

The World Merino Conference: an industry-changing event

By Heather Dugmore

The World Merino Conference (WMC), held every four years, has proved to be an industry-changing event for Merino breeders worldwide. In this feature we look back to 1990 when South Africa hosted its first WMC - which prompted significant new directions in Merino breeding – and we look forward to an exciting 2014 South African conference in Stellenbosch.

The World Merino Conference in 1990 presented a welcome opportunity to showcase South Africa and Merino breeding advances in South Africa to the rest of the world.

“We had to do some convincing back then to hold it here because it was a very difficult time politically in South Africa, and countries like Russia opposed us,” recalls Theuns Eksteen, General Manager of Merino SA from 1973 – 1995 (formerly called the South African Merino Breeders’ Society) and Chairman of the 1990 world conference tours committee. “Fortunately we won over the members on the strength of our Merino breeding operation which was widely recognised as being innovative and well run.”

The 1990 conference was a resounding success, drawing 784 delegates from 14 Merino producing countries, including 400

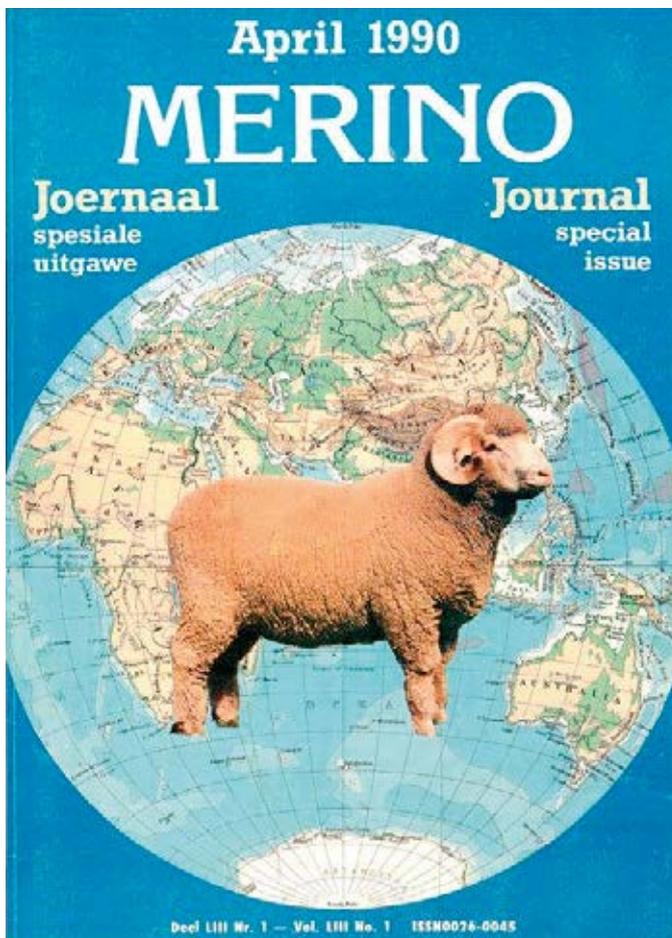
Australian Merino growers and industry members. Delegates were highly impressed with what South Africa showed them and with the excellent organisation that went into the conference.

Graham Wells of the renowned One Oak Merino Stud in Jerilderie, New South Wales, Australia was there. One of Australia’s top breeders, this man knows Merinos. He consistently achieves outstanding prices at auctions and on-property sales and he religiously wins major awards, his latest being Australia’s most prestigious Merino award, the 2013 Rabobank Australian Supreme Merino Ram.

He vividly remembers what a turning point the 1990 South African conference was for Merino breeders worldwide, and particularly for Australian breeders. “The background to this,” Wells explains, “was that in 1990 the price for wool was still good in Australia but the price for lamb and mutton was very low. The live sheep trade was paying around six Australian dollars (R12) per head in Australia while South Africa’s Pick n Pay was selling Australian mutton at six Australian dollars (R12) per kilogram.” (The exchange rate at the time was R2 to 1 Australian Dollar. Today it is R9.4 to 1 Australian Dollar.)

“The model was there for us Australians to see: change the balance between the breeding values to put more meat on the Merino, which the South Africans had already started doing and were reaping the results. Those Australian breeders who did not immediately recognise the message during the 1990 tour to South Africa were soon to do so when faced with the subsequent dramatic drop in wool prices when the reserve price in Australia was discontinued.”

Stuart Beveridge, former President of the World Federation of Merino Breeders (1992 – 2002) and of the Australian Association of Stud Merino Breeders (1991 – 1994) was among them. The retired Principal of Wyuna Merino Stud in Gilgandra, New South



The front page of the Merino journal for the 1990 world conference in South Africa



Graham Wells, well-known Merino breeder from NSW, Australia, recalls the importance of the 1990 WMC in South Africa



Wendy and Stuart Beveridge

Wales, Australia, he was awarded the OAM – Medal of the Order of Australia – for his contribution to the Merino industry and Australian agricultural economy. “The years 1990 to 2000 saw a dramatic increase in the price of lamb and mutton worldwide while wool prices plummeted – largely to below the cost of production,” Beveridge recalls.

