



MOHAIR NEW ZEALAND

QUARTERLY REPORT

August 2020

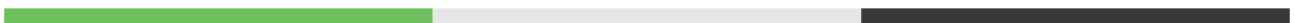


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CHAIRPERSON'S OPENING MESSAGE

Carl King



Dear producer

Well what can you really say about 2020, apart from welcome and let's hope we don't all see another year like this one!

As a Board, work continues in the background, even though the year has been crazy and we all face the unexpected, from lockdowns, to the fear of losing someone close, or even getting sick ourselves. Regardless, farmers have always been a tough bunch and this current situation is one that I have no doubt we can all beat together. Who else is out there in the mud and the shite and rain looking after their animals, even to the extent of their own health at times?

Having to cancel the 2020 AGM in the Hawke's Bay was somewhat of a blow, given the Board had a lot to put in front of producers as we assist in moving the industry forward.

The website is about to go 'live' with an updated look and more links than you can shake a stick at. This is a living website and as we get feedback the site will continue to be modified and updated where needed. Feedback is important, and we want the website to be as informative as possible with blogs, links, and producer stories that inspire others to give the industry a try. There is also an update on the SWOT project that Johann and Veronica Rall have worked tirelessly on. Thanks go to them both, but also the other board members, Nicky, Susie and John, who continue to take time out of their busy days to help where they can, which makes this industry a great one to be involved with. We would also be lost without the great support of Sophie Smyth from Federated Farmers who organises meetings, takes minutes, keep us on the straight and narrow and leads the charge for organising the annual AGMs.

As we all know, the markets are somewhat flighty but are thankfully still there. Unlike some wool farmers who, on a recent Federated Farmers call, noted they were forced to burn their wool due to not having any markets. This is a devastating position for any farmer to be in.

As COVID struck early in the year my wife Kimberly and I decided not to kid this year and downsize to see what the markets were doing and give us some flexibility. As sad as it was, we put 100 angoras onto a truck for the works to reduce numbers. Half of these were very old does where their day was done, and we would not put them through another breeding cycle. Given the average age was 12 years they did us proud and, as a result, we have some very good kids and the average age of the flock has dropped considerably.

Winter has been good with minimal feet issues and, with shearing now out of the way, we will now sit and wonder how kidding is going on around the country for the rest of you. Shearing went very well and, apart from several that were a bit 'sticky', the fleece just fell away. Weights were down, and we believe this is because of the drought. We last shored at the end of January and fed out lucerne and oats bailage daily until mid-May given the condition of the grass, or lack of it. Since then the grass has shot away with warm wet conditions but next summer remains a real concern. We are looking forward to the summer shear, with the expectation that that average price per kg will exceed our previous year of over \$26/kg. Now, with the old does gone and all other angoras being less than four years old, it will be interesting to see the result, even in this time of market pressure.

On a lighter note, we ended up needing a replacement dog several years ago and a well-known producer from the Waipu area had an older dog who he was looking to move on as he had a young dog on the go. We ended up with a great dog who is very smart and lets the goats do the work and takes little notice of the beef. She spends her time being driven around the farm in the buggy and the rest of the time flat out on the couch in front of the fire. She has even taken to using the pillow!

I have little doubt that this dog is very well trained, we are just not sure if we are, or is she training us?



Planning is well underway for the 2021 AGM, which will be held in Christchurch. Nicky Burston and Johann Rall are working hard to put a great agenda together for the 50th anniversary celebrations. The AGM is scheduled for the first weekend of March starting on the 5th March and running through until the 7th March. We currently have three great speakers lined up, and there will more than likely be at least two more speakers. This will be a great event, so please lock these dates in early and bring along memorabilia you can share from over the decades, if you have any. Not only do we have a great AGM lined up, there will also be tours of some great venues as well. More will be revealed closer to the time.

There will also be two vacant positions on the board for the next 3-year term, starting from 2021. It will be the South Island representative position, currently held by Johann Rall, and the North Island representative position, currently held by myself, that will be vacant. Please put your hand up if you have any interest in being part of a great industry, and look out for the nomination forms, which will be sent out by Sophie from Federated Farmers.

The board is a great place to contribute and learn about the industry and how a board works, including finance, governance, committees, etc. So, please come forward and make yourself known to a board member, or directly to Federated Farmers. As per usual, there is some strict criteria around nominations, timing, votes etc. that is all run at arms-length by Federated Farmers, so don't leave it too late and ensure you follow the process.

