

merino INC. newsletter

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Message from new chairman...

In my first chairman's report, firstly, I wish to thank Ross Beech, who stood down from Merino Inc at our AGM in June, after six years at the helm of the Board. Ross and his wife Chris have sold their Awatere Valley property, moving closer to Blenheim and enjoying a change in farming operation.

Ross has been such an able leader of our organization, and it is hard to quantify what he has given to the merino industry. Thank you Ross, and we wish you and Chris all the very best in your wine business. I should add that we have retained Ross as the merino industry animal welfare spokesperson.

Ross has been replaced on the Board by Simon Harvey, representing Marlborough and the North Island Associations, and who is already proving a valuable member of the Board.

Secondly, we are now having to deal with the outcome of the Meat and

Wool New Zealand wool levy "no" result. As you are aware, MWNZ has been the primary provider of funds for Merino Inc. So what does this change mean for Merino Inc?

As of April 2010, there are no funds coming from MWNZ for merino wool projects, or Merino Inc operating costs. The gap left in research and development will hopefully mean more R&D will be undertaken by commercial organizations, with a greater focus on the market place.

The Board of Merino Inc has subsequently decided to change its role to being one of solely a funder of research and development (as opposed to an initiator of R&D as has been the role in the past). We will be making the existing Merino Inc fund reserves available to industry, on an application basis, for R&D projects which have the

objective of improving profitability for merino farmers.

We believe that commercially driven R&D will be more likely to ultimately put more dollars in our pockets so we are prepared to go down this track. If we find that this doesn't succeed then we have the option of going back to a compulsory levy.

Merino Inc's other formal roles have been in industry advocacy and education and training. We are considering whether these roles be continued as part of the 'new' Merino Inc.

If you have any thoughts on the issue of levy funding or the future role of Merino Inc please make contact with your Director.

I think we are at a real cross-road in our industry; we traditionally have been a wool industry and we are suffering and shrinking because of it.

cont. overleaf

The winning image is...

Congratulations to Nick Davison, Wanaka, for taking the winning shot of the inaugural Merino Inc photography competition. See inside newsletter for the full story.

Merinos caught in snow,
Dingle Burn Station, May 2009,
taken by Nick Davison.



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Dramatic shot wins photo competition

A dramatic photo, taken by Nick Davison, Wanaka, has won Merino NZ Inc's "A day in the life of a merino" photography competition.

Nick Davison, manager of Gimmermore Farm, took the photo whilst snow-raking on Dingle Burn Station, at the head of Lake Hawea, in May this year.

"We were helicoptered in to retrieve stock after an unexpected snowfall. We were at 4,500ft, and because of the snow we could reach areas that are normally too steep. I came upon this mob of merinos during the course of the day. I always carry my camera when working in spectacular places like Dingle Burn", says Davison.

The judges chose this winning photo for its dramatic presentation, and its technical expertise. The shot showed superb composition and balance with excellent detail of the sheep, snow and rocks.

I note two comments from a MAF policy outlook publication published in July this year.

1. "Expensive fine wool comes from merino sheep which are not suitable for meat production"

2. The estimated number of merino's in 1996 was 3.3 million, dropping to approximately 2.1 million in 2007.

At a field day at Gordon Lucas' Nine Mile Station back in the Autumn we saw a very good example of a dual purpose merino and I know there are other breeders out there doing a good job of breeding a better meat animal.

For the sake of the industry we all need to be heading down that path. We have the opportunity to make the merino the leading dual purpose sheep.

Finally, I wish you all the best for the coming season.

Tom Rowley

Second place was awarded to Angus Rowley, Lake Hawea, for a photo showing sheep, hill tops and tussock, dogs and musterer, taken during a wether muster on Lake Hawea Station.

The judges commented that this shot was a superb advertisement for the merino industry — the photo telling a complete story.

Third prize was awarded to David Aubrey, with a well captured photo of a bunch of wethers being pushed through Forest Creek near the Ben McLeod Range.

The judges were highly complimentary of the artistic merit of this shot, showing mood, movement and drama, in a situation which would have been difficult to capture effectively.

Aubrey is a keen photographer, who is currently developing his own website to promote his photography, www.davidaubreyphotography.com.

Overall, the competition attracted over 70 entries, with the judges being impressed at the standard of entries, with the top 10 percent being good enough to place in any photography competition. There were also a number of superb entries that did not fit the title of the competition.

The Merino Inc Board will choose one image from the entries received, to become the new homepage image for the Inc website, and a selection of the entries will be placed on the website for everyone to enjoy.

