



CLEARDALE

EST GENETICS 1943



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There's a bit of rumination in this newsletter, some a bit technical. Last year was the toughest year I have faced in my farming career. Four key factors moved rapidly at the same time to create this pain. The combination of reduced prices, increased costs, increased interest rates and challenging weather made me think back to when I started my farming career. Climate-wise the year was tougher for many of our clients too so I appreciate it hasn't been a fun time for a lot of you either!

The state of the industry, along with a couple of our children wanting to come into it, has got me thinking about where the opportunities lie. We've been confident in our strategy to move rapidly to the SX Fine Wool sheep for all our flock — this last season tested that — so I have revisited some of the strategic thinking that supports that decision. This newsletter looks at those drivers and whether we are confident to continue with that plan.

SX Fine Wool objectives

So first let's review the initial objectives for the SX Fine Wool sheep. This is part of the technical bit...

Simplistically we aimed to breed sheep with 20 to 22 micron wool and ewes weaning 130% to 135% lambs that can be shorn and then killed at 20kg carcass weight at seven months of age. That sheep would also be resilient to diseases and would basically have the performance of a crossbred sheep, yet have (more valuable) fine wool.



I've reviewed how we sit against some of those original objectives and there is a QR link below to view a pdf showing all objectives compared against our Cleardale 2023 drop's performance, as well as data showing where we sit against the breed average.

1. High reproductive rate (in mixed aged ewes) made up of a high scanning percentage (160% or above) and high lamb survival (95% in singles and 80% in twins) allowing a tailing percentage of 134% or above. The 2023 drop to have a number of lambs weaned EBV in MERINOSELECT of positive 10% or above — **(Cleardale 2023 Drop WR EBV +27)**
2. Rapid early growth – Average MERINOSELECT EBV for weaning weight of positive 4.0 or above — **(Cleardale 2023 Drop +6.35)**
3. Grow 20 to 22 micron wool as the result of a MERINOSELECT EBV for Yearling Fibre Diameter between 0.0 and positive 2.0 micron — **(Cleardale 2023 Drop +2.14)**
4. Resistance to Footrot (bacterial infection caused by *Dichelobacter nodosus*). Average genomic Breeding Value for footrot in the top 15% of animals that have been genotyped and recorded in the 2023 drop — **(Cleardale 2023 Drop -0.6)**
5. Possess low environmental sensitivity (commonly referred to as constitution, doing ability, foraging or robustness): average MERINOSELECT EBV for Yearling Eye Muscle Depth of positive 2.0mm **(Cleardale 2023 Drop 2.67)** or above; average MERINOSELECT EBV for Yearling Fat Depth of positive 1.0mm **(Cleardale 2023 Drop 2.36)** or above
6. Resistance and resilience to worms: average Yearling Worm Egg Count EBV on MERINOSELECT of negative 25% or below — **(Cleardale 2023 Drop 37.57)**



Scan me

So for the initial SX breeding objectives, we have nailed the genetic progress except for micron, which we are still a little outside of, but have dropped 0.4 of a micron in the last 3 years and we will continue to drift that lower. It's worth noting that our Merinos have also pretty much nailed these objectives but at a finer micron than the SX sheep.

These are the genetic comparisons against the Australasian MERINOSELECT database, but how do we sit against the crossbred industry? This has been a harder one to pin down. There have been a range of anecdotal farm trials, but to get some decent linkage, we have used our old sire, Cleardale 171230 in the Beef & Lamb Progeny Test. It did take a couple of attempts to get him in! (SIL number 1095.1230/17)

Put simply, he comes out about average for growth and reproduction traits compared to the dual-purpose young rams (2023) percentile bands, and he is better for worms. We know he is good for footrot. His weakness is dag in SIL, and he is average on sheep genetics for that too.

Where does SX sit with wool?

Our aim is to breed fine wool sheep with crossbred performance. As shown above, for growth, reproduction and resilience we are not far away and for wool, we are much finer. Genetically we sit about 3 microns above the average of the Australian stud Merino flock. The actual and projected micron for the whole Australian Merino flock sits at about 19 micron (according to the Australian Wool Production Forecast Report, August 2024). What that says to me is that the average micron for our SX Fine Wool sheep will sit about 3 microns stronger, at say 22 microns. And indeed, that is where we are seeing our wool test as a flock.

Scan this QR code to view the Australian Wool Production Forecast Report, August 2024.



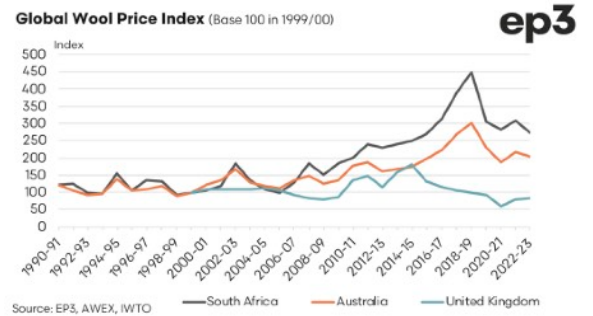
Wool market

For farmers converting from crossbred sheep to SX Fine Wool, the mid-micron market has been challenging and has felt a bit like chasing a rainbow, as the premiums have got finer over the years. The supply of fine wool is continuing to decline. Stocks in the value chain are starting to normalise and from a NZ Merino perspective the past demand for 25 micron wool has reduced but we now have good enquiry from the likes of Nikke for sub-23 micron wool. So genetically for micron, we will drift a little finer but feel we are not in too bad a place.

