

Agricultural Market Report

Methodology, Notes and Revisions Policy

User Statement

The information in the Agricultural Market Report is used by a variety of users. The Northern Ireland government uses the information as evidence for assessing agricultural market conditions. The data is also used in 'policy making' when considering the rationale for intervention (using instruments within the Common Agricultural Policy, for example), framing objectives and appraising options in relation to the agri food sector. In addition, the data is also used for 'policy monitoring' in evaluating and refining interventions and reviewing outcomes.

The prices published in the market report are used when calculating 'total income from farming' ([TIFF](#)) for Northern Ireland. TIFF represents the return on own labour, management input and own capital invested for all those with an entrepreneurial involvement in farming. DEFRA also use the data when calculating of [TIFF for the UK](#) (the calculation of which is a requirement under EU legislation). The calculation of TIFF provides estimates of the agricultural sectors total output, input, value added and income.

The information in the Agricultural Market Report is also used by the food and farming industry for the purposes of lobbying Government and for making commercial choices related to local agricultural markets. The Agricultural Market Report data is available on an historical basis which facilitates academic research examining trends and market interactions. Contact details are available in the publication, for you to send feedback or ask questions about the information provided.

Survey Methodology

Data for the report is collected and published on a weekly and quarterly basis. Data providers for the market report fall into 2 broad categories:

1. Data obtained directly from firms in the industry by means of email/telephone/fax survey – response rates for those surveyed are 100% while the coverage of each survey varies (see details below).
2. Data obtained from other statistical sources such as Livestock and Meat Commission and Agriculture & Horticulture Development Board.

Agricultural Market Report Statistics:

Description of how the average prices are calculated and information on what percentage of market sales are used to produce these estimates.

The Agricultural Market Report provides farm-gate price information (the price paid to farmers) for the main livestock (both for breeding animals and finished livestock slaughtered for meat) and crop sectors, on a weekly and quarterly basis. The weeks refer to 'statistical weeks' which always end at midnight on a Saturday – this means that some years may include 53 weeks and some quarters may include 14 weeks. All data entry is checked by someone not involved in the original data entry process and the plausibility of data received

is also considered (in order to reduce/eliminate non-sampling errors). The prices quoted in the Agricultural Market Report for different categories follow definitions determined by EU classification systems (designed to permit comparisons across the EU) or follow commonly used practices/terminology within the local market. The sources of data, coverage and methods used as well as the categories for which average prices are estimated are as follows:

1. Finished Cattle (steers, heifers and young bulls slaughtered for beef – excludes culled breeding animals) – average deadweight prices per kg are collected from meat plants/slaughter houses. The data are collected and supplied by the Livestock and Meat Commission. All meat plants that slaughter more than 20,000 animals per year are required to provide price information on all animals slaughtered (excluding imports for slaughter). This represents approximately 75% of all cattle slaughtered that are purchased from Northern Ireland farmers. An average price is calculated for each category in the EU beef carcass classification system (see note 1 and 2) for which animals were slaughtered. The average is calculated by taking the total value of animals in any one category and dividing by the total weight. The overall average is calculated in the same way.
2. Finished Clean Sheep (lambs and hoggets slaughtered or ready for slaughter – excluding culled breeding sheep) – an average price for lambs is derived from price information collected from both (auction marts) live-weight and (slaughterhouses) deadweight centres. In calculating an overall price for lambs the weighting between live-weight and deadweight is 60:40, respectively. The live-weight average price for finished lambs is derived by dividing live-weight value by 50% of the live-weight (live-weight is multiplied by 50% to give a deadweight equivalent) for all finished lambs sold in auction marts with sales of more than 100 animals per week. Within the 60% weighting for live-weight prices the larger marts are given double weighting. The deadweight price is derived from information collected from firms accounting for in excess of 95 per cent of all sheep slaughtered (excluding imports for slaughter). The deadweight average is calculated by dividing total value by total deadweight for all animals slaughtered by these firms within the deadweight range: 16-23.5 kg per lamb (or hogget). The live-weight price (or deadweight equivalent) and the deadweight price are then combined in ratio 60:40 to give overall price for both lambs. The hogget price is derived using the exact same procedure applied to hogget price information. An overall price for lambs and hoggets combined is derived by the same procedure applied to a combined dataset for lambs and hoggets. The price categories (lamb and Hogget) reflect local market conditions and terminology. Animals born in a given calendar year are termed lambs throughout that year, but they become hoggets from 1 January in the year following the year of birth.
3. Finished Clean Pigs (pigs slaughtered for meat -excludes culled breeding animals) –based on price data (for all pigs slaughtered) collected from firms that in total account for more than 99 per cent of all pigs slaughtered (excluding imports for slaughter) the average overall deadweight price for finished clean pigs is calculated by dividing the total deadweight of slaughtered clean pigs by the total value paid in purchasing these animals. This price is calculated according to the rules set down by EU classification

systems for price reporting, however the price published is for all finished clean pigs rather than sub-categories based on lean meat percentages (see notes 1 and 2).