When this competition was launched Merino Inc hoped to build up a library of images that reflected the industry, and we are happy to say we have achieved this and more. The most compelling thing to come from the entries we received was how so many of you work in environments that most can only dream of. We thank you for sharing these images.



Second placed photo by Angus Rowley, Lake Hawea



Third placed photo by David Aubrey, Ben McLeod Station. Visit www.davidaubreyphotography.com

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Vineyard grazing summary

In many areas of New Zealand traditional grazing areas have been lost to viticulture. However, many farmers are now seeing this as an opportunity to access winter grazing for young stock, particularly merinos, for the benefit of both farmer and viticulturalist. A Merino Inc-funded report by Stuart Ford, The Agribusiness Group, was to identify benefits and issues with vineyard grazing, and provide information for those parties considering such arrangements.

In summary the report concluded;

Direct financial benefits of about \$140/ha/year are readily achieved by eliminating up to 4 mowings and one weed spray. (see report for detail)

Why young merino sheep rather than others — they are more gentle in their grazing habit.

There is an excellent match between demand for winter grazing of merinos and the post-harvest period (from late April to early September).

There are beneficial environmental and sustainability aspects from vineyard grazing – reduced soil compaction, reduced carbon footprint, increased biodiversity.

Whilst some of the benefits were quantifiable, many of the environmental benefits are difficult to quantify, including the advantages of a more sustainable system.

Potential issues with stock management in vineyards – temporary fencing and stock water may be required, this being the responsibility of the farmer.

There is the potential for vine damage, however this can be mitigated by removing sheep before bud burst. Irrigation equipment damage can also occur, and may

require removal or lifting of irrigation systems during grazing.

Chemical residues — whilst this issue was not addressed in the report, subsequent investigation has noted that there have been no notified cases of unacceptable chemical residues in meat post-vineyard grazing. However, farmers should be aware of spray operations on vineyards, including checking spray diaries and chemical withholding periods on recently used chemicals.

A farmer's perspective

Joanna and David Grigg farm Tempello in the Fairhall Valley, Marlborough and have been grazing their 1000 merino hoggets in five nearby vineyards for the past 12 years or more.

“Only 6 % of our land is flat so access to good quality grazing is brilliant” says David.

The hoggets go onto the vineyards, most of which are in walking distance, immediately after harvest and stay through to the spring. They go onto the grazing at about 28 Kg and come out at about 40 Kg. David attributes the excellent weight gain to the generally good quality feed and the worm free nature of the vineyard grazing. He feels that the extra work in managing the hoggets is well rewarded.

“The hoggets are off the farm when feed is the most expensive. We are able to utilise the hogget grazing country on the home farm for winter feed for our cattle so it has the added effect of increasing our overall stocking rate”.

David says that the vineyard owners are advantaged through saving on at least two mowings and weed sprays. This is particularly helpful for those

that are moving into organic wine production; which is an increasing trend in the industry.

“The growers find that the merino hoggets settle in well are very quiet and do not cause any damage.”

A viticulturalist perspective

Murray Gain, Park Farm, Marlborough, has 50 ha of grapes on his 80 ha cropping farm and has been taking merino hogget grazing in the winter for over 10 years. He does it to “get away from the cycle of tractor and chemical use at the end of the season”.

He avoids the use of autumn herbicides and although on his property the grass grows for all but six weeks of the winter he does not have to mow it at all. Murray says that “the sheep tidy up better than a mower will” but is cautious of the potential damage to young grapes and amenity plantings around wetlands so uses temporary electric fencing to divide up the vineyard and keep the sheep where he wants them to be and away from workers etc.

Murray has experience of both cross bred and merino sheep and much prefers the merinos as he finds that they are less destructive and much quieter around the vineyard. “All the same they are attracted to the copper in the irrigation timers so you have to keep them covered and out of harms way”.

Murray says that you do have to fit around the merino grazing but for him anything that reduces the use of chemicals and diesel is well worth while.

The full report can be found on the Merino Inc website.

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Otago Young Merino Group report

In March this keen group met at Sam Kanes, Glenfoyle Station, with the focus on the financial world. Karl Barclay spoke about personal expenses, then on comparing drawings and real world wages. Company Director and Former Investment Banker Richard Somerville spoke on the Financial Crisis, and New Zealand's banking system. The farm tour focused on hill country and dryland management. The day concluded with a series of presentations from group members on a range of topics focusing on Glenfoyle.

In June, the group met again, trialing a different format from previous meetings, with a half day seminar in Alexandra, including guest speakers;

Tony Hammington, Rabobank succession specialist. Tony talked about examples of succession and suggested approaches to a very difficult subject.

