

# Lambs or wool for Central West New South Wales

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## INTRODUCTION

My wife Robyn and I run our family property, of 7,500 acres, which we own and another 5,000 acres which is leased, located 35 km north west of Warren. The average annual rainfall in the region is 450 mm (18 inches).

Our own land consists of 6,200 acres of natural grazing land and 13,000 acres of cultivation; and the leased land consists of 3,200 acres of natural grazing land and 1,800 acres of cultivation. The soil mix of the whole property would be about 50% black self-mulching and 50% red loam.

Currently the enterprise mix comprises 1500 stud merino ewes, 1500 merino ewes either impregnated or to be impregnated with pure Dohnes through embryo transfer, 250 pure Dohne ewes, 500 acres of canola and 2500 acres of wheat. Agistment cattle are also run, depending on the season.

Our past enterprise mix comprised 1500 stud merino ewes, 1500 flock merino ewes, 60 breeding cows and calves and the current cropping program. Our further aim is to run 1500 stud merino ewes, 1500 stud Dohne ewes and a cropping program, which rotates cereals with lucerne.

Crunch time came in 1999 when our 220 bale woolclip grossed \$88,000, by far our worst sale since the collapse of the reserve price scheme. With shearing costs alone of \$30,000 and with other running costs, wool had become totally unviable.

The stud operation was still profitable so we decided to look at other enterprises to replace our flock sheep and how we could spread our enterprise mix. We believed that there was still a good future in agriculture, but to be profitable we needed to be better at what we did, specialise, look for a niche market product, have better scale of production and have an enterprise with minimum risk. We also wanted to avoid intensive agriculture.

We wanted an enterprise that was:

- compatible with our existing merino stud operation
- complementary to our existing operation
- viable and sustainable in the long term
- marketable
- profitable
- of an appropriate scale of production
- able to maximise existing labour
- supported by a progressive and active society.

We looked at various enterprises including cattle

trading (high risk), Waygu cattle (limited market - Japan) and cattle breeding (figures didn't stack up). Mainstream prime lamb production wasn't considered as it doesn't complement our merino stud and you can't successfully produce prime lambs without irrigation in our area.

During this period I had heard about the Dohne, a dual-purpose merino from South Africa. I was invited to a Dohne information day for sheep classers and stud stock agents at Roseville Park near Dubbo and I came away from this day knowing that I had found my alternative enterprise. I had most of the points covered - it would complement my existing operation, provide long-term viability, be profitable, have scale of production and maximise labour. Plus the Dohne sheep were dual purpose, self-replacing, hardy, non-selective grazers and objectively measured.

My only concern was how well the market would accept them as a prime lamb carcass, as merinos are heavily discounted. I did some further research into the Dohne, and the more I discovered, the more I was convinced of their likelihood of success, not only in our (western) environment but also in the tablelands, slopes and far west regions.

The Dohne was developed in South Africa for both economic and environmental circumstance (something we can now relate to in Australia) by crossing the German Mutton merino for its carcass characteristics and the Peppin Merino for its wool characteristics.

The environment in South Africa is similar to that of Australia, if not a bit harsher. The greatest part of the sheep production area is comprised of arid and semi-desert conditions.

As in Australia now, the wool/meat ratio (in terms of price/demand) stimulated a move toward the production of meat sheep. In order to achieve high levels of lamb production under sometimes severe natural environments, hardiness and adaptability are prerequisites, something traditional meat sheep lack.

This hardy, fertile, early maturing, dual-purpose sheep, which combines high quality fine/medium apparel wool production with slaughter lamb production, has proved to be highly successful in South Africa and I believe will be highly successful in Australia.

Early in 2000 we decided that we would make a move into Dohnes. There were very few Dohnes in Australia at the time, a few pure-bred hoggets in WA and only a few young lambs in Eastern Australia. AQIS had a temporary ban on the importation of genetics from South Africa at the time, so we artificially inseminated 300 ewes in April

2000. I still had reservations about the Dohne being accepted as XB carcass, but these reservations were soon quashed with the first F1 Dohne's slaughtered by Southern Meats, Goulburn. These lambs weighed 24.49 kg dressed, with a fat score of 2-3 and received \$3.20/kg. Southern Meats rated the lambs as a second X carcass.

In August 2001 we sold our F1 Dohne wethers over the hook to Mudgee Co-op. These lambs were 11 months old and had been run on natural pasture country with no supplementary feed and represented the whole drop. They dressed at 25 kg with a 2-3 fat score. George Hamilton of Mudgee Co-op said they were equal to the best lambs ever slaughtered at the Co-op and that he would like a thousand a week!!! No problems!!!

Besides the market acceptance and the quality of the carcass there were other positive attributes I noticed about the Dohne:

- No ill thrift
- No arthritis
- Doing ability
- Grazing pattern - they eat a lot more shrub and roughage
- Being open faced, less grass seed problems
- Self replacing
- Dohne wool carries an Australian Wool Exchange Merino wool risk rating of one, the equivalent of Merino wool
- Micron and processing qualities are comparable to Merino wool and can therefore be blended with merino lines in the shed.
- The Dohne is the only wool-producing sheep breed in

Australia that gives a full pedigree, across flock comparison and estimated breeding values (EBV's)

- An economically well-balanced sheep with approximately 70% of total income derived from meat production and 30% from wool.

By this stage we had pure Dohnes on the ground and were planning an extensive embryo transplant program in February 2002. We decided to concentrate on the pure Dohnes and hence put our F1 ewes up for sale on Auctions Plus on the 27<sup>th</sup> November 2001. These ewes sold for \$139.80 per head and went to Nyngan and Collarenebri.

## CONCLUSIONS

With the world urbanisation rate increasing and the area of arable land decreasing, the demand for sheep meat should increase. Production inputs for a farming enterprise in marginal areas such as ours have escalated (and will continue to) at a greater rate in real terms than producer prices, whereas production costs of a wool/meat enterprise are relatively low. Therefore, a dual-purpose animal that is self-replacing, has quality wool and can produce a quality carcass at a young age in the west has a bright future. Traditional merino breeders in the west who don't have many options now have a compatible alternative cash flow advantage in an industry that has struggled for so long and is likely to go through a 'boom bust' cycle from here on in.

Dual-purpose sheep like the Dohne has given graziers and farmers an alternative profitable grazing enterprise, something we have not had in the past.