From The Flock

Canadian Sheep Federation

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Small Ruminant Export Regulations Update

By Jennifer Fleming, Executive Director

On January 4th the Office of Management and budget at the White House published Rule 2, with the public comment period extending from January 9 to March 12, 2007. This publishing of Rule 2 for public comment is good news for the Canadian cattle and bison industries as it moves them closure to normalizing trade with the United States.

The rule will allow for breeding or slaughter animals, born after March 1, 1999, to be exported into the United States. Pregnancy testing will be eliminated. While an exact timeframe for implementation cannot be given, it is possible that animals can be exported in the late second quarter or third quarter of 2007. While the cattle industry is hopeful that the rule will proceed without further complications, R-CALF has spoken out against the second rule.

Unfortunately, however, sheep and goats were not included in the second rule. The Rule appears to be written specifically for the Canadian cattle industry. The fact that sheep were not included in the rule does not come as a surprise. The industry has known for awhile now that the United States was not looking to incorporate sheep.

From our understanding, the United States does not seem to believe that Canada has an adequate scrapie eradication program in place, which is part of the reason for the exclusion of small ruminants in Rule 2; this despite the implementation of our three-pronged eradication program.

In the spring of 2005 we launched both the Voluntary Flock Certification Program and the National Survey of Scrapie Genetics. In 2006, the Scrapie Surveillance Program was implemented. The Canadian Sheep Federation, Canadian Sheep Breeders' Association and the Canadian Food Inspection Agency have been working diligently to ensure that the industry is making use of these programs.

While we continue to engage in lobbying efforts for a rule to allow for the importation of small ruminants into the U.S., we are plagued by one problem. While our scrapie eradication programs do include goats, it is difficult to have an effective program for them in place as they do not have a national ID program. So, while we continue to fight for our ability to export animals, we also need to encourage the goat industry to implement a national ID program.

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Small Ruminant Import con't

The Industry-Government Advisory Committee on Traceability has prioritized three species for animal identification/traceability systems: cattle, sheep and swine. Our national identification program was built around animal health, and to ensure that we are effective at eradicating scrapie, we need to focus not only on sheep identification, but also ensuring that the goat industry has an effective identification system in place.

It is hoped that the pending changes to Canada's small ruminant importation regulations will encourage the United States to follow suit. It is still anticipated that Canadian shepherd's will be able to import small ruminants for breeding purposes in the second quarter of 2007.

Australian Government provides $35.5 million for sheep research

The Federal Government will provide a further $35.5 million over seven years to fund research to help sheep producers remain internationally competitive and meet changing consumer demands.

Minister for Agriculture, Peter McGauran, says the funding will allow the CRC for Sheep Industry Innovation to bring together industry, research and government organisations to address the key challenges facing sheep producers.

"Our sheep industry continues to be a major contributor to Australia's rural economy, but strong competition from other natural and synthetic fibres has reduced farmers' profits," Mr McGauran said.

"However, new technologies, changing markets and more discerning consumer expectations have created substantial opportunities for economic growth in the industry. "The Sheep CRC aims to tap into these opportunities by improving wool and meat quality, and producers' efficiency levels." The CRC, which was established in 2001, will use the money to continue its work to improve the genetic makeup of sheep. This in turn will improve the quality of wool in fine and light wool apparel, and the taste and nutritional value of meat.

Key participants in the Sheep CRC include Australian Wool Innovation, CSIRO, Meat and Livestock Australia, universities and State Government departments. It will be based at the University of New England in Armidale, NSW.

Four agricultural CRCs – the Sheep CRC ($35.5m), the Australian Seafood CRC ($35.5m), the CRC for National Plant Biosecurity ($13m), and the Future Farm Industries CRC ($34.1m) – have received almost $120m in the 2006 round of CRC funding, or 38pc of all money allocated so far.

SOURCE: *Farm Online*

JAPAN LOVING LAMB

According to figures released by the Department of Agriculture this week, Australia exported a record 11,880 tonnes of lamb to Japan during 2006, a 9pc increase on 2005 levels.

