



Romney New Zealand Newsletter- November 2007

1. Nepal Business Partner

Legal agreements have now been signed between Romney New Zealand Ltd and the company that we are dealing with in Nepal. In addition, its owner plans to come out to New Zealand in about 3 weeks time, which will allow us to finalize a number of other issues. I am also hoping that he will be here long enough so that we can organize a few small meetings with some of our members. I will be in contact with several of you over the next 2 weeks to discuss this further.

2. The New Company

The new company has now been set up (Romney New Zealand Ltd) and we are in the process of transferring money across from Romney New Zealand Inc to provide working capital. Presently there are four board members; Hugh Taylor (Chairman), Ike Williams, Graham Senior and Malcolm Wyeth. It also has the ability to take on 2 independent board members.

3. The Romney Shop

Romney New Zealand Ltd will be opening its first retail shop on the 22nd of November and will be called "Fibre" with the byline of "created by nature- designed by you". The shop will be managed by Selina Wyeth and will sell both Nepal rugs off the shelf and custom made rugs. The shop is in Greytown and will be open from Thursday till Sunday every week.

4. The Business Plan

We have completed our business plan which outlines the strategic direction of the company and financial projections and business growth. This will provide the guideline on how we will develop this business and as such will consistently be updated. While this document is commercially sensitive, if you wish to discuss it in general terms, please contact either a board member or myself.

5. Wool Shipments

We have only just got to the stage of getting our first shipment of wool into Nepal. The last hurdle is getting parliamentary approval from the Nepalese government which we understand will occur sometime over the next 5 days. The process of getting the first shipment into Nepal has been very difficult as no one has ever exported wool to Nepal without selling it to someone in Nepal. This has meant that numerous government officials in Nepal have had to develop new policies and protocols especially for Romney New Zealand. While there have been numerous delays and a lot of false starts we now have the end in sight and I have been assured that from now on the process will be straight

forward. J S Brooksbank & Co Ltd has been the exporter we have used to manage the shipment and this company has done a great job. This has been an incredibly stressful time for the board and myself, but now we have the systems in place things should run much smoother.

I hope to be able to put the next shipment together (which will come from the North Island) in about 3 or 4 weeks, with the next South Island one being around early February or earlier if sales go well. Before the next shipment goes we will be paying those farmers that supplied wool to the first shipment. These farmers have been very patient while we get this business up and running and certainly have my thanks in helping to arrive at where we are now.

6. Wool Equities Ltd (WEL)

As you will know Romney New Zealand got behind the group fight (WAG) to try and get WEL back in the control of farmers. It was our money that set it up and should have been used to improve wool returns; equally we also felt that many of the actions that had been taken were not in the best interests of our members. The outcome was that we lost due to the corporate block vote. The farmer vote was overwhelmingly in support of WAG but was not enough to overcome the corporate vote. My sincere thanks to all farmers that took time to send proxy forms in or who range around to drum up support. We can only hope that we gave them enough of a scare that they will take more notice of their shareholders in future.

THE LESSON. We must always maintain total control of the wool company we have set up. To introduce corporate investors that don't have the same passion and dedication to increasing returns for Romney wool that we do, will mean over time that we will lose control. Be assured we have set up your company in a way that looks to maintain ownership with farmer members

7. Ram Sales

The two national sales are now organized. The North Island one will be on the 20th of November at the new selling arena in Feilding and will start at 1.30pm. Both Dr Jon Hickford and Stephen Fookes will be speaking at the sale. Jon will cover the saleable meat yield trial and update progress on the outstanding attributes of the Romney that we are now quantifying. Stephen will cover our wool project and update on developments and the potential for our industry.

Your organizing committees have worked to revitalize these sales. The sales have the opportunity to be a showcase for Romney, or if poorly supported, will get negative publicity for Romney. I would strongly urge all breeders to support this sale by at least attending and listening to the speakers that we have lined up and even better let's get behind the sale and make it a real success for everyone.

In the South Island the sale will be in Gore on the 4th of December and the speakers will be – Dr Jon Hickford and myself.

The dates and format have been changed to encourage more people to attend and sell at a time of year that may encourage more people to buy. However at the end of the day this is **your sale** and a show case for Romney, ***please look to give this sale your full support.***

8. Field Day

We had planned to hold a field day at Hugh Taylor's property this month but with everything else on we have decided to hold it in January when we will have much more information. I will keep you posted on the new date as soon as I can.

9. Saleable Meat Yield Trial

The South Island trial continues to provide valuable information on the Romney breed and a scientific basis to promote the superior attributes of our breed. The high survival, non existing dystocia problems, great mothering ability and growth rates are now being promoted by Lincoln University.

In the North Island trial we have had some major problems. The first year's data has still not arrived from Progressive Meats even after numerous assurances that they were getting onto it. I now hold little hope that we will see any further data from them. This year's lambing performance has been very disappointing due to a combination of drought and poor growing conditions and very low conception to first cycle. While we hope to get some data from this year's trial in the North Island it will certainly be of a lower standard than the South Island. We have therefore decided that farmers who put rams into the North Island trial this year won't be charged for it. Over the next two months we will undertake a full review of the trial. If anybody has comment or suggestions, please pass them onto your local board member or myself.

10. Registration of Romney Ewes

Because of the unique position registered Romney members will be in because of the wool venture, the Romney Council has agreed that this year's annual Return will be the final time registered members can enter unregistered ewes into their flocks.

11. NZ Ewe Hogget Field Day

Thursday, 29 November, commencing at Pukerau Hall, Pukerau, near Gore at 1.15 pm.

The Romney Section winner this year is Guy Martin.