



Quarterly Progress Summary: January to March 2018

Marbled Grass-Fed Beef

Summary of progress during this quarter

Genetics

- Cohort 2 animals have been processed and Abacusbio are currently working on linking phenotypes with genomics.

Supply Chain

- LIC are making good progress on identifying a unique genetic marker for Wagyu to assist calf identification.
- First Light Foods hosted the LIC annual sales conference dinner.
- Producer Group Hub meetings were held country-wide over a 2-week period with approximately 60% attendance.
- 13 new supplier shareholder applications pending.

Marketing

- New Zealand retail range had a record sales month in January.
- New part-time resource employed for marketing with focus on E-commerce development.
- New part-time resource employed for product development and renovation.

Production R&D

- Wagyu profitability model to aid decision making in development.

Collaboration with other PGP programmes

- First Light are in progress with planned implementation of the RMPP Farm Assurance Programme.

Key highlights and achievements

- Cohort 2 progeny results have been sent to Abacusbio, this data will be used to improve the matrix and determine the 2018 genomic analysis and sire selection run.
- Actual genomic EBVs calculated for 3 more sires (total 13 sires now with actual genomic EBVs calculated).
- The LIC conference dinner, hosted by First Light Foods, was a successful event and a useful platform to tell the First Light Wagyu story and showcase the finished product to the LIC sales representatives.

- First Light Wagyu Producer Group Hub meetings were held across the country from Northland to Southland and everywhere in between. Each meeting was attended by at least one FLWNZ board member and were well attended by the producer group farmers. The hub meetings focused on supply performance, forecasted market return and governance.
- Prospective new shareholders were visited in conjunction with the hub meetings and these visits resulted in further interest in the First Light Wagyu programme quantified by shareholder applications being sent to 13 new potential farmer shareholders.
- The New Zealand retail range had a very strong quarter with a record sales month in January. This is supported by increased distribution to a total number of 114 stores.
- The addition of a new part-time resource for product development and renovation has enabled dedicated focus on the NPD programme and 3 new products are almost ready for launch into the NZ market.
- Key resource has been appointed to implement the E-commerce plan for the USA market.

Upcoming

Genetics

- Analyse the NIR data on fat content from first and second progeny trial to provide an objective measurement of marbling.
- Collect growth data from third progeny trial.
- Plan a comparison of OPU vs MOET for Wagyu bull production.

Supply Chain

- Farmer surveys will be undertaken in Q4 to reassess engagement levels and latent capacity for running more Wagyu.
- Farmer portal of the website to 'go-live' by June 2018. This portal will allow shareholder farmers to access processing results, research and the current production plan.
- Australian Wagyu Conference 2-4th May

Marketing

- First Light to launch retail range in France in April 2018.
- Launch new cooked sausage products in New Zealand market in May 2018.

Production R&D

- Research reports completed for fat colour and content (tenderness variability) and efficient beef cows.
- Development of an interactive model of Wagyu growth and profitability to assist farmers in decision on feed and processing target dates.

Programme Management

- 2018/19 Annual Plan to be completed by 31 May 2018.
- Continue to seek potential collaboration opportunities with PGP programmes.

Investment

| Investment period | Industry contribution | MPI contribution | Total investment |
|---------------------|-----------------------|------------------|------------------|
| During this Quarter | \$465,632 | \$472,005 | \$937,637 |
| Programme to Date | \$8,101,734 | \$7,829,095 | \$15,930,828 |