Exports of Australian lamb to Japan in 2006, started on a very strong note, with exports for the first eight months of the year increasing by 28pc, to 9,329 tonnes. However, shipments slowed during the final four months of the year, as lamb stocks began to build up in the market. The record shipments for the year were largely supported by an increase in the number of 'Genghis Khan' restaurants throughout the nation.

SOURCE: Bureau of Statistics and *FarmOnline* national rural news

Overview and Update on Medicated Feed Regulations

By France Lanthier, National Coordinator On-Farm Food Safety

In 1991 the Canadian Food Inspection Agency (CFIA) started the consultation and negotiation process to regulate the use of drugs in livestock feed. These consultations included members of the commercial feed industry, livestock producer groups, provincial government, and the United States Food and Drug Administration. By 1999 a consensus position was reached, and in February 2000 the proposed regulations first appeared in the Canada Gazette Part I.

During the Spring of 2003, the CFIA held information sessions with approximately 340 stakeholders from across Canada to discuss the requirements and the impact of the regulations. Following these sessions it was expected that revised regulations would appear in the Canada Gazette Part I by April 2004, however, the first case of BSE in Canada was found in May of 2003 and the urgent need to review the regulatory framework for the enhanced feed ban became a priority. Additionally, the 2005 Government of Canada and USDA Feed Ban Reviews resulted in further delays in the publication of the new MFR. Currently, under the authority of the *Feeds Act*, the CFIA is responsible for the verification and monitoring of drug use in feeds in accordance with Health Canada approvals.

During the last Canadian On-Farm Food Safety Working Group meeting held in Ottawa November 30 and December 1st 2006, Judy Thompson the Feed Manufacturing Coordinator at the CFIA reviewed the current status of the MFR and provided information on how the program will unfold.

Why Update Medicated Feed Regulations?

In the past to be in compliance with the *Feeds Regulations*, feeds were required to meet standards for composition, drug and nutrient content and freedom from specific deleterious substances, drug residues and other contaminants that might otherwise adversely affect animal health or the safety of animal products (meat, milk and eggs) destined for human food. These standards were deemed reactive as they relied heavily on post production testing of product. With the advent of HACCP the industry has moved to a more proactive approach which incorporates monitoring and verification during the production stages. The new MFR have 3 main objectives:

1. All medicated feeds contain the intended level of medication. Examples of procedures are to be put in place to assure this include; proper medication labeling, adequate scale calibration, and equipment maintenance.

2. Carryover managed so that no detectable drug residues are present in "high-risk" feeds (e.g., where there is the potential for negative impacts on animal health or food safety). Examples of procedures include; adequate flush-out methods, proper storage and disposal of flush-out material.

3. Assure complete withdrawal of the product from the marketplace or the production unit in the advent of an error where there is the potential for negative impacts on animal health or food safety. Procedures to assure this include; keeping medicated ingredients inventories, implementing a recall procedure.

To whom do these regulations apply?

The MFR apply to commercial and on-farm manufacturers of medicated feeds. The inspections are not limited to medication issues but also evaluate the use of prohibited material on farm as well as all other ingredients used in the manufacture of feeds.

Is a license required?

Yes. Only licensed operators will be able to purchase medicated feeds requiring further mixing (supplements, premixes, etc) that are intended for use in the manufacture of medicated feeds. Any person making or storing medicated feed for sale will need a license. Only licensed operators will be allowed to manufacture or sell medicated feeds. Licenses will likely be granted for a period of 3 years after which renewal will be required.

Is there a licensing fee?

At this point, there is no intention or expectation that there will be a cost to obtaining a license.

When do the regulations come into play?

Following the publication of regulations, manufacturers will need to be licensed by the end of:

Year 1 – Commercial Feed Mills
Year 2 – On-Farm Feed Mills using concentrated sources of medications (DIN drugs)
Year 3 – On-Farm Feed Mills using dilute sources of medications (medicated feeds requiring further mixing)

Who performs the audits?

CFIA inspectors are currently performing on-farm audits. While there has been some discussion of On-Farm Food Safety auditors enforcing MFRs it is unlikely that this will occur as On-Farm Food Safety programs are managed by National Producer Organizations (NPO) and for the most part NPOs do not have the mandate or the authority to enforce legislation.

