

UARDRY

July 2006

World-wide Interest in Uardry Merinos

Widespread interest in the Uardry and Sims Uardry Merinos continues from within Australia and overseas. Over the past three years Uardry has received many enquiries and has negotiated sales of embryos, semen and live sheep to Argentina, New Zealand, Russia, South Africa and Kazakhstan.

The export of genetics is sometimes a contentious issue. However, at Uardry we believe if we can contribute in some way to improving the quality of wool and sheep throughout the world, then this will enhance the future of wool as a global commodity. Our main objective is to increase the volume (critical mass) and quality of wool produced both in Australia and overseas to retain its competitiveness with other fibres.



South African visitors (above) Claude Cloete , Wally Stay, Andrew and Sharon Cloete, Selby and Marguerite Vorster, inspecting stud ewes and sires prior to Dubbo National Ram Sale.



Argentine clients (above) with Chris Bowman: and Michael Elmes (adviser to the Argentines), Hugo Medino, Pedro Schmolz and Carlos Otomend, inspecting stud sires.



Visitors from Kazakhstan (above) Nurzhan Toxeitov , Vildan Vazehovich Zelyatdinov , Abil Zhapsarbayev with Chris Bowman inspecting the history in the Uardry homestead.

Russians clients (left) Mikhail v. Yegerov - General Director Ministry of Agriculture with Chris Bowman, Vaseely and Vildan purchasing sires for their Uardry based stud at Stavropol. The bloodline recently won one of Russia's premier flock competitions.

Spring Ram Expo at Uardry on Friday, August 25

Looking After Your Customer

Good marketing requires focussing on your business from your customer's view. The better your understanding of his/her requirements, the better your decisions on product features, segmentation, distribution etc which should improve profits. But, you firstly must answer a fundamental question – "who is your customer?"

The answer is easy for Uardry selling rams, but for others it is far more complex. Many organizations supply products within a long chain (the "value or supply chain") and cannot see the end purchaser. Everything and everyone in a supply chain ultimately contributes to the consumer's experience. The more you know about that consumer, the better your returns from the chain. Commodities don't offer this distinct value opportunity. They are commoditized to the lowest common denominator.

This logic applies to *any* business in *any* industry. Supply chains are such an integral part of modern business that The Economist 17.6.06 has a 16 page survey on them.

We've been shareholders of an NZ timber company since 1924. Eight years ago an end customer overseas requested Forestry Stewardship Certification pine. The accreditation for this supply chain cost us \$10K's, but paid for itself in less than a year as we could charge a premium and still keep our customer happy.

In the wine industry, you have to know exactly about this supply chain or you end up with "*plonk*". I am honoured to have been associated for six years (first as a non-executive director and then as the Chair) with an independent winery called Taltarni Vineyards (Est. 1969). Taltarni has cool climate vineyards in Victoria and Tasmania. It exports to 24 countries. There is little chance of winning wine awards if one is not fastidious about exactly what grapes are used and how the wine has been produced, blended, matured, bottled and finally stored. It's no co-incidence that our sparkling wine has won the WineState award for best Australasian Sparkling 3 out of the last 4 years; Clover Hill twice and Taltarni Brut once.

Yet the way we market our wool, if applied to the wine industry would lead to just more *plonk*, "Chateau

Cardboard" or *two-buck chuck!*

In March, I was staggered to see the impact NZ Merino had made into in North American ski apparel market. My sister has seen a similar improvement in Europe. We were both amazed to see much more US SmartWool and NZ Ice Breaker apparel compared to earlier visits; in my case 2000. It was also in 2000 that McKinseys, the International Management consultants, strategically reviewed the NZ Merino industry and devised the now well-known strategy.

NZMerino escaped the commodity trap by looking to the end-consumer. It responded to consumer demand for quality natural fabric in high fashion garments like suits and sportswear by developing relationships with international fabric companies and knitwear companies.