4. Broiler Chickens –based on price data (for all bird slaughtered) collected from firms that in total account for more than 95 per cent of all broilers slaughtered (excluding imports for slaughter) the average overall deadweight price for broilers is calculated by dividing the total deadweight of slaughtered broilers by the total value paid in purchasing these birds..This price is calculated according to the rules set down by EU classification systems for price reporting (see note 1).
5. Hay, Straw and Silage – Pricing information is obtained by DAERA Staff (from newspapers and through communication with the industry) from six locations throughout Northern Ireland. The price reported is a straight average price of this information. Given the methodology used to determine hay, straw and silage prices, it should be noted that these prices are less representative of the prevailing prices than other prices in the market report. This is because the number of observations upon which the average price is based is likely to cover quite a small percentage of total transactions. The units for which prices are specified reflect practices/terminology within the local market.
6. Potatoes – based on information is collected from a survey of potato processors and merchants (covering 25% of potatoes produced – though a higher percentage of potatoes traded) an average price is produced by dividing total value of potatoes purchased by total tonnes purchased. Prices are calculated for four categories: first earlies (first early varieties harvested mainly in June and July and sometimes August depending on weather conditions), washing sample (potatoes intended to be sold whole in pre-packs to consumers), processing (potatoes sold to food processors for manufacture into crisps, frozen chips etc) and merchant trade (trade between merchants where final destination is not known). These categories reflect practices/terminology within the local market
7. Cereals – This price is provided by the Agriculture & Horticulture Development Board (AHDB Cereals) for feed barley and feed wheat delivered into Belfast. The prices are those quoted in the AHDB NI Market Report. The categories for which prices are specified reflect practices/terminology within the local market. For further details about how the AHDB calculate the average price for cereals contact the AHDB directly either by phone on 024 76478730 or on email at Cereals.admin@ahdb.org.uk.
8. Breeding and Store Livestock. Data is collected from 7 Livestock Marts in Northern Ireland representing 52 % of cattle sold at all livestock markets and approximately 42% of all sheep sold at livestock markets. Within each category the livestock marts provide details of the number of animals sold, the overall value of these animals and the minimum and maximum value of these animals. The average price is calculated by dividing the total value of animals sold in any given category by the total number of animals. The units and categories for which prices are specified reflect practices/terminology within the local market

Revisions policy

Figures in the publication are 'final'. Revisions to 'final' figures are extremely rare, but any revisions to data published as 'final' are made in the next release and notified to users via email and the DAERA webpage for the Agricultural Market report. Reasons for amendments will be explained.

Confidentiality and Disclosure

The information provided by firms for the Agricultural Market Report is treated confidentially. Some statistics are based on information collected from a small number of firms. Given the risk of an individual firm's data being disclosed increases when the numbers of firms participating in the survey is low, the permission of firms to go ahead with continued publication is sought when the number of firms providing information falls below five.

Notes:

1. The EU Carcase Classification Scheme (see COUNCIL REGULATION (EC) No 1234/2007) is used to ensure a common classification standard throughout the European Union. This enables the EU to operate a standardised beef, sheep, poultry and pig price reporting system.

The criteria for classifying beef carcasses are as follows:

- Conformation (the shape and development of the carcase): is denoted by the letters S, E, U, R, O, P with S being the best and P the poorest;
- Fat: the degree of fat is denoted by the numbers 1, 2, 3, 4, 5 in order of increasing fatness;
- Sex category: denoted by the letters A (young bull), B (bull), C (steer), D (cow) and E (heifer).

Pig Carcasses are classified according to lean meat percentages with E denoting a lean meat percentage above 55% and U denoting a lean meat percentage of 50% or more but less than 55%, R = 45 or more but <50, O = 40 or more but less than 45 and P less than 40% lean meat.

2. More information and guidance on price reporting and carcass classifications for [beef](#) and [pigs](#) is available on the DAERA website.