

PGP - The New Zealand Sheep Industry Transformation Project

Quarterly Report Summary. October to December 2011

Overall

Good progress is being made across all NZSTX projects.

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

Fibre sales have increased above projected targets.

We have re-launched the Zque brand as ZQ Merino this quarter.

We continue to further develop the 'toolkit', which provides supporting information on the origin and properties of ZQ Merino fibre to brand partners.

Work also continues on product innovation planning with brand partners.

Project Two – Meat and Other Products

Work continues on formalising the new joint venture company, Alpine Origin Merino Limited, with Silver Fern Farms. We are also working closely with growers to commit sufficient volumes of stock to the programme. Silver Fern Farms have commenced processing animals from the programme.

The premium SILERE brand is now on the menu of a significant number of restaurants in New Zealand. During the next quarter we will focus on growing this domestic market. Planning is underway for international trialling of SILERE.

The development of markets and new products for Merino leather and lanolin continues.

Project 3 – Production Science

The production science milestones have been revised into the following focus areas:

- Forage
- Livestock systems
- Genetic trait acceleration
- Animal health
- Adoption

Forage trials to increase the productive capacity of the fine wool industry through improved forage production will start shortly, with expertise provided by Lincoln University.

Livestock system trials to improve the performance and profitability of fine wool sheep continue continuing in Hawke's Bay and Marlborough.

A review of genetics and genetic improvement strategies is underway to accelerate the genetic traits most beneficial for fit-for-market fine wool sheep.

The key animal health issues holding back the expansion of the fine wool industry in New Zealand are footrot and Johne's disease. Production science activities will research possible solutions to these barriers.

The new techniques that need to be adopted by growers to most effectively manage fine wool sheep and increase the national fine wool sheep flock size will include:

- Best-practice farm models
- Demonstration farms
- Benchmarking groups
- Information sharing through field days, workshops and web-based information

A schedule of growers transitioning to fit-for-market fine wool sheep has been initiated.