How do farms get selected for an audit?

Producers can sign-up for an audit. The CFIA has the authority to review medicated feed sales at feed mills or to randomly pick farms and perform an audit.

Is there a cost for an audit?

No. There is no cost to the producer for on-farm inspection audit.

Whom happens if a farm unit does not pass an audit?

If deficiencies identified during the inspection that are related to compliance with current regulatory requirements, the inspector will work with the producer to bring them into compliance. Typically, producers are provided with an opportunity to develop and implement corrective action plans to achieve this outcome within a maximum period of 60 days. If deficiencies identified during the inspection that are related to future regulatory requirements, the inspector will encourage the producer to adopt these Good Manufacturing Practices (GMPs) on a voluntary basis.

If I am participating in an OFFS program will I be audited by the CFIA?

The CFIA has expressed a desire to blend both voluntary and mandatory systems to monitor farms in order to assure the highest level of participation and compliance. While the CFIA is looking into industry OFFS programs and how these meet the MFR objectives it is unclear yet how OFFS participation will weigh into the CFIA On-Farm Feed Mill Inspections.

Where the CSF is concerned MFR fall under the OFFS umbrella, therefore we are currently reviewing the producer manual for the Canadian Sheep and Lamb Food-Safe Farm Practices program to assess how well the program meets the CFIA On-Farm Feed Mill Inspection checklist. While it is not the CSF's mandate to enforce regulations, it is our role to assure that our producers are best equipped, and that our programs are best designed to comply with Federal and Provincial regulations.

For more information on Medicated Feed Regulations:

http://canadagazette.gc.ca/partI/2000/20000205/pdf/g1-13406.pdf
http://laws.justice.gc.ca/en/F-9/index.html
http://www.inspection.gc.ca/english/anima/heasan/cancom/2004/ahpddsae5e.shtml
http://canadagazette.gc.ca/learn-e.html

International Affairs - OIE

By Tianna MacInnes, International Standards Officer, Office of the Chief Veterinary Officer CFIA

Over the last few years, with input and support from its 167 member countries and the international community, the World Organization for Animal Health (OIE) has made significant adjustments to the framework for international standards to protect animal and human health while providing the foundation for safe trade.

The most fundamental change has been the shift from reporting the occurrence of a specified list of diseases of historic concern, for example foot-and-mouth disease, to reporting detection of an OIE-listed disease based on epidemiological significance. There are numerous criteria for reporting the detection of the disease based on epidemiological significance, such that countries are expected to report an OIE-listed disease within 24 hours in any of the following situations:

- the disease appears in a country for the first time;
- the disease reappears after declaring that the outbreak has ended;
- there is a new strain of the pathogen;
- there is a sudden increase in the distribution and incidence of the disease, or an increase in morbidity or mortality as a result the disease;
- the disease has significant morbidity or mortality, or zoonotic potential;
- there is a change in host, pathogenicity or strain especially if there is a zoonotic impact

However, to ensure that the efforts to create a more transparent understanding of disease emergence, expression and movement does not result in economic harm to producers, livestock industries and countries - which would ultimately serve as a deterrent to disease reporting - a number of very important parallel adjustments were made to the recommendations for international trade.

These adjustments include a move away from the previous emphasis on country freedom from specified animal diseases as the sole basis for trade to the recognition of the investments made by Governments and industry in disease prevention and control to achieve free regions or zones and the recognition of the principle of compartmentalization to differentiate the health status of animal populations based on husbandry and/or management practices.

In addition, the science-based recommendations for safe trade now also provide for an increased focus on commodity risk rather than disease free status in several of the disease chapters in *Terrestrial Animal Health Code* in order to significantly reduce the economic and social consequences associated with disease detections. This means that should a disease of significance occur in a country, there remains the ability to certify a range of products for continued trade.

These adjustments bold well for the Canadian livestock industry, given the challenges posed by the geographic size of Canada, the breadth of commodities produced, the interdependence of livestock sectors when it comes to disease susceptibility and the economic dependency on domestic and international market confidence.

