



Marbled Grass-fed Beef PGP

October - December 2014 Quarterly Report Summary

All objectives progressed broadly to plan during the quarter.

In the Supply Chain objective participating farmer numbers continue to grow in the quarter. The initial report on Understanding Farmers provided positive feedback on the levels of trust and commitment in the supply chain. The higher than average marbling results reported in Wagyu x dairy animals is generating interest in the Producer Groups.

Market pull for the programme remains high with sales growth continuing to be strong across all markets with New Zealand Christmas sales exceeding expectations. In the UK, a promotion with a major retailer sold

out in 2-days resulting in a commercial listing of significant volume. Research into the nutritional benefits of grass-fed Wagyu also commenced in the quarter.

The strong demand for grass-fed Wagyu internationally has enabled the base price offered to the Producer Group to be lifted for 2015 and also the incentive for winter supply to be more than double that offered last winter. These increases will be highlighted by the recent softening of the commodity prices from their peak late last year.

In the Research objective the second round of Progeny trial calves were transferred to rearers.

