

PGP - The New Zealand Sheep Industry Transformation Project

Quarterly Report Summary. July to September 2011

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

Good progress continues to be made on the further development and adoption of the 'toolkit'. We have been working on refining the messaging, look and feel, and positioning of Merino fibre in the market place, and we are now very close to completion of phase one of this work. Key focus areas have been refining and communicating information on Merino fibre to our in-market brand partners.

During September 2011, NZM hosted 17 members of an international brand partner's global 'family', including sales representatives, key retailers (representing approximately 70 retail stores), and brand partner directors of sales for the USA and Europe. The aim of the visit was for these people to experience Merino farming and production in New Zealand first-hand.

Project Two – Meat and Other Products

The focus this quarter has been on developing grower support for the joint venture (Alpine Origin Merino Limited) between NZM and Silver Fern Farms. The exposure of the new SILERE brand through the media has definitely helped with the sell-in to growers and generated a good deal of excitement in the industry.

Together with our partners Silver Fern Farms, we have been discussing potential new markets, sales strategies and the roll-out of our sales model beyond the domestic trial (soft launch) held over the Rugby World Cup period.

The Leather and Shoe Research Association (LASRA) has now completed its research project, helping us better understand the attributes and characteristics of Merino leather. The report documents the baseline characteristics of the product and has identified a number of key processes where improvements can be made to enhance quality. We have also conducted a second trial with Silver Fern Farms and our leather processing partner to explore how we can sub-grade the current all-in Merino skin grade. The results were encouraging and there is a significant opportunity for process improvement, as well as grading. These trials are ongoing.

Project Three – Production Science

The Merino and Mid-Micron Advancement Programme (MAP) market model has now been completed as a standalone software package and has undergone initial testing. The model contains significantly more functionality and customisability than originally envisaged with these additions greatly enhancing the model.

Work continues on the breeding and finishing trials that we have been undertaking in Hawke's Bay and Marlborough. A sample of the lambs in the finishing trials at both Poukawa and Bonavaree will be slaughtered in November 2011, with individual carcass traits recorded. Some lambs will be retained and slaughtered at 18 months of age, with individual carcass traits recorded at that time also.

A forage sub-project has been developed to help increase feed and pasture production in fine wool sheep systems. Research priorities have been developed and a farmer advisory group formed. This research will provide outputs that increase feed production, which can be transferred throughout the high country.

A GIS map has now been completed to assist with the identification of the areas within New Zealand most suited to the farming of fine wool sheep. As expected, areas where fine wool sheep are currently farmed are highly suited (Central Otago, Mackenzie, Canterbury High Country, and parts of Marlborough). North Canterbury is a good target area for expansion, as are parts of Mid Canterbury. While there are few areas in the North Island highly suited (i.e. all four criteria met), there are large areas in Hawke's Bay and on the East Coast, as well as in Manawatu that meet three of the criteria and can be explored further.