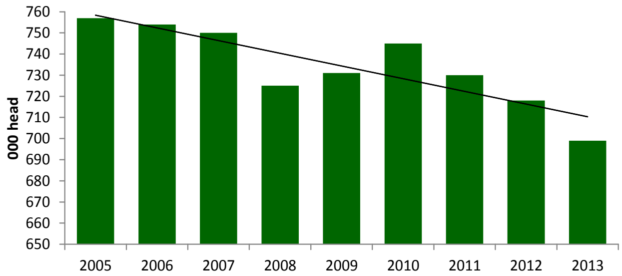
GB Deadweight prices week ending 01/03/14		Price p/kg dw	p/kg change on wk
Steers :	R4L	373.0	-2.0
	All	365.9	-1.4
Heifers :	R4L	370.7	0.5
	All	367.0	0.3
Young bulls :	R3	342.0	-2.8
	All	327.4	2.2
Cows :	-O4L	240.5	4.4
	All	232.5	4.0

GB Estimated slaughterings	01/03/14	22/02/14
Steers	16,900	15,800
Heifers	12,600	12,400
Young bulls	3,500	3,500
All prime	**33,000**	**31,800**
Cows	8,800	9,200

Source: AHDB/EBLEX/LAA/IAAS

Meanwhile the rise in dairy cow numbers is reflective of the DairyCo farmer intentions survey, which shows that the dairy industry is more optimistic and some sections are looking to expand.

Beef breeding herd, December 2005-2013



Source: DEFRA

Looking at slaughter cattle numbers, there is some potential for a modest increase in supplies in the short term. The number of male cattle on the ground over two years of age and those aged between one and two years were both higher on the year. However, looking further ahead, the number of cattle under one-year-of-age was lower. This situation clearly has implications for longer term beef production, especially when combined with the declining breeding population of beef breeding animals.

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Sheep Weekly

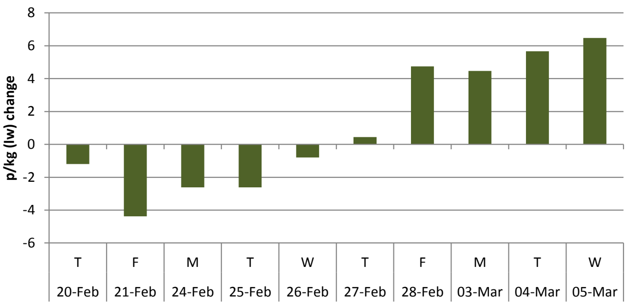
7 March 2014, Issue 10

Lamb trade pushes on again

Following some slight weakening in the trade in the previous two weeks, GB old season lamb prices strengthened considerably in the latest week. At 194.8p/kg, the GB OSL SQQ in week ended 5 March was up 4p on the week. While the market remains tight, with numbers down 4% in the latest week, this strong increase is likely being driven by increased demand. Currently, some reports suggest the export market in particular is driving the trade forward.

Looking at the trade at the end of the week, the increase was showing little sign of slowing. The GB OSL SQQ for Wednesday 5 March was 6p higher on the week, the strongest rise recorded during the week.

Week on week change in daily GB OSL SQQs



Source: AHDB/EBLEX/LAA/IAAS

The number of new season lambs traded at GB auction marts remained small in week ended 5 March, with only about 100 sold. At 201.8p/kg the GB NSL SQQ for the week was relatively stable having eased slightly on the week.

In week ended 1 March at 423.4p/kg the DW OSL SQQ was up a penny on the week, taking the deadweight trade to its highest point since the middle of August.

English sheep flock shows further growth

Even following the difficult market and seasonal conditions of 2012 and early 2013, the English sheep sector appears to be showing some positivity, with the flock continuing to expand. According to the latest DEFRA Sheep and Goat Inventory figures, as of 1 December 2013 the total number of sheep in England was up almost 2% on the year at 10.94 million head. This increase was driven by a 6% increase in the total breeding flock, at 6.91 million head. This is the fifth straight year that the English breeding flock has increased. At this level the breeding flock is at its highest point since 2005, when support payments were de-coupled.

Sheep market at a glance

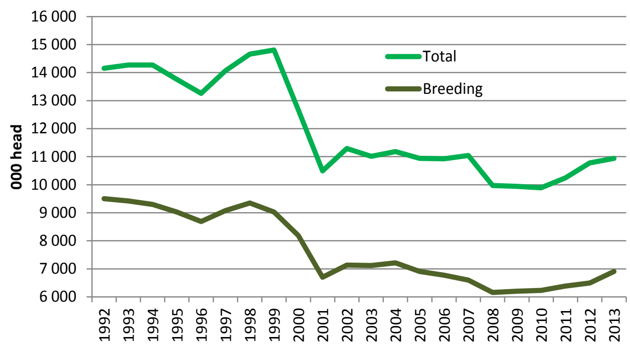
GB Liveweight prices week ending 05/03/14		
	Price p/kg	**p/kg change on wk**
Lambs SQQ - OSL	194.8	+4.3
	£ per head	**£ change on week**
Cull ewes	59.9	+0.3
Store lambs - OSL	63.4	+1.9

Deadweight prices week ending 01/03/14		
	Price p/kg	**p/kg change on wk**
GB lambs SQQ - OSL	423.4	+1.0
European prices week ending 02/03/14 (converted from €)		
United Kingdom	421.2	+1.9
Republic of Ireland	377.7	+8.4
France	486.8	+7.6
EU-25	422.1	+2.1

Estimated slaughterings (lambs)		
	01/03/14	**22/02/14**
Great Britain	183,400	178.900
Northern Ireland	5,000	6,000
Republic of Ireland	32,100	36,900

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

England sheep flock numbers 1992-2013



Source: DEFRA

At 4.04 million head the number of other sheep and lambs (the majority of which are lambs under 1 year) was down nearly 6% on the year. This decline was driven by two key factors. Firstly, the poor weather of 2012 and early 2013 is expected to have resulted in a lower lamb crop in 2013. This will have limited the number of lambs on farm from the start of the season. Secondly, the improved seasonal conditions in the second half of 2013 resulted in better finishing conditions, meaning that increased numbers of lambs were slaughtered before 1 December. As such the number of lambs left on farm as of 1 December 2013 was lower than it was at the same point in 2012.