While the net result of these adjustments is an increased transparency in disease reporting, and therefore a higher level of protection for animal and human health at the global level, Canadian industry is also better positioned to make strategic investments in bio-security, traceability and surveillance to ensure more predictable and competitive market access.

ZONING — WEST HAWK LAKE

Project Coordinator: Ann Boyda—780.430.7767

Canada's West Hawk Lake (WHL), near the Manitoba/Ontario border, is internationally recognized as being one of the most unique, natural zones in the world because of its natural geography, relative public/agriculture/wildlife isolation, and its location on an existing "choke point" on the only major highway and railways connecting eastern and western Canada.

The Canadian Animal Health Coalition (CAHC) is managing the West Hawk Lake (WHL) Zoning Initiative which will see the implementation of zoning capacity as a tool to facilitate domestic, as well as international trade, whilst preventing spread of diseases of concern (i.e.: Foot & Mouth Disease and Classical Swine Fever). This risk mitigation instrument will contribute to confidence in animal health with consumers and trading partners.

Successfully navigated the process is the Canadian Zoning Committee-WHL (CZC-WHL) – a unified representative stakeholder group. Contributing members on this Committee include the national livestock industry organizations (beef, pork, dairy, sheep, goat, bison, cervid, equine), processing sector (Canadian Meat Council, Cargill Foods, Maple Leaf Foods), trucking association (Ontario Trucking Association), identification organizations (Canadian Cattle Identification Agency, Canadian Livestock Identification Agency, National Livestock Identification of Dairy), provincial government (Manitoba Agriculture Food and Rural Initiatives, Manitoba Infrastructure and Transportation, Ontario Ministry of Agriculture, Food and Rural Affairs, Quebec Ministry of Agriculture) and federal government (Agriculture and Agrifood Canada, Canadian Food Inspection Agency).

The WHL initiative addresses the basic capabilities of a static zone within the parameters of minimal cost and impact on commerce. It has been designed to trigger to implement an effective zone at this unique choke point, if and when needed. The initiative has been based on the reality that a viable zone will enhance Canada's ability to:

- Respond to a major FAD
- Recover long term sustainability after a major FAD responsibly
- Reduce the economic impact of a FAD by as much as 50%

PROGRESS

The CZC-WHL was formed in September, 2005 and is in its second of three phases of this project, nearing completion in December, 2006. CZC-WHL has accomplished the following:

Phase 1: Building the Foundation (August 15, 2005 – January 31, 2006; extended to June 30, 2006) – focused on enhancing awareness and support amongst government and industry to what has been proposed; assessed database and user requirements; defined a governance structure; and reviewed regulatory change requirements. Detail plans were development for communication, governance, funding, and data capture of livestock movement across the control site.

ZONING PROGRESS CON'T

Phase 2: Development of Tools (July 1, 2006 – December 31, 2006) – proceeding with the information technology development; design of training materials for inspection staff; development of procedural and policy manuals for operations; drafting of incorporation documents and regulatory framework for support of zoning.

THE WHL ZONE CONTROL SITE

What will the PILOT mean to industry?

- **Producers:** Currently, manifest or bill of lading information is being provided by the truck driver right at the WHL weigh station (information on where the load originated; its makes up the load; where it is headed; and who carrier is). Once the PILOT system is developed, willing participants will agree to contribute this type of livestock movement information directly onto a web enabled system.
- **Processor:** With the commencement of the PILOT, we would ask that packers/processors provide notification of receipt of shipments.
- **Livestock dealers & auctions:** Further work is needed to help determine the best means of capturing livestock movement information from these types of locations – state of readiness varies by individual business.
- **Database management:** The information will be housed within the CCIA Canadian Livestock Tracking System — access to the information is controlled by CCIA. CFIA is granted access for data of a health or safety concern.

Going Forward:

The Final Phase (Proposed for January 2007 to March 2008) – will see the populating of the zoning module through a pilot and the full operation of the Zone Control Site.

A business case for funding will be developed. This document will validate the appropriate cost sharing formulas and demonstrate the value of the WHL Zoning Control Site.

