

merino INC. newsletter

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Message from the chairman...

These are interesting times for the New Zealand pastoral industry. The wool, meat and dairy sectors currently all have structures and business models under scrutiny, with no shortage of comment from within and without. Unfortunately but, sadly, unsurprisingly, there is an abundance of destructive comment: this suits the media, who realise that acquiescence to a proposal, or positive comments on same, tend not to stimulate reader interest [aka sales].

I find it fascinating that in the dairy sector the Fonterra Board has proposed to reduce farmer shareholder ownership, while the meat and wool industries are endeavouring to unify farmers and reclaim control. [Admittedly, the dairy proposal appears to have foundered after less than favourable response from grower shareholders.]

During my student days at Lincoln in the late 1960's, farmer co-operatives were considered a strong platform to build a base from which to supply and process product that met consumer needs and standards. The 1980's saw a move away from those principles to the open

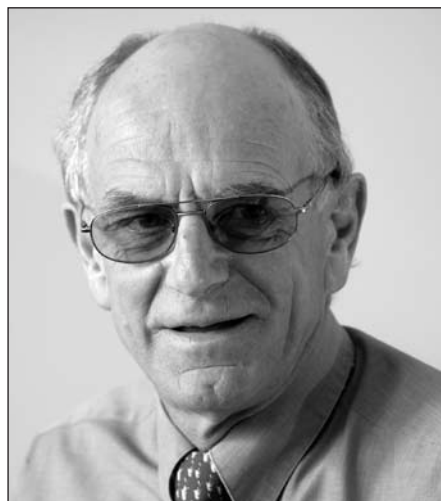
market, with intense competition at producer level, the rationale being that vying for supply would maximise returns.

I believe that where the majority of suppliers are small to medium-sized businesses, the open market strategy is disruptive to successful marketing of product, as the competitive element is carried right through every level to the retail market. I do not see that it is possible to build an enduring business relationship when intense competition prevails at producer level, requiring the

procurement sector to continually create short-term initiatives to attract supply.

In conclusion, I would remind you that we, the merino sector, set out in 1996 to unify growers, to supply a branded fibre whose identity would then be taken through the supply chain to retail. We need to continue to strive for a greater stake in the ownership of retail brands, allowing us to capture a fair share of the value of our celebrated product.

Ross Beech



merino Inc. newsletter

Guest editorial – Tom Rowley on the 2020 Summit

Tom Rowley represented Merino Inc at the Primary Industries 2020 Summit, held in Christchurch, in November 2007. This was the first event in over two decades to bring together business leaders from all sectors of New Zealand Primary Industries. Tom reports...

This conference was a giant talk-fest attended by people from all parts of New Zealand's primary industries (excluding PPCS!) Few farmers, especially sheep and beef farmers, attended.

There were speakers from both New Zealand and globally — CEOs and Managing Directors. The talk included the "clean green" image,

sustainability, carbon footprints, partnerships, food miles, branding, marketing, collaboration, leadership, to name but a few of the topics.

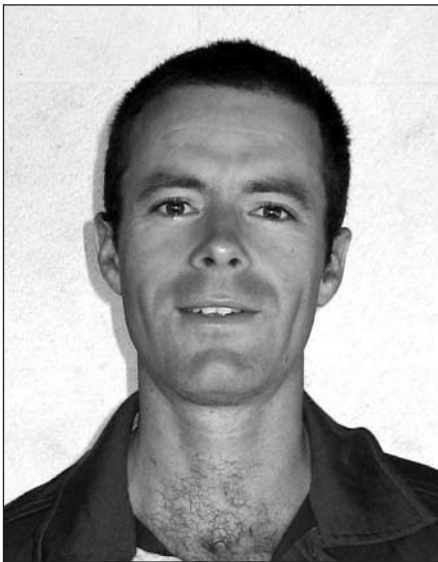
After sifting through two days of high powered talks I think the messages for me were...

1. Merino NZ is doing a good job of marketing our wool, and, in fact, has probably done the job for the rest of the world as well. But to go the next step — that is to get more sustainable prices over the long term — it may need to form closer relationships with Australian Wool, or partnerships, so that we have more control of the chain.