Chartered Accountant, Cam Dykes, Ibbotson Cooney Ltd. Cam highlighted traits of a successful business operator.

Lawyer, Tracy Paterson, Checketts McKay. Tracy discussed the subjects of business structures and wills. Tracy outlined the questions that we need to be asking our professional advisors to insure that the correct structures are in place to protect our assets.

John McDonald, entrepreneur. John told his story of the Kelso Stud and shared his view on farming now and where to in the future.

The Young Merino Group's focus is to encourage group members to participant fully in discussions. At the end of every on-farm field day everybody has to present and justify a different argument that will reach the goals of the property. This is aimed at furthering the group's public speaking, confidence and leadership skills.

The group, with Karl Barclay as facilitator, is progressing well. Four new members have joined this year. The group aims to have three meetings a year, with an annual golf challenge in December. They are always looking for new ideas and different approaches to keep the groups activities relevant, challenging, and fun. The next meeting will be in October. If interested please contact Hamish Jopp 03 4473940.

5 Italians take on New Zealand farming

The annual visit by the Biella Masters students has just ended. This year's itinerary had a real 'farm' focus — the concept of traditional family farming being something that the NZ Biella Ambassadors highlighted as a strength NZ has in marketing to the world. Hence, they had a trip that would be the envy of most. It included;

- Farm visits to Glenaan, Glenfalloch, Mt Arrowsmith, Black Forest, Buscot, Long Gully, and Lake Hawea
- The thrill of shearing a sheep themselves
- An exhilarating boat ride and fishing on Lake Benmore
- The tourist hotspot of Queenstown

Thank you to all the families whose hospitality is immeasurable in terms of how their promotion of the industry will influence these students in the future. Thank you: Paul and Prue Ensor, Eric and Sally Smith, Richard Gloag and Jemma Hunt, Stew and Sarah Perriam, Tom and Adrienne Rowley, and the NZ Merino Company team.



Giorgia, one of the Biella students who visited in September, shearing her first sheep.

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Clip of Year success

The NZWTA Clip of the Year event, held in Queenstown in June, was a fantastic example of how a passionate and proud farming sector celebrates success and commitment to the industry. In addition to the awards, the Otago Merino Association raised over \$2000 in a spirited auction, for the Child Cancer charity. This association hopes to one day achieve the goal of receiving a donated fleece from every merino grower for the child cancer cause.

Results from the event included;

NZWTA Clip of Year	Overall winner	Moutere Station
	Overall runner up	Armida Station
	Overall second runner up	Matarae Station

Ravensdown Merino Production competition	Winner	Tara Hills
	Runner up	Buscot Station

Child Cancer Fleece competition	Super fine winner	Matangi Station
	Fine winner	Benmore Station

Auction highlights

Douglas Finepacks — highest bidder Ben Graham

Lace scarf donated by McAuslin Merino — Mary-Liz Sanders

Merino suit fabric donated by Reda, Italy — Gordon Lucas

Package deal (including items from Kurow Vets, Omarama hotpools and The Wrinkly Ram) — Gus Chapman-Cowan.

Ermenegildo Zegna Wool Awards 2010

Ermenegildo Zegna — a leading multinational in men's luxury clothing and one of the oldest business families in Italy - has been awarding trophies for excellence in natural fibres since 1963. In 2010, the year of the centenary of Ermenegildo Zegna, all New Zealand and Australian wool growers are invited to enter this prestigious competition.

Superfine merino fleeces finer than 18.5 micron, and 14 micron will compete for the two centennial trophies.

Application forms and more information is available by contacting your broker, or Schneider NZ Ltd, 03 379 5241, or from the Merino Inc website. Entry forms must be received by 30 November 2009. Fleeces are to be received by 10 January 2010.

2009 Biella report inspiring reading

In the last newsletter the Biella scholars, Richard Gloag, Blythe Rees Jones and Nick Aubrey, along with Simon Causer, had recently returned from their trip to Biella, Italy. The full report from their experience is on the Inc website for all to read.

Comments include;

The view amongst Italian processors is that NZ wool is, on average, longer, whiter, and stronger than wools from other countries and has a lower level of vegetable matter contamination, but still has room for improvement in some aspects of style.

Numerous mills commented on pressure from their customers (weavers, brands, and in some cases, consumers) to produce fabrics from unmulesed wool. It appears the suiting market is catching up with the outdoors market in terms of demand for ethically produced wool.

