

AuctionsPlus Quarterly Sheep & Lamb Buyer & Seller “Power Rankings”

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AuctionsPlus inaugural quarterly “**Buyer and Seller Power Rankings**” has been developed by the AuctionsPlus Market Insights (AMI) team to increase market awareness regarding the transactional trends and regional movement of sheep and lambs through Australia’s largest livestock market. With all livestock sales on AuctionsPlus, the geographic data of the participants is provided, but remains confidential on an individual basis. However, the aggregation of the geographic data of buyers and sellers over a longer period, in this instance quarterly, can be very instructive and highlight various transactional trends in regions across Australia.

Methodology:

1. Aggregate AuctionsPlus sheep and lamb transaction data for 1st Jan – 31st March 2021
2. Categorize data into 35 defined regions across Australia
3. Classify regional data into buyers and sellers
4. Sort each of the buyer and seller data by sex
5. Weight regions by AMI’s national sheep flock estimates for the defined 35 regions
6. Apply a constant assessment score across all 35 regions to attain ranking

Points for Power Rankings for January – March Quarter 2021:

- **1.2 million head of sheep and lambs were offered through AuctionsPlus**
- **Average clearance rate was 76%**
- **Australian sheep flock as March 2021 estimated at 63.3 million head (AMI estimates)**
- **A region must have had greater than 5,000 head transacted to be included in final rankings**
- **Ranking is also influenced by AuctionsPlus participation rates across the 35 regions**

Buyer & Seller Power Rankings – March 2021

The first quarter of 2021 saw a record number of sheep and lambs traded through AuctionsPlus. In terms of the weighted rankings, the Northern and North East Region of Victoria took out the top spot for both buyer and seller rankings. In second spot for the buyer ranking was the North West Slopes and Plains of NSW, closely followed by the North West region of Victoria. Rounding out the top five was the largest absolute buyer and seller, in Central West NSW.

For the number one ranked Northern and North East Victoria, the mix between ewes/breeders, wethers and lambs was very consistent across both buying and selling – indicating a well-balanced trade within the region. This contrasts with the fourth ranked Central West NSW, which saw buying skewed to ewes/breeders - underlining the heavy rebuilding focus within this region.

In somewhat of a surprise, Southern Queensland placed fifth in the buyer rankings for the quarter and third in the seller rankings. With only a fraction of the national flock, the regions “overweighted” activity in buying and selling for the quarter was a curious and unexpected result. Preliminary analysis points to increased trading through the region, especially for those parts closer to NSW which were fortunate enough to benefit from improved seasonal conditions.

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Table 1: Buyer Power Ranking – March 2021

Rank	Region	Region	AMI Ranking Score*
1	VIC	Northern & North East	615
2	NSW	NW Slopes and Plains	203
3	VIC	North West	199
4	NSW	Central West	160
5	QLD	Southern	159
6	WA	Rangelands	134
7	NSW	Monaro & Southern Tablelands	100
8	SA	Mid & Upper North SA	100
9	NSW	Riverina	99
10	VIC	Gippsland	92

Example: For an individual region to gain a higher-ranking score in the June 2021 quarter, it would need to purchase an increased proportion of total AuctionsPlus purchases nationally, assuming the regions weighting of the national sheep flock remained unchanged.

A standout ranking result from selling lists included the vast region of the Rangelands in WA which attained second place. Interestingly, while the region has an estimated 0.3% of the national flock (AMI March 2021 Australian Flock Estimates) it contains 85% of the land mass of WA, at a staggering 220 million hectares (NRM regions Australia) – larger than SA, NSW, Victoria, and Tasmania combined.

The high position of the WA Rangelands on the seller ranking is consistent with the early 2021 weekly results coming through AuctionsPlus, with an increase in WA selling activity. Tough seasonal conditions in WA combined with strong buying demand in the eastern states saw an increased volume of sheep offered onto the online platform – with producers keen to offload and capitalise on the excellent prices buoyed by restocker demand from the Eastern States.

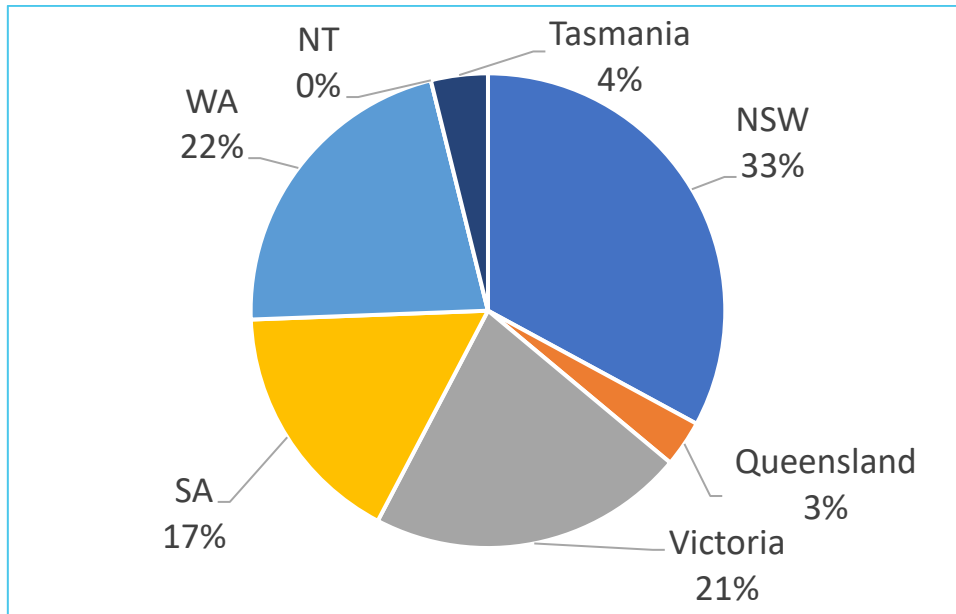
Table 2: Seller Power Rankings

Rank	Region	Region	AMI Ranking Score*
1	VIC	Northern & North East	343
2	WA	Rangelands	291
3	NSW	NW Slopes and Plains	201
4	QLD	Southern	186
5	VIC	North West	148
6	SA	Mid & Upper North SA	130
7	NSW	Central West	111
8	QLD	Western	91
9	NSW	Western	85
10	NSW	Northern Tablelands	74

Example: For an individual region to gain a higher-ranking score in the June 2021 quarter, it would need to record an increased proportional of total AuctionsPlus sales nationally, assuming the regions weighting of the national sheep flock remained unchanged.

However, it should be noted that when looking at absolute numbers, as expected, the largest sheep and lamb producing regions dominated. For buying, the Central West of NSW was easily the most active region in absolute numbers, followed by the Riverina and Southern Tablelands regions of NSW. Combined, these regions were estimated to make up 18.6% of the national flock for the quarter.

Chart 1 – Australian sheep flock distribution – AMI estimates* March quarter 2021



Source: AuctionsPlus Market Insights Estimates (AMI), ABS

Summary:

Given the extensive and transactional data that AuctionsPlus collects from every sale, it is anticipated that the above analysis will be instructive, interesting, and if nothing else, a novel way to look at the buying and selling activity through Australia’s largest sheep and lamb market.

While every survey, or series of reports must have a first edition, it is expected that future ranking lists will be released in the second week of each quarter. As the quarters accumulate, the trends, intentions, and producer sentiments for AuctionsPlus participants will start to emerge - which will add some fresh and timely information to the existing resources for the supply dynamics of the Australian sheep flock.

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