

Lincoln University Foundation

Report from:

Anne & Philip Munro, Wairewa Station,
Tennis Balls; U.S. Open;
September 2006.

We would sincerely like to thank the Trustees of the Lincoln University Foundation for accepting our "out of season" application for assistance and consequently their generous travel & study award of \$5,000. It was truly appreciated. This funding enabled us to accept a tremendous invitation to attend the U.S. Open Tennis Championships in New York City and travel up to Portland, Maine, as Tex Tech (felt makers) guests to be shown around their Mill. This opportunity would have been lost had we been unable to secure financial support as currently our wool income is not enough to justify this sort of travel expenditure. This valid point we were able to make on more than one occasion while we were away. We believe we successfully fulfilled roles as ambassadors for the New Zealand Wool Industry, the New Zealand Sheep Farmer, New Zealand Tourism, the province of Canterbury and Lincoln University.

Please accept our following report.

Summary.

- We have gained a greater understanding of the processes of wool scouring, felting and tennis ball manufacture. This information we have readily passed on.
- We have built a rapport with key people involved with taking our wool from its raw state to the manufactured end use.
- A "feel good" factor has been created with all parties involved.
- Fresh publicity & promotion of New Zealand crossbred wool has been generated.
- A recognition that it would only take a small market development/establishment on the international stage to consume New Zealand's current annual crossbred woolclip.
- An appreciation of the poor performance of our current Wool Industry structure.

1. Greater Understanding:

Prior to the on farm visit by representatives from Dawson's (UK parent company HD Farm Direct) and Tex Tech Industries USA (felt makers & exclusives suppliers to Wilson's) we had not put any thought into what makes a tennis ball. It has been an enlightening, educational journey to understanding the process. On our return home we were invited to participate in an invitational visit to farmers contracted to HD Farm Direct to visit Canterbury Woolscourers Ltd to see wool being scoured. The purpose of this field day was to outline the importance and to encourage farmers to continue to put effort into their wool preparation. Our experience and the physical presence of tennis balls made from locally grown wool was proof for these farmers that there was an exciting end use, we could all benefit from.

2. Built A Rapport With Key People.

This experience has offered us the opportunity of dialogue with key people right the way through the process from the on farm purchase of wool to the tennis ball manufacturer. The dialogue has been ongoing throughout the year. Culminating in a re- visit to our farm by Tex Tech's CEO in late February of this year. Relationships on a personal level have also been nurtured.

3. "Feel Good" Factor.

Everyone who has been involved in this adventure has come away with a sense of positiveness. Current wool values have made wool growing and harvesting a depressing business for farmers. The random opportunity given to us has given hope and interest to others.

4. Crossbred Wool Publicity & Promotion.

The "tennis ball" story attracted significant media attention. TV1, TV3 main news items. CTV Rob's Country 15 minutes (which was repeated on regional channels throughout NZ). Eleven Radio interviews, numerous newspaper articles and interviews including two articles in the UK. Congratulations were minuted in parliamentary proceedings. The flow on effect has been that TVNZ have recently been back to use us to profile sheep farming today which will be included in a documentary styled programme on natural resources to be aired sometime late June.

5. Annual National Woolclip Disposal.

New York City as a destination is overwhelming. Five boroughs make up the city - Staten Island, Bronx, Queens, Brooklyn and Manhattan. The combined population of Brooklyn and Queens exceeds the total population of New Zealand. We recommend that everyone should experience New York at least once in their lifetime! The city reinforces how small New Zealand is as a country, as a population and as an economy.

Manhattan retailing confirmed for us as wool producers, that our industry need only develop and secure some niche market, albeit it be woollen underlays (maybe fireproof?), or lightweight Duvets and our annual national crossbred woolclip would be disposed of.

6. Poor Performance Of Current Wool Industry Structure.

We would confess that prior to this exercise, we have not had the time or the desire to actively participate in the politics of the wool industry. We believed (naively perhaps) that paying our levies would suffice, let the powers that B do the rest, our business was to continue to produce the very best wool possible. This experience has left us disgusted with what is going on in our wool industry, to the point we will no longer sit back, we will be active.

To date we have voted (ashamedly for the first time) in our recent Director elections. Attended Meat & Wool NZ AGM, responded to WIN discussion document. We also responded to HD Farm Direct's request for their contracted farmers to respond to them with their thoughts to enable them to respond to WIN discussion document with a more "rounded approach."

Prior to contacting Lincoln University Foundation for possible support. We thought our obvious first port of call would be Meat and Wool NZ. Our outline and approach to them was as it was for the Foundation. Their disappointing response was "Meat & Wool NZ do not have the mandate to support the promotion of New Zealand Wool." This response has left us bewildered & confused as to what the function of Meat & Wool NZ is. It is all very well to support monitor farming programmes to improve on farm performance. We can be the most cost effective meat & wool producers in the world, but whats the point if we can't sell our products?!

Meat & Wool NZ then forwarded us to Trade & Enterprise – fibre division. Their disgraceful response was " Trade & Enterprise NZ are not in the business of flying people to the US Open." Trade & Enterprise NZ obviously had no understanding of what had been achieved. Consequently they had no vision of the promotional opportunities available. The US Open Tennis Tournament is the highest attended annual sporting event in the world. The US Open is where Corporate America goes to be seen. The tennis ball is more than a game ball, it is a tool for major sponsors to promote & market themselves.

We also approached PGG Wrightson. Their response: "Perhaps if you had sold the wool through us you would have had you're whole airfare paid for. Ah well, we'll probably have the contract in a couple of years anyway" Our response " How? By undercutting what has been

Footnote: We visited a number of Department Store's bedware & soft furnishing sections. Searched & asked for any woollen products. Response was always blank and the confession that they had never heard of any woollen products.

secured now? Surely by leaving this contract alone it enables PGG Wrightson to go uninhibited to find a new market for themselves?"

PGG Wrightson's response is what we expected. Dump the product for today's commission with no long term strategy. It appears that this is typical of the culture that has developed within the New Zealand trader/ marketer. Lazy and lethargic. Don't bother with establishing a new market, just undercut the efforts of an existing one. As farmers and wool producers who throughout their farming careers have consistently strived to produce the best products for export, this behaviour leaves us disheartened and cynical.

Conclusion

We would have very much liked to have concluded with an impressive increase in volumes & prices as a result of our efforts. However, it is not the case. At best, existing contracts have been renewed, volumes have been maintained ie two container loads of wool per month (1 container = 140 conventional bales). It has not been without its challenges. Another significant NZ wool trader has attempted to move in on this contract by undercutting. We are very proud of the parent company of our wool buying company, they have stood their ground. It shows integrity, which appears to be sorely lacking in other "players" within the industry.

The irony of all this is that we were told by Tex Tech directly, that as wool is the only fibre that meets the requirements of high performance tennis balls, they would and could pay more for New Zealand wool. However, they qualified this statement by saying they won't - if they don't have to.

Please feel free to contact us for any expansion or clarification on comments made in this report.

Thank you,

Anne & Philip Munro.