Governance & operating agreements will be in place ensuring that industry maintains an avenue for coordinated communication and effort into future decisions regarding the site's operations.

Trained complement of inspectors operating in the interim under the authority of the Manitoba Amended Animal Diseases Act.

Validation of full system operation and financial collection mechanisms – tested over a six month horizon.

Support of this project by industry and government has been recognized through its development and implementation. The majority of it cash funded is by the Advancing Canadian Agriculture and Agri-Food (ACAAF) program of Agriculture and Agri-Food Canada. Cost sharing arrangements for on-going operation are currently under further consultation with stakeholders.

ATLANTIC'S TWO WOOLLEN MILLS RELY ON NICHE MARKETS

By Suzanne Robicheau

Down by the old millstream, you might find a restaurant, or an inn, or perhaps even an upscale condo. But don't look too long for a woollen mill.

There are few left in North America and only two in the Maritimes. Some went south, lured by cheaper labour in places like the Carolinas. Others succumbed to fires, mismanagement, offshore competition, innovations in synthetics and routine bits of bad luck.

But New Brunswick's Briggs & Little Woolen Mills Ltd. and MacAusland's Woollen Mills Ltd. in P.E.I. have survived. In fact, they have done more than survive. They have carved a successful niche market from the rubble of their competition.

Briggs & Little has been producing woollen yarn in Harvey Station, N.B., for 150 years. It's the oldest woollen mill in Canada.

"I don't know why we're still here," says John Little. "Just lucky, I guess." The mill has been in Little's family since 1916, when his grandfather bought it from a distant relative. Little and his business partner, John Thompson, took over in 1988. They could have made countless changes. Instead, they made products that have sold well for decades - pure wool yarn for hand knitting and an 80 per cent wool sock blend that is popular everywhere, especially in Atlantic Canada.

"European mills follow trends and high-end markets," says Little. "Here in the Maritimes, we're more interested in a homespun product than in fads like synthetic eyelash wool." He buys his raw wool from domestic markets and the majority from individual producers in Canada. For the past 20 years, there's been little competition.

"I knew a wool salesman who had contracts with 140 mills in Maine in the 1950s," says Little. "Now there are only two mills left in all of Maine." It's more than luck that there are two mills left in Atlantic Canada. Some people thought that Little was crazy to rebuild after a fire destroyed the original Briggs & Little building in 1994.

"We have 23 employees," says Little. "What else were we going to do?"

He's been in the woollen business for 36 years and while he's not ready to retire yet, he says he might be in nine years, once the mill has been in his family for a century. "I had planned to go to Nova Scotia to become an architect," he recalls. But instead he stayed in Harvey Station to work at a mill near a stream that once powered a turbine to make wool.

"Jersey cows come from Harvey Station," says John Little proudly, "and it's the home of Don Messer.

MacAusland's Woollen Mills is located in Bloomfield, P.E.I. The brook that once ran the turbines to power this mill is a stone's throw away from Dale MacAusland's office. When he joined the business in 1984, MacAusland had already missed the opportunity to retire when the mill had been in his family for a century.

His great-great-grandfather started the business in 1870, first milling lumber and flour and then wool. Wool made the most money. So in 1948, after a fire destroyed everything but a cast-iron extractor, the business was resurrected exclusively as a woollen mill. Today, MacAusland's Woollen Mills has 10 employees. They produce pure wool yarn and blankets for markets in Canada and the United States.

"We're the only mill in Atlantic Canada that produces 100 per cent virgin wool blankets," says MacAusland. The mill supports a local economy by buying all its raw wool from individual farmers in Atlantic Canada. "Although we did buy 17 bales of New Zealand wool in 1964," laughs MacAusland. The proof is in an old invoice he found recently when he was clearing out a space in his office. The mill was converted to electricity in 1973. Other than that, there have not been many changes over the years. The newest piece of machinery is a wool-washing machine that was built in 1949. It's just one of a number of items that they've picked up from some of the big American mills that have closed. "Mergers and acquisitions don't always work out," Mac-Ausland notes cryptically.

