

## **PGP - The New Zealand Sheep Industry Transformation Project**

### **Quarterly Report Summary. January to March 2012**

#### **Project One - Transforming Demand for Fit-For-Market Fibre**

The development and adoption of the 'toolkit' is an on-going exercise and we continue to make good progress on this. The promotion of Merino fibre continues to be met with positive feedback in the market, as does the suite of touch-points and collateral presented as ideas for communicating its attributes.

We are working closely with brand partners to align with their social media strategies to generate market visibility for Merino fibre. We are also continuing to work on a broader social media strategy, which involves generating an 'audience' of qualified consumers and opinion leaders.

Following the success of the brand partner summit held in September 2010 in Palo Alto, we are now in the detailed planning stages for the next brand partner summit, which will be held in Italy in late May 2012. As with the Palo Alto summit, the key objective is to determine how NZM and brand partners can work cooperatively to take the next steps in enhancing consumer awareness of New Zealand Merino wool.

#### **Project Two – Meat and Other Products**

The Alpine Origin Merino programme continues to grow, with more growers committing stock to the programme this quarter.

In terms of sales of value-added meat (SILERE branded products), progress has been steady, as we focus on building market demand. This highlights that, while we have made a good start, there is still much work to be done in developing market opportunities.

The relationship with our leather processing partner is going from strength to strength. We are in the final stages of confirming processing costs, which will allow us to price the leather. Early indications are that there is a good value proposition for all parties.

#### **Project Three – Production Science**

On farm we are challenging the boundaries of lucerne productivity in marginal soils, and the aim is to define the most cost-effective means of establishment.

We have also established three new trials to determine the productivity and the best means of establishment of other legumes (e.g. lupins and Caucasian clover) in high country environments.

The livestock trials in Hawke's Bay and Marlborough have now been completed.

The first part of the review of the genetics in the Merino industry has now been completed, with a draft report submitted. The report looked at the rate of genetic gain made by New Zealand farmers and Australian farmers using the MerinoSelect genetics database. The review showed that superfine wool sheep in both countries had made similar progress in most traits. However, ultrafine Merino sheep in New Zealand had made greater gains in fleece weight and fibre diameter than in Australia.

The Merino and Mid-Micron Advancement Programme (MAP) software development and initial testing have now been completed with software changes and bug fixes currently underway. The focus during the coming quarter will be on getting the programme in front of target growers.

The first edition of NZM's email newsletter was sent out in February and there have been regular editions since then. This newsletter gives us the opportunity to disseminate NZSTX updates.