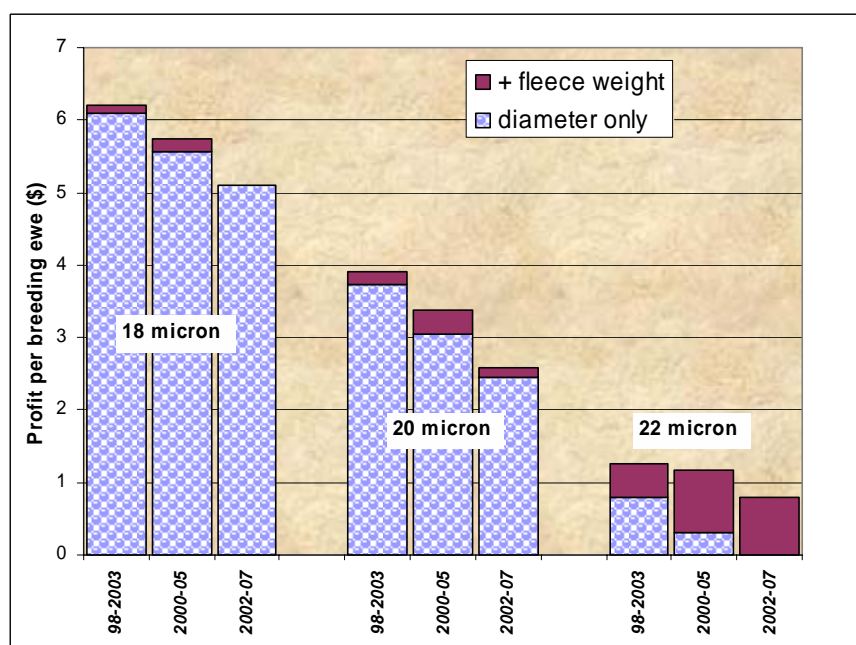


The profit from OFFM changes with time – but not by much!

Over the last 4 years, the market values in the OFFM Calculator have been updated with a rolling 5-year average. The perception of many producers, mirrored by the usage of OFFM, has been that the early year or two of this century was the only favourable period for OFFM use and that in recent times it is not a financially attractive technology.

Current and previous versions of the OFFM Calculator have been used to determine the profitability of OFFM during the market periods 1998-2003, 2000-05 and (current) 2002-07. A flock size of 2000 ewes in 5 age groups, 80% reproduction rate, hogget ewes only measured, 10% culled on physical traits and a \$1.50 cost of measurement were assumed for flocks of average diameter of 18, 20 and 22 microns. The figure below shows the profit from OFFM in these varying market periods after accounting for measurement costs.

Average annual profit per breeding ewe from the use of measurement of diameter alone or an index of diameter and fleece weight in 3 market periods.



- Profit levels per breeding ewe have declined over time in all flocks, but the decline has been quite small particularly in fine wool flocks.
- OFFM, for diameter alone or diameter and fleece weight, remains an attractive proposition in fine and medium flocks due largely to the benefits from selection. These benefits can be magnified in fine wool flocks by selection of wethers.
- The largest fall in profit (over \$1 per head) has occurred over time in medium wool flocks, largely due to the reduced value of objective clip preparation in these flocks.
- Benefits in broad wool flocks continue to be modest and rely substantially on recording fleece weight since selection on fibre diameter alone has limited value in these flocks.