



Quarterly Progress Summary: July to September 2015

Marbled Grass-Fed Beef

Summary of progress during this quarter

Genetics

- A plan for the collection of data at processing of the first progeny was completed

Supply Chain

- Mating numbers are 30% above target for the year
- Artificial Insemination mating numbers in the Dairy industry over 200% above target
- 2 new shareholders joined the Producer Group in the quarter
- Farm numbers now total 191



Marketing

- Sales in the UK 68% above target

Production R&D

- A non-GMO feed trial of calves is showing positive results for comparative growth rates

Collaboration with other PGP programmes

The programme has received assistance from NZSTX on the development of an effective Extension strategy and has had initial discussions with Red Meat Profit Partnership on the same topic.

Key highlights and achievements

- The sale of Wagyu burgers in the UK continue to gain momentum and promotional orders for steak cuts have also been received.
- The total number of farms engaged in farming Wagyu continues to be significantly ahead of target at 191.

- The number of matings for the 2015 year has surpassed 26,000 (target 19,500). AI matings within the dairy industry are up over 200% on the target for the year.
- Following on from the success of the trial of a South Island Dairy Hub Manager, specialist North Island Dairy Hub staff have now been employed.
- A Regional Producer Group Hub has now been established in the South Island, adding to those existing in the Lower North Island, Central North Island, the East Coast and Northland.
- Returns to shareholders have continued to exceed prime steer prices, and is achieving the targeted year round price of \$6 per kg. The average Marble Score of 4.9 from April to September 2015 is 1.1 MBS units higher than the same period in 2014. The long term sustainable Wagyu offering continues to attract farmers.

Upcoming

Genetics

- Draft Economic Index for selection of genetic traits of interest in Wagyu bulls
- 3rd progeny trial matings

Supply Chain

- Development of an Extension strategy
- Debrief of 2015 mating season
- Review of risk register

Marketing

- UAE office goes live with Global Virtual Office
- Brand refresh design brief completed

Investment

<i>Investment period</i>	<i>Industry contribution</i>	<i>MPI contribution</i>	<i>Total investment</i>
<i>During this Quarter</i>	\$ 0.348m	\$ 0.339m	\$ 0.687m
<i>Programme To Date</i>	\$ 2.878m	\$ 3.059m	\$ 5.937m