Like John Little, Dale Mac-Ausland isn't sure why his business has lasted when mills all around him have gone under. "Maybe stubbornness," he jokes, although determination and hard work might be closer to the truth. Like Briggs & Little, MacAusland's has managed to capture a niche market for processing raw wool. Business is good, but Dale MacAusland has seen too many other businesses disappear to become complacent. "If you're a manufacturer in North America, you wake up most mornings and look to the east, or in our case, the west."

Source: http://thechronicleherald.ca/Business/551623.html

KIWIS PLOW INTO SOUTH AMERICA

A recent article in Uruguay's leading daily newspaper talked of a coming Kiwi invasion. It was referring to the PGG Wrightson project to invest up to $150 million of New Zealand capital in Uruguayan pastoral farming. But the PGG Wrightson project is just one of several new agribusiness projects in South America that involve New Zealanders.

Increasingly we are seeing banks in New Zealand willing to lend funds here in New Zealand, secured against New Zealand farms, but for investment in South America. In the past 18 months, I have made three visits to South America. On each occasion on the flight over I have met Kiwis wanting to or already doing business over there. Kiwi packaging materials, dairy semen, sheep genetics, livestock, fencing materials, dairy sheds and pasture seeds. Plus investments in the land itself. New Zealanders have been making significant land purchases in Uruguay, Chile and Brazil. At least one group has invested in Paraguay and others have been looking at Argentina.

Some weeks ago, I spent several days in Uruguay with 58 prospective New Zealand investors, hosted by PGG Wrightson. Many of the prospective investors were NZ dairy and sheep farmers trying to figure out how to grow their businesses. Having ridden the wave of pastoral development in NZ, with its associated capital growth, they are now looking for the next wave. There was a feeling among this group that they must look beyond New Zealand.

The alternatives come down to Australia or South America. Australia is the easy option, but there is also a recognition that the "land of droughts and flooding rains" can bring its own grief. In contrast, the green but largely undeveloped plains of Uruguay look much like New Zealand's Southland of 40 years ago. Chile's Region 10 with its snow-capped volcanoes and volcanic soils could be in Taranaki. Parts of the Argentine pampas are reminiscent of dryland Canterbury back in the 1950s.

Most of the current NZ interest is in Chile and Uruguay. Both have stable governments. Both welcome foreign investment. And in both cases, Kiwi corporates are already present. In Chile it is Fonterra, with its majority holding in dairy processor and marketer Soprole, that has taken a lead. In Uruguay, it is PGG Wrightson, first with its majority shareholding in seed company Wrightson Pas, then with its direct investment in Uruguayan farms, and now with its promotion of investment company New Zealand Farming Systems Uruguay (NZFSU).

For many potential investors, the NZFSU project is attractive because it requires no active involvement. The alternative of directly buying land, individually or as part of a syndicate, is more daunting. But some are taking that step. A group of Waikato and Bay of Plenty dairy farmers is developing dairy farms in southern Chile. Another private group of investors which has members from Auckland to Southland, is developing 4000ha in eastern Uruguay. This 4000ha property has the potential for at least 12 large-scale dairy farms. It already has irrigation canals running through the property and the water will cost only $US16 ($23) per hectare annually. The land is clean of major weeds, is easily cultivated, but needs phosphate and improved pastures. In its undeveloped state it is worth about $3000 a hectare. As one Kiwi farmer said to me as we inspected the property: "I have just failed in an attempt to but a dairy farm in Taranaki at $45,000 per hectare. At only $3000 per hectare here I could afford to spend quite a lot on development."

There is nothing new about taking Kiwi technology to South America. Kiwi scientist Campbell Percy McMeekan from the Ruakura Research Station first visited Uruguay in 1953 and worked there with the World Bank in the 1960s. Many others, such as Albert Flay and Professor Sir James Stewart, then followed. New Zealand's Honorary Consul in Uruguay, Mac Herrera, has been dairy farming there for many years, applying the principles he learned in the 1960s at New Zealand's Lincoln University. *(continued on next page)*

KIWIS IN SOUTH AMERICA CONTINUED

A stream of visitors has also been crossing the Pacific in the opposite direction. At Lincoln University we regularly host farmer groups from South America and there has been a steady stream of postgraduate students since the mid-1990s. There are already 50 Uruguayan farmers lined up for next year's World Corriedale Conference in Christchurch. Dexcel, our dairy extension service, has employed South Americans from Chile and Uruguay as dairy consulting officers in New Zealand.

