

New Zealand Society of Animal Production online archive

This paper is from the New Zealand Society for Animal Production online archive. NZSAP holds a regular annual conference in June or July each year for the presentation of technical and applied topics in animal production. NZSAP plays an important role as a forum fostering research in all areas of animal production including production systems, nutrition, meat science, animal welfare, wool science, animal breeding and genetics.

An invitation is extended to all those involved in the field of animal production to apply for membership of the New Zealand Society of Animal Production at our website www.nzsap.org.nz

[View All Proceedings](#)

[Next Conference](#)

[Join NZSAP](#)

The New Zealand Society of Animal Production in publishing the conference proceedings is engaged in disseminating information, not rendering professional advice or services. The views expressed herein do not necessarily represent the views of the New Zealand Society of Animal Production and the New Zealand Society of Animal Production expressly disclaims any form of liability with respect to anything done or omitted to be done in reliance upon the contents of these proceedings.

This work is licensed under a [Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License](#).



You are free to:

Share— copy and redistribute the material in any medium or format

Under the following terms:

Attribution — You must give [appropriate credit](#), provide a link to the license, and [indicate if changes were made](#). You may do so in any reasonable manner, but not in any way that suggests the licensor endorses you or your use.

NonCommercial — You may not use the material for [commercial purposes](#).

NoDerivatives — If you [remix, transform, or build upon](#) the material, you may not distribute the modified material.

<http://creativecommons.org.nz/licences/licences-explained/>

NEW SHEEP - A CATALYST FOR CHANGE

Introduction

New sheep – new imported breeds, new improved strains and new ideas are stimulating developments in many parts of the industry. This session highlights the possibilities and also the stimulation that the "new sheep" are bringing to the sheep industry. These new sheep are alerting us to new market possibilities and better ways of meeting the requirements of our markets. The linkage with the market is a key focus in these papers – how is the more direct interaction with the market helping us to focus making real progress with our

sheep industry? On the farm are breeds still relevant or should we simply be using different breeds as sources of the genes we need to meet our markets and improve our profitability. The challenge is to use our different breeds in the most creative ways. This session is about new breeds in the broadest sense – new breeds, new strains and new ideas. They offer promise and a challenge.

P. Fennessy

Sheep farming - beyond survival

R. CAMPBELL

Lochiel, RD 1, Winton, New Zealand.

ABSTRACT

Since the completion of the latest GATT negotiations a lot of reflection has been devoted to new opportunities that will be offered to New Zealand's primary industries, but there is a more subtle issue that is less frequently mentioned. The effects of competition will be felt by every sector of every industry. In a country committed to freer trade and in a world increasingly moving in the same direction, no industry will be able to lay claim to more land, water, research resources or investment than it can justify by way of return. For the sheep industry, this means looking beyond mere survival, towards shaping the future by making the best possible use of resources devoted to it. Sheep farming must become more than just a default land use.

Keywords: Sheep; profitability; GATT; crossbreeding.

INTRODUCTION

Regardless of the perception of many, the sheep industry will not disappear. New Zealand will remain committed by history, a wide skill base and 24 billion invested dollars. When Israel was threatened from all around by neighbouring states, Premier Golda Meir said "We have a secret weapon, we have nowhere else to go." There is a measure, albeit a diminishing one, to which her statement applies to this country and its sheep industry. The issue is not its continued existence, but what form and size the future sheep industry will take. I share some of my thoughts on this matter, hoping that it will both stimulate you to also ponder these issues and will establish a background for the papers that follow.

BACKGROUND

I started farming in the early 1960's, when the accepted aim was to have a national flock of 111 million ewe equiva-

lents by 1972. Those who were members of farmers groups in the sixties will well remember the exhortations to produce more. Robert Muldoon was so supportive of this approach that he was prepared to exercise parliamentary privilege on the matter. He put other people's money where his mouth was. There was nothing inherently wrong with the ensuing increase in production. The scuttlebutt was that subsidised producers get no true signals about what they should produce. Commentators are forever pointing out that the national lamb kill has dropped from a peak of 39 million in the halcyon years to around 24 million today. What they omit to say is that 39 million was an artificially high figure. The current levels of lamb production are the result of the initial destocking stage necessary for a return to market-driven levels. Not only has the decline been quite appropriate, it was necessary and it does not herald the demise of the industry.