Without getting into the complex politics of that era, the drop in the Australian wool price from the mid-80s was related to a number of factors, including the implosion of the Russian economy. “Russia had been buying 30% of Australia’s clip, which dropped to zero after the implosion. At that time Australian wool production had reached 800 million kilograms from 180 million sheep. This left over 400 million kilos in storage when the Australian government withdrew its support and sheep producers were left with a huge debt. History shows most Australian producers survived a miserable 12 years, from 1989 to about 2002.”

The path taken by South African wool sheep breeders with dual-purpose sheep proved a lifeline to the Australian market in the ensuing years.



Merino SA president, Julian Southey, says the modern South African Merino is the ideal dual purpose sheep.

“It’s all about being adaptable, moving with the times and acquiring new knowledge to meet market demand and changing economic needs. That’s the beauty of these world conferences; we all get together and learn from each other. I’m thoroughly looking forward to the 2014 conference to hear what our colleagues from the other Merino countries have to say about where we should be heading over the next decade,” says Julian Southey, Merino SA President and a fourth generation Merino breeder from the Middelburg district of the Karoo.

Southey regards the modern Merino as the ideal dual-purpose breed - bigger, stronger conformation and more economically viable than ever before. “Over the past 30 years, Merino breeders in South Africa have evolved the ‘modern Merino’ into an animal

with a wool-to-meat ratio of about 30:70. This obviously varies according to the region, but it illustrates the change,” says Julian, adding that when he joined his father in their farming enterprise in 1972, their core business was wool.

“Our whole emphasis back then was on shearing 6kg to 7kg of wool per ewe per year and on weaning 85% to 95% of their lambs. Today, we shear 4,5kg to 5kg of wool/year, and wean 100% to 130% of our lambs – depending on whether they’re on veld or irrigated pastures.”

Wells adds that the challenges of the last 20 years have highlighted a new level of innovation in skilled breeders of the Australian Merino industry. In meeting these challenges the Australian Merino Industry has changed the type of Merino sheep being bred. While it hasn’t reduced the wool to the same extent as South Africa, Australia is now producing a plainer, earlier maturing, more fertile sheep with the present balance of 40% wool to 60% meat.

“The Australian Merino today, in our pastoral and sheep/wheat areas are producing 7 to 8kgs of 18 to 20 micron wool on a sheep of 70 to 80kg body weight, with a fat score of 3 to 3.5,” says Wells. “This has been done essentially by visual appraisal, assisted by the tools of objective measurement, thus gaining greater genetic gain than does the sole use of combined indexes derived from a computer.”

While meat led the way over the past 20 years, wool is catching up again. Flexibility and adaptability is the name of the game and the Merino is in a continuous evolutionary mode, adapting to changing farming practices, economic and environmental conditions, and fashion, industry and animal welfare demands. Wool sheep breeders worldwide are highly encouraged by the fact that wool prices are getting back to where they should be: “It’s wonderful for our industry and it is bringing more growers back into Merino wool. We look forward to listening to the new ideas and innovations of the new generation,” says Wells.

The World Merino Conference offers an unmatched opportunity for the sharing of knowledge and ideas on a global scale. Few conference attendants walk away without picking up on at least



An aerial view of Stellenbosch, home of Merino 2014 with the Conference venue in the centre foreground



one extremely valuable trend or innovation that will have a profound impact on their business.

“Merinos breeders the world over compete with one another to produce the best and the finest, but what is so special about these conferences is that we all come together as friends to discuss our triumphs and our problems, and to work out the best way forward for all of us. As long as we do this our industry and the World Federation of Merino Breeders will continue to prosper,” comments Beveridge.

The delegates attending the 2014 Conference in Stellenbosch at the end of April 2014, will be coming from all the Merino breeding countries, including Australia, New Zealand, Argentina, USA, Lesotho, Spain, Hungary, Russia, China and South Africa. They can look forward to extensively discussing current marketing approaches and market requirements for wool.

“We need to work out what kind of wool will be required by the market over the next ten years. We have grown fine wool to the extent that we have arguably grown too much of it, while we have an undersupply of medium,” Wells suggests. Other growers argue that given the boom in elite, high quality Merino wool, it is in short supply.

Another hot conference topic will be the global marketing of wool. “The Campaign for Wool initiated by the British Wool Marketing Board, which now has four contributing members, namely the United Kingdom, South Africa, Australia and New Zealand has done a great deal to promote Merino wool as a luxury natural product with exceptional qualities that requires a significant price premium to farm it profitably,” says South Africa’s Geoff Kingwill, the Chairman of Cape Wools SA and a prominent Merino farmer from the Murraysburg district of the Karoo.

