



Quarterly Progress Summary: October to December 2015

Marbled Grass-Fed Beef

Summary of progress during this quarter

Genetics

- Processing of the first Progeny trial cattle commenced in the quarter

Supply Chain

- Dairy AI mating numbers were 4 times last year
- A sustained lift in average marbling score led by Wagyu x Dairy cattle which now make up 20% of processing numbers

Marketing

- Successfully developed a chilled brick that meets shelf life requirements in the USA
- Netsuite commissioned in UAE office



Production R&D

- A trial of 2013 born Wagyu x Friesian/Jersey supported earlier findings that returns are comparable to Wagyu x Friesian
- Early results indicate that despite progeny of Angus x Jersey cattle being lighter than those from straight Angus their marbling score was considerably higher

Collaboration with other PGP programmes

The programme continued dialogue with the Red Meat Profit Partnership on potential collaboration on effective Extension strategies in the Red meat sector.

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 number of matings for the 2015 year has surpassed 25,000 (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

- Analysis of first progeny data

Supply Chain

- Development of an Extension strategy
- Planning for autumn matings
- Calf losses investigation and mitigations report

Marketing

- Recruitment of UAE General Manager and USA Sales Manager
- Launch of chilled burger range in the USA

Production R&D

- Collect final slaughter data and write up overwintering and crop finishing programme
- Complete a desktop review of autumn ill-thrift to understand the potential reasons for slow growth rates in Wagyu through this period
- Finalise Best Practice Wagyu Feeding Guidelines
- Collect data on early nutrition trial animals as they come up to slaughter

Investment

Investment period	Industry contribution	MPI contribution	Total investment
During this Quarter	\$ 0.543m	\$ 0.337m	\$ 0.880m
Programme To Date	\$ 3.420m	\$ 3.395m	\$ 6.815m