

# Cattle Weekly

8 November 2013, Issue 45

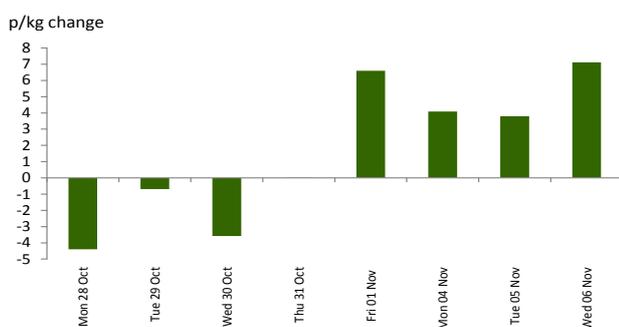
## Deadweight trade still subdued

In week ended 2 November, the [deadweight trade](#) showed no signs of strengthening, although reports suggest that some processors maintained prices at the previous week's level. With young bulls up in price, heifers down and steers level, the all prime average was unchanged on the week at 388.2p/kg. The cow market remained under pressure, with prices for the plainest cows, which are reported to be in plentiful supply, struggling the most. The continued availability of Polish bull beef on the wholesale market across the continent continues to have an impact. The overall cow average was back another 6p on the week to 216.2p/kg and is now back 65p since its peak in the year so far in early July.

## Liveweight trade shows signs of seasonal uplift?

In contrast to the deadweight trade, the latest prices at [GB auction markets](#) are more positive, possibly demonstrating some evidence of a seasonal uplift. In week ended 6 November, firmer demand at auction and tighter supplies has supported an increase in prices, with the all prime cattle average up 4p on the week at 198.6p/kg.

## All prime cattle average, change on week at GB auction marts



Source: AHDB/EBLEX/LAA/IASS

## Producer share of the final retail price eases since the summer

In October, with both farm gate beef prices and average retail prices levelling on the month, [the price spread](#) between the producer and the retailer was unchanged, compared with the month before. Producers received, on average, 57% of the final retail price during the month, just a fraction less than in August and September. However, as farmgate prices have increased to a greater extent than retail prices since the turn of the year, the latest figure is over one percentage point more than in January. However, this does represent a fall since the early summer, when farmgate prices were strengthening and producers received just below 60% of the final retail price.

## Cattle market at a glance

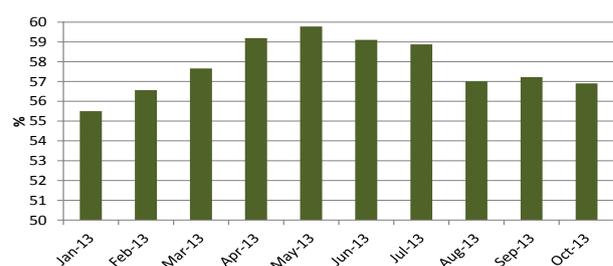
GB Liveweight prices week ending 06/11/13		
	Price p/kg lw	p/kg change on wk
Steers	198.1	+2.3
Heifers	211.5	+6.4
Young Bulls	181.8	+2.9
Cows	101.6	N/C

GB Deadweight prices week ending 02/11/13			
		Price p/kg dw	p/kg change on wk
Steers :	R4L	398.6	-1.6
	All	391.6	-0.3
Heifers :	R4L	394.6	-0.7
	All	388.9	-1.2
Young bulls :	R3	372.9	+0.4
	All	363.3	+2.8
Cows :	-O4L	240.4	-5.1
	All	216.2	-6.4

GB Estimated slaughtering		
	02/11/13	26/10/13
Steers	15,200	15,500
Heifers	13,200	12,300
Young bulls	3,500	4,200
<b>All prime</b>	<b>31,800</b>	<b>32,000</b>
Cows	9,900	10,500

Source: AHDB/EBLEX/LAA/IASS

## Producer share of beef retail price 2013



Source: AHDB/EBLEX

This latest figure is also a higher share than producers were receiving a year earlier, when it was 54%. For the coming months the possibility of robust prices, on the back of seasonal (Christmas) demand, could mean that the producer share increases.

## DEFRA report lower farm incomes in England

According to DEFRA, farm incomes in England fell across most farm types in 2012/13. This was largely as a result of the effect of the poor growing season and harvest. With lower outputs, higher costs and a fall in the real value of single farm payments, the impact was felt across both the cropping and livestock sectors. Further information can be obtained on the [EBLEX website](#).

