



Quarterly Progress Summary: October to December 2016

Marbled Grass-Fed Beef

Summary of progress during this quarter

Genetics

- Collection and analysis of slaughter data from the initial progeny trials continue.
- Sexed semen project completed.

Supply Chain

- Mating numbers came within 5% of the annual target for the 2016 calendar year.
- A supply agreement with LIC has been signed for supply of Wagyu x Dairy calves from 2017.

Marketing

- A strong lift in New Zealand sales figures with the new retail range successfully launched nationwide in November.

Production R&D

- An assessment of tenderness per marbling score was initiated in the quarter.

Collaboration with other PGP programmes

- No collaboration opportunities in the quarter.

Key highlights and achievements

- A new retail ready product range was successfully launched to New Zealand retailers.
- A supply agreement has been signed with LIC for supply of Wagyu x Dairy animals from 2017.
- Dairy x Wagyu animals now represent over 50% of processing numbers and their average marbling scores are exceeding Angus x Wagyu.

- 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 long term sustainable Wagyu offering continues to attract farmers.

Upcoming

Genetics

- Collect pre-slaughter weights and body condition scores for 2014 born animals.
- Collect slaughter data for the remaining 2013 born calves.
- Collect growth data on 2016 born calves.

Supply Chain

- Complete placement of 2016 spring Wagyu x Dairy calves.
- Finalise autumn calf rearing contract for calves from LIC 2016 autumn matings.
- FLF complete recruitment of additional senior Wagyu staff.
- LIC contracting with Dairy farmers for 2017 autumn matings.

Marketing

- USA organizational restructure.

Production R&D

- On-farm monitoring of growth rates research report.
- 1-Page fact sheets developed for farmers.

Programme Management

- Update of strategic plan and risk management plan.
- Draft 2017-18 Annual Plan to be developed.

Investment

Investment period	Industry contribution	MPI contribution	Total investment
During this Quarter	760,341	438,828	1,199,170
Programme to Date	5,545,941	5,250,551	10,796,492