



FALKIRK SCIENTIFIC FOUNDATION

MISSION STATEMENT

“To empower producers to farm the most optimal animal that naturally generates product to exact market specification. Prudent selection can then be exercised to capture genetic gain and enhance productivity and financial outcomes. To reward classified product, meat, wool and livestock, through value based payment systems.”

Client Memo for August 2010

The solicited opinions of a number of sheep industry participants tend to lament the implications of the recent NO vote of the wool levy and theorize remedies. Its not opinions that we need to hear, instead, just the facts. It is important to appreciate that the sheep and beef industry has been in systemic failure mode for a number of years and that farmer voters elected to terminate the cause. That action is to be respected. There is no black hole that the industry will fall into, that utterance is only a scare tactic that used to work.

Unfettered commercial systems innovation has and will develop to evolve the industry to the reality of true business function. Previous policy and operation personnel need to understand that they were part of the problem and that farmers have passed a vote of no confidence in the unbridled powerbase that has been responsible for the state of decline that the industry has experienced.

The robust evidence that half of the meat and wool product is not effectively marketable, as defined by processor and market specification, is damming of the systems and advisory pathways that farmers have been submitted to over the last 20 years. The unbundling of genetics is a direct cause of the above dilemma. It must be understood that New Zealand agricultural management has not been immune to the ravages of the 'Greed Culture' era that disintegrated November 2008, but was indeed very much a behavioural part of it. Major participants of that experience will not necessarily become part of the solution. The attributes of integrity, trust and true industry leadership qualities that are required to sustain agriculture long term, will evolve and dominate to a reliable format that will encourage serious business relationships.

The ideology that is insisted, that structures other than Co Operatives are to be the industries saviour, is flawed and misguided. The point that has been evidenced in recent times as being the factor of success or failure is one of astute governance, or not. It will be an agile group of Co Operatives, Corporate and Private Business entities, unencumbered by dictate, which will lead agriculture back to prosperity.

The paradigm shift required by all industry participants to be involved in the positive advancement of agriculture, is one of self realization which can be clarified by answering a simple question. **“Do you wish to remain part of the problem or become part of the solution?”**

The one constant in agriculture in recent times is surely 'change'. On analysis much of the change directed at rural NZ has been somewhat suspect, especially with the benefit of hindsight and evidenced by the failure to sustain agriculture in the recent economic decline. The culture that promulgated these planned strategies has very clearly fallen in disarray to non solution.

The usury of farmers trust and stability for financial gain without delivering long term sustainability for farming businesses has always been challenged by Falkirk. **Commitment from Falkirk to a genetic and business plan delivering progressive financial advancement to clients** has now been well recognized by many other commercial players within the greater sheep and beef industry. Falkirk clients are rating highly in productivity measures inclusive of slaughter animals, livestock sales, wool returns and purchases of highly ranked breeding sires, both sheep and beef.

The Falkirk business plan has always included understanding every sequential aspect from genetics, producer to the market and consumer. **The enlarged client base is now ready in terms of suitable quality product to be the recipient of value based pricing systems that dictate the maximum financial gain to farmers.** To achieve this advantage clients are required to be involved in the Falkirk flock and/or herd genetic improvement system. This system is designed as a genetic improvement audit for excellence for livestock and ensuring product. Being farmer friendly to implement it becomes standard practice with surety for long term planning and financial views. Many clients have banked the advantages through higher productivity and pricing regimes inclusive of lower farm input costs.

The Falkirk Index System is a proven holistic method of animal selection that determines the genetic value and commercial worth of an animal. The Falkirk Index is based on accurate measurement of the physiology of an animal to establish the actual bone-fat-meat ratio (carcass composition) relative to mass (weight). This data is interfaced with main trait heritability to produce an individual Index to rank stock from superior ratings to those of least genetic ability. This system is predicated to preparing farmers flocks and herds for value based payment (yield grading)

Additionally wise stock judgment is applied to rate the skeletal configuration of an animal to consider implications that influence secondary traits, animal health and the functional well being of livestock. These factors influence productivity by significant differentials. Commercial Falkirk data validates this time proven system that negates the outcomes of synthetic farming practices. Commercial reality is a discipline that drives the Falkirk business plan.

