

merino INC. newsletter

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Message from chairman...

Isn't farming fun?

It always rains when we want it. The prices for our poorer wool types are as good as our best types. Our lamb is selling at record prices overseas and we're getting the same price for our beef as we were when Adam was a cowboy.

Seriously, we did get very good prices for our lamb in the spring, the wool contracts were pretty good and the laws of supply and demand are helping the store market. Some areas are also getting good rains so we have to be positive.

As you all know we will no longer pay a wool levy at the end of March so Merino Inc will no longer receive funds from MWNZ for R&D. We have

approximately \$1 million in reserves and we are going to make these funds available on a contestable basis. Those applying for these funds must convince us that their project will measurably improve the merino industry. These funds may be available for education also.

An unfortunate result of no longer receiving MWNZ funding is that we have made the decision to cease the current positions of both the Communications Manager, Jo Jermyn and R&D Manager, Lisa Anderson. This decision has been made to reduce expenditure where we can in an endeavour to use what reserves we have left on projects benefitting the merino industry. Directors have also taken the step of ceasing monthly

directors fees and will be paid on a meeting basis only. To this end, all communication will be dealt with by directors and via our secretarial office of Brown Glassford & Co Ltd. Lisa Anderson will continue on a contracts basis as necessary.

The directors of Merino Inc wish to acknowledge the hard work and enthusiasm of both Jo and Lisa over the years and wish them well for the future.

We have pledged to cease surgical mulesing by the end of this year. Bear in mind that anyone who continues may jeopardise our markets.

Have a wonderful winter.

Tom Rowley

Merino Inc AGM and Directors Elections

The date of the 2010 AGM for Merino Inc has now been set down for Friday 2nd July 2010 and will be held at the Copthorne Hotel Commodore, Christchurch Airport, Memorial Avenue at 4.00pm. Meeting papers will be sent shortly to all merino growers who are currently on the database. All growers are encouraged to attend.

Tom Rowley and Simon Cameron's three year term as directors will finish this year. As per the rules of

Merino Inc, it is the responsibility of the Waitaki/MacKenzie and Otago Regional Associations to appoint directors to represent these regions. Both Tom and Simon have indicated their eligibility and willingness to stand again for a further three year term. An announcement will be made at the AGM of the two successful directors for the southern regions.

Simon Cameron and Tom Rowley, the two director's standing for the southern regions.



High Country Carbon Project

Early November saw the launch of this project, the brain child of Jim Morris, and now a collaborative reality that is bringing together the expertise from organizations including; Environment Canterbury, DOC, Federated Farmers, LINZ, Landcare Research and Forest and Bird.

Merino Inc has committed \$4K for the 2010-2011 period. The Inc Board believe the information generated from this project will be to the benefit of all merino farmers.

The following is a summary of what the project hopes to achieve, and how this will be undertaken. For further information see the Sustainable Farming Fund website, www.maf.govt.nz/sff/about-projects.

Why is this project needed?

Confusion and questions around the carbon scheme, combined with the potential limitations on high country farms from district plans and Kyoto protocol restrictions, and the lack of knowledge about carbon sequestration in the high country highlighted the need for more information.

For example;

- Current rules disallow anything less than 5m in height as a carbon sink — ruling out just about all types of ground cover in the high country.
- District plans prohibiting planting of exotics excludes this option for high country farms to off-set their carbon emissions

A recent report (researched and written by CRO's and Universities) summarising soil carbon issues in NZ contained absolutely no data on land use, carbon or soils within the high country environment.

The current ruling that excludes ground cover less than 5m in height

as a method of carbon sequestration was made by the Government. New Zealand is one of the few countries that imposed this limit. Many other countries have included all ground cover as well as soil carbon content. The next round of changes to this ruling is 2012. The collection and collation of data before this date is imperative if the Govt is to be lobbied to change these rules.

Aim of the project

The aim of the project (stage 1) is to investigate and gather data on carbon sequestration of high country lands.

How the project will proceed?