2. Leadership. WE need to develop and train leaders. If they are not available in our farming community then we must seek them from the wider community, with the best qualifications for the job, and we must back them and support them at all times.

3. Collaboration. Working as a team is vital. There is no better example of this than the meat industry, where we have all these companies competing against one another. Unfortunately I can see the same thing happening in our merino industry, which would be a tragedy.

Merino Inc sponsors Kellogg student



Merino farmer, Sam Kane of Wanaka, has embarked on the year-long study for the 2008 Kellogg Rural Leadership Programme at Lincoln University, with financial assistance from Merino Inc.

The course involves two week-long pressure-cooker sessions at Lincoln University, combined with study from home, and an individual project. It is likely that his individual project will centre on the long term sustainability of fine wool production.

After completing the first session at Lincoln Sam reports that the 19 on the course, (hailing from all over New Zealand, and from a wide crosssection of agricultural sub-sectors), were worked hard but had a great deal of fun. Presenters included specialists in the fields of communication, management, leadership, media and negotiations, as well as speakers from a range of agricultural sectors.

Ross Beech, Merino Inc chairman, says leadership issues are a frequent topic at meetings between Merino Inc and the regional merino associations.

"It was decided that financial support that encouraged people to undertake leadership programmes was one way to facilitate development of industry leaders" says Beech.

"Our organisation's role is to provide benefits to all New Zealand merino growers. Developing leaders to represent us is imperative if we are to continue to build our reputation as innovative and responsible producers of a prestigious natural fibre."

Merino Inc will consider any

expressions of interest from individuals who would like to develop their own leadership skills for the benefit of the Merino industry. The leadership development plan encompasses three levels – young merino people, growers, and existing regional office holders and directors.

The Merino Inc website has a list of leadership and training courses we think may be of interest, with links to the relevant sites.

Biella scholarship for 2009

After the success of the 2007 NZ-Biella scholarship, Merino Inc is hoping to offer this opportunity to two candidates for the 2009 scholarship. Applications will be open to any young person involved in the merino industry from on-farm to merino-specific retail.

The trip, which is funded by M&WNZ, involves three weeks in Biella, hosted by the Italian Master of the Noble Fibre Foundation, to learn about the processing of New Zealand merino fleeces into world class yarns for high fashion uses.

Confirmation of the 2009 scholarship is due shortly. Application forms will then be available in June, with a closing date of mid August. The two successful applicants will undergo some pre-visit training before embarking for Italy in early 2009.

We hope all young merino enthusiasts will consider applying for this fantastic opportunity. For further information contact Merino Inc, or check the website

A closer look at wool testing

One young farmer whose philosophy is "the more you know the better" decided that seeing goes along way to believing, and initiated a trip to the Napier-based NZ Wool Testing Authority (NZWTA).

Glenn Fastier, of Simon Hills Station, between Tekapo and Twizel, began classing the Simon Hills clip two years ago – five years after returning to the family operation. He reports...

"Having completed my second year of classing our wool clip at Simons Hill, my interest had grown to try and understand more about the rest of the process that is involved prior to our wool being sold.

After a trip to Christchurch to watch our lines being sampled, I was able, with the help of Jackie Donald our local Merino New Zealand

Representative, to organise a trip to the NZWTA in Napier to watch our wool being tested.

I was really pleased with the time and effort taken by both Phil Cranswick and Duane Knowles to educate me about their testing processes. This included a full tour of the NZWTA facility including testing for V.M, yield [both the old and new methods], the Atlas machine testing for length and strength, as well as laser scan testing for micron, SD, CV fibres >30. It was great to be able to watch our own wool being tested and I was impressed by the constant rigorous checking of the highly technical machinery to ensure a high level of consistency.

I believe I have a much better understanding of the process now and would highly recommend the trip to any wool growers or classers."

Merino Studbreeders are online

At the New Zealand Merino Stud Breeders' Website www.merino.co.nz you can:

- Search the directory to find where to buy top stud stock
- Meet the amazing people who make the industry tick

- Visit the places where our fibre is grown and harvested
- Find out about the many end uses of New Zealand merino

Story ideas and feedback are welcomed so please contact robin@robinmajor.co.nz 03 960 6595 or talk to President Dave Allan 03 435 0843.

