

## **NZ Sheep Industry Transformation (NZSTX) Programme Summary Report – Q3 2013-14**

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) programme for the quarter ending 31 March 2014.

During the quarter, the independent progress review of the NZSTX programme was completed. The review report has confirmed that NZSTX 'is a worthwhile programme that has the potential to substantially transform the sheep industry and improve economic outcomes in the sector'. NZ Merino has found the progress review process worthwhile and it has assisted us in developing the business plan for year five of the programme.

### ***Fibre –***

- Work in the quarter focused on validation of a number of commercial projects. Two major projects will continue into year five of the programme.
- New business development trials have continued. As a result of this work a number of new partners have contracted with NZ Merino to purchase fibre this year and we expect further new contracts to crystallise in coming months as a result of this work.
- Market visits to the US, Europe and Asia were undertaken during the quarter.

### ***Meat –***

- Sales volumes continue to track well with full year targets expected to be achieved.
- We are pleased to report the roll-out of a new contract for meat supply from grower clients. There has been good uptake on this from growers.

### ***Leather –***

- We attended the Lineapelle trade fair in Europe during the quarter and report continued interest in the New Zealand merino leather offering.
- Our focus is now on getting leather to a point of commercialisation.

### ***Production Science –***

- Forage: Monitoring continues on the forage trial sites.
- Trait acceleration: Good progress continues to be made at our central progeny test site and with our nucleus flock. We remain on track to meet our full year objectives.
- Animal health: Access to suitable sheep for foot rot sampling continues to be a challenge. We have a number of sheep tagged for further testing when conditions are suitable. Work continues on validation of genetic tests for selection of foot rot resistant sires.
- Adoption: Communication and extension activities continue. It is pleasing to report a growing number of growers transitioning to fit-for-market sheep.