Over the next 4 years the project will;

- Undertake field measurements to estimate carbon stocks and sequestration.
 - Analyse data collected and provide estimates of rates of carbon sequestration in relation to change in land cover.
- Model and predict sequestration rates in relation to land cover, management and environment
 - Assess opportunities and remaining barriers to participation in existing carbon markets.
 - Estimate the monetary returns from carbon sequestration using different management strategies.
 - Hold field days and woolshed gatherings to disseminate findings.
 - Review existing information to determine links between land management, land cover and ecosystems.
 - Review existing and emerging markets for high country ecosystem services.
 - Prepare a summary report that ensures high country land managers can fully participate in the marketing of carbon offsets, and associated ecosystem services to facilitate the sustainable management of the high country.



Working together . . . Larry Burrows (Landcare Research), Melanie Schauer (Environment Canterbury) and high country farmer Jim Morris at the launch of the High Country Land Managers' Carbon Project.

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Summary of High Country Carbon Project Launch

Merino Inc has chosen to support this project. The following is a summary of the day held in November to kick off this exciting collaboration.

Present at the launch were organisers of the project, project steering committee, funders and supporters. This group mainly consisted of people from organisations such as Ecan, DOC, Forest and Bird, Federated Farmers, Linz, Landcare Research and press representatives.

Jim Morris started the day explaining how the project was initiated (thanks to the outcomes of his Tenure Review which he didn't think had the best outcomes in terms of environmental sustainability or protection — not saying much about DOC!). His personal confusion and questions surrounding the Carbon Scheme added to this. Hence, his personal aims for this project include:

- High Country farmers having the ability to become Carbon neutral
- Enabling High Country farmers to increase their knowledge and understanding of the whole Carbon issue
- Enabling High Country farmers to distinguish themselves within the Carbon scheme

It was pointed out that low land farmers will most likely be able to meet the Carbon requirements by planting out small areas of exotic trees; however, district plans in the high country prohibit this type of action...

- So how do the High Country community get on?
- Information required includes needing to know what carbon is sequestered in the High Country
- Current rules disallow anything less than 5m in height as a carbon sink — ruling out just about all types of ground cover in the high country

At present, some relationships on farm are known in regards to Carbon — infact, as stocking rates increase, carbon soil levels decrease — opening up the suggestion that if farmers were to destock on the high country, soil carbon levels could infact increase — however, would the government pay for this?

Recently there has been a large report released (researched and written by CRO's and Universities), summarising soil carbon issues in New Zealand. However, there is a huge gap in information when it comes to the High Country. Absolutely no data was included on land use, carbon or soils within the high country environment in the report.

What is immediately required for this study is example properties which show changes in land use over the years — examples include retirement fence lines, instalment of rabbit fences etc. These examples need to be relatively old to make the data more robust — greater than 10 years ideal. Once these sites have been identified, intensive sampling will begin this coming autumn (March/April 2010). Several sites will be required to cover different climate types (dry vs. wet), and geology types (different soils) within the high country, to get best coverage.

The next step of the project will be to make a national model based on the collected data — this will not be an individual model, as the amount of funding and work required to do that wouldn't fit within the realms of this projects resources'.

When questioned as to what the 'High Country' represents for this project,

the following answer was given: "Country where exotic trees (e.g. pines) are not appropriate" — which is being dictated by district plans. This indicates that this project will be applicable for just about all those merino farmers we represent.

The current ruling of ground cover less than 5m in height not being included as a method of carbon sequestration was made by government, and we are one of only a few countries that have imposed this — many countries have included all ground cover, as well as soil carbon content. The next round for changes within government for this ruling is in 2012 — hence the need to start collecting data immediately to present to government to get this ruling amended. If this change occurs, it will allow property owners the ability to make more management choices. In fact, Mathew Clark from Linz suggested that this will be a very helpful tool in linking farming with conservation.

So in summary, all agreed that this project is quite unique, in that there hasn't been a project where all bodies represented are after the same outcome — sustainability of the high country. All agreed that if land owners had the financial incentive and means to do so, more would prefer to look after the conservation values of their properties. However, at present, the government doesn't incentivise farmers in any way, and most are in the position that they cannot afford to drop stock numbers, even though most would appreciate they need to. If farmers in the high country were able to derive an income from preserving their environment, most would likely do so.

