



PASTORA
POLL MERINO

Welcome to the 2021 Pastora Newsletter.

Writing a newsletter is possibly the hardest thing I have to do each year. My wife can attest to my procrastinating skills! Talking up success and being a 'BS' artist is not my style. When I'm thinking about how to make our business more profitable the focus is on aspects of the business not performing well and work to improve it. I am however always willing to help others learn from my experience, so here goes...

Pastora sheep are excelling in the current climate. Firstly, with last year's weaning percentage of 121% and this year conditions giving us a chance to do the same again with scanning results of 3.3% dry from 5000 ewes. The scanning rate in our mature ewes was 166% including drys and our maidens scanned 150%. We have put increased selection pressure on retaining a high percentage of twin bearing ewes in our breeding flock and this has served us well over quite a few years. It has rewarded us with a ewe base, which is around 20% more fertile than the industry average.

At the time of writing, we are half-way through selling our wether lambs. Although not quite hitting the heights of the previous few seasons, we are averaging just over \$200 a head. By maintaining selection pressure on growth rates and pushing to increase them puts us in prime position for selling wether lambs through the fat pens. This can be a problematic area where the quicker the growth rate, the larger the adult animal increasing the DSE rating. Hence biggest is not always best. This is what the cross bred industry and now some of the Merino industry strive for and when you ask the shearers, they agree they have become too big to shear.

Shearing our breeding ewes this year has seen averages of between 4.5kg and 5kg clean. The maidens have cut 4.5kg with ten and a half months wool and the three and four-year old's around 5kg clean, with 12 months of wool. All cut between 16.8 and 17.5 micron, which is a sweet spot in the market at this stage. The older ewes cut \$91/head back in April and the two-year old's cut 103/head in June. The wool was sold between April to June.

Whilst the industry has been pushing stronger wool in the last number of years, this has created a shortage in fine wool production. Pastora has reduced micron by 0.4 in roughly the preceding ten years. Most of the selection has been on increasing fleece weight, but if buyers are paying more for fine wool, then it would be wise not to ignore this market trend. Hence, we have had slight downward pressure on micron as the price premium seems destined to continue for some time and we appear set to earn some good prices for our wool. Currently the 21-micron indicator is set close to half the 17 micron.

I believe there are four key profit drivers that contribute to good business operations. In this regard our breeding objectives have been focussed on;

- Fibre diameter
- Fleece weight
- Fertility
- Growth

Pastora's fleece attributes are demonstrated with our steady but continued rise up the leader board in the wether trials that Pastora clients have been competing in, which the graphs below firmly demonstrate.