Merino wool is being marketed globally so much more professionally today, thanks to the efforts of the *Campaign for Wool* (under the patronage of HRH Prince Charles) and the Australian Wool Innovation’s (AWI) promotional campaigns. AWI’s proactive Chairman is Wal Merriman, a well-known Merino breeder from Meryville Merinos in New South Wales, Australia.

Merino industry leaders concur that more time needs to be spent on building relationships with the manufacturers, retailers and consumers of wool in order to understand exactly what they want and to extend a strong understanding of the wonderful properties and virtues of wool. As part of this mutually beneficial relationship Merino industry members can also learn about all the new technologies for growing and processing wool more economically, more effectively and more sustainably.

“There is so much we need to learn from China as the world capital for wool processing. And from Italy which also does a lot of early processing. And from India, which will become an important user of wool because of its rapidly growing middle and upper classes. It’s all about ensuring the future growth and sustainability of our product,” says Beveridge.

Sustainability is, fittingly, the theme of the 2014 conference: *Merino breeding - sustainable enterprise; a cherished lifestyle.*

“As part of this theme we need to discuss environmental sustainability in an era of climate change,” says Kingwill. “There is huge potential for wool in the green arena, but also a lot of work to be done to prove wool’s carbon footprint credentials, as we aren’t achieving the scores we should be. I’m convinced the models being used calculate the emissions associated with wool growing are flawed because they are being based on an industrial environment and not a farming one. Because of this, critical green factors such as the carbon sequestration associated with sheep grazing



Geoff Kingwill, Chairman of Cape Wools SA, title sponsor of the 2014 WMC says there is huge potential for the marketing of wool due to the unique characteristics and sustainability of this fibre.

extensively in the veld where farmers are practising sound biodiversity-friendly management, are not being included in the equation.”

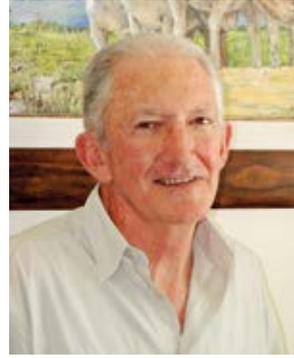
Kingwill says the industry needs to generate far more data on wool to support its green credentials. One example is that it doesn't need to be washed as often as other fibres; another is that by wearing wool or sleeping under woollen blankets or duvets, people can reduce the heating in their homes. “We have to be closely involved in research about wool's sustainability and carbon footprint in this era of climate change in order to promote our product and to be able to counter negative claims with sound, scientific research.”

The social sustainability of Merino farming also needs to be discussed, in terms of global labour costs and other socio-political issues that countries are facing. In South Africa, for example, land reform, predation and small stock have put some South African Merino farmers out of the market.

South Africa now only produces about 2.5% of the world's wool but the wool is of an exceptional quality.

A positive development in South Africa is the new generation of emerging Merino growers who are being mentored by leading South African Merino growers - some of whom will be introduced at *Merino 2014*.

“The beauty of these conferences is that if attendants come with strong new ideas and an open mind, they can significantly influence the future of the most wonderful breed of sheep in the world in the most positive ways,” comments Eksteen. “These conferences are all about creating the right atmosphere so that everyone can relax, exchange knowledge, trust each other, and openly share about where the breed is going. Where else do you get Merino growers, stud breeders, scientists, extension officers, brokers and all the other players in the Merino world coming



Theuns Eksteen, chairman of the 1990 world conference tours committee and Wal Merriman, chairman of AWI and well-known Australian fine wool breeder.



together like this? Where else do you have an opportunity for the older generation to discuss what happened in the past – the triumphs and mistakes – and for the younger generation to discuss new ideas that can be thrashed out.”

In 1982 Eksteen attended the first ever World Merino Conference in Melbourne, Australia, where he spoke about the Merino in South Africa. He described the Merino as “the most wonderful breed in the world created by God and perfected by men”.

“It's taken a lot of trial and effort to work on the Merino's perfection,” he smiles. “And there have been periods when it was bred in the wrong direction but fortunately there have always been balanced breeders who have saved the day. Twenty years later I am confident that we are going to have a highly stimulating conference in Stellenbosch and I know that visitors to the pre-conference farm visits will be very interested to see how the Merino stud industry in South Africa has grown and expanded from its core in the Karoo to the Southern Cape,” he says.

“This conference is a wonderful opportunity to showcase South Africa as a world-class wool growing country and to share our country and our sheep breeding and wool farming methods,” adds Kingwill. “The last time everyone was here in 1990, as Theuns said, it was a difficult time politically in South Africa. 2014 is a new era with different challenges and opportunities that we look forward to discussing with our many wonderful colleagues from around the world.”

“This conference is a wonderful opportunity to showcase South Africa as a world-class wool growing country and to share our country and our sheep breeding and wool farming methods,” adds Kingwill.