Meat market

Interestingly when NZ Merino was set up, NZ wool was sold at a discount to Australian Wool and over time we have managed to reverse that where NZ fine wool consistently sells at a premium to Australian.

Linking the value chain, listening and adapting to consumers and consistently delivering to those consumers can provide real value.



The situation is currently reversed in lamb, where on average Australian lamb sells for more than New Zealand lamb. The discount to Northern Hemisphere pricing has widened over the last 5 years as well. This data is quite confronting when we are consistently told that we have the best lamb in the world.



This does however point to an opportunity to reduce some of these gaps. Further, the economic fundamentals for sheep meat are improving. Global supply is dropping in Australia, NZ, the US, the UK and Europe, and demand is lifting in certain markets. The QR code to the right provides an interesting article to read through.



Beef is also in a fascinating place, with the US cow herd at its lowest point for quite some time and US cattle producers still selling heifers at very good prices instead of rebuilding their herds. And here in NZ, we follow the same pattern as lamb, selling our beef at lower prices than in other comparable countries. All in all, the combination of genetics that lower costs and work for wool and lamb markets, together with positive market fundamentals, continue to support our direction. There

is some work to do in the NZ meat industry. My view is supported by conversations with Australian niche red meat exporters who see opportunity in lamb and pasture raised beef and who see opportunity within the NZ red meat sector.

Cleardale SX Ram Sale 27th January 2025 1.00pm

This sale will only include Cleardale SX Fine Wool rams and there will be 110 rams available by open auction, on our property at 29 Double Hill Run Road, Rakaia Gorge.



For the rams out of hogget lambs we think the data doesn't look quite right, especially for fleece weight, so we are checking how this contemporary group has been recorded and anticipate their data will change after the January Breedplan run. We will update their EBVs in the catalogue available on our website and provide a supplementary sheet on sale day.

Inspection of sale animals will be available from 10.30am on the day of sale. The auction will begin at 1pm and will be live-streamed on BIDR. Prior viewing will be available by appointment from 22-24 January.

Videos of the rams will be on the BIDR website some time in the new year so please keep an eye out for these. Lunch will be provided before the sale, and we welcome all sale attendees to join us for a drink afterwards.

Merino and Reserve SX Fine Wool rams will be available for private sale after 28 January 2025.

Farewell to Ryan and Alison

It has been a pleasure to work with Ryan Esler and it was with real sadness we said farewell to Ryan and Alison in September.

Ryan came to Cleardale as a tractor driver and progressed through to managing the whole property. It's an unusual pathway for a livestock property — for someone to move from machinery to overall farm management — but Ryan handled that transition and fed and managed our livestock to high performance levels.



Over time he has also become passionate about the genetic side of the business and he has moved to Lawsons Angus, a large progressive stud Angus operation in Australia. We've really enjoyed having Ryan and Alison on the farm and watching their children grow up. We look forward to visiting them in Australia.

Breeding survivability

I really liked these SX Fine Wool lambs and their hogget mums. The lamb loss rate from scanning to tailing on this mob was 11.5%, even with quite a bit of rain over their lambing, including one big 90ml event.

SX Fine Wool sheep are a great option for lambing hoggets for their ease of lambing, and with the muscle and fat in our Cleardale genetics, we seem to be getting very good lamb survival.



Angus Australia directorship

If the last trip to Aussie is anything to go by this gig will provide plenty of time in the Sydney airport and some early morning driving on the Canterbury Plains. Getting home at 4.30 a.m. does not help productivity for a couple of days!

Armidale is a tricky place to get in and out of, but that aside, the role with Angus Australia will provide a different perspective on the world and help keep me up to date with advances in genetics. I've had an induction looking at farms and feedlots and getting my head around the Angus Australia business. I have also attended my first meeting and went to the Efficient Beef Open Day with UNE and NSW DPI, which had research updates covering mature cow efficiency, methane challenges and opportunities and insights into the Southern Multibreed analysis. And a visit to see the UNE Tullimba research feedlot, to see the Angus Sire Benchmarking Program Cohort 13 and Southern Multibreed steers.



It was useful to revisit the low correlation for bull Rib and Rump fat scans to Mature Body Condition MBC reinforcing the importance of scanning heifers too. Also as we cap Cow height and improve MBC we may not see a corresponding decrease in Mature Cow weight.

The QR code to the left includes a REX interview you may have a chance to listen to. Angus Australia has 4300 members, registers over 100,000 calves per year and has some passionate, capable people involved in a business that has a footprint in Australasia with a global influence. If it fits, I'd recommend checking out the Neogen World Angus Forum in Brisbane in May — www.worldangusforum2025.com

Paving the way for Indigenous vegetation in Rakaia Gorge

We've been working on trying to enhance the native vegetation in the Rakaia Gorge since we purchased the Taniwha Farm. Our collaboration with neighbours and external stakeholders is starting to show real progress.



December 2024

So far, more than 7,000 hours of labour have been clocked up across approximately 42 hectares in a bid to protect the area's rare and precious native plants and trees. Sycamore, wild cherry and cotoneaster were the initial weed targets, followed by wilding conifers. These species threaten native vegetation by out-competing it, so it's great to see them removed.

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Our SX Fine Wool Ram Sale will be live on bidr



www.Cleardale.co.nz

*** Catalogue live on Website ***