

The latest UK cattle and sheep production data released by Defra has shown that there has been a decreased throughput at abattoirs for almost all categories of animals during the first four months of 2017 when compared to the same period last year. The one exception to this has been for prime lamb as the expected increased carryover of lamb has materialised. This month's Market Bulletin looks at this data in greater detail and examines what it could mean for the market for the coming months.

Prime cattle throughput at UK abattoirs for the first four months of 2017 stood at nearly 650,000 head, a decrease of almost 18,000 on the corresponding period last year and 24,000 less than in 2015. It should be noted that from February 2016 Defra's collection methodology changed from statistical month to calendar month. This tightening in supply would be one of the reasons why prices have improved this year as processors compete to secure animals. Within the total, the number of steers, heifers and young bulls all fell on the year. The mix of animals was heavily dominated by steers once again, with over half the prime cattle being castrated males. Heifers represented 38.5 percent of the prime cattle slaughter mix while young bulls were just fewer than nine percent. This is nearly a half percent less than last year as some processors have moved away from purchasing these animals.

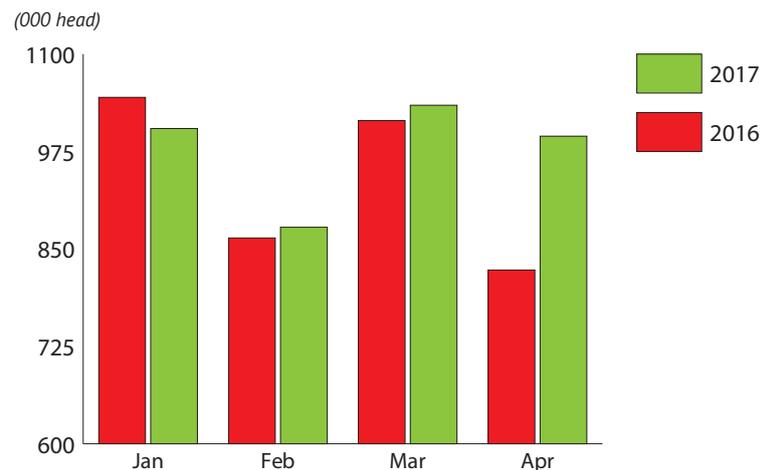
As was the pattern for most of 2016, the average prime cattle carcase weight for this year so far is averaging around the 350kg mark. Within this figure steers have stood at 371kg, 6kg lighter than for the same period last year while heifers have actually been heavier by 3kg at 332kg. The young bull average weight has been the same as last year at 316kg. One of the overriding influences in the beef market last year was the drive for lighter carcasses, as most processors lowered their maximum weight while also being stricter on age profiles, this can be seen when looking at the young bull average weight in the January to April period in 2015 which was over 340kg.

Adult cattle and bull throughputs for the first four months this year was 206,300 head, a decline of six percent (or 13,500) on the 2016 figure. It should be noted that last year's adult cattle figure was high as many dairy producers responded to the disappointing milk prices by rationalising their herds.

Prime lamb throughputs for 2017 so far have stood at 3.91 million, an increase of 165,300 head on the 2016 figure. January throughputs were down on the year but since then there has been a year on year monthly increase for the subsequent three months. April's figure was 20 percent higher than last year at nearly 995,000; a contributing reason for this would have been additional bank holidays in April 2016 due to a later Easter period. Carcase weight in 2017 is reported to have been higher than last year having averaged 20.1kg for the first four months this year.

With last year's UK June survey showing an increased lamb crop of nearly two percent at 16.84 million, having the higher throughputs in the last few months looks to have

Prime lamb throughput at UK abattoirs



helped the New Season Lamb price this year. Over the last couple of years there has been a reported carryover of lambs from the previous year into May and June which has impacted on prices, however as the spring lamb prices have strengthened over the last few weeks, it can be assumed this has not been such an issue this year.

Adult sheep throughputs for the first four months of 2017 were reported to be 492,300 head, a decrease of ten percent on the previous year. Normally a decline in numbers like this would see improved market prices however this has not yet materialised this year. This could be due to a level of lamb substitution with the higher numbers seen in early 2017 and also as the market price for lamb did not really experience the usual seasonal improvement during the first few months of this year.

As part of a national campaign to help producers prepare their businesses and meet future demand as world markets prepare for Brexit, livestock farmers in Wales are being urged to attend a 'Trade in a global marketplace' meeting with Farming Connect and HCC at the following venues:

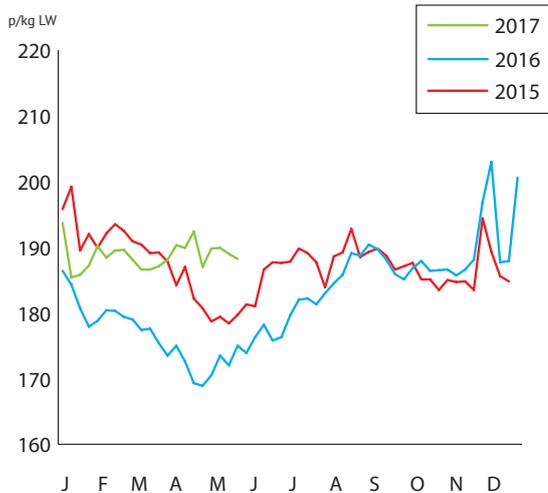
- Ivy Bush, Carmarthen, 6 June
- Neuadd Glantwymyn near Machynlleth, 13 June
- Eagles Hotel, Llanrwst, 20 June
- Brecon Livestock Market, 27 June

