

# QUARTERLY PROGRESS SUMMARY: July – September 2016

## THE NEW ZEALAND SHEEP INDUSTRY TRANSFORMATION PROJECT (NZSTX)

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### Summary of progress during this quarter

#### Fibre

Note: PGP investment in the fibre component of NZSTX ended on 30 June 2015.

- We have undertaken further in-market travel in the USA, Europe and Asia this quarter. Demand for New Zealand fine-wool remains buoyant, bolstered by strong support from both existing and new clients with long-term contracts in place.
- Across the NZM business, we have continued to focus on animal welfare, environmental sustainability and traceability projects to ensure that our brand partners are confident about the on-farm standards that our growers have in place. Brand and consumer awareness of animal welfare and the land management implications of wool production has been amplified by the recent launch of the Responsible Wool Standard (RWS) by the Textile Exchange.

#### Meat and Other

Note: PGP investment in the Meat and Other component of NZSTX ended on 30 June 2015.

- During this quarter, NZM and Silver Fern Farms reached agreement for NZM to take 100 per cent ownership of Alpine Origin Merino Limited (AOML), previously owned jointly. AOML was established five years ago as a joint venture between NZM and Silver Fern Farms to own the SILERE alpine origin merino brand and to fund the development and marketing of the SILERE merino meat range. Under the agreement NZM becomes the sole shareholder in Alpine Origin Merino Limited.
- SILERE alpine origin merino has been built into a successful brand and product for the food service market predominantly in New Zealand and the United States. The intention is for Alpine Origin Merino to continue to develop and build the SILERE brand in niche markets globally.
- Going forward, NZM is partnering with Alliance Group to grow the volume and value of SILERE.

#### Production Science

- The key focus for the Production Science team remains on developing the genomic breeding value (gBV) for footrot resistance to the point where it can be successfully used by New Zealand fine-wool breeders to select rams for future use by the industry. We expect the gBV to be available to ram breeders prior to the 2017 breeding season, which will enable them to incorporate the gBV into their ram selection decisions.
- The fine-wool central progeny test (CPT) continues to generate valuable data for New Zealand's fine-wool industry. Across the four progeny groups from the CPT (2013, 2014, 2015 and 2016), we are progeny-testing 175 sires and collecting data that allows those rams to be evaluated for their genetic potential across all production, animal health and structural traits. Further information about the data being collected and results for the sires that have been evaluated so far is available on [www.perfectsheep.co.nz](http://www.perfectsheep.co.nz). The CPT data contributes to the estimated breeding values (EBVs) available for rams on the MERINOSELECT database managed by Sheep Genetics.

- We continue to provide support to the NZSTX transition farms (in both the North and South Islands), including data collection, forage development / management and breeding decisions. This work is ongoing.
- During this quarter, we have developed several decision support tools that will be made available to growers through [www.perfectsheep.co.nz](http://www.perfectsheep.co.nz), the NZM Grower Group network and during visits to individual growers from the NZM Production Science team.

## Key highlights and achievements

This quarter's highlights and achievements:

- The July to September quarter is the key shearing period on fine-wool farms, and the Production Science team have been supporting stud breeders with collecting and processing wool data (e.g. fibre diameter, strength, length and yield). This data will be used to generate EBVs for wool-related traits.
- For the CPT, this quarter's activities have also included collecting and analysing wool-related data for the 2013, 2014 and 2015-born CPT progeny. Next quarter, the focus will shift to collecting and processing data for 2016-born lambs, plus carcass and health data for the CPT hoggets (i.e. the 2015-born progeny).

## Upcoming

- NZM will host an open day at the CPT site near Omarama in October. The CPT is a highly valuable resource for the New Zealand sheep industry, in that it enables genetic linkage across New Zealand's fine-wool rams, and between New Zealand and Australia's stud sectors, allowing EBVs to be generated. Further, it is essential for developing (and maintaining) the genomic breeding value (gBV) for footrot resistance in fine-wool sheep.
- Genotypic, phenotypic, pedigree and production data are still being analysed to refine the genomic breeding value (gBV) for footrot in fine-wool sheep (FeetFirst project). We expect to be able to provide footrot breeding values to ram breeders prior to the 2017 breeding season.
- The progeny from the fourth mating at the CPT site (2016 breeding season) will be born during the first half of Q2. Soon after birth we will start measuring their performance across production and animal health traits, as well as collecting their DNA to enable genotyping to be undertaken.
- Lambing results from the NZSTX transition farms will be collected during Q2. We will monitor the progress of the progeny, and look forward to sharing the results with other strong-wool sheep farmers that are interested in integrating fit-for-market sheep into their production systems.
- Further data for the lamb survival study (which is being undertaken in collaboration with Murdoch University) will be collected during Q2. This data will be used to expand on and validate the 2015 results.
- The first prototype of a new animal health workshop for fine-wool sheep will be held early in Q2.

## Investment

Investment period	Industry contribution	MPI contribution	Total investment
During this Quarter	\$0.2m	\$0.2m	\$0.4m
Programme To Date	\$15.96m	\$15.96m	\$31.92m