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Lamb Integration Project

Merino Inc funded Graeme Ogle to carry out this project, which looked at the need for store producers and finishers to work together and both benefit economically.

An analysis was carried out, quantifying the value added to breeding and finishing merino businesses though integrating stock policies so that neither needs to trade stock through the open market. Advantages and disadvantages to both systems were looked into, especially biological improvements

in strengths of the resource and the reduction in transaction costs when grower arrangements are made.

This project concluded that contracts between store producers and finishers could be constructed to remove the volatility of store lamb values. This may help make it as attractive to be a store producer as it would be to be a store finisher. Another major benefit to the merino industry is that this scenario would result in more hogget fleece that would offset the declining merino clip.

For more details and a full copy of this report, please go to our website, www.merinoinc.co.nz

Young Merino Group reports

Otago Young Merino Group

The Young Merino group's latest meeting was held at the property of Brian and Maxine Wrights in mid March. They farm with son Adam who is a member of our group. The Wright's are also members of the Merino Benchmark group, who we combined with for our latest meeting. The property has a mix of Romney's

and Merino's and we discussed the possibilities of running all Merino's and how this would affect the property dynamics.

Whilst touring round the property industry representative's discussed different marketing opportunities. Craig Adams and Dave Maslen from Merino New Zealand talked about the continual increase in demand for wools that suit the "active outdoors" market while Graham Parker —

General Manager CMP Canterbury, and Myles O'Donnell — CMP Livestock Manager came and talked about supplying hogget's and the difficulties with continual supply. Also Georgie Gould from ANZCO Lamb Marketing and Alan McDermott the ANZCO Agricultural Manager spoke.

The following day started with a debrief on the Wright's property, followed by a trip to a Roxburgh Dairy farm Owned by Grant Scott and managed by son in law Scott Levings. The property is a high performing farm in a largely sheep dominated district. It was interesting to see the use of technologies to monitor the performance of cows and the introduction of a nutritionist for consultation in supplementary feeding.

These meetings are a great chance for members in the group to see a range of farming operations both within and outside their area of expertise. The group would suit anyone who is keen, enthusiastic and sees themselves having a future in the merino industry. If anyone is interested in joining the group they can contact Simon Paterson at 0274440498 or email armidalemerinos@gmail.com.



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Marlborough Young Merino Group

The Marlborough Young Merino Group has a membership from 12 properties and holds quarterly workshops/fielddays, facilitated by Ross Beech and Pete Anderson.

The last two workshops have focussed on hill country development. They were hosted by The Jordan and Saltwater, both of these properties having implemented significant programmes of spraying followed by fertiliser and seed application for greenfeed crops and/or permanent pasture. This development is targeting the medium hill, aiming to increase ewe and lamb weights through improved pasture quality and quantity on the breeding country. This mid range country is increasingly

critical to breeding flock performance, as the lowland downs and flats are progressively challenged by other enterprises.

Other topics addressed during the fielddays

1. Vet Pete Anderson discussed the need to monitor and record key data relating to flock performance, and how to take advantage of this data:

Condition scores and liveweights of ewes at tugging, shearing, weaning

Scanning % and % of lambs tailed, weights at weaning, May and shearing

Most important — kilograms of

wool and meat produced per ewe weight wintered

2. Ross Beech introduced the young farmers to the Woolbook, a clip analysis programme developed by the Merino Benchmark Group and now available through Merino NZ Inc to all merino growers.

3. Carbon sequestration: a MAF Programme Advisor from Nelson addressed the group on the programmes currently in place to encourage and facilitate farmers and foresters to set aside areas for carbon sequestration.

Two further workshops are planned for 2010.