The most challenging discussion was around how to teach consumers about merino wool; with three key points being; inside wool there is life, wool is like a diamond — only 5% of fibre production in world is wool, NZ and Australia means wool. These concepts could be influential in capturing more of the luxury market.

Creative Fibre Winner

This year's Merino Inc award at the Creative Fibre Fashion Parade event, held in Timaru, was won by Raewyn Penrose, Waikato, for a hand felted merino and silk garment, titled "Just in Time". The 2010 Exhibition will be held in Northland in April.



Merino NZ inc.

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In brief

New Director

Simon Harvey is Inc's new director. He writes...Lynda and I farm 3000 merino sheep and 100–150 angus cattle on Glen Orkney, a 1200 ha property in the Awatere Valley of Marlborough. We have been farming the property and running merinos for 25 years. I find them challenging at times but also very rewarding and believe they continue to offer the best option for lower rainfall hill and high country properties.

I am very interested in assisting with the uptake of relevant advances in science, genetics and management so that merino sheep can continue to hold their own against other breeds. As a member of the Merino Inc board I welcome comments and ideas from growers.

Congrats Richard

Congratulations to Richard Gloag — the merino pin-up boy of 2009 — for a most successful year. All of you will have seen his achievements highlighted in the media. Merino Inc would like to acknowledge his successes, which included representing the merino farming sector in Italy as part of the Biella scholarship. He has certainly put the merino breed in the forefront of the agricultural sector this year.

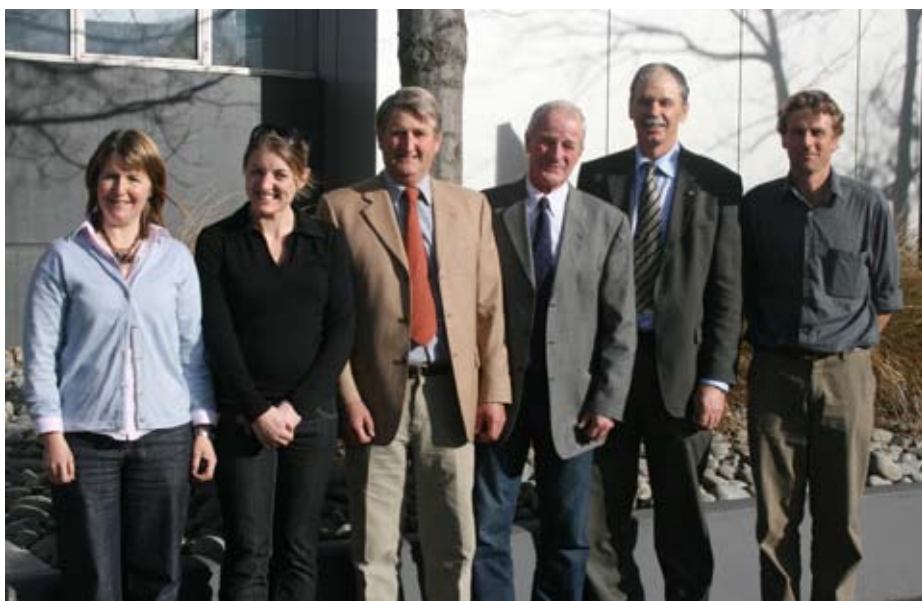
Richard and Jemma, as the National Ewe Hogget competition winners, will host a field day at Buscot Station at the end of November.

Studbreeders—latest web story

Check out the story on www.merino.co.nz quoting Smartwool executives and their attitude towards NZ merino wool.

Promote wool to kids

Merino Inc has part-sponsored a teaching resource for teachers (both primary and secondary) on wool. It includes ideas on science experiments, uses of wool, marketing ideas. It is available, free, at www.teachingonline.org/wool. We encourage you to get your local school learning more about wool by using this document. And, for parents, it provides some great science project ideas you can do at home with your kids.



Merino Inc — Jo Jermyn, Lisa Anderson, Simon Cameron, Tom Rowley, Brian Hansen and Simon Harvey.

Calendar of events

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|----------------|--|
| 1 November | Marlborough Assn junior judging training day, 1pm, venue TBA |
| 6-7 November | Marlborough A&P Show, junior judging Saturday 9:30am |
| 11-14 November | Canterbury A&P Royal Show, junior judging finals |
| 27 November | Marlborough Merino Assn Christmas function, 3pm Aschworth |
| | Buscot Station, Omarama, National Ewe Hogget competition winners, 10am. |
| March/Apr 2010 | Field day at Duntroon, Awatere Valley |
| 12 March 2010 | Central Otago Stud Merino Breeders ram sale |

Merino Inc Directory

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