

# Lamb Revolutionaries

By JON MORGAN – The Dominion Post | Thursday, 9 August 2007 | p.C7



**Visionary sheep and cattle genetics company Rissington Breedline is promoting a radical sheep farming concept to help it manage the 400,000 lambs it needs to supply top- end British supermarket chain Marks & Spencer.**

In the year just ended, the first of the contract, 100,000 lambs were killed. "It wasn't easy getting those," Rissington chief executive Jeremy Absolom told 200 of its farmer clients at the company's annual conference in Napier. "It proved to us that without a more coordinated approach we can't meet Marks & Spencer's needs."

The new plan, set out by farm consultant and Rissington director Alan McRae, is to unravel the complex traditional sheep farming system.

The typical hill country farm has two ewe flocks. One has the best ewes that are mated with rams chosen for producing the maternal traits of mothering ability and milk and from which replacements are selected. The other's ewes are mated with a terminal sire, a ram chosen for its growing ability and meaty carcass, whose lambs are all killed. As well as running these flocks and trying to finish the lambs to slaughterweights on what is usually a small amount of growing country the farmer also has to find room for young stock, the hoggets that are kept to grow into replacement ewes.

Often, the farmer is unable to finish many lambs and is forced to sell them on the store market.

Under the new plan, the work now being done on one farm would be distributed among specialist farms and the store lambs retained. The expectation is that more lambs would be available for the Marks & Spencer contract.

One specialist would be a growing farm that has only young stock. Some would be the male and female lambs that can't reach slaughterweights on the breeding farm and are being grown on, others would be the replacement ewe hoggets that stay for a year before returning to the breeding farm as two-tooths. They would have a lamb while there to defray expenses.

Mr McRae is the first to admit this part of the plan is not new. Dairy farmers have been sending their heifers off to graze elsewhere for at least 30 years. Rissington has operated a similar scheme for hoggets, called Sheeplink, with its Highlander and Primera breeds for five years. Now it wants to step this up.

The other specialists are two types of breeding farms. One would concentrate on a terminal flock, producing high quality lambs, the sort wanted by Marks & Spencer. Many of the lambs would reach slaughter weight at weaning; the others would go to the growing farm to grow on.

The other breeding farm would breed replacement ewe lambs. These would be grown out to mating weights as ewe hoggets on the specialist growing farms. Both breeding farms would be easier to run, with simpler systems needing fewer staff. With only mature sheep on the farms, they would be fed better and perform better.

All these farms would link up to efficiently produce lambs for the Marks & Spencer contract and would receive an equal share of the proceeds. "They all become specialists, doing as good a job as they can in the value chain for a known end market, and they all get to share in it," Mr McRae says.

He describes lamb supply from the industry as "shambolic, firing lambs out all over the place".

"At the moment, we try to do everything on one farm and we often don't do any of it as well as we should. We produce all kinds of lambs at all times of the year and expect the processers to take those and get them to the market at a premium price."

And without accurate market signals the farmers end up breeding too many replacements, he says.



Mr Absolom says the initiative for this came from being closely involved with Marks & Spencer, which wants a steady supply of high quality lambs for 26 weeks of the year. "It means we have had to run a magnifying glass over our farming system, and what we found was a complicated system of independent fragmented entities that didn't have a show of delivering with any flexibility for 26 weeks.

"We need a more collective approach and people need to decide now to be in or out, there's no halfway house."

So far, Rissington has had a lot of farmer interest in the plan, general manager Alastair Nelson says. "They feel the need to support this and are keen to see the detail."

The company has set up a marketing entity that will coordinate the supply of lambs, particularly those that would normally be sold store, among the specialist farms throughout New Zealand.

It will shortly begin negotiating processing deals so shipments can start from early November. Eventually, a year-round supply to Marks & Spencer is envisaged, with British farmers supplying 200,000 Primera lambs in the other six months of the year.

Mr Absolom says the supermarket chain was attracted to Rissington by its commitment to applying new technologies and gene marker discoveries to constantly improve its two sheep breeds.

The Primera sired the sort of lambs Marks & Spencer wanted but it was also interested in the Highlander's breeding programme because it held the capability to increase the number and weight of weaned lambs. "They said, anyone who's not going to be committed to lambing at a high enough percentage, no matter what we pay them, are never going to make enough money and will always be complaining."

In streamlining the farming systems, farmers will be in closer touch with what Marks & Spencer's customers want. "This could be a blueprint for the industry in all markets – cooperation between farmers, coordinated throughout the country; it will relieve pressure on the processors and will supply exactly what the markets want."

The proposal also comes at a time when growing, or finishing, land is in demand. The dairy boom has seen this land coveted for conversion to dairying or to grow crops to support dairying.

Mr Absolom expects that under the specialist farm system the finishing land's value for sheep will rise as the system becomes more efficient. "At the moment the finishing farm is a sorry sight," he says. "It's sitting there with some high value land but hasn't any certainty - it doesn't know when, doesn't know how many, doesn't know what weight, doesn't know what price in and doesn't know what price out. It's a pretty dysfunctional operation."

Individual farmers lack the scale to make the gains needed to compete with dairying but they can as a group, he says.

Breaking the traditional farming model won't be easy, Mr McRae says. "It will go against farming's biggest attraction – the rugged independence, the individuality and wanting to be their own boss in charge of everything.

"But we've got to become connected to the marketplace. If we sit and think someone will solve the dollar, someone will merge the co-ops, someone will change the industry and everything will be okay – it ain't going to happen. We've got to get off our backsides and make something happen."

Imperial College, London, Professor David Hughes, who delivered an entertaining analysis of the British and European food market, told the farmers the proposal was "brilliant".

"You need everyone in the value chain to share the vision, even the food processors in the middle. You're in the food business, not the supply-driven meat business, not the carcass-on-hooks business.

"It's not about what you grow it's about what you know – about understanding what your customers and your customers' customers value, and its about delivering what your customers value at sufficiently low cost so you can make a good profit."