Signing off, please all stay safe and well, look after your goats and each other, and set aside some time to attend the AGM in March 2021 in the South Island.

These two little tackers below have the right idea, safe, warm, and dry during kidding in 2019.

Carl King
Chairperson
Mohair NZ



FEEDBACK FROM JOHANN

Johann Rall



1. Sustainability:

The Textile Exchange revision process for the Responsible Mohair Standard (RMS) was completed in February 2020 and the standard became effective on 1st May 2020. The final version can be downloaded at (<https://textileexchange.org/wp-content/uploads/2020/03/RAF-101b-V1.0-Responsible-Mohair-Standard.pdf>). A detailed explanation of the RMS, as well as the overall mohair value chain, is provided on the Textile Exchange website (<https://textileexchange.org/standards/responsible-mohair/>). I do suggest that producers take some time to download the RMS and scroll through the website for valuable insights regarding international quality control and assurance relevant to the mohair value chain.

MNZ commenced with the development of a Sustainability plan during 2019 by identifying the relevant legislative framework, starting with the Goat Code of Welfare as published under the Animal Welfare Act (AWA, 1999). For the MNZ Sustainability Plan, all published conditions will be converted to actions, with associated monitoring indicators to empower angora owners with the ability to demonstrate compliance with relevant legislation. Once the AWA is completed the Resource Management Act (RMA, 1991) as well as the

Health and Safety at work Act (HSWA, 2015) will be incorporated.

MNZ compiled a presentation for the 2021 AGM to propose a long-term vision for the MNZ Sustainability plan.

2. Website:

Monstercreative.nz completed a prototype for the updated MNZ website at the end of July 2020, which is currently under review. The Board's intention is for the website to go live at the end of August. The website provides all the original information (from the old website), links to MNZ partners (currently Mohair Australia), the Goat Catalogue, and the Facebook group.

3. SWOT:

The SWOT Analysis has been completed and the results are being consolidated into a report format, for circulation to producers prior to the 2021 AGM, to seek approval on the proposed SWOT outcome and associated future MNZ Business strategy.

4. MNZ 2020 Action Plan:

| DRAFT ACTION PLAN - MNZI 2020 | | | |
|-------------------------------|---------------------------------------|---|-------|
| Priority | Remit | Action | Owner |
| High | SWOT | Complete Draft SWOT & Business strategy Write-up Present to board for review and ammend Present at 2021 AGM for Producer Approval Ammend & Role-out | JR |
| High | Shearing protocol | Establish Equipment Specifications Establish Shearing Techniques Establish Training Program Assess Shearer certification options Lock-in Renumeration Framework Risk Mangement H&S Management Establish Monitoring Parameters Compile Draft Standard Operating Protocol Present to board for review and ammend Present at 2021 AGM for Producer Approval Ammend & Role-out | JR |
| High | Sustainability | Identify and prioritize appropriate Management Plans e.g. Animal Welfare Act Resource Management Act Health and Safety at Work Act Convert legal conditions to executable actions Compile Draft Sustainability plan Present to board for review and ammend Present at 2021 AGM for Producer Approval Ammend & Role-out | SW |
| High | Membership | Identify types of producers Develop Fee Strategy for different producers Identify benefits for member types Clarify FF membership options in relation to MNZI Compile Draft Membrrship Plan Present to board for review and ammend Present at 2021 AGM for Producer Approval Ammend & Role-out | JW |
| High | Website | Beta version almost ready for testing Ammend & Complete website rebuild Communicate to all producers Go-live | JR |
| High | Blogs/ Facebook | Feedback, comms & general information | SW |
| High | Producers list & questionnaire | Phone producers to collect baseline data Expand producers list | NB |
| High | Database | Consolidate baseline data Compile Draft Database Present to board for review and ammend Present at 2021 AGM for Producer Approval Ammend & Role-out | JR |
| High | 2021 AGM 50 th Anniversary | Planning | NB |
| Moderate | Branches Plan | ? | |
| Low | Records Storage | ? | |
| Low | Marketing Strategy | ? | |
| Low | Constitution Review | ? | |

KIDDING AND COVID

Susie Woodward



A lot has happened since my last article for Mohair NZ including our very first drought, a worldwide pandemic, and a cancelled Mohair NZ AGM. So, it turns out we picked a record-breaking season to buy our first farm. By record breaking I am most definitely referring to the drought, which hit us and lasted much longer than we'd like to mention. As a matter of fact, we are over two thirds into calving as I write this, and I have hardly used my rain jacket compared to the same time last year, so it seems this drought is still having an effect. Though I am not complaining about the lack of rain for calving (it has been extremely nice weather for new-born calves) I do worry about the impact on grass growth going forward. On the plus side, the drought brought more favourable conditions for the goats. They thrived during the long spell of dry conditions and we certainly noticed the sudden impact of wet weather when it finally did arrive!

