

Quarterly Progress Summary: January to March 2017

“Omega Lamb” PGP Programme

Summary of progress during this quarter

This quarter we have transferred lambs from high country breeding properties to chicory finishing. These are being processed as they reach finishing targets. Lambs are radio frequency tagged and traced individually on farms and through processing using systems developed by the PGP.

The pilot lambs are being used in a six month, commercial food service trial with selected restaurants in New Zealand and Hong Kong. The product was introduced to chefs at a very successful Chef/Farmer event at Walter Peak station and followed by a field trip to breeding and finishing farms.

The unique features of the pilot lamb and the results of our market research have been captured in a new brand “TE MANA Lamb™” and food service collateral developed (see temanalamb.com).

An early finding of the market trial is that, in addition to eating quality attributes, chefs are reporting that the TE MANA lamb™ (i.e. Omega project lamb) cooks differently with more succulent, more palatable fat and less shrinkage. These features are consistent with the altered fat composition but are unexpected advantages. A key purpose of the trial is to work with chefs to generate ground breaking lamb dishes based on the unique features of the product.

Key highlights and achievements

- TE MANA Lamb™ brand and collateral developed.
- Commercial trial initiated in NZ and Hong Kong.
- 27,000 lambs transferred to finishing units.
- 87 new and existing genetic lines tested for Omega 3 and intramuscular and quality traits and breeding values calculated.
- Traceability and quality measurement system operational on-farm and in-plant.
- Results supporting Omega 3 claims confirmed in second laboratory.
- Farmer team building events.

Upcoming

- Running market trial and building commercial and development relationships with chefs.
- Review of business models and expected value outcomes of PGP.
- Planning for next phases of project (health focused / manufactured products).
- Debrief, troubleshooting and further development of pilot production systems so they are suitable for scale up.

Investment

| <i>Investment period</i> | <i>Industry contribution</i> | <i>MPI contribution</i> | <i>Total investment</i> |
|---------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| <i>During this Quarter</i> | \$1,091,616 | \$1,091,616 | \$2,183,232 |
| <i>Programme To Date</i> | \$4,465,392 | \$4,465,392 | \$8,930,784 |