The question that puzzles many prospective investors is, given all of this contact, why haven't the South American farmlands been developed? The answers are complex. In part it is because of the way in which the land was historically settled in large extensive estates. This is quite different to what happened in New Zealand. In part it is because the South American countries have faced restrictions on their exports due to a combination of foot-and-mouth disease outbreaks and trade politics. But both of these are rapidly changing. In part it is also due to stupid government policies in countries such as Argentina that have taxed exports.

Argentina remains a worry with its unreliable macro economic policies. Last year, in an attempt to lower domestic beef prices, it even put a temporary ban on beef exports. Fortunately, countries such as Chile, Uruguay, and even Brazil present a much more reasonable business environment. All have open economies. The big area where South American farmers still struggle is in access to finance. It is much like New Zealand before the mid 1980s, when only the Rural Bank and its predecessor the State Advances Corporation lent to farmers.
What we saw in New Zealand was that once the government got out of the way, the other banks entered the market. In New Zealand it is the commercial banks that seek out the farmers and there is lots of choice. In South America this has yet to occur.

This absence of local funding gives the New Zealanders a great advantage. Increasingly we are seeing banks in New Zealand willing to lend funds here in New Zealand, secured against New Zealand farms, but for investment in South America. A lot of the farmers investing in the PGG Wrightson scheme are sourcing their investment cash in this way.

My Uruguayan friends gently point out that New Zealand capital and entrepreneurship, combined with their local expertise, could be a powerful mix. They also gently point out that, after many years of observing New Zealand technology here and in South America, they have some experience of the technical challenges. In the case of Uruguay it may look much like New Zealand, but the latitudes are well north of Auckland. Ignoring the local knowledge, both technical and business, might be costly.

There are some other challenges for Kiwis who make the big journey. Language is an obvious one. There are also subtler ones. As one Kiwi now farming in Chile but used to small North Island towns said to me, you have to remember when taking the ute into town not to leave the tools lying in the back. Then again, another Kiwi who has been living for many years in rural Uruguay says he never locks the house.

Source: http://www.stuff.co.nz/stuff/thepress/3928211a1865.html

Sheep to Hit the Fast Lane

Powerful new technology is set to transform the Australian sheep flock with major gains in easy-care, wool comfort and meat quality.

Some 5000 ewes in 'information flocks' across Australia and 20,000 genes in special arrays are the launch-pad for what researchers from the CRC for Sheep Industry Innovation say will be the biggest and fastest leap in sheep value and quality since the Peppin brothers.

The new CRC team will comb the national sheep flock to find the right genes and identify breeding values for:

- easy-care sheep, with high lamb survival rates and good welfare characteristics;
- a wool fleece designer-bred for luxurious wearer-comfort;
- pure-white wool, for textile end-use versatility; and
- meat that is perfectly specified for the healthiness, nutrition, flavour, aroma and tenderness demand by today's discerning consumer.

Chair of the Australian Sheep Industry CRC, Ian Sinclair, has hailed the advances as vital for the industry.

Director of The Institute for Genetics and Bioinformatics based at the University of New England, Professor John Gibson, coordinated the application for the new Sheep CRC with major research groups and peak industry bodies including AWI, MLA, AMPC, the Sheepmeat Council of Australia and WoolProducers.

"The main feature of the new Sheep CRC will be a concerted effort to transform the rate at which new technology is adopted by the industry," Prof Gibson said.

"We will ensure that there is a genuine customer focus and an understanding of market needs in defining the research."

An ambitious nationwide program of genetic screening will combine data from a comprehensive set of measured characteristics with extensive genotype analysis to yield revolutionary DNA-based breeding values for accelerated genetic gain.

SOURCE: *FarmOnline*

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