# Sheep Weekly

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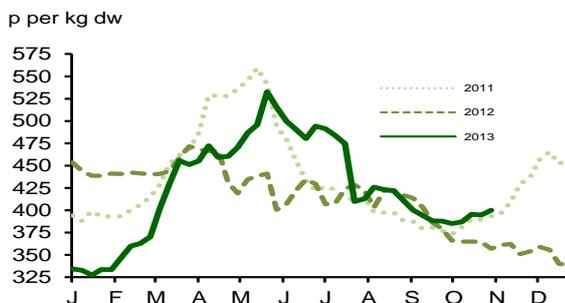
## Lamb trade still awaiting shift in demand

[Liveweight lamb prices](#) in week ended 6 November are still awaiting either a demand or supply change, with little movement in prices week on week. At 172.2p/kg, the GB SQQ for the week was only 0.8p lower, and with 2% more lambs forward supplies were little changed. There was also little change in the cull ewe trade. With numbers down less than 3%, the average value was level at £45.60 per head.

The indication is that the trade is still awaiting the 'usual' seasonal uplift in demand. When looking at some specific weight bands, an above average rise in numbers has pushed prices down. In the medium category, numbers increased 6% with the average price falling 1.5p to 173.9p/kg, while the number of heavy lambs rose 8%, with the price falling 1.7p to 165.4p/kg.

There are some signs that demand may be moving upwards with the [deadweight lamb trade](#) showing some uplift. In week ended 2 November, the GB SQQ increased 5p/kg on the week to average 399.8p/kg. Meanwhile the R3L indicator pushed back through the 400p/kg barrier to average 403.2p/kg, having risen 5p on the week.

### GB Deadweight SQQ lamb price



Source: AHDB/EBLEX

## Record retail price vs level farmgate price

The share of the [final lamb retail price](#) received by producers during October fell for the fourth month in a row. This comes as farmgate prices levelled and retail prices rose to a record high. This continuing fall is largely a result of the seasonal decline in the farmgate price, which on average was 20% cheaper than it was in June 2013. In contrast the average retail price of lamb for the month was 3% dearer than it was then. As such, the producer share has fallen from the high of 62% for June to 48% in October.

## Sheep market at a glance

GB Liveweight prices week ending 06/11/13		
	Price p/kg	p/kg change on wk
Lambs SQQ - NSL	172.2	-0.8
	£ per head	£ change on week
Cull ewes	45.6	-0.1
Store lambs - NSL	55.2	+0.5

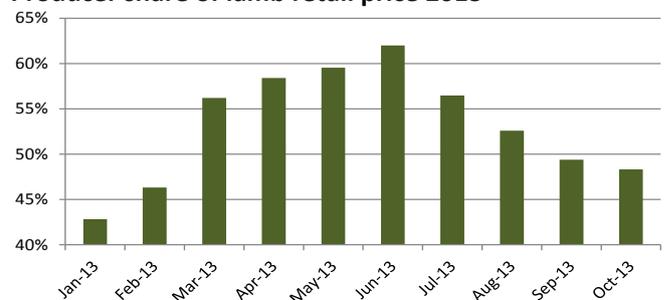
Deadweight prices week ending 02/11/13		
	Price p/kg	p/kg change on wk
GB lambs SQQ - NSL	399.8	+5.1

European prices week ending (converted from €) 02/11/13		
United Kingdom	395.7	+4.7
Republic of Ireland	344.9	-0.2
France	548.4	+20.7
EU-25	425.1	+5.9

Estimated slaughterings (lambs)		
	02/11/13	26/10/13
Great Britain	257,400	260,400
Northern Ireland	10,400	11,800
Republic of Ireland	N/A	49,300

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

## Producer share of lamb retail price 2013



Source: AHDB/EBLEX

This position is better than it was a year previously, when the producer received 47%. However, it is below 2011 levels, when the producer received 51%. With retail lamb prices at record levels and farmgate prices expected to seasonally increase in coming months, the producer share should increase as the year progresses.

## Top third sheep flocks making positive margins

The latest costings work for English cattle and sheep enterprises have been released in the new EBLEX Stocktake report, available [here](#). The report shows that, despite the difficult market conditions, the top third of sheep flocks continued to make a positive margin in the year ending 31 March 2013. However, on average, sheep enterprises still returned negative margins.