

PGP NZSTX QUARTERLY REPORT – 30 SEPTEMBER 2013

SUMMARY

This paper is a 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 Transformation (NZSTX) project for the quarter ending 30 September 2013.

Work in the first quarter of year four of the NZSTX programme has progressed well. Despite many market fundamentals working against us in the short-term, our in-market activities are ensuring demand for quality New Zealand Merino fibre, meat and leather. On the supply side, the production science team has had a particularly busy quarter, focussing on genetic and animal health solutions for the fine wool sheep industry.

In the coming quarter the NZSTX review will be undertaken. We look forward to working with the review team to demonstrate the value being delivered by the NZSTX programme.

Important highlights for the quarter ending 30 September 2013 include:

Fibre –

- Market visits to Italy, Germany, China, Japan and the USA, which resulted in new contracts with a range of brand partners, particularly at the finer edge of the fine wool clip.
- A strategic deep-dive with IDEO, exploring how to deepen the value delivered through the NZM contract model and how to extend our brand partner base through awareness of New Zealand Merino.

Meat –

- Through the Alpine Origin Merino joint venture, NZM and Silver Fern Farms are differentiating Merino meat (under the SILERE alpine origin merino brand). The San Francisco micro-market prototype resulted in the sale of more than 5,500 SILERE meals during the Louis Vuitton and America's Cup yachting regattas.

Leather –

- Attendance at the All China Leather Exhibition and Cuir à Paris leather fairs in September, showcasing the KURA New Zealand Alpine Leather proposition.
- Early commercial trials of KURA amongst a range of New Zealand and international brands.

Production Science –

- Lambing at the central progeny test and nucleus flock sites, as well as our transition farms, following a successful artificial insemination programme last quarter.

- Publication of the second edition of Chris Mulvaney's best-practice manual, *A Guide to the Management of Footrot in Sheep*, to assist growers with managing footrot while we work towards a genetic solution through the FeetFirst project.
- Extension of the Lifetime Ewe Management programme pilot from three to eight groups this quarter. Lifetime Ewe Management is a programme that focuses on improving the nutrition and the performance of ewes and their offspring.