AUCTION

90 Rams

Wednesday 8th September 2021

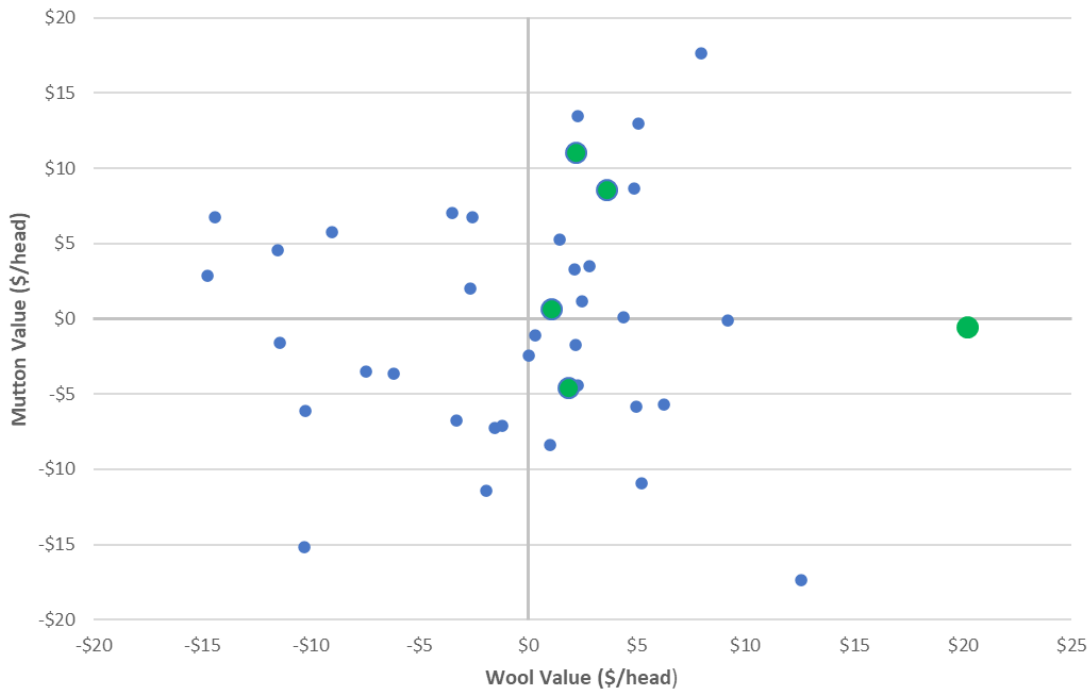
Commencing 1pm at
Pastora Woolshed



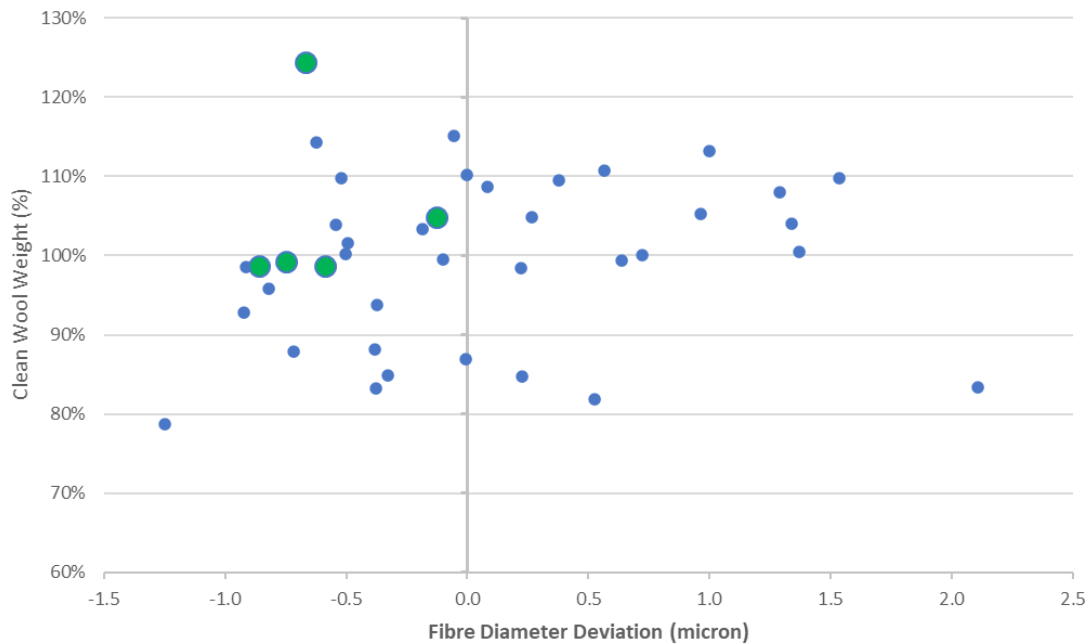
WETHER TRIALS

Extract from the 2018-2020 PWMMC Final report.

Below is the wool and mutton value graphs from the final shearing of the 2018-2020 PWMMC. The large green dots are the teams of Pastora clients highlighting above average wool value for all teams and average to above average meat value for 4 out of the 5 teams -



Below are the micron and clean wool weight graphs, highlighting the Pastora clients in green.



Below is a summary of the AMLT (Australian Merino Lamb Trial) 2020 - the average of the 3 Pastora teams (3 out of 26 teams) compared to the overall trial average. The Pastora teams were above average for overall growth and weight gain value and gross sheep value.

