



Quarterly Progress Summary: January to March 2016

Marbled Grass-Fed Beef

Summary of progress during this quarter

Genetics

- A low cost method of measuring fat content utilising NIR technology provided positive initial results

Supply Chain

- Dairy x Wagyu made up 35% of slaughter numbers this quarter and continue to provide high marbling results
- 8 new shareholders joined the Producer Group
- Interest in supplying calves from the Dairy industry continues to be strong

Marketing

- Sales in the UK over 200% of budget for the quarter
- Netsuite commissioned in UK office

Production R&D

- A draft report on the Efficient Beef Cows project outlining the relative profitability of Wagyu x Angus/Jersey vs Wagyu x Angus

Collaboration with other PGP programmes

Grass-Fed Wagyu continues to attend the forum on Extension led by RMPP and attended by representatives of MPI, DNZ, FarmIQ, Ballance and AgResearch.

Key highlights and achievements

- Dairy x Wagyu animals now represent over 25% of processing numbers and their average marbling scores are exceeding Angus x Wagyu
- The sale of Wagyu burgers in the UK continue to gain momentum and promotional orders for steak cuts have also been received.
- The target number of matings for the 2016 year is over 34,000 (PGP target 26,000)
- 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 exceeding the targeted year round price of \$6 per kg. The average Wagyu x Dairy Marble Score of 5.3 from July to March 2015/16 is 0.5 higher than the same period last year. The long term sustainable Wagyu offering continues to attract farmers.

Upcoming

Genetics

- Analysis of data from first progeny trial
- Report on Australian vs New Zealand semen work at ABS

Supply Chain

- Implementation plan for Extension strategy
- Autumn mating numbers reported
- Calf losses investigation and mitigations report

Marketing

- Restructure of UAE business model
- Firstlight Foods brand refresh

Production R&D

- Analysis of slaughter data for 2015 calendar year

Programme Management

- Attending the 2-day Australian Wagyu conference in Sydney

Investment

Investment period	Industry contribution	MPI contribution	Total investment
During this Quarter	\$ 0.377m	\$ 0.379m	\$ 0.757m
Programme To Date	\$ 3.774m	\$ 3.797m	\$ 7.571m