

QUARTERLY REPORT – 31 DECEMBER 2013

EXECUTIVE SUMMARY FOR PUBLIC RELEASE

This paper is an executive summary of the formal quarterly report made by The New Zealand Merino Company (NZM) to the Ministry for Primary Industries (MPI) regarding the New Zealand Sheep Industry Transformation (NZSTX) project for the quarter ending 31 December 2013.

Fibre –

- Fibre trials continue with a range of potential partners, with a focus on the finer and stronger ends of the fine wool clip, and new contracts have been concluded as a result.
- Validation work continues, with trials being undertaken for a range of market segments.
- Next quarter, we will be attending the Outdoor Retailer trade show in Salt Lake City, and will be visiting key partners in the USA, Europe and Asia.

Meat –

- The number of animals processed for the first half of the year is tracking behind projected targets, however, sales volumes are tracking well.
- Next quarter, international distributors will be hosted with the showcasing of SILERE alpine origin merino experience with on-farm visits.

Leather –

- Attended the Lineapelle autumn / winter trade show in Bologna, and plan to attend the Lineapelle spring / summer trade show next quarter, showcasing the KURA New Zealand Alpine Leather proposition.
- Early commercial trials of KURA continue amongst a range of New Zealand and international brands.

Production Science –

- Forage: Monitoring of the forage trial sites recommenced this quarter.
- Trait acceleration: The focus this quarter has been on the first season's progeny at the central progeny test site, with the first stage of data collection being undertaken at weaning in December.
- Animal health: Environmental conditions during the quarter have been conducive to the spread of footrot in most regions. However, access to suitable sheep for sampling has been limited on most properties due to lambing, therefore most sampling has been delayed until the third quarter (post-weaning).
- Adoption / extension: With regards to adoption /extension, the highlight of the quarter was a successful field day held at Hawarden on 11 December 2013, which covered issues relating to forage and nutrition, genetics and animal health.