Project funding for 2010

As you are aware, the MWNZ funding provided to Merino Inc ceased at the end of March. There are carry-over funds or Inc reserves being used to support the following projects;

Project	Description	Completion date
Cessation of Mulesing	Best practice to assist farmers as they stop mulesing before the 2010 deadline.	2011
Staple Strength	Highlighting a number of opportunities to improve staple strength other than nutrition and management. Strategies include flock genetics or clip preparation	September 2010
Marlborough and Otago Young Merino groups	Financial support to assist with the running of these groups	Annual contract
High Country carbon project	Financial contribution for this collaborative project (see newsletter for more info)	Inc funding until 2011

Project Application Form

The new application form for Funding of Merino Industry, Education, Research and Development is now available to be downloaded from the Merino Inc website (www.merinoinc.co.nz).

This can be completed and submitted by anyone wanting to apply for financial assistance for a project which will aid the merino industry.

Merino NZ inc.

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In brief

Lisa and Gundy Anderson became parents to Pippa Jayne in early January. Lisa is now experiencing life as a "working" mother (don't all mothers work...).

And other Regional Association office bearers were busy on the family front in late 2009, congratulations to new parents Paul and Prue Ensor (Canterbury) and Kelly and Grant Allan (Marlborough).

New look to website

We have redesigned the Merino Inc website (www.merinoinc.co.nz) and we think it looks great. Please feel free to contact us if you have any comment about it. We have also included a link to the new Project Application form on the right hand side of the page for downloading. Additional links are also available on the website including the Merino Benchmarking Group (via Industry link).

Merino Shearing Championships

Merino Inc provided sponsorship support for the 2009 Merino Shearing Championships, held in Alexandra in October 2009. The event attracted over 200 individual competitors across the wool handling and shearing events, and 30 teams in the team event. The Merino Inc prizes for the highest quality points in shearing went to Tipene Te Whata (seniors) and Damion Boyle (open). Overall winners were; Damion Boyle (open shearing), Scott Perry (senior shearing), Tina Rimene (open wool handling), Krystal Wilson (senior wool handling), Nguhuia Thwaites (junior wool handling).

Calendar of events

May 2010	World Merino Convergence 2010 Rambouillet, France
June 2010	Annual Merino Excellence Awards, Queenstown
June 2010	Benchmark Group North Island Tour
July 2010	Merino Inc., AGM
July 2010	Canterbury Assn AGM and Jnr Judging Competition

Merino Inc Directory

Otago	Tom Rowley (chairman)	Ph. 03 443 1744
Canterbury	Brian Hansen (vice-chairman)	Ph. 03 314 4258
Waitaki/McKenzie	Simon Cameron	Ph. 03 435 0791
Marlborough/NI	Simon Harvey	Ph. 03 575 7361
Administration	Allison Brook	admin@merinoinc.co.nz
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Website	www.merinoinc.co.nz	

Kellogg report — Kate Scott**Buono, pulito e giusto: Can getting dressed be an agricultural act?**

Food production globally has undergone massive change over the last few decades but recently consumers have rediscovered a desire to connect with producers and to be reassured that the food they eat is healthy and comes from a source that conforms to their political, ethical and moral beliefs. The rise of the 'conscious consumer', the resurgence of Farmers' Markets, environmental and health concerns about modern farming and the fight-back by small producers against the globalisation of food have all contributed to putting concerns about food production methods in the foreground of many global campaigns.

Farming for the production of natural fibres faces many of the same challenges that food producers are confronted by, with the added impediment that wholly synthetic fibre is not just possible but is in fact dominant in the global market. Even highly processed foods have to start from an agricultural source,

but textiles can be created entirely artificially, often from petrochemicals.

Natural fibre producers need to pull together to give voice to the consumer benefits of their products, and the environmental and social benefits of natural fibres, and the message needs to be delivered loudest to the same people who are already strongly interested in food production from an ethical viewpoint.

My title uses the motto of Slow Food: 'Good, Clean and Fair' which refers to the good taste of food that people care about, the clean production of foods in an environmentally responsible way and the fair treatment of agricultural workers and producers as well as the consumers. The reference to dressing as an agricultural act is a nod to American rural philosopher Wendell Berry's famous statement that "Eating is an agricultural act" — a belief that anybody who eats food should understand where it comes from.

'The personal is political!'