



Quarterly Progress Summary: July to September 2016

Marbled Grass-Fed Beef

Summary of progress during this quarter

Genetics

- First round progeny test analysis continued with 34% of animals now processed
- Third round progeny trial calving commenced.

Supply Chain

- Mating numbers are on-track to meet the year-end target
- LIC collaboration at contract stage
- All 2016 born calves have been placed with finishers

Marketing

- NZ sales are exceeding forecast
- Firstlight Foods rebrand and new packaging soft launched

Production R&D

- Processing of Castration trial cattle commenced

Collaboration with other PGP programmes

- Extension meeting attended by representatives of: RMPP, Farm IQ, ClearView Innovations, Marbled Grass-fed Beef, Pioneering to Precision, Passion2 Profit, DINZ, W3 – Wool Unleashed and Omega Lamb

Key highlights and achievements

- Dairy x Wagyu animals now represent nearly 50% of processing numbers and their average marbling scores are exceeding Angus x Wagyu
- 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

- Complete report on sexed semen work
- Collect slaughter data for first progeny trial

Supply Chain

- Complete negotiations with LIC
- Complete final spring mating numbers
- Place Wagyu x Dairy spring born weaners with finishers
- Finalize placement of breeding bulls with Wagyu x Angus Breeders
- Identify existing Wagyu x Dairy cattle in supply chain that can be converted to ABF qualifying cattle

Marketing

- Launch of rebranded retail range in New Zealand

Production R&D

- Initiate tenderness research
- Complete analysis of 2015 slaughter data

Programme Management

- Update of economic impact assessment for programme
- Develop long-term PR & Comms strategy for Supply Chain
- Attend Future of NZ Food & Fibre workshop
- Attend Programme Managers workshop
- Attend PGP AGM

Investment

Investment period	Industry contribution	MPI contribution	Total investment
During this Quarter	\$459,093	\$396,821	\$855,914
Programme to Date	\$4,811,723	\$4,785,600	\$9,597,322