

# SHEEP GENETICS



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## Sheep Genetics Roadmap Project Report

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# Sheep Genetics Roadmap Project Report

## Philip Pogson

### **1.0 Introduction**

Sheep Genetics is the key method for delivering outcomes from genetic improvement R&D for Australian Wool Innovation (AWI) and Meat and Livestock Australia (MLA). It is also integral to the CRC for Sheep Industry Innovation and SheepGenomics. Sheep Genetics currently operates under a business plan which expires in June 2010. Leading up to June 2010, AWI and MLA intend to explore potential business and industry service models to enable a review of Sheep Genetics' operations during 2009. MLA and AWI contracted Philip Pogson FAICD from The Leading Partnership to conduct industry consultation to canvass a broad range of views on Sheep Genetic's business structure and the services delivered and to ensure appropriate interaction with associated industry service providers.

### **2.0 Project Objectives**

The purpose of the project was to:

- Canvass industry and potential service provider opinion on the ongoing Sheep Genetics business structure and options for delivery of Sheep Genetics products and services
- Develop a business options discussion paper that allows the Sheep Genetics Executive and MLA and AWI Boards, in consultation with the Sheep Genetics Advisory Committee, to determine the most appropriate business plan for Sheep Genetics beyond 2010 – the Sheep Genetics Roadmap

### **3.0 Methodology**

Detailed "semi-structured" interviews were conducted with more than 40 sheep industry stakeholders from across the terminal, maternal, Merino and dual-purpose industries, service providers, R&D providers in Australia and New Zealand, and with senior AWI and MLA staff. We periodically forwarded de-personalised summaries of the interview outcomes to members of the Sheep Genetics Executive in order to assist them to "keep across" the issues raised and to provide me with commentary on technical and other issues that were outside my understanding.

At the end of the consultation process a Provisional Report was presented to the Executive Committee. This report raised several matters for further discussion. These items were then put to both the Merino Consultative Group and the Sheep Genetics Advisory Committee.

This report summarises and integrates the interview data and the feedback from the Merino Consultative Group and the Advisory Committee.

## 4.0 Data Summary

### 4.1 Changes since the previous consultation

We have now conducted several similar stakeholder consultations for Sheep Genetics and its predecessors. We have also worked extensively with the SheepGenomics program and have thus developed a reasonable knowledge of the sheep industry. As a result of this most recent consultation, it is fair to say that on the wool side of the industry the level of anxiety and concern with Sheep Genetics is considerably less than 12-18 months ago although there was a small group of breeders that have some ongoing problems with the technologies and even with the amount of levy funds expended on Sheep Genetics. The “try before you buy” initiative was positively commented upon on a number of occasions and even those not actively using Sheep Genetics were happy to see friends and neighbours experimenting with the technology.

Several interviewees commented that the poor season is holding them back from further investment in technology updates and changes to management practices.

The meat and dual purpose industries continue to be happy to very happy with the technology and the service they receive from the Sheep Genetics staff and are comfortable with their ability to drive a return from their investment in Sheep Genetics.

### 4.2 Views on the ownership of Sheep Genetics

For the first time in this style of consultation we asked interviewees directly what their view was on the possible future ownership structure for Sheep Genetics. As this is a complex and at times fraught matter, we report the summary material in some detail below.

- My sense is that the matter of “ownership” is a less important issue than it was 18-24 months ago
- The more familiar producers are with Sheep Genetics, the more it appears to me that they want it to stay in public hands ie owned by MLA and AWI.
- Meat producers appeared to care less about ownership or the business model; some are happy for less overall levy subsidy over time but there appears to be little meat/dual purpose support for a “sell off”
- Wool producers are more pro “commercial” eg Sheep Genetics “must stand on its own two feet” but the great majority do not want a quick change of ownership structure as most saw moving to a fully privatized delivery model too quickly could have a negative impact on the uptake of the technologies
- Those with a view on data ownership all said producers must own their own data
- Given the above, terms such as “public”, “private” and “commercial” are ill-defined and often used inter-changeably by those interviewed
- When pressed, “commercial” typically seemed to mean Sheep Genetics should get “less levy subsidy over time”
- BREEDPLAN/ABRI was often given as a model of “commerciality” but most did not know that it is a not-for-profit company rather than a fully commercial business
- Independence was seen as important to most of those consulted no matter who “owns” Sheep Genetics.

- Independence in this sense was equated with the independence of the Reserve Bank i.e. Government funds the Reserve Bank and even sets overall policy but does not tell it what to do.
- By independence, a clear majority of interviewees stated that Sheep Genetics should not fall into the hands of a particular industry interest group but must work for all parts of the sheep industry
- Interviewees wanted to keep the one database for wool and meat
- Overall, there was clear majority support for continuing the current ownership structure

## ***5.0 Discussion points emerging from the interview process***

At the conclusion of the consultation process, we raised several items for discussion with the Management Committee, the Merino Consultative Group and the Advisory Committee. As interview data requires a degree of interpretation on our part it is appropriate that these issues be dealt with as discussion points rather than recommendations.