Positioning the product

Sheep will continue to hold their place wherever they have a competitive edge. The capital intensive nature of other land uses is frequently overlooked. By using sheep, areas that we might otherwise not use can be made to produce. Land that is steep, heavy, dry or distanced from the marketplace can therefore be exploited. In fact, distance from the market has been critical in establishing our sheep industry. Traditionally, the produce of New Zealand farms had to be transported halfway round the world to be made available to British homes. Logically, the further one is from the market, the more extensive must be the mode of production. However, as modern transport and shifts in economic power make the world an ever smaller place, more intensive land uses become increasingly viable options. On an international scale, what is in reality a relatively inefficient ruminant animal can expect to occupy an ever smaller and increasingly specialised place in the overall scheme of things. In terms of energy conversion it is more efficient for us to eat grain and fishmeal ourselves than it is to feed them to livestock first. In a hungry world this becomes a humanitarian issue. Protein derived from meats may therefore become a more occasional luxury food. This implies the need for reassessing market needs and establishing a broader consumer base by undertaking some extensive market development.

The investment

In New Zealand, maintaining the vitality of the sheep industry must be a major issue. One of the consequences of the more open economy we now have, both nationally and internationally, is that competitive forces are brought to bear from every direction. The new GATT agreement is a part of this trend. No industry has an exclusive right to the resources that it uses, be it manpower, research funds, land area or capital. If some industries grow more vigorously than others and contribute more strongly to improving a country's economy, then it is inevitable that they will help strengthen its currency. This will further weaken the position of any industry that ails. It is by this means that a floating currency moves the resources of a nation to the areas of economic activity where any competitive advantage is held.

One cloud on the horizon in New Zealand that deeply concerns me is the indebtedness of our meat processing industry. The major companies bear such a heavy debt load that innovation, renovation and market development do not get the attention they deserve. The whole industry's time horizon is being shortened up to what could be seen as the long term detriment of us all. Those who perceive this, and exit the sheep industry, leave the remaining farmers with an even heavier burden. It is always ridiculous to pursue a concept to an ultimate, but highly unlikely, conclusion. However I will do so, to highlight for producers, bankers and politicians alike, that the management of meat industry debt is crucial. Taken to its extreme, the exodus from sheep farming could continue until we are left with just one farmer whose production is required to service 1.1 billion dollars of debt. That will be a bit of a struggle! The future of a \$24b investment, a \$4b annual income, and 230,000 livelihoods therefore, depends totally upon how this issue is handled.

Sheep have earned the major share of New Zealand's overseas exchange for over a hundred years. Now that other primary industries are more able to share this burden our only response should be thanks, we could do with a hand, what took you so long? It is not a case of finding alternatives to sheep, but the notion of taking the opportunity to combine alternatives with sheep that we should grasp.

The development

Sheep offer a diverse range of products. While this diversity can be a great strength, it can also compromise our approach to breeding, management and political decisions. There are shelves in Wellington that sag under the weight of reviews, studies and reports that have investigated the affairs of the meat and wool industries. Far be it from me to suggest yet another. But, if we ever again invoke such a study, it is my opinion that we should examine the possibility of putting beef under the auspices of the Dairy Board and amalgamating the Meat and Wool Boards into a Sheep Industry Board.

I understand that technology could soon allow pure beef animals to be born out of the main dairy herd, with replacement dairy stock of chosen sex coming from selected top producing cows. Should this occur, we will reach a point where the use of technology will draw the beef and dairy industries closer together.

