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Researchers questioning numbers in Australian Wool Innovation report

AUSTRALIAN Wool Innovation has come under fire for its economic report released last week which shows just a 45c return for every dollar invested in genetic and genomic research.

And genetics research in the sheep industry has been grossly undervalued according to researchers.

Sheep CRC program leader Professor Julius van der Werf is leading the charge which is disputing the figures included in the report.

He said the short-term benefits of the genetics research were undervalued in the economic analysis commissioned by AWI by millions of dollars.

The under valuing of the longer-term benefits were even more dramatic, with genetic improvement estimated to have the potential to add another \$500 million to producers over a 25-year period.

The AWI report put the returns at just \$700,000.

“It is hardly surprising that if you do a cost/benefit analysis that only includes the costs and ignores the benefits, then the answer will show a negative return on investment,” Professor van der Werf said.

“A simple calculation taking into account the cumulative effect of genetic gain and using the same assumptions as those in the report, shows that the value of a three-year investment in genetic gain delivers an additional benefit to the industry with a net present value of about \$6.4 million rather than \$700,00 as estimated by BDA (report authors).”

Professor van der Werf said the report had also not valued many new breeding tools developed through the funding of the Information Nucleus Flock including DNA parentage tests and Australian Sheep Breeding Values for breech wrinkle, to aid in flystrike control.

“... The report indicates that potential benefits of genomic technologies were not included in the evaluation,” Prof. van der Werf said.

“We have published research on the benefits of genomics since 2009, including economic analysis, but these seem to have been ignored in the AWI report.”

AWI has been contacted for comment.

<http://m.weeklytimesnow.com.au/agribusiness/sheep/researchers-questioning-numbers-in-australian-wool-innovation-report/story-fnker8up-1227388083732>