	Growth	Overall Wt	Wt Gain	Clean Wool	Micron	Fleece Value	Gross Sheep
	Rate g/day	Gain Kg	Value \$	Growth kg	um	\$	Value
Pastora Team Averages	157	29	\$76.31	2.7	18.0	\$51.51	\$127.81
Overall Averages	143	26	\$69.90	2.9	18.8	\$54.86	\$124.75

RAM AUCTION

After a number of years of deliberation, we have decided to host an on-property ram auction. 90 rams will go under the hammer on the 8th of September. Auction will also be live on AuctionsPlus and the selling agent is BlueChip Livestock, Andrew Miller 0428 437 068. Private ram sales will commence in the preceding days. We need to open our door to new business and this seems to be the most effective way to achieve this.

All the rams sold at auction will come from our top 900 ewes which are DNA tested, therefore the rams will be sold with ASBV's as well as fleece weight, fibre diameter and body weight figures. These figures will be put on our website closer to the day. pollmerinos.com.au

For those who chose not to buy at auction there is no need to worry we will have our normal run of grade rams available for private selection.

EWE AUCTION

At this stage Andrew Miller and John Driscoll are currently sourcing surplus one year old ewes. They will hold a special ewe sale on Auctions Plus featuring Pastora Ewes. Date to be confirmed. The more the merrier, creating more interest from buyers. Given Pastora's reputation though the wether trial results, selling them in a large group of ewes together could gather a premium.

CLIENT NEWS

One of our long-term clients the **McNamara** family from Jingellic were burnt out in the 2020 fires. As a consequence, they lost internal fences, some stock, a substantial firewood supply and their woolshed. John Driscoll organised for a number of clients to assist with internal and boundary re-fencing and general clean-up. All up, the help remained for around 4 weeks. The help received enabled the McNamara's to help others whilst getting back up on their feet quickly with the assistance provided by volunteers. Thank you to all the volunteers that answered John's call for assistance. Its nice to know that there are others willing to help a fellow client in their time of need.

Luke and Georgie Trevaskis from Lockhart achieved results of 164% scanned from ewes joined and averaged \$190/head for their wether lambs

Ray and Michelle Cheers from Goolgowi top wool price of 15.3 micron made 2900c clean or 1548c greasy. 16micron wool made 2800c clean or 1580c greasy

Darren and Shannon Bahr from French Park top line of wool measured 15.8micron weaners and selling for 2950 clean or 1782 greasy. All other fleece lines were above 2730 clean. Their average price per bale was 3027 from these weaners. They also had the highest fleece value of any team in the recently finished Peter Westblade merino challenge in 2020.

Andrew and Tammie Driscoll from Milbrulong have sold their wether lambs in Wagga for a top price of \$250/head with an overall avg of \$227. These wether lamb avg micron was 16.5 and the fleece lines sold for 1645 greasy or 2710 clean. Conception rate on all their breeding ewes was 159% with the maidens at 153% and the mature ewes at 164%.

John and Lyn Wiltjer from Narrandera have had the highest wool price so far that I've heard selling for 1958 greasy.

Fantastic to see such great results. I know there is quite a few more out there. Well done to all of you!



WOOLBROKER REPORT

The trend is your friend, as they say and when it comes to sheep and wool trends have been present, highly variable and influential for the 42 years I have been in the sheep and Wool business.

A trend that has been most noticeable has been the effect of COVID 19 on demand in China which has seen the Chinese grow their market share of Australian Wool from 74% to 88% in the 2020-21 year.

