



Weights and weighing makes more online

By Teeah Bungey

One of the main features of the AuctionsPlus selling platform is the individual weights provided on each offered line in the weekly commercial sales. To be eligible to be sold through AuctionsPlus, an assessed line of sheep and lambs requires a minimum of 10% to be assessed and weighed, while for cattle it is 50% assessed and weighed. AuctionsPlus Market Insights (AMI) have reviewed all sales data from 2016 to 2020 to ascertain if there is a relationship between the percentage of stock sampled and weighed by an assessor and the final sale price.

Comparatively, the number of sheep offered in a line is often considerably larger than cattle, which makes assessing a larger sample size more time consuming. However, analysing sales data from January 2016 to December 2020, the AMI team have found that buyers are consistently placing higher values on lots which have a greater sample size assessed. By assessing larger portions of the mob, it provides both a higher final return for vendors and agents, while promoting accuracy and confidence for buyers.

Looking at Non-Station Mated (NSM) Merino ewes sold online, lines that have on average above 50% sampled, as opposed to below 20%, achieve a \$14/head, or 10% premium. To put this premium into perspective, a line of 500 2-year-old NSM Merino ewes offered online with only 15% (75 head) sampled would average \$220/head. If 50% of the 500 head (250 head) had been sampled, then the line would on average sell for \$234/head. As a result of sampling over 50% of the lot, this equates to an additional \$7,000 - delivering a considerable financial upside for both the vendor and the agent to assess larger portions of the mob.

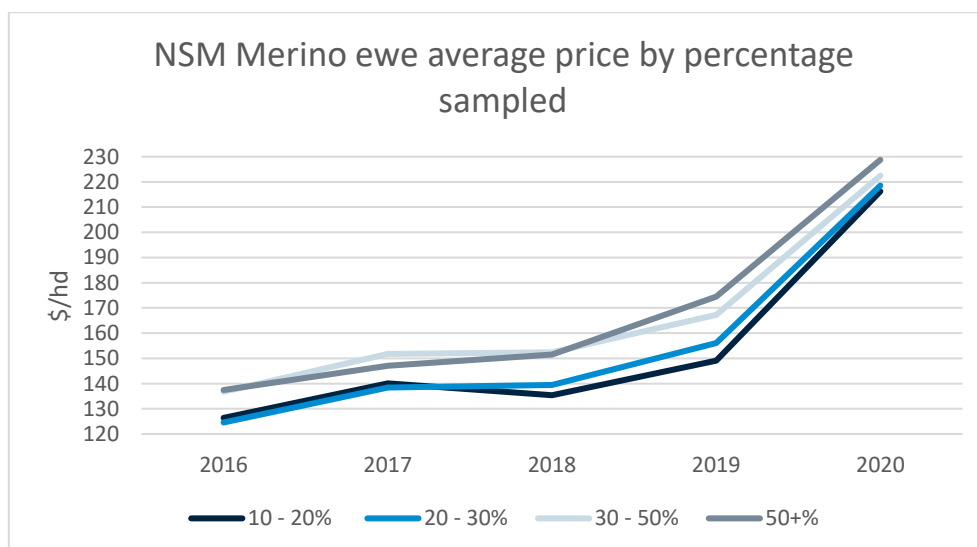


Figure 1: NSM Merino ewe average price by Percentage sampled, 2016 - 2020.

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Reviewing the premium received between 2016 and 2020 and showcasing how seasonal conditions can help to determine the reliance on assessment sample size is shown in figure 1. The value in which buyers placed on higher sample size lots peaked in 2019, where a 17% premium was achieved for lots that had above 50% weighed and assessed. The increased premium was primarily a result of the seasonal conditions and buyers being extra cautious. Buyers were being extra vigilant when purchasing lines from drought-stricken areas, with a larger sample size one of the best ways to assess accurately the stock condition. In contrast, 2020 saw the premium narrow to 6%, largely due to the heightened demand for stock following favorable seasonal conditions and tightened national supply.

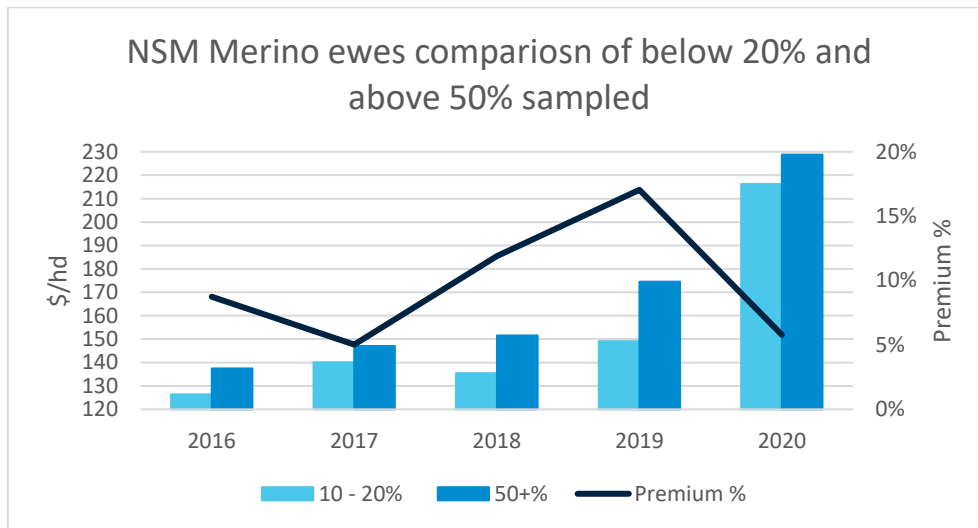


Figure 2: NSM Merino ewes sale price comparison of below 20% and above 50% sampled.

