



National Livestock Reporting Service

National Merino Lamb Indicator

The National Merino Lamb Indicator is a seven-day rolling average of Merino lambs from NLRS reported saleyards across Australia. It is expressed in cents per kilogram carcase (or dressed) weight (¢/kg cwt) 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 National Merino Lamb, the dataset takes the average ¢/kg cwt 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.



National Merino Lamb Indicator composition

The National Merino Lamb Indicator includes lambs up to 12 months of age with fat score 2 or 3 and carcase weight from 16–22kg (Table 1). The sales included in the National Merino Lamb Indicator are outlined in Table 2.

Table 1: Lamb categories in the National Merino Lamb Indicator

Classification	Fat score	Carcase weight (kg)	Sales prefix*
Young lamb	2,3	16–22kg	MR
Lamb	2,3	16–22kg	MR



Table 2: Prime sales in the National Merino Lamb Indicator

Monday		Tuesday		Wednesday		Thursday		Friday	
Corowa	NSW	Deniliquin ⁺	NSW	Cowra	NSW	Wagga	NSW	Griffith	NSW
TRLX Tamworth	NSW	Forbes	NSW	Guyra ⁺	NSW	Swan Hill ⁺	VIC		
Dubbo	NSW	IRLX Inverell ⁺	NSW	SELX Yass	NSW				
Bendigo	VIC	Northern Tas	TAS	CTLX Carcoar	NSW				
		CVLX Ballarat	VIC	Cootamundra	NSW				
		SA LE	SA	Hamilton	VIC				
		Muchea	WA	Horsham	VIC				
		Naracoorte	SA	Katanning	WA				
				Warwick	QLD				



* MR - Merino.

⁺ Fortnightly. Note – closed/no longer reported: Mount Gambier (May 2021), Shepparton (Feb 2017)

How is the National Merino Lamb Indicator calculated?

The National Merino Lamb Indicator 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 carcase weight (cwt):

- 1 The cwt price for each pen is calculated.

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

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

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

- 3 The National Merino Lamb Indicator value (¢/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.

$$\text{National Merino Lamb} = \frac{\text{Sum of all pen values}}{\text{Total head in National Merino Lamb}}$$



The purpose of the National Merino Lamb Indicator

The National Merino Lamb Indicator is designed to be applicable to industry participants across the supply chain. It describes what buyers are paying for Merino lambs out of the saleyard. Movements in the National Merino Lamb Indicator follow the general trends of other MLA indicators, such as the National Light Lamb Indicator. That is to be expected given many of the Australian and global factors that influence supply and demand have an impact across multiple lamb categories.

Performance

Since 2017, the average weight of Merino lambs has been 19.5kg, made up of lambs (94%) and young lambs (6%). Typically, young lambs are those under five months of age, often unweaned or sucker lambs and with no permanent teeth. The throughput of Merino lambs through the saleyards is largely dependent on seasonal conditions and the time of year.

You can access MLA's interactive National Merino Lamb Indicator reports at mla.com.au/prices-markets/market-reports/prices/pdf-market-reports/sheep/merinolamb/

Price movements

It is important to note that price movements in individual saleyards and livestock categories are likely to be much more volatile than the National Merino Lamb Indicator, while still subject to the same underlying price trends.



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