Unfortunately, the decision was made to cancel our AGM earlier this year due to the restrictions with COVID, which seems to be an ongoing challenge.

Who knows how long it will last? I hope you all enjoyed your time in lockdown and didn't lose anyone you know as a result of COVID-19. Lockdown for us was surprisingly good considering we had lots of room to run around, the bonus of living on a farm. However, the home-schooling was not so enjoyable if I'm totally honest. I may have used the farm as my classroom and taught more "practical" lessons that included cows, goats, and tractors, rather than proper schoolwork. The kids didn't mind but I know they couldn't wait to get back to school and have their "proper" teacher providing their lessons.

I can't believe kidding is nearly upon us again! We actually have three kids already, due to a cunning plan that didn't work out the way we wanted. Our human kids wanted to bring some Angora goat kids to their school's Ag Day this year. Thinking ahead, we mated a handful of does early enough to meet the date requirements for Ag Day. I chose some older does who had twins the previous year in the hope that they would provide another set of twins for me



to be able to leave them with one kid and the other to be hand reared by my human kids. However, the first and only set of twins didn't make it and the other does all had singles. Alas, my efforts were not rewarded, and I am holding on to the hope that we can get some early sets of twins come September that make the deadline for Ag Day. Here's hoping!

We are ready for kidding 2021 and it will be a bit busier than the previous year. We will get our pre-kidding vaccinations done shortly and the calves should be out of the calf sheds ready for the goats if needed. Although, with this drier weather we have had, maybe I won't need them as much. Shearing

was done in July since we are too busy with calving to do them in August. I'm not sure which I like more, calving or kidding. I definitely love watching the new-born kids running around. Such great entertainment and always puts a smile on my face. I want to wish you all well with your kidding this year and hopefully we can get together and share our experiences at the 2021 AGM next year as long as we are not in lockdown again. Fingers crossed!

Warm Regards, Susie



NORTH ISLAND WAREHOUSE REPORT

John Woodward



Interesting times for Mohair worldwide. These factors are influencing prices. Slow uptake /forward orders from Mills in Europe as Covid-19 continues to affect their ability to return to work and trade. The hand knitting industry has blossomed due to lockdowns. This has caught the supply chain short of yarn with the inability of spinning mills to get supply geared up. Therefore, stocks of greasy mohair from the summer shear have been held up over lockdown periods, and this continues. Currency fluctuations have also played a part in returns.

The positive side for us is that production out of South Africa is down again, mainly due to drought. The drought (lack of food) led to an increased proportion falling into young goat types and a narrowing of price with adult. Finer mohair (kid) is in short supply and prices have held up reasonably well for these lines.

I am always keen to get pay out as early as possible and I am pleased to announce we now have prices in for all lines, all be it with a pay-out terms for around 20th August. Subject to any unforeseen problems (payment/ shipping, etc.) pay-out at the following prices for the main lines will be made by that date:

ASFKO\$38
ASFKOW\$40
BSFKO\$37
AKO\$29
AKOW\$31
BKO\$28
AYGO\$20
AYGOW\$22
BYGO\$19
FAH\$18
FAHW\$18
BFH\$16.5
SAH\$14

Let's hope that the Mohair chain, supply, and manufacturing continues to open up. If this is the case Mohair prices at this level and better should be our expectation.

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THE CANTERBURY ROUND UP

Nicky Burston



It's been a relatively mild winter here in the south, after a period of rain a month or so ago, it's been quite dry since, with some good frosty mornings resulting in gloriously clear and sunny days. We have had no snow on the ground this year (touch wood!)

As we run sheep as well as angoras, we are currently in the middle of lambing. So far, the weather has been perfect for lambing, hopefully it holds for kidding. We are due to start kidding in mid-September, so we are busy planning pre-kid shearing.

We have made an investment this year, with the purchase of two Advantage feeders. We have had our one and two year old goats on this all winter, feeding whole barley, along with hay in a static feeder. I weighed all the goats recently and found that the one year olds were almost as heavy as the two year olds, which was pleasing. We have been so pleased with the Advantage feeder that we purchased another one and have had in-kid does and young wethers on this all winter.

