

FERNVALE UPDATE



LLOYD & ANGELA BRENSSELL - 1535 MOA FLAT ROAD, RD2, TAPANUI - CELL 027 201 8181 - www.fernvale.co.nz

25 October 2017

Welcome to the Fernvale update for 2017. We are currently experiencing the driest spring we have had for some time. This has been very favourable for the lamb drop as the paddocks appear to be stuffed to the rafters with lambs. My poor staff members are going to have their work cut out for them getting through all the tailing!!

We are just starting our second season with the amalgamation of the properties which now includes the Fernvale block, the 2 run blocks and the Norman lease blocks at Ettrick. The thing that becomes apparent with an operation of this size is the "KISS" principle – namely, Keep It Simple Stupid. To achieve optimum results - we focus on quality genetics and feed the stock well.

Our agricultural program is paramount to our business. To ensure that we are being as productive as we can, we first need to ensure that we are using the correct pasture species for our type of country, are growing quality forage crops and ensuring that the soil is being fertilised correctly as that is what feeds a pasture-based system.

Bearing this in mind, let's assume that one has done all the work and established a high-performing platform to operate on. The end result is then only limited by the quality of the genetics within the flock.

This is why in my view, it is critical to ensure that your animals are genetically of high quality.

Wool has been a very disappointing topic for all of us as crossbred wool growers this season and does not look like it will come right quickly in the short term. The future for crossbred wool will not improve if we continue to look upon it as a by-product and only to be used on the floor. I feel that as farmers it is time for us to be concerned with what happens to this product once it leaves the farm gate. Do we care? If not, we should! If we continue to keep doing what we have been doing in the past and letting all the brokers trade our wool, then this model ultimately means that the primary producer will not be getting any benefit and is again at the bottom of the food chain while everyone else clips the ticket each time our wool changes hands. We need to be more involved along the supply chain to capture some of the benefits of price.

I sat through some presentations recently that focused on new usages for wool such as being made into a fabric similar to the merino wool generated fabric, but made from 37 micron full-fleece wool. This fabric is about to be launched. They were also developing a scour technique that took our good colour wool into a very white colour with negative Y-Z and improved the brightness to a level that has previously not been available. Attached to this was a dye process that will ensure no fading in colour and can compete with synthetics. I have also heard about wool being broken down into a powder. The uses for this powder could be limitless.

It is my opinion that there should be some sort of levy or fee placed on wool sold to be used exclusively for marketing and promotion.

2017 SNOW PLOUGHING ROAD TO RUN



Lamb and mutton are completely the opposite of wool. These prices are forecast to remain firm for this season. There are currently forward contracts around for lamb at over \$6.00/kilogram for this coming season, which is a strong indication of the strength within the marketplace at present.

In my view, the meat companies have been doing a very pro-active job over the past 5 years. They have been focused on new markets, consistency of supply, promotion of our products and shortening the supply chain to stop everyone else clipping the ticket along the way.

As per usual, we are extremely proud of our line up of rams this season and there is no doubt that demand will outstrip supply as it did last season. To satisfy our loyal clients, we had to put 190 ram lambs out on lease on different properties to assist in the breeding programs within their flocks. The constantly reoccurring theme that we are seeing is composite-based **MATERNAL** flocks genetically imploding. Not to mention the fibre turning to fluff! This is where the Romney comes into its own by bringing bone, fertility and substance back into the equation.

Our policies for the stud continue to be stringent with only multiple born and reared animals sold or retained in the stud, quality outside bloodlines used every third generation, ewe hogget mating standard practice, all rams scour scored and come with a two-year ram performance guarantee. VIA SCAN and eye muscle scanning is also used to trace meat yields. The stud is SIL recorded and we have 50K DNA data available.