Falkirk team members are coached as livestock assessors, inclusive of the fundamental of extracting reliable measured data. Falkirk methodology has a proven reach into commercial breeder production operations which is highly beneficial to seed stock breeders through progeny test analysis.

The sensibility of the Falkirk system has given genuine hope to many that this industry is bankable and holds long term viability.

To advance into the realm of achieving higher prices for quality product, Falkirk has chosen after a number of years of observation and involvement in the commercial aspects of agriculture, to work with preferred conduits for meat and wool products to maximize financial returns.

MEAT

When preferred sheep meat processors are identified by Falkirk and are recommended for consideration by clients, please quote that you are a Falkirk Client.

Due to a sustained period (4 years) of development and implementation (1st phase) of yield grading, which defines on farm efficiencies, financial advantage and more precise product specification to consumer requirements is understood. This knowledge must be utilized to link with proven operators that have illustrated in difficult times the innovation and leadership that is required to partnership Falkirk to return sheep farmers to profit. The criterion for clients to be involved in a branded product, value based payment sequence, is held by Falkirk.

WOOL

When preferred wool broker/marketer entities are identified by Falkirk and are recommended for consideration by clients, please quote that you are a Falkirk Client.

Following a soul destroying period within the wool industry it is essential to link with methodical commercial operators, who have established logical systems through the wool chain to International consumers that will provide the best opportunity for reasoned prices to flow to

producers. Falkirk's A flock wools have been designated and branded as "**Falkirk Certified**" This holds a guarantee of excellence of product to customer specification and traceability to the individual producer and breeder of the genetics responsible for the creation of particular product. The criterion for clients to be involved in this exciting concept is held by Falkirk.

LIVESTOCK

Client requests for information – advice – assistance in **purchasing reliable Rams and Bulls is becoming an integral part of Falkirk operations**. This is vital in maintaining true genetic progress within flocks and herds to isolate the more optimal animals.

The discovery of breeders with integrity and genetics to match across breed and specie is helping to provide sires to advance functionality of breeding stock, and subsequent defined quality product. **A ledger of progressive breeders is being compiled to assist with the demand for reliable genetics.**

Falkirk's policy that client choice of breed is personal to any one farming entity is complimented by the fact that the Falkirk System can influence and advance the very best of that choice to genetic and financial profit.

INDUSTRY LEADERSHIP

Falkirk has invited Sheep Improvement Ltd (Mark Young) and New Zealand Shearing Contractors Association (Barry Pullin) to participate in an immediate sustainable industry solution. The pivotal seminar held at Naseby in May illustrated the potential for this non invasive methodology of the Falkirk System to impact serious genetic and financial outcomes for farming businesses, therefore ensuring security for the rural sector. Inclusive of highlighting that any monetary investment required as a driver to correct the woes of the sheep and beef industry is best left to the choice of individual farmers who are incentivized by certified quality product value.

ADMINISTRATION

The Falkirk client base has been expanding expedientially so the time line has arrived for in-house robust systems that will help to manage and cater for this growth. **Office systems are being designed and implemented to provide efficiency of operation** to maintain a knowledgeable in-field team of operators that will continue to be cost effective in delivering genetic selection and advice.

Included with this memo is the opportunity to procure (please phone or email) a Client detail farm inventory schedule that will greatly assist the office team in completing the new Falkirk data base and animal recording system, "**Global Animal Link**" that is inclusive of all commercial farmer clients. **This innovation will enable a "traceability" pathway** from breeder of seed stock to production farms to follow superior genetics and product to support and define "Branded Product".

Pat will commence as Office Manager this October and **will answer or direct your enquiries or requests to the appropriate team member**. If you can not contact Falkirk by way of cell phone, please always phone the office so that your interest can be handled efficiently and the appropriate team member notified to provide service.

PHILOSOPHY

The Falkirk System is the solution that is central to a farming business production base. The ability to define the more optimal animal is founded on an understanding of fundamental genetics and economics that produce a viable profit line. Falkirk has always insisted on a set of values that strongly consider clients' right of choice with commitment, integrity and the special ingredients required that influence the quality of rural life.

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