There are some issues specific to sheep that might benefit from some farsighted political leadership. For example, it has been left to a very small number of entrepreneurial individuals to offer the New Zealand primary production industry the option of dairy sheep. These people are to be commended upon their initiative, but I wonder whether they might have received greater encouragement from a leadership dedicated to the whole sheep rather than just one of its products. It is my view that there are large tracts of land in this country which are more suited to sheep than cattle as the appropriate animal to use. Simply, the nature of their soils dictates which milk producer is the more appropriate. Farmers given the support and encouragement to evaluate the alternatives for themselves, may well discover that a triple purpose ewe offers significantly more potential than a single purpose cow.

There is a view held by some in high places that the sheep industry is a mature one, already realising most of its potential and therefore not warranting high inputs of research funds. I have seen a research programme in which an individual ram on an ad libitum concentrate diet grew at the rate of 1000 grams per day. This compares with the Southland average of about 140 grams per day. How many industries performing at 14% of a demonstrated absolute potential would be considered mature? There are probably those who considered the sheep industry was mature before aerial topdressing, before performance recording and before direct drilling. In fact, there are a raft of technologies, some already applied to other industries, that we have not yet begun to fully harness for sheep. Reproductive technologies that will enable the sheep industry to draw large numbers of offspring from our most productive individuals are not just a pipe dream. Identification of top producers early in their lives, perhaps even at birth, is quite on the cards. Progeny testing, and its

inherent generation interval induced delays, could well become obsolete. We have not yet begun to fully exploit the ability of some sheep to drop litters of lambs. Far from being in a sunset phase, the sheep industry is on the threshold of benefiting from technologies which will help it to match, or even better, the performance of competing industries.

The return

Perhaps the greatest injustice done to the sheep industry is the promulgation of the notion that it has not performed. Two years ago I saw our lamb on sale in Germany at a price three times that of chicken. This was at the same time as there had been a threefold increase in per head consumption of lamb. It occurs to me that trebling consumer acceptance at the same time as achieving three times your closest competitor's retail price is indicative of not too bad a marketing job. Just the other day I saw a wool-filled duvet bearing ten times the price of its man-made alternative. These examples are indicative of where the sheep industry's future lies. Our products are too good for army blankets, lambburgers or bo-peep takeaways. Those items are demanded at the cheaper end of the market. We cannot hope to serve the lower end of the market competitively simply because of the transportation costs associated with global isolation. However, we need have no fear of this. Rolls Royces and Volkswagens both have a niche in the marketplace. What we do need to consider is that the markets which pay top prices also demand top quality, top service and top support. Our future depends upon our willingness to meet each of those criteria regularly and consistently.

Primary industries that perform well do not do so by paying increased prices to producers. In fact, the UK price of turkey, for example, has remained constant for thirty years. Poultry, dairy and pig producers have secured their respective places in the marketplace by efficiency improvements, product innovation and economies of scale. It is those paths that we too will have to follow, and by doing so, some significant gains will

be made. For the sheep industry to have maintained per head production levels in spite of losing some of its most productive land, and to have concurrently halved labour input over the last 20 years, is a tremendous accomplishment. These achievements have been made possible by improved management techniques and by a greater awareness of the importance of genetics. For example, lambing percentage and lamb weights have both increased by 10% in the last 10 years.

Change will continue, and some quite radical options will be offered in the papers that follow. Small groups of sheep farmers have already taken up opportunities to capture technologies and access genetic material that will secure long term advantages. A quick look in any tourist shop will reveal how Merino breeders have made tremendous strides in having their sheep adopted as the symbol of the New Zealand industry. Other groups have taken the high ground in the pursuit of a genetic solution to problem of internal parasites or to taking advantage of genetically superior animals. It's a portent of things to come.

CONCLUSION

For the thirty years that I have been farming, the sheep industry has faced an endless succession of seemingly insurmountable obstacles. Somehow it has survived them all, and still enjoyed some good times. I can grizzle with the best, but in honest reflection on a life in sheep farming, I realise that I have enjoyed total satisfaction. Our competitors have found that to achieve something more than mere survival you have to maintain a strong commitment to research, and a willingness to implement its findings to maximise output while maintaining or reducing input. This ever increasing efficiency is the key to our future too. We must look beyond survival, towards shaping the future by making the best possible use of resources devoted to it. Sheep farming must become more than just a default land use.