What NZ Merino calls the "high country to high fashion chain" has resulted in the likes of Yves St Laurent and Ralph Lauren paying a premium for superfine wool. Last year NZ Merino signed a NZ\$40 million contract to supply wool to SmartWool, guaranteeing c. 80 farmers premium prices for their product over the next 7 years! SmartWool's progress was well presented and received by many woolgrowers at the IWTO Conference in Hobart.

We, in the merino fibre producing business, are becoming more exposed to competition with globalization from low-cost providers in China, India and other fast developing countries. They are increasingly sophisticated while operating in far lower cost structures. Even industrial giants like GE feel threatened: "We are all just a moment away from commodity hell," GE's CEO Jeffrey Immelt said recently.

Having a focus on the end consumer is the way to avoid this fate. It is *absolutely key* to creating real value, a brand *for* which the next company in the chain will pay a premium.

I definitely believe that fine and medium Merino wool producers can add value. We are passionate about how we breed and select our sheep yet seem completely blasé about how we sell our wool. We can't compete

on price, but our product is superior. We *can be smarter* about how we present and market our product and not remain hostage to the history or ritual of selling wool. We *can be smarter* about who our customers are and what they really want. This needs more passionate wool producers to consider marketing their wool through a supply chain manager where they will be regarded as Preferred Producers and the quality of their breeding and management will be recognized. This quality will be captured and passed on to the next processor who in turn can give the end consumer what they are really looking for in a merino wool garment. To do this, we as growers need to get closer to the downstream processor, better understand their requirements so that we can make changes, which can also deliver better and more stable returns. Such changes should include classer training and Quality Assurance.

NZ Merino has shown us it **can be done** with fine merino wool, so let's unhobble our historical or ritualistic habits and get into the 21st Century – before we become a sunset cottage industry!

It was with this in mind that the Black Family became involved in setting up NewMerino™ about 3 years ago. NewMerino™ is a true supply chain delivering wool direct from farm to topmakers and spinners. We now have many growers who have used NewMerino™ for the second or third shearing. Not only are they happy with the concept but also the savings it can reap. Furthermore, these grower clients are even happier as they have been recognised for producing a more predictably quality wool with very low dark fibre risk. Dark fibre contamination mainly from exotic breed meat sheep is now a major risk causing unnecessary costs to top makers and spinners alike.

Any business is about managing uncertainty. Why let others commoditize your wool and downgrade its true value? To find out more give NewMerino™ a call on 1800 656 373.

~ Graeme Black, Managing Director
Charles Mills (Uardry) Pty Ltd

Great Returns and Results Achieved by Uardry Clients

Outstanding results have been achieved by Bruce Black of Yaccabri, Rankin Springs despite lambing in a tough dry autumn last year. Bruce put approximately 300 of his Sims Uardry blood wether lambs into a feedlot for 10 weeks on a ration of 75% barley, 25% peas with hay as roughage.

Bruce sold the first draft of 80 wethers (still with lamb's teeth) for \$3.20 per kilo. They dressed out at 27 kilos and returned \$86.40 with skin value of \$10 for a total return of \$96.40.

The next draft of 200 wethers averaged a dressed weight of 24 kilos with the same \$10 skin value and returned \$86.80 per head. Added to this return for both drafts is the value of the lamb's fleece. Bruce's flock is classed by Bill Mildren.

The wethers were purchased by Chris Johnson of Landmark Griffith on behalf of T&R, South Australia. Chris says he will be looking for more Sims Uardry blood wethers this spring as they are doing the job of providing a profitable dual-purpose merino.



Will Crozier of Kalabity, Coleraine has been using Uardry rams since 2003. Will (above) says the results have been amazing with increased length of staple, extra wool cut and a more robust animal with barrel and better doing ability. Their micron has held and the wool types are fitting in with a climate that can be quite wet throughout winter and early spring. Will's sheep are classed by James Lilburne.



Russell Matthews of the Salony Stud, Streatham is a very keen sheep breeder. Russell and his classer, James Lilburne, (pictured above) purchased two sires in 2003 and returned the following year and purchased the major share in the Riverina Ram of the Year, Sims Uardry 3.148. His progeny are truly outstanding and will be at Hamilton Sheepvention in August this year.

