



QUARTERLY PROGRESS SUMMARY: April – June 2015

Marbled Grass-Fed Beef

Summary of progress during this quarter

Genetics

- All animal monitoring was concluded as planned

Supply Chain

- Interest in Dairy x Wagyu matings increasing with autumn Dairy mating numbers three times higher than last years autumn matings
- Winter supply premiums offered to farmers have increased winter processing numbers
- 38 additional farms joined the programme in the quarter bringing the total to 183 farms

Marketing

- Wagyu burger sales in the UK continue to gather momentum
- UAE install of Virtual Office commenced
- Consumer research completed in the USA market

Production R&D

- Milestones completed for:
 - Dairy cow benchmarking
 - Best practice guidelines for growing Wagyu



Key highlights and achievements

- A successful promotion with a major UK retailer has resulted in a commercial contract to provide a significant volume of Wagyu burgers for the 2015 summer. In the United Arab Emirates sales are underway through the company-managed distribution facility and retail outlet. Investment in the USA market has commenced.
- The total number of farms engaged in farming Wagyu continues to be significantly ahead of target at 183.
- The number of matings for the 2014 year was nearly 12,000. Autumn matings for 2015 were three times higher than in 2014 and good progress is being made towards the 19,500 targeted matings for 2015.
- Following on from the success of the trial of a South Island Dairy Hub Manager, a North Island Dairy Hub Manager has now been employed.
- Regional Producer Group Hubs are established in Hawkes Bay, Northland and the East Coast. Further Hubs are now under development.
- Returns to shareholders have continued to exceed prime steer prices, and is achieving the targeted year round price of \$6 per kg. The long term sustainable Wagyu offering continues to attract farmers, despite commodity prices for prime steer remaining high.

Upcoming

Genetics

- Round 3 Progeny Trial planning for matings

Supply Chain

- Securing remaining spring AI mating numbers to reach target

Marketing

- Preparations for seasonal step-up in demand and supply from September

Production R&D

- Reports on summer feeding trial and ultrasound measurement for predicting marbling in live animals

Investment

Investment period	Industry contribution	MPI contribution	Total investment
During this Quarter	\$0.328m	\$0.380m	\$0.708m
Programme To Date	\$2.529m	\$2.720m	\$5.249m