Looking to cattle and the picture is similar, as buyer confidence is increased from larger sample sizes and directly results in higher prices received. Buyers place considerable confidence on cattle that have had 100% sampled, when compared to anything under 100%. Over the 2016 to 2020 period, weaner heifers on average achieved a \$109/head, or 15% premium, when 100% assessed. In 2021, for a line of 30 weaner heifers, if 50% of the offering was sampled, the line would average \$1,435/head. However, if 100% of the offering was sampled, the line would sell for an average of \$1,545/head. Across the sample of 30 head, this results in an additional \$3,300 in the vendor's pocket.

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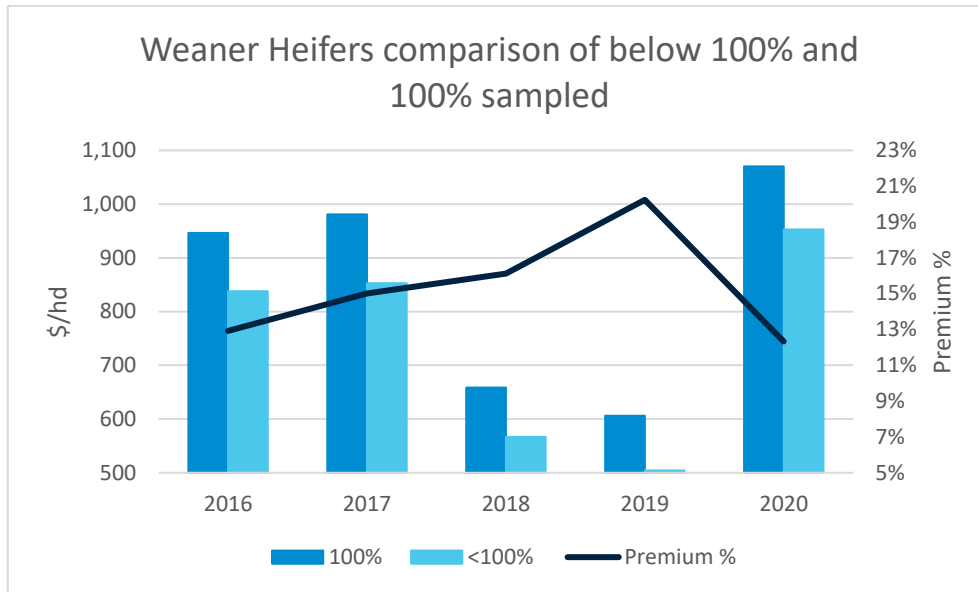


Figure 3: Weaner heifers sale price comparison of below 100% and 100% sampled.

Looking to breeding lines, unjoined females on average across 2016 to 2020 achieved a \$134/head, or 15% premium for 100% sampled stock, when compared with less than 100%. The impact of seasonal conditions on premiums received for breeding articles is also shown with sheep. In 2020, the premium fell to 8% following a 17% premium in 2019, due to the increased demand brought upon by good seasonal conditions after years of drought and destocking.

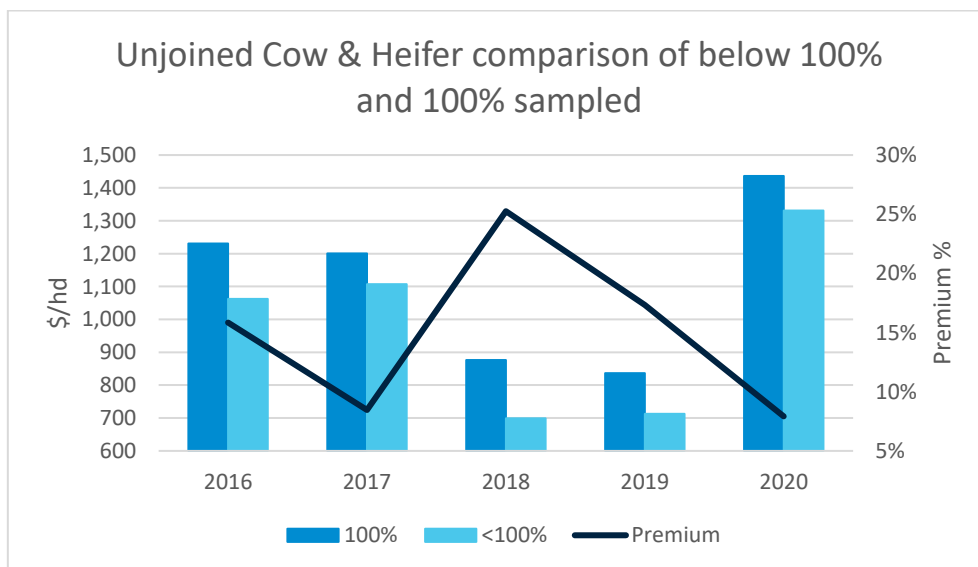


Figure 4: Unjoined cow & heifer sale price comparison of below 100% and 100% sampled.

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With considerable premiums evident across both sheep and cattle categories, assessing a larger portion of the mob or herd results in increased competition from buyers. By providing more information, potential purchasers gain further confidence in the assessment, and therefore are willing to spend more money as they have more information to rely on to formulate their purchasing decisions.

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