I hadn't been happy with the strength and vitality of our young stock, so I went in search of a multi-mineral product. I was referred to Megimmune (Plasma Biotec) by a dairy goat farmer in the North Island. I purchased some and started dosing our in-kid does with their Newborn product. I also gave small doses to kids as they were born, and dosed regularly through the drench gun all stock, in the last year. Anecdotally, Joseph and I feel as though it has made an improvement to the overall health and hardiness of our stock. There has also been an improvement in first shear fleece weights between our 2018 and 2019 (both years used the same buck).

Lockdown didn't cause too many disruptions on the farm here, but it did cause the cancellation of most of the A&P Shows. However, Canterbury (The New Zealand Show) will be proceeding with some fibre and fleece events, in a limited capacity. I hope to hear more about this soon.

We do have the North Canterbury A&P Show running as usual in October, at the Rangiora Showgrounds. Classes will be open to enter soon for mohair and angoras. Entries can be made at <https://showday.online/>

We look forward to welcoming everyone here to Canterbury for the 2021 Conference and AGM on

5th, 6th and 7th March. Registrations available soon through Federated Farmers.

This weekend will also be the celebration of 50 years of Mohair Producers.

Wishing you all the best for the upcoming kidding season.

Nicky Burston
Oxford, Canterbury

WINTER MOHAIR AUCTIONS RESUME IN SOUTH AFRICA

The first Mohair auction for the winter shear had reduced volumes, with twelve tonnes on offer. The offer consisted of a large component of adult and seedy lots. The Rand remained steady against the US\$ as all countries continue to battle the effects of COVID-19.

Kids prices remained firm at 1% up. Young goat sold in buyers' favour and adult prices were unchanged on the previous sale. Only 67% of lots were sold, with some adult lines failing to meet reserves and many of the seedy, out sorts, stains etc., passed over due to the lack of demand for inferior qualities.

Of special note, a small offering of RMS (Responsible Mohair Standard/sustainability accredited) lots were offered and sold at premiums of 10%, which is interesting.



MOHAIR PACIFIC INTERNATIONAL

Warehouse Report August 2020

Two years ago, we bought the assets of Mohair Pacific Limited.

We very quickly found some pricing anomalies, which step by step we have addressed. This has resulted in benefits to our suppliers, the mohair producers.

When we took over the market was very strong with prices at records levels which we intimated were not sustainable. Falls in price were reflected in the following two pools as well as the one we are currently negotiating. The market has fallen back to the lower levels as we anticipated.

Covid 19 has affected demand and hence supply. In South Africa, the decision was made to not auction all mohair that had come forward during their lockdown periods. These lots went forward on a more measured basis so there was no flood of supply with the expectation prices would be maintained at a level. However, the most recent auction has seen some higher passing rates leaving more stock in grower's hands.

This last twelve months we have put in more time classing your fibre as well as the standard sorting. Your fibre has been classed out further than was undertaken previously. This should result in better processing yields for our customers which in turn we hope will give some better relative prices for us all. We intend to continue the more detailed classing of your fibre in parallel with the more general sorting. We have been late with closing our pool 2001 due to Covid and weather issues. However, the fibre all has all been sold with payout promptly after the vessel sails.

For us, the weight of your fibre we sort and sell remains stable. Our biggest concern is we have seen three producers have retired recently due to their age. Their goats were sent to the abattoir which is disappointing as it is stock that is not passed onto other interested people. However, we do have two growers who have culled some animals and bought a new buck giving some splendid kid fleeces. This certainly good to see.

Earlier this year I was in the USA on a business trip. I have visited my regular customers and have discovered there is some demand for some small weights of coarser grades of mohair. Though the weights are not big they are worth following up. Whilst growing these newer small markets, we do want to continue to strengthen the relationships we have with our main customer who remains to be very supportive and important to the New Zealand Mohair Industry.

As previously mentioned, I had been in America for ten days just prior to the planned AGM in Hawkes Bay. At that time Covid-19 was starting to sweep across the globe. As we all know now this has caused uncertainty to business and prices for raw materials have all fallen until some better certainty returns. Mohair too falls into this basket. But from our analysis of the auctions, we see the South African prices as stabilising. New Zealand prices look as if they may have reached their low point. A weaker NZ Dollar would assist in keeping prices up.

For our other noble fibres that we supply, we continue to satisfy our markets on an international and local basis. Prices in all these markets are lower, but demand does continue.

We feel demand locally and for export will continue for mohair.

If there are any queries or comments please get in touch with me on 03 3595100 or jrh@whi.nz

Best regards
Jonathan Heap



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