Russell says all the rams he has purchased have done a great job in his stud giving extra size with soft wools that test well and increased wool production.

Congratulations to **Dan and Natalie Dowling of Merritop, Booligal** who exhibited the winning Pen of Five Merino Ewes North of Lachlan River and second in Pen of Five Merino Ewes at Hay Sheep Show. Dan and Natalie also entered the Peppin Shaw Ewe Competition. Dan (right) has been pleased with the performance of his Sims Uardry rams and comments their micron doesn't blow out and they have put a lot of soft wool on his sheep with a plain productive body.



Congratulations to Uardry Clients



Simon and Caroline Booth of Humewood, Booligal (left) who won the Northern Zone, of the 2006 Peppin Shaw Ewe Competition. Simon selects Uardry rams which are big, plain, with open heads and good 62s wool quality.

Trevor Childs of Yerrinbool, Maude who won Pen of Five Merino Hoggets and Best Two Ewes, and runner up in Champion Pen of Ewe Hoggets at Hay Sheep Show.

Bill and Caroline Simpson of Red Hill, Hay who were placed second in the Central Zone of the 2006 Peppin Shaw Ewe Competition. Their sheep presented with excellent wool quality and the flock sires created much positive comment.

Will Roberts of Victoria Downs, Morven who was recently voted President of the Australian Association of Stud Merino Breeders. Will and Narda purchased 100 stud ewes and two sires from the Uardry stud earlier this year.

Peter and Terry L'Estrange of Belswick, Condobolin who took out the award for Grand Champion Strong Wool Ewe at the Sydney Show. The ewe was sired by Sims Uardry 9.155.

UARDRY STUD FOUNDATION SALE on Tuesday, September 26, 2006

Top Price of \$11,000 at Uardry Foundation Sale

Rams sold to a top of \$11,000 and averaged \$1,370 for 114 rams at the 2005 Foundation Sale.

The first run of twelve March shorn selected two-tooth rams averaged \$5,075 which follows the successful sale at Dubbo where 2 rams sold for \$20,000 and \$14,000 – a combined average of \$6,326 for fifteen two-tooth rams.

The top priced ram was purchased by Robert Macartney of Daysdale (pictured right) for \$11,000. The ram, Uardry 4.161, was placed first in the line-up of Uardry and Sims Uardry rams for his outstanding structure, soft face and bright bold medium wool.

The Late Mr Bill Lamb of the Willurah Stud purchased the second ram, Sims Uardry 4.7527, for \$8,000.

Great support was received from return buyer, Garry Hudson, of Darby's Falls who purchased Lot 3 for \$8,250. Barcaldine Downs stud, Queensland purchased 4 rams to a top of \$5,200. Laurie and Lyndsay Picker from Binda purchased Lot 5 for \$7,000. Booabula Stud, Wanganella purchased Lot 6 for \$3,000. John Metcalfe, Deniliquin purchased 2 rams for an average of \$2,400. Geoff Hines, Milvale purchased Lot 9 for \$2,800. Victoria Downs Stud, Queensland outlaid \$3,700 for 2 rams. First time buyers included Gerald Mulligan from



Photo: The Land

Hilltown, South Australia who purchased Lot 12 for \$4,800. Gary Pollard from Wycheproof, Victoria purchased a ram for \$1,700. Henry Welsh, Warren purchased a ram for \$1,200. Jock Weir, Barmedman purchased 5 rams to a top of \$900. Michael Ford, Condobolin purchased 2 rams for \$1,500.

Volume buyers included Tubbo Livestock, Darlington Point who purchased 20 rams to a top of \$1,800. Dan Dowling, Booligal purchased 6 rams to a top of \$1,300. Will Crozier, Casterton purchased 6 rams for an average of \$1,067. John Patterson, Bairnsdale purchased 4 rams for an average of \$1,250. Jock Munro, Rankin Springs purchased 4 rams to a top of \$1,600. Ben Cruikshank, Ganmain purchased 4 rams to a top of \$1,300.



Hay Sheep Show Champions

Sims Uardry won the Junior Champion and Reserve Champion March Shorn Rams and Champion March Shorn Ewe.

