



Quarterly Progress Summary: October to December 2018

Marbled Grass-Fed Beef

Summary of progress during this quarter

Genetics

- Growth data from Cohort 3 animals (born 2016) continues to be collected.
- Calving date records from the WBL stud were captured during calving in spring 2018 allowing the individual gestation length measurements to be allocated to the calves bred from the 2017 stud herd mating.
- Growth records, carcass data and DNA samples continue to be collected from the on-going progeny trials and will be incorporated into the next genomic relationship matrix run planned for Q4.

Supply Chain

- Country Calendar Episode “Wagyu to the World” aired on Sunday 25th November.
- Supply Planning App to improve forecasting and supply reliability is in development.
- New extension position, National Beef Performance Manager, recruited.
- The dedicated Mycoplasma Bovis team continue to work closely with MPI, LIC and farmers.
- Wagyu hub meetings held on farms throughout the country during November.
- Supplier Survey undertaken and analysed during the quarter.

Marketing

- Strong retail sales in NZ and USA as existing customers expand their product ranges and increase volumes. Biggest ever sales month for NZ market in November.
- New cooked sausage range launched in NZ retail market.
- In November, 57 new Countdown stores came on board (total Countdown stores now 75), and the retail range was expanded within all Countdown stores to include burgers, sausages and rumps.
- Direct-to-Consumer channel, the First Light ‘Steak Club’, launched in the USA.
- First Light Management and Directors travelled to USA and UK to evaluate the business and assist with forward planning.
- Sensory panel training 1st and 2nd sessions completed.
- Katie Chang, food writer for Forbes magazine, was hosted by First Light in December.

Production R&D

- Report completed on calf birth weight data collected from different EBV bulls.
- Study completed on variation in marbling score across the different meat cuts.

Programme Management

- First Light Managing Director attended and presented at the “Opportunities and Challenges with Dairy Calves” industry workshop in November.
- Project Manager presented PGP Overview to Brownrigg Agriculture Group Board in November.

Collaboration with other PGP programmes

- First Light are in progress with planned implementation of the RMPP Farm Assurance Programme. RMPP FAP will form the base of the new First Light Growers Manual, which will also include ‘clip ons’ to cover all First Light quality systems.
- Tools developed within the FarmIQ PGP are being used to build the new First Light Supply Planning App.

Key highlights and achievements

- The Country Calendar Episode “Wagyu to the World” aired at the end of November, featuring two generations of the Greer family finishing Wagyu on their Hawke’s Bay farm and integrating Wagyu with their dairy operation in Norsewood to avoid wastage (bobby calves). The episode highlighted the supplier relationship with First Light and showcased the farmer to consumer link with Jerry and Diana Greer filmed on the First Light stand at the Auckland Food Show. First Light received a lot of positive feedback from both farmers and consumers, and also noted a large spike in web traffic following airing of the episode.
- First Light have employed a National Beef Performance Manager who joined the team in early November, this is a newly created role focused on Extension and improving overall beef quality. The key focus for this role over Q3 and Q4 is to extend the existing research findings to suppliers to improve beef performance and farmer returns. Additionally, this role will develop and co-ordinate new research activities to facilitate better overall beef performance.
- A Supplier Survey was carried out in Q2. Key findings showed that a growing number of suppliers have been supplying First Light for 5+ years, the relationship with First Light is strong and Environment and Animal Welfare were considered high priorities across the farmer supplier base with 69% of farmers strongly agreeing that they are “stewards of our land for future.”
- 9 farm-based Wagyu Hub meetings were held over three weeks in November. In total the Wagyu Management and Livestock team were able to speak to 85 suppliers & staff.



Matt Crowther, GM Wagyu, addressing a group of First Light Wagyu suppliers at the Manawatu Hub meeting.

- In October 2018, First Light launched the new co-branded cooked sausages range, which included two Wagyu variants, Wagyu & Whitestone Cheese Kransky and Wagyu Chipotle Bratwurst (co-branded with Barkers of Geraldine). The launch was run alongside a promotional competition. The launch was considered a success measured by:
 - Increased brand and product awareness, through website and social media (Facebook and Instagram posts).
 - Strong media visibility throughout the campaign period with excellent coverage across platforms including newspapers, magazines, radio and online.
 - Product was launched in 50 stores (Farro, New World, Pak 'n' Save).
 - Sales met forecasted targets.

Upcoming

Genetics

- Gestation length measurement at WBL stud for Spring calving is completed, records have been collated and will be incorporated into the next genomic relationship matrix run planned for Q4.
- Complete a review to compare the merits of OPU (ovum pick-up) and MOET (multiple ovulation embryo transfer) for Wagyu bull production.
- Continue to collate data from on-going training population animals. All remaining DNA samples will be collected in Q3 before all being sent away for analysis.
- Planning is underway for future matings/cohorts to provide on-going representation in the training populations of introductory sires and elite bulls.
- WBL's IT service provider has completed a systems review and have scoped future requirements. They are now working with AniCloud developers assessing suitability and customisation options. Solution to be decided upon within February.

Supply Chain

- Draft 'Growers Manual' document and roll out plan to be completed in Q3.
- Field Rep (CRM) training sessions to be held at the end of January focused on the new Livestock team structure, Supply Planning app and 'Growers Manual'.

- March hub meetings with farmers to introduce the First Light app.
- Recruitment for new South Island/Otago CRM and Planner.

Marketing

- First Light to host New Seasons customers in late January.
- Marketing Manager and Sales Manager travel to USA in February.
- Implement Summer marketing campaign in NZ market.
- Continue developing the trained sensory panel with quarterly sensory training modules.
- Ongoing shelf life trial investigations and assessing New Product Development opportunities.

Production R&D

- Continue to collect data from Cohort 3 progeny trial
- Complete report on variation in fat content across a carcass.
- Initiate evaluation and analysis on the 2018 dataset.
- Complete review to compare feed efficiency of a Jersey calf to a Friesian calf.
- Complete further farmer fact sheets.

Investment

Investment period	Industry contribution	MPI contribution	Total investment
During this Quarter	\$621,587	\$693,424	\$1,315,011
Programme to Date	\$9,811,097	\$9,696,443	\$19,507,539