



## Quarterly Progress Summary: April to July 2019

### Marbled Grass-Fed Beef

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The Marbled Grass-Fed Beef Primary Growth Partnership programme ended on the 31st July 2019. Please note that this Quarterly Progress Summary is based on the final 4-month period from 1 April to 31 July 2019.

### Summary of progress during this quarter

#### *Genetics*

- Final cattle from Cohort 3 animals (born 2016) were slaughtered on 29th April and the last carcass data was collected. There were 130 qualifying carcasses with steer average CWT (Carcass Weight) 305kg and heifer average CWT 257kg. Phenotypic data has been collated for inclusion in the genomic relationship matrix.
- WBL Stud measured gestation length data is now included in the genomic relationship matrix. Gestation length monitoring will continue within the WBL Stud via AI mating and calf birth date recording.
- WBL Stud mate planning for upcoming Spring 19 matings has been conducted via genomic based mate allocations.

#### *Supply Chain*

- A targeted farmer communications campaign to support placement of store cattle and Autumn calves, and attract new suppliers to meet programme growth objectives was initiated in the quarter. This resulted in significant new interest in the First Light Wagyu programme with 16 new suppliers taking calves to date.
- Mycoplasma Bovis remains a key risk area of the business. Draft standard operating procedures for managing M.Bovis have been developed by Management, this includes reporting, support and financial claims.
- The new Production and Supply Planner was recruited and started on the 1st of July 2019. Key responsibilities include livestock forecasting and production planning as well as livestock data and inventory management.
- The supply planning tool to improve forecasting and supply reliability is now live with Relationship Managers trained and roll-out to farmers planned in September.
- First Light Wagyu Producer Group Insights surveys were carried out over the quarter and results will be used to develop individual farm improvement plans, specifically to improve the average Marble score.

## Marketing

- Gold medal awarded to First Light at the World Steak Challenge in Dublin for the second year running.
- IGF (International Growth Fund) established with NZTE for USA market expansion. The major activity for this project will involve finding and resourcing First Light's next new territories for the USA and placement of a USA Sales Manager in market.
- First Light management staff visited California and Texas markets with six First Light Wagyu shareholder suppliers.
- New Zealand retail market had a strong quarter with advertising in the New World mailer and launch of the new Wagyu meatballs product.
- HVN clinical trial report completed. First Light will continue to explore the potential to make a health-based claim that can be used on pack and will use research findings in marketing messaging.

## Production R&D

- Report completed on feed conversion efficiencies of progeny from Jersey and Friesian cows (refer Appendix 6).
- Full analysis of the 2018 carcass dataset has been completed (refer to full report circulated with April to July progress report).
- OFR Final Progress report completed which provides an overview of the Genetics and Production objectives across the 7-year PGP programme (circulated to the PSG as a separate document).
- Digital carcass camera trials were carried out to objectively assess marbling of grassfed Wagyu at both the North and South Island processing plants. The overall trial results were not as good as expected and the decision has been made to not progress with the camera in its current form, however a well-functioning camera that provides all grading data in real time is still seen as something that adds significant value and objectivity to First Light Wagyu grading.

## Key highlights and achievements



First Light received a gold medal at the World Steak Challenge in Dublin for the best fillet steak in the marble score 6+ category and follows last year's win for best ribeye steak. The World Steak Challenge is a globally recognised competition with over 300 sirloin, fillet and ribeye steaks being judged from 25 countries and four continents.

More than 40 expert judges joined with 14 consumer judges to evaluate raw and cooked entries based on aroma, colour, flavour and marbling. First Light's winning Wagyu fillet steak had a marble score of 7 and was sourced from Ngai Tahu farm, Canterbury.

### Co-branded product launch with Erewhon

First Light have recently launched a range of new co-branded retail products with Erewhon in California. Erewhon is a prominent, upmarket grocery chain of currently five stores based in Los Angeles, Calabasas, Venice, Santa Monica and Pacific Palisades, whose mission is “to make healthy, pure, nutrient-rich foods and products available to all and to inspire people to eat better, eat less and live longer.”

[www.erewhonmarket.com](http://www.erewhonmarket.com)

These new co-branded products are cut and packed at West Coast Prime Meats in California, who purchase primal cuts directly from First Light Foods.



## Upcoming

### Genetics

- Ongoing Genetics Steering Group consisting of key staff from WBL, FLF, Abacus Bio (consultant geneticists) and LIC will continue to meet 3-4 times per year. The purpose of the group, representing all supply chain stakeholders, is to provide the best genetics advice to guide the development of WBL's annually updated Genetics Improvement Plan.

### Supply Chain

- The Supply Planning tool and refreshed QA documentation will be rolled-out to Wagyu suppliers.
- Individual Farm Improvement Plans to be developed based on data from the Producer Group Insights surveys.
- Winter Finishing project completion and development of Winter Finishing standard operating procedures.
- Relationship Manager on-farm training session 27th August 2019
- Next hub meetings planned for November 2019.

### Marketing

- Through the NZTE IGF project, initiate activity plans for expansion and new territories in the USA market and relocation of GM Sales to the USA.
- Implement revised direct to consumer strategy to refine and grow the USA 'Steak Club' for MBS6+ product.
- New Zealand new product development launch in September for Wagyu sliders.

### Production R&D

- Initiate 5th Quarter project to develop an in depth knowledge of the all the non-meat components of the Wagyu carcass and use this knowledge to increase revenue through adding value.

### Programme Management

- First Light AGM and Spring Muster 26th August 2019.
- Completion of Marbled Grass-Fed Beef PGP Final Report by end September 2019.

Investment

Investment period	Industry contribution	MPI contribution	Total investment
During this Quarter	\$1,052,662	\$504,764	\$1,557,426
Programme to Date	\$11,530,418	\$10,998,275	\$22,528,692