



Quarterly Progress Summary: April – June 2017

Marbled Grass-Fed Beef

Summary of progress during this quarter

Genetics

- Collection and analysis of slaughter data from the initial progeny trials continues
- Genetics Steering Group established to govern ongoing genetic improvement

Supply Chain

- Management staff from First Light and LIC are working together to improve performance

Marketing

- New Zealand sales continue to exceed budget, with the retail range launched in South Island stores
- USA value-added sales are increasing as new products are launched in-market and more stores stock product

Production R&D

- A preliminary report has been produced with analysis of 2016 carcass data
- All trials continuing as planned

Programme Management

- New Project Manager inducted into the programme

Collaboration with other PGP programmes

- Information received on RMPP, initial discussion regarding involvement with the Farm Assurance Programme
- Involvement in facilitating a PGP workshop with other programmes

Key highlights and achievements

- The new retail ready product range was extended to New Zealand retailers in the South Island. New Zealand sales continue to exceed budget targets.
- Successful market visit to the USA in May where 315 stores were visited by First Light staff that has resulted in a significant increase in the number of stores ordering product. Value added sales continue to increase.
- The inaugural meeting of the Genetic Steering Group was held on 31st May 2017, where there was agreement for WBL to undertake genotyping on approximately 1,000 progeny animals.
- Returns to shareholders have continued to exceed prime steer prices, and is still 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
- Analysis of data from the second progeny trial
- Genotyping for approximately 1,000 progeny test animals

Supply Chain

- Processing in South Island to commence
- Planning for increase in cattle supply from September 2017 (7 months earlier than planned)

Marketing

- Securing 150 retail stores in California for growth in supply

Production R&D

- Research reports completed for benchmarking Friesian vs Kiwi dams, on-farm monitoring, time of castration and growth path
- 1-Page fact sheets developed and signed off for farmers

Programme Management

- Continue to seek potential collaboration opportunities with PGP programmes

Investment

Investment period	Industry contribution	MPI contribution	Total investment
During this Quarter	477,503	409,030	886,533
Programme to Date	6,497,369	6,085,945	12,583,313