Register and receive more information on-line:
<https://wales.business-events.org.uk/en/events/trade-in-the-global-marketplace/>

MARKET PRICES

CATTLE

Prime cattle prices at auction markets in England and Wales



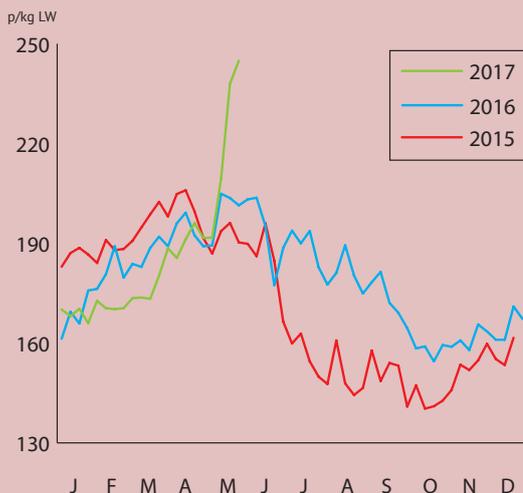
Prime cattle prices at auction markets in England and Wales have faced a period of relative stability over the last month with any change in price being small, however trade is still some way above the levels experienced a year ago. For the latest week ending 27 May the prime average price stood at 188.2p/kg, at this level the price was 0.8p down on the week but is some 13.2p above the price seen in the corresponding week last year. Within the average, the steer, heifer and young bull price was 187.1p, 197.1p and 178.4p respectively. The warm weather experienced over the last few weeks may help the beef trade moving forward as consumers seek to make the most of the elements.

The deadweight prime cattle trade has continued to show a steady increase over the last month nearing the 350p/kg mark as processors seek to ensure sufficient supply. For the week ending 20 May the steer average price in England and Wales increased by 1.1p to average 349.9p/kg, numbers brought forward for the week were similar to the previous week at 11,570. At this level the steer price is 40p above the corresponding period last year.

The pattern seen within the steer trade was also duplicated for heifers and young bulls with improved prices and increased numbers on the week. The heifer deadweight prices in England and Wales being 352.2p/kg, an uplift of half a penny. Young bull prices for the week ended 20 May averaged 336.0p/kg, an increase of 2.1p on the week and a 15p uplift on the month. The cull cow average deadweight price was 244.0p/kg.

SHEEP

Prime lamb (SQQ) prices at auction markets in Wales



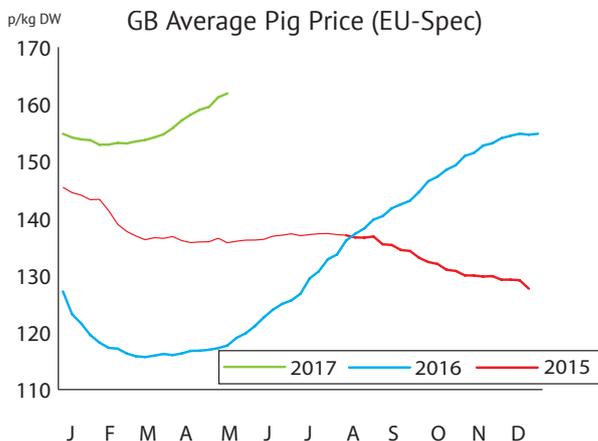
Lamb prices have improved significantly over the last month with the current liveweight trade being nearly 44p above the same period last year. For the latest week ending 27 May the New Season Lamb (NSL) SQQ at auction markets in Wales stood at 244.9p/kg, an increase of 6.9p on the previous week's average. The numbers being brought forward have steadily increased over the last few weeks and NSL marketings are now well ahead of the number of last year's lambs being sold. The figures for the last week showed almost 22,500 NSL and 4,600 Old Season Lambs (OSL).

The lamb deadweight trade has also seen substantial movements in the last few weeks. For week ending 20 May the GB deadweight lamb price stood at 480.6p/kg, this being the first week when only NSL would be within the average. At the current levels prices are almost 67p above the deadweight price seen during the same week in 2016. The last time prices were seen at this level during the stated week was in 2013; over the last few years NSL prices have been affected by an unfavourable exchange rate and significant numbers of OSL's in the system.

Cull ewe prices at auction markets in Wales have continued to improve slightly over the last month as stronger ewes are brought to market combined with the start of Ramadan. For the week ending 27 May the price stood at £60.00/head, an increase of 50p on the previous week and some £2.80 above the level seen during the last week of April. At this level prices are £4.30 less than the same week in 2016.

PIGS

GB Average Pig Price (EU-Spec)



The EU-spec APP continued to improve for another month as demand for pigs slightly outstrips supply. For week ending 13 May the average stood at 161.9p/kg, an uplift of over half a penny on the previous week's price. This is the eleventh consecutive week of growth and at this level prices are over 44p above the same period last year. The last time trade was at this level was in August 2014.

For the week ending 20 May the GB EU-spec APP stood at 159.2p/kg, a 0.8p increase on the week, and nearly 43p above prices for the same week in 2016. Following a pattern that has been seen since the start of the year it is estimated that the number of pigs that were marketed was behind the levels seen last year which has been one of the contributory factors for this year's price uplift. For the first four months of 2017, clean pig slaughterings at GB abattoirs stood at 2.8 million, nearly 10% down on the same period in 2016.

For the week ending 20 May, the 30kg weaner average price stood at £59.78, an increase of nearly 40p on the week. As with the deadweight trade weaner prices have steadily increased this year and the latest week is the highest level recorded in the last 5 years. For the same week, the 7kg weaner average price stood at £42.78, again 40p higher than the week earlier.