Left: 05.889 - Team leader for Dubbo Ram Sale - 18.3 micron, 2.7 SD, 14.8 CV, 100% CF, 104kg (lamb's teeth)

Right: 05.277 - Team leader for Foundation Sale - 19.3 micron, 2.6 SD, 13.5 CV, 99.9% CF, 94kg (lamb's teeth)



Photo: Southern Weekly

2006 Sydney Royal Easter Show Champions

Uardry won the Reserve Grand Champion Ewe and Reserve Champion Strong Wool March Shorn Ewe (21.9 micron, 2.8 SD, 12.8 CV and 99.3 comfort factor), as well as the Champion March Shorn Medium Wool Ewe (20.9 micron, 2.8 SD, 13.4 CV, 99.5 comfort factor).

Katanning Sheep Show and World Merino Conference in Western Australia

Chris Bowman has been invited to judge the medium wool class at the Katanning Sheep Show at the beginning of the World Merino Conference in July. The show and expo expects over 500 entries, with major prizes including the final of the National Breeders Group and National Fleece Competition.

Offering 120 selected rams • May shorn • May/June 2005 drop • Single pens
Inspection from 9am • Sale commences at 1pm • Catalogues will be available one week prior to the sale
Phone 02 6993 5101 for a fax copy or download from www.uardry.com

Uardry Shines at Dubbo National Show and Sale

The decision to take two-tooth rams to the Dubbo National Ram Show and Sale for the first time in 2005 proved to be a resounding success for Uardry in both the show and sale ring.

A Sims Uardry ram won Champion Strong Wool March Shorn Sale Ram and went on to become Champion March Shorn Sale Ram. The Uardry ram won the Champion Medium Wool March Shorn Sale Ram and Reserve Champion March Shorn Sale Ram.

On Sale Day the young rams created a great deal of interest and a large crowd stayed on to see these rams sold. The Sims Uardry ram made \$20,000 and was purchased by the Late Mr Bill Lamb, of the Willurah Stud, Conargo.

The Uardry ram was purchased by Pedro Schmolz and stud adviser, Michael Elmes, on behalf of the Argentine Shaman Pastoral Company for \$14,000. Uardry achieved the overall second top price and overall second top average of \$17,000.

While the Argentine buyers are new clients to Uardry, the Willurah stud has had great success with two-tooth sire, Sims Uardry Dynamo, purchased for \$20,000 in 2000.



Above: Pictured with Uardry 4.30 purchased for \$14,000 by the Argentine Shaman Pastoral Company is Michael Elmes, Chris Bowman, Pedro Schmolz, Graeme Black and Angus Munro.



Photo: The Land

Left: The Late Mr Bill Lamb of the Willurah stud, Conargo with the \$20,000 ram purchased at Dubbo and the \$8,000 ram purchased at the Foundation Sale in 2005. Also pictured is Ian Lilburne, Jock Campbell, Nerissa Guest, Chris Bowman and Graeme Black.

New Organisational Structure at Uardry

The Directors are pleased to announce the appointment of Ben Lane to the position of Manager of Livestock Operations at Uardry.

Ben trained as a jackaroo at Uardry in the late 90s, then became Overseer at the Koonwarra stud in 2000 and completed his Diploma in Agribusiness at Marcus Oldham College before returning to Koonwarra as Stud Manager in 2003.

Ben and his wife, Ali (pictured right with daughter, Camilla) took up their new position at Uardry in February this year.

Chris Bowman, who is now the General Manager of Livestock Operations, said "We welcome Ben's appointment and the skills he will bring to the strong and cohesive Uardry team including Ian Lilburne, stud classer; Angus Munro, overseer; Jason Southwell and Boyd Webb, stud representatives".

Under Chris' management over the past 16 years the Uardry Merino stud livestock operation has expanded with the formation of the Sims Uardry Merino stud and the Uardry Dohne stud. Uardry now has 900 hectares of irrigated pastures, runs 700 Hereford breeders and a commercial Dohne flock of approximately 3,500 ewes.

