



Quarterly Progress Summary: January to March 2017

Marbled Grass-Fed Beef

Summary of progress during this quarter

Genetics

- Collection and analysis of slaughter data from the initial progeny trials continue

Supply Chain

- First autumn Wagyu x Dairy calves from LIC agreement transferred to rearing
- New General Manager Wagyu role established to manage growth

Marketing

- New Zealand sales continue to exceed budget
- USA value-added sales increasing

Production R&D

- All trials continuing as planned

Collaboration with other PGP programmes

- Discussion with Programme Managers of Whai Hua and NZSTX on planning considerations for final two-years of programme.

Key highlights and achievements

- A new retail ready product range was successfully launched to New Zealand retailers.
- A 2017 production agreement has been agreed with LIC for supply of Wagyu x Dairy animals as per the LIC Master Agreement signed in 2016
- Dairy x Wagyu animals now represent over 60% 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 Canterbury and another is coming together in Southland, 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

- Complete processing of first progeny trial
- Complete Data Analysis of 2016 processing results
- Establish Genetic Steering Group

Supply Chain

- First LIC supplied calves to be delivered from rearing
- Autumn matings by LIC

Marketing

- Securing 150 retail stores in California for growth in supply

Production R&D

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

Programme Management

- New Project Manager inducted into the programme
- Annual Plan completed

Investment

Investment period	Industry contribution	MPI contribution	Total investment
During this Quarter	473,925	426,364	900,288
Programme to Date	6,019,866	5,676,915	11,696,780