



National Livestock Reporting Service

Online Lamb Indicator

The Online Lamb Indicator (OLI) is a seven-day rolling average of lambs sold via Australia's suite of online livestock marketplaces. It is expressed in dollars per head terms (\$/head) and is rounded to two decimal points.

What is a seven-day rolling average?

At any point in time, a seven-day rolling average includes data from the past seven calendar days. In the case of the OLI, the dataset takes the average \$/head of an animal matching the specifications of the indicator per day for the past week, adds them up and divides the figure by seven. This figure is updated daily to create a rolling average value for this specification of animal.



OLI composition

The OLI includes lambs and suckers (males & females) with carcass weights from 0–24kg (Table 1).

Table 1: Lamb categories in the OLI

Classification	Fat score	Carcass weight (kg)	Status
Suckers	1, 2, 3, 4	0–24	Non Station Mated (NSM)
Lamb	1, 2, 3, 4	0–24	NSM



Sales in the OLI

Auction date and time will vary week by week. Each online marketplace will have a different selling day/s for lambs, influencing when the indicator will be updated.

For the latest info follow the link below:

<https://auctionsplus.com.au/auctions/sheep>



How is the OLI calculated?

The OLI is the average price of lambs meeting the indicator specifications for the past seven calendar days. It is calculated as follows, using the average live weight price (\$/head), skin value (\$/head) and estimated carcass weight (cwt):

- 1 The cwt price for each pen is calculated.

$$\text{cwt price (¢/kg)} = (\text{live weight price} - \text{skin value}) \div \text{cwt (kg)}$$

How is the OLI calculated? *continued..*

- The average price for each pen is weighted by the number of head in the pen. This is done by calculating the pen value.

$$\text{Pen value} = \text{cwt price} \times \text{head in pen}$$

- The Online Lamb Indicator (¢/kg cwt) is obtained by dividing the sum of all pen values by the total number of lambs meeting the indicator specifications and rounding to two decimal points.

$$\text{OLI} = \frac{\text{Sum of all pen values}}{\text{Total head in OLI}}$$

The purpose of the OLI



The OLI is designed to be applicable to a wide range of sheep industry participants across the supply chain. It describes what sheep producers are selling to sheep industry participants as an online marketplace. These sheep are typically purchased by producers who breed, or trade sheep, and it is assumed the vast majority of lambs sold via online marketplaces return to the paddock as to be restockers, for either breeding and or trading/growing out purposes.

Expected performance

Typically, demand for lambs and suckers is highly dependent on seasonal factors. Within the domestic market, movements and demand will depend on the interested buyer and the current performance of the market.

Keep up to date with the OLI and key insights by subscribing at the following link:

<https://www.mla.com.au/prices-markets/subscriptions>

Link to the interactive OLI report: <https://www.mla.com.au/prices-markets/sheep/online-sheep>

Price movements



It is important to note that price movements in individual online marketplaces and livestock categories are likely to be much more volatile than the OLI, while still subject to the same underlying price trends.

Contributors



The OLI pricing and supply information is derived from a number of online livestock selling platforms. Currently, contributors to the online indicator make up over 90% market coverage of online sheep transactions. MLA are eager to grow contributions into the indicator and are open to working with all domestic online selling platforms.

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