### **5.1 A possible review of Sheep Genetics ownership by a senior industry figure**

Although there appears to be less concern about the ownership structure than in previous consultations, we posited that perhaps a senior industry figure might be engaged at some point in the future to conduct a review of this issue on a “once and for all” basis.

Neither the Advisory Committee (AC) or the Merino Consultative Committee (MCG) saw this matter as a priority. Some MCG members expressed concern that ownership of genetic material should ever pass into commercial hands.

#### ***Outcome***

My advice would be to follow the view of both committees and let this matter rest.

### **5.2 Strengthen the engagement, training and communication with external consultants and genetics advisors**

Advisors and service providers of various kinds are important to all sections of the sheep industry. Wool producers in particular expressed trust and reliance in folk such as wool classers to proffer and breeding strategies. Service Providers themselves did express some concern that they were not always kept up to date with changes to Sheep Genetics strategy, services etc. They would value closer contact with Sheep Genetics and the publication of a regular newsletter. The latter has been tried before and Sheep Genetics staff are more than happy to re-launch the newsletter.

#### ***Outcome***

Both committees saw this as an important issue. We recommend that Sheep Genetics puts together a strategy and initiatives to address this area.

### **5.3 Review the governance arrangements between the Management Committee and Technical Committee**

A small number of interviewees both from the industry and from amongst the R&D community thought that a re-visiting of the membership of the Technical Committee and its relationship with the Management Committee would be timely. Concerns expressed were not about any dysfunction, but went to the need to ensure the governance mechanisms evolved over time.

### **Outcome**

Neither Committee had strong views on this matter nor did members of the Management Committee. The AC suggested that the Terms of Reference be checked and matched with management protocols. Our suggestion is that the Technical Committee be canvassed on any specific concerns. In the absence of material issues, the existing governance processes should remain.

## **5.4 Strengthen and clarify complaints/concerns and queries logging and handling processes**

At the time the consultation was taking place there were one or two matters of significance emerging around data and data quality for a small number of breeders. Three or four interviewees then expressed concern to me about their perceived difficulties in raising their problems with Sheep Genetics.

### **Outcome**

The Advisory Committee suggested that a letter be sent to Breeders outlining the Sheep Genetics complaint handling process. I would be happy for this approach to be adopted.

## **5.5 Review how best to deal with the gap between the number of traits the wool industry typically measures (4-6) and the number of traits available**

A significant minority of wool producers, and some R&D experts, thought the large number of measurable wool traits could be seen as a matter of confusion and distraction for the wool side of the industry given that most (but not all) producers only measure 4-6 key traits.

### **Outcome**

This is a complex issue and is recognised as such by all stakeholders. The MCG recommended that the www site default to limited number of traits (yearling fibre diameter, greasy fleece weight and yearling body weight) with a “see more” button which opens up other traits. The AC suggested the development of a merino standard report and a merino “extensive” report. Clearly, this issue is important enough to stimulate further industry consultation and perhaps the preparation of an options paper for further discussion.

## **5.6 How best to keep sheep producers best be brought up to speed with the new technologies – extension, user groups, case studies or other solutions?**

Extension and education came up frequently as it has in the past. This is, again, a complex issue to which there are no simple, let alone cheap, solutions.

### **Outcomes**

The MCG suggested that stud breeders had a role to play in educating their clients and referred to some research done by Graham Wells.

## **5.7 Is the bifurcation of the user base a real issue? – That is, meeting the needs of highly competent elite users Vs beginners/low level/infrequent users**

This issue came up quite frequently with producers and with some R&D providers and referred to the ongoing demand of advanced users for more and more indices and sophisticated data while many other producers are still early stage adopters.

### ***Outcomes***

Both committees did not see this as an issue as the technology is there to be used as producers see fit.

## **5.8 The development of a strategic plan to promote and focus genetic improvement across the sheep industry**

The beef industry has a Beef Genetics strategic plan that was developed in consultation with all areas of the beef industry and key stakeholders. A largish minority of those consulted thought that the sheep industry would similarly benefit from a clear set of genetic improvement priorities which would bring together industry and areas of key R&D investments made in entities such as the Sheep CRC, Sheep Genetics, ABRI and SheepGenomics.

### ***Outcomes***

The AC was fully supportive of this process while the MCG was less positive. I personally believe that the process of bringing the parties together to develop such a plan would be beneficial as would ongoing closer links between the R&D providers AWI and MLA invest in.

## **6.0 Conclusion**

I believe that the consultation process was worthwhile and timely in that it provided a forum in which a broad range of stakeholders could raise matters of concern at this the mid-point in the Sheep Genetics business plan timeframe. As noted, I perceived a general, but not universal, improvement in attitudes to Sheep Genetics and the technologies it provides and a refreshing willingness to experiment on behalf of producers in the wool side of the industry. This is not to say that there are not ongoing concerns at various levels of the industry and that all parties are equally satisfied with the investment of significant resources in the provision of ASBVs. As indicated by the feedback from the AC and the MCG, these concerns appear to be within acceptable parameters. I would agree. Therefore, in conjunction with the several initiatives indicated under “Discussion Points”, I would wish to see the management of Sheep Genetics encouraged to continue as per the current business plan.

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