Undoubtedly the trend that has attracted the most airtime over the past 15 years has been the that of the Northern Hemisphere consumers and retail brands and their opposition to mulesing. 15 years on from the PETA demonstrations splashing blood on the retailer's front door entrances, their message is that Australian farmers welfare practices are substandard. As we know here in Australia this perception of Australian sheep farmers could not be further from the truth, and in fact the Wool Producers Australia & Sheep Producers Australia have released two important initiatives to help turn this misconception around. The first is the **Trust In Australian Wool Campaign** and the second initiative is the **Sheep Sustainability Framework**. Both programs are aimed at raising the profile of the animal welfare, management and sustainability practices undertaken by the Australian Sheep and Wool Producers. A story that should have been told by our levy gobbling Industry bodies decades ago.

The adoption of Non-Mulesing (NM) is steadily increasing in direct response to these market signals. In 2021 ~15% of the National auction offering was declared NM, however in season 2020-21 the average reported premium at auction for 16-21Q was just 20-33c above the average reported price. With limited purchasing from European interests this premium is well down from the previous year however a noticeable trend. Furthermore the 4% of properties declaring Ceased Mulesed. This past year CM did not report any significant premium above the average auction price. In addition, Exporters are subject to increasing pressure from their downstream processing customers to source more NM and CM Australian Wool, however the financial benefit does not go any way to match the additional cost trade off that comes with a transition to a NM flock nor the long-term impact of the changing flock dynamics.



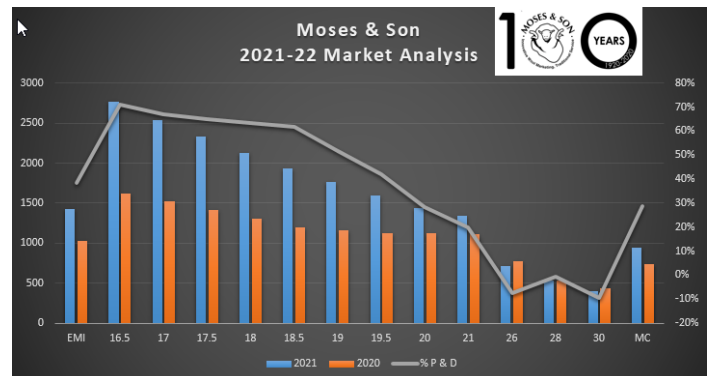
Enter the integrity schemes. Some (foreign owned) schemes take large chunks of your money with the promise of delivering huge premiums. This is where I offer a sincere caution. In our experience each wool producer's situation should be considered carefully and vetted closely. This is something Moses & Son have been extremely diligent about and acting in our client's best interest. Whilst we offer group RWS, Authentico and Sustainawool Gold

Green and Blue integrity schemes Moses & Son will match you with the best fit to deliver positive financial benefits, but only if the benefits exist.

On the flip side there is an incredible price premium building for finer fibre diameters, that has seen a 1289c premium for the 17 MPG over the 21 MPG. That is- the 17 MPG was 2578c clean and the 21 MPG was 1289 c clean on the 28th June. If wool producers are looking for tangible profit drivers, then I would be looking to the management decisions within your control, like fibre diameter, wool cut, growth and fertility and less on the things out of our control, like market perceptions, which as we have seen, can change in a blink. These heritable, measurable, selection and management tools are readily available with supporting data for sheep and wool producers and, quite frankly, are currently out performing NM & CM premiums by light years.

Pastora have been leader in achieving low fibre diameter in their flock whilst delivering on wool cut, growth and fertility for decades. Week after week in our business we see Pastora wool clients consistently deliver prices that top our catalogue and overall, we believe they are the most profitable wool producers in our database. In the past 12 months it has been noticeable in the weekly sales that the top prices in sale catalogues are Pastora clients. At times the prices are more than double some of the other clients lots in the catalogue. Whilst the price basis from 17-21Q seems to fluctuate Pastora's criteria has always been optimum wool cut with a low fibre diameter and high fertility with the aim of keeping their clients profitable.

In summation, I personally always lean towards to the things I can control, rather than adopt the things out of my control. So, I encourage you to consider making choices that you can measure and control that deliver profit in your bank account, not just designed to line the pocket of others!



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See you at Henty Machinery Field Days 21-23 September 2021. Near the Eastern entrance.

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