Wool tensile strength

The Merino Benchmarking Group [25 properties] and their facilitator, Graeme Ogle, recently invited Dr Swan of Paul G. Swan and Associates Pty. Ltd, Australia, to present his paper, *Practical Management Strategies for Wool Tensile Strength*, to a workshop. Dr Swan's delivery was well presented and informative: a very rewarding session.

Benchmarking Group members are keenly aware of the increasing importance placed on staple strength by the merino industry, an attribute which has become even more pertinent as farmers have reduced micron while maintaining or increasing staple length. Paul emphasised the role of ram selection, ewe selection, and wool classing as areas that provided potential for growers to improve strength.

The Group has subsequently initiated a FITT project for Dr Swan to research strategies that growers can adopt to achieve sound wools that meet processor requirements. On completion of the project, the findings will be released and available to all farmers.

Calendar of events

3-4 April	Canterbury Merino Assn 2th merino flock ewe competition
2 May	Marlborough Merino Assn farm tour and AGM
14 May	'Beyond Reasonable Drought' field day — Marlborough
22-23 May	Waitaki/Mackenzie Merino Assn 2th merino flock ewe competition
Late May	Regional focus farm field days
Mid June	Applications out for the 2009 Biella Scholarship
20 June	Fibre Select 2008. More information will be sent to you by NZM closer to the day.

Merino NZ inc.

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Inc Updates

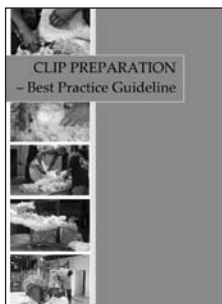
Communications

Jo Jermyn is the new Communications Manager for Merino Inc, carrying on from the good work that Anna Heslop has done in developing our communication to growers and the industry. Jo, her husband Andrew Benny and their two children farm a mixed cropping unit near Southbridge. Jo's contact details are below if you have any newsletter ideas or require information on the merino industry.



Clip preparation guide

Merino Inc has hard copies available of the NZ Wool Classers Assn Clip preparation – best practice guidelines booklet. This 15 page booklet should be displayed in all wool sheds, and be read by all farm and shed workers. Please contact Merino Inc if you would like a copy, or go to our website for a link to the electronic copy.



Leadership initiative

In line with our goal to develop future industry leaders, a list of training and educational courses is available on our website. Please have a read, and, if you think there is something of potential benefit to your professional development, contact us to discuss how we may assist you in achieving it.

Mark your calendars now...

Canterbury Regional Two Tooth tour

The Canterbury Merino Association is holding its inaugural Two Tooth Ewe Flock Improvement competition in early April. The competition starts in North Canterbury on Thursday 3rd of April, taking in four properties including a round trip through 'Glens of Tekoa' over the Braes of Balquether and returning via the Glen Ray/ Hurunui. The final day commences up the Ashburton Gorge and travels down the Lake Stream through 'Lake Heron' and 'Glenfalloch' Stations, visiting seven properties. The tour is strictly for off-road 4WD's only. For further information contact Paul Ensor paul@glenaan.co.nz Ph. 03 3185 125.

'Beyond Reasonable Drought' field day

A field day on adapting dryland farming to climate change will be held at the Avery family's Bonavaree Farm, 309 Grassmere Rd, Seddon, Marlborough, May 14th, 9.30am-3.45pm. This concludes the Starborough Soil Conservation Project. Registrations close April 30. Contact project manager Heather Collins, heather.collins@landcare.org.nz, phone 03 572 8876, or NZ Landcare Trust, 0508 526 322.

Regional focus farm field days

Regional focus farm field days will be held in late May. Growers are invited to come along to see and hear the results from a range of projects underway on these farms. This includes; pasture trial results to date, breeding strategies to avoid flystrike, overview of project from the farmer's perspective, and other locally relevant projects — seed contamination, ARGOS, brassicas. The afternoon event will be followed by light refreshments and time to interact with the project leaders. For more information contact Dave Maslen, dave.maslen@nzmerino.co.nz.

- Your regional focus farm event:
- Marlborough — Awapiri — Tue 27 May
 - Canterbury — Redcliffs — Wed 28 May
 - Mackenzie — BogRoy — Thu 29 May
 - Otago — Earnsclough — to be confirmed

Merino Inc Directory Directors

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