Department expands Market Information Service

Department of Agriculture, Western Australia

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Recommended Citation
Department of Agriculture, Western Australia (1978) "Department expands Market Information Service," Journal of the Department of Agriculture, Western Australia, Series 4: Vol. 19 : No. 1 , Article 2. Available at: https://researchlibrary.agric.wa.gov.au/journal_agriculture4/vol19/iss1/2

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Following recent expansion, the Department of Agriculture’s Market Information Service now provides an impressive array of services, and more are on the way.

Why Market Information?
Over recent years farmers have come to realise that if they are to manage their farms and market their produce to the best advantage, accurate, timely market information is vital. It helps the farmer to:
• Produce the kind of products which the consumer wants.
• Produce them at the right time for maximum profit.
• Plan finances and borrowing in advance.

Because it makes the market operate more efficiently, market information benefits the consumer as well as the producer.

History of the Market Information Service
The Department first recognised the need for market outlook information in December 1970 when it began to encourage and guide farmers in cash flow budgeting and financial control. For a cash flow budget a farmer needs to know how much money will be coming in, and when.

Progressive payments from grain pools are of particular importance and it was here that the lack of any information was first felt. To help farmers with their budgets, the Department’s Rural Economics and Marketing Section produced a list of grain payments estimates, detailing how much was likely to come in from each pool, and when.

These reports proved popular immediately and are now produced regularly. The need for similar information for other farm commodities soon became evident and in 1974 the Market Information Service was initiated with its familiar yellow-topped sheets, available to farmers through district offices of the Department.

These M.I.S. sheets have been produced at the rate of about 20 to 25 a year, covering all major farm products. Farm supplies have also been analysed—for example, superphosphate, nitrogen fertiliser, and farm fuel. From time to time, other topics of concern to farmers are reported, such as the outlook for the Australian dollar, the meat industry inquiry, and the general state of the economy.

The service was improved last November, by the option of a $10 a year subscription to have the M.I.S. sheets and other leaflets produced by the Department mailed directly.

The most recent improvement is a programme to double the output of sheets to 50 a year.
Sheep sale at Midland

Accuracy of the forecasts
The value of the M.I.S. sheets depends on their accuracy, and an attempt was made to assess this based on the 1975 output.

In the 16 sheets assessed there were 39 forecasts made. Nineteen of these forecasts had only two possible outcomes (for example, yes or no), and 16 of the 19 were correct. The 3 incorrect forecasts were too pessimistic.

The 20 forecasts predicting quantities (for example, how much the price would be) were exactly correct in four cases. Seven were pessimistic by an average of 9.5 per cent, and 9 were optimistic by an average of 7.1 per cent. The average error was 6.5 per cent.

This impressive record should give farmers confidence in the service. However, the service is only one of many sources of information available to the farmer and the M.I.S. output should be treated as one useful source of information, not as some statement of what is certain to happen.

Livestock Market Reporting Service
The Market Information Service now provides daily market reports on all major livestock sales which are distributed to all the major rural media. The reports, produced for the Department by Darowa Marketing Services Pty Ltd, are the most comprehensive yet seen in W.A.

Sheep and cattle are classified by age, weight and sex and by condition on a 5-point rating scale. Price reports are presented on a per head basis and per kilogram of estimated dressed weight, and the estimated percentage of the total yarding in each category is also listed.

New objective reporting terms are used, and the whole system is explained in a 20-page full-colour booklet which has been distributed to all farmers in the State.

Phone-in reports
As part of the service, recorded reports are available to most farmers on a local-call basis by ringing district offices of the Department. This recorded report covers the most recent livestock sales, as well as current wool and grain prices.

Weekly commodity reports
Each week reports on the world market for grains, meat and livestock are published and distributed to the media. These contain commentaries on the market movements and quotations from key markets around the world.

Market outlook information
Once a week, on average, an outlook leaflet is published and sent by mail to subscribers. These leaflets cover the market outlook for all the major farm commodities and inputs as well as the general economic outlook. While most leaflets are directed at the immediate future (up to one year) some are aimed at longer term projections.

Using the service
This expanded Market Information Service has the potential to improve the quality of management decisions made by farmers, but it can only have this effect for farmers who make use of the service. Ways of capitalising on the service include:

• Following the radio market reports.
• Reading reports in the rural press.
• Using the phone-in report service.
• Subscribing to the outlook sheet mailing service. Farmers can subscribe at offices of the Department of Agriculture for a fee of $10 a year.