As General Manager, Chris will remain very hands-on and focus on the development of livestock breeding programmes, planning, the promotion and marketing of sheep, cattle and wool, and client services.



Photo: Michael Silver

Farewell to Old Friends

The merino industry has lost two of its great characters and stud breeders over the past year with the passing of John Fraser and Bill Lamb.

They will be sadly missed at Uardry as they have both been wonderful clients and supporters for many years. Readers may recall the numerous occasions when either John or Bill were listed as the purchaser of one of Uardry's top sires.



John Fraser of the Murrumbucca Stud, Cooma

John first visited Uardry as a young lad with his father to collect a stud sire, which was transported home in the back of the car. John suffered polio as a child but found a way around his disability, even to the point of lying down next to a ram to shear it or lying down with the wire held in his mouth to strain up a fence. The only holiday he allowed himself was the annual trip to Dubbo Ram Sale and the Uardry Stud Foundation Sale. He enjoyed meeting up with people he might only see once a year. His greatest loves were his family and Murrumbucca. John is pictured above at the 2003 Foundation Sale.

Bill Lamb of the Willurah Stud, Conargo

'Mr Lamb lived through the reign of 4 English monarchs, 27 prime ministers, 90 Melbourne Cups, most of which he attended, 26 droughts and 2 floods. During Mr. Lamb's 60 years of management at Willurah he oversaw the shearing of over one and half million sheep which produced over 58,000 bales of wool and he sold more than 18,000 rams throughout Australia and overseas. A particular highlight was achieving the record price of \$178 per head for one and a half year old merino ewes at the Hay sale in 1988. Mr. Lamb went on to achieve the top price at the Hay June sale for 22 years in a row.' Excerpts from the eulogy presented by Jock Campbell, Willurah manager.

Important Uardry Events:

Uardry Spring Ram Expo

on Friday, August 25 at Uardry previewing two-tooth sale rams

Dubbo National Ram Sale

on Thursday, August 31 offering 2 two-tooth stud rams

Uardry Stud Foundation Sale

on Tuesday, September 26 offering 120 selected (top 10%) two-tooth rams

Flock ram selections

commence in October with 1,500 rams to select from & ready to work

Uardry Dohne Sale

on Thursday, October 12 at "Uardry" offering 150 two-tooth Uardry Dohne rams

Uardry Reunion !!

We are planning to hold a "Back to Uardry" reunion in 2007, most likely in the autumn.

This will be a great opportunity to catch up with old mates, meet with the Black family and staff, and see recent improvements and innovations.

If you are able to assist with contact details of past employees or would like input into the content or timing of the reunion please contact Chris Bowman. We need your help!

Congratulations to Uardry Jackaroos

- Angus Munro winner of the 2006 Merial Noel Reid Young Ambassador Award and the 2005 Pennefather Junior Judging award which provided a prize of 3 weeks in New Zealand classing some of their best merinos.
- John Ryan winner of the 2006 Landmark Pennefather Junior Judging Award.
- Frank Archer winner of the 2006 Don McNeil Junior Judging award and John Porter third place.
- James Armstrong winner of the Sandy Robertson Young Ambassador award in 2005.
- Ben Lane made the final cut of the Ian Munro Memorial Blade Shearing Competition at the recent Hay Sheep Show, and to Angus Munro who won the Under 25 section and James Armstrong who received the Encouragement Award for his PB!

The 2006 Uardry Team

Chris Bowman, Frank Guest (visiting Pom!), James Armstrong, Lachlan Lamont, Angus Munro, Nick Dowling (another Pom!), Frank Archer, Dan Slennett, John Porter, Hamish Ross, John Ryan and Ben Lane.



We are taking enrolments for the Jackaroo Training Programme for 2008 and 2009, please contact Chris Bowman, Ben Lane or the Uardry office.

General Manager Chris Bowman 0429 935 101 **Manager** Ben Lane 0427 206 239 **Classer** Ian Lilburne 0428 505 252

Representative Jason Southwell 0429 039 521 **Qld Representative** Boyd Webb 0408 587 012

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