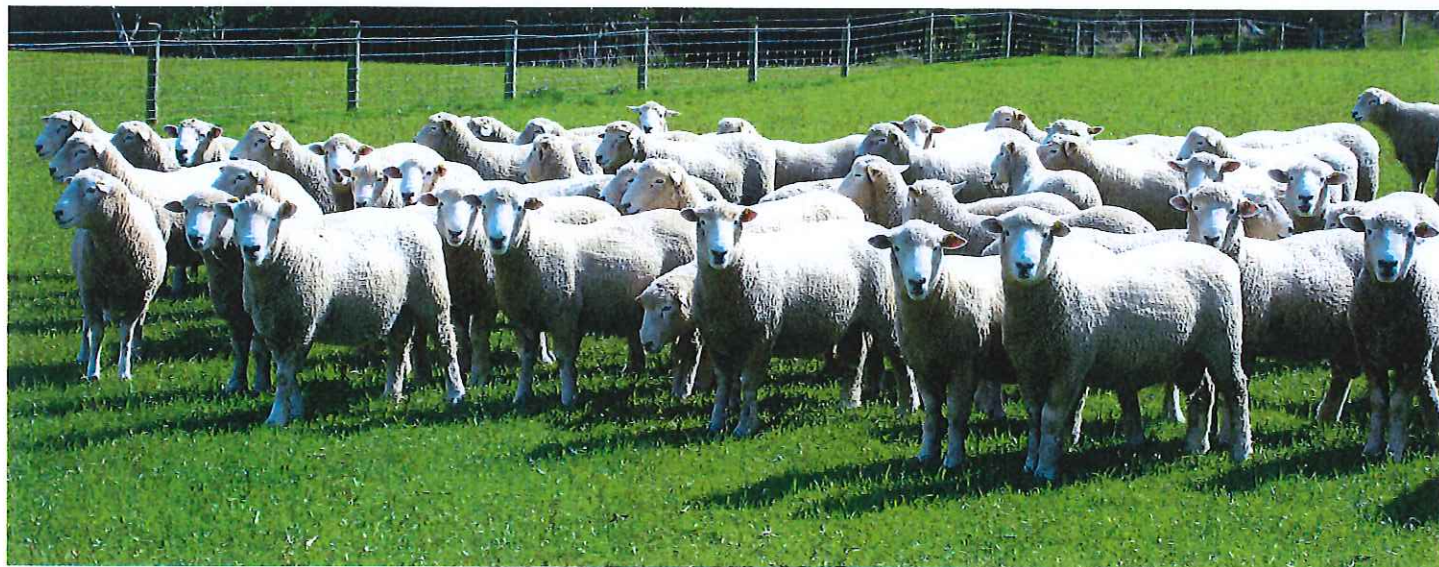
We have attached an explanation of our DNA on-farm programme for your information.

The selling of our ram hoggets is due to take place in the last week of November and for this purpose we have enclosed an order form for you to return to us. Please feel free to contact us with any queries you may have.

We look forward to seeing you at the end of November.

Kind Regards,

Lloyd and Ange.



RAM HOGGETS - 8TH OCTOBER

DNA Technology at Fernvale

Here at Fernvale Genetics we have been early adopters of new technologies, where they are perceived to bring an advantage. We have been using DNA assigned parentage for the last five years and are now also entering into genomic selection of our stud sires.

DNA Parentage – Shepherd COMPLETE

- A pedigree error rate of around 8% is common in the stud breeding industry
- These errors incorrectly assign information and slow genetic gain
- DNA parent assignment eliminates pedigree error and lost opportunity

Genomic Selection – Sheep5K

- Genomics looks at the genetic information coded on an animals DNA
- The additional information lifts the accuracy of, and confidence in, Breeding Values
- It's as if a young unproven ram already had measured progeny on the ground

Why would we invest in these technologies?

Put simply, it drives greater genetic gain through accurate and correctly assigned information.

Genomic selection of rams lifted genetic gain by 40%. Testing the top 20% of ram selection candidates achieved 80% of the maximum benefit.

(Independent research delivered to the 2017 AAABG Conference)

We are combining our expertise in producing sound, high performance breeding stock with DNA technology from Zoetis, minimising genetic slippage and increasing genetic gain. These gains drive profitability in our client's flocks. The faster we go, the faster you go!

