FALKIRK INDEX NEW ZEALAND LTD

To Whom It May Concern

Re; Statement of Practice Concerning Ultra Sound Technology as Applied to Livestock

The Falkirk System of Livestock Assessment as practiced in New Zealand, Australia and South Africa has been configured over a 20 year period. **The central driver of this system is to isolate the optimal animal.** To then logically follow through to a value based payment system that credits a quality audit of livestock and resulting product.

The lifetime agricultural and specifically the genetic experience of the founder and promoter, Mr. Ian Walsh, Piopio, New Zealand, is fundamental to the required technology use and standard setting for function of operations. By practice and as illustrated by the results from both seed stock breeders and commercial producers alike, the stance of precise measurement and commercial reality ensures both genetic and financial gain.

The system is the only one of type that can successfully assess live animals for genetic merit and market use and worth. The ability to reach across specie and to be able to service every producer, in the Tri-Nations, who holds the aptitude to recognize optimal systems, is unique and "bankable".

This business plan is supported by a unique production data base and recording system, GLOBAL ANIMAL LINK, which is inclusive of commercial producers and astute breeders alike. This system is crafted to provide traceability of improving and superior genetics through to a value based payment process (Yield Grading) and logical marketing outcomes.

The Falkirk System has been developed with the support of a 'brains trust', Falkirk Scientific Foundation, which comprises twelve personnel representing Science, Technology, Agricultural Systems and Legal and Administrive expertise. These personnel were invited to form Falkirk because of their leadership capabilities and people skills, inclusive of profiled lifetime vocations and decision making abilities.

The requirement within the industry for the expansion of the Falkirk brand of expertise in animal assessment has necessitated the recruitment of reliable Ultra Sound operators to gather raw data. The indicator that Falkirk has never advertised a position, but instead, field's enquiry from within the industry network of operators, additional to other interested parties, illustrates credibility.

From day one potential operators are vetted for positive people inter-action and skill level with a tenacity that promotes a desire for excellence. This type of aptitude is fertile ground to understand the professional and commercial reasons for collecting accurate raw data. This is a basis for a complete business and genetic system.

Participants are continually up skilled and educated on the Falkirk philosophy and requirements. The initial induction timeframe ranges from between three to seven days with ongoing support and guidance from lan Walsh. From being just a technician, operators are elevated to become fully responsive livestock assessors, which is a Falkirk criteria and expectation. Operators hold the support, knowledge and credibility

checks through clients programmed commercial kill data results, carcass probe and actual bone out information that also encourages accurate measurement and ongoing excellence.

The Falkirk Index System is a proven holistic method of animal selection that determines the genetic value and commercial worth of an animal. The Falkirk Index is based on accurate measurement of the physiology of an animal to establish the actual bone-fat-meat ratio (carcass composition) relative to mass (weight). This data is interfaced with main trait heritabilities to produce an individual Index to rank stock from superior ratings to those of least genetic ability. This system is predicated to preparing farmers flocks and herds for value based payment (yield grading)

Additionally wise stock judgment is applied to rate the skeletal configuration of an animal to consider implications that influence secondary traits, animal health and the functional well being of livestock. These factors influence productivity by significant differentials. Commercial Falkirk data validates this time proven system that negates the outcomes of synthetic farming practices. Commercial reality is a discipline that drives the Falkirk business plan.

Falkirk team members are coached as livestock assessors, inclusive of the fundamental of extracting reliable measured data. Falkirk methodology has a proven reach into commercial breeder production operations which is highly beneficial to seed stock breeders through progeny test analysis.

Falkirk measures area/volume at EMA that then can be formulated to predict meat yield. Additional measurements are taken to enhance lamb survival. Exterior calculations are considered to establish sound structure of skeletal configuration; as well studies are being completed to support ease of birth.

Falkirk does not consider that a certification pass under test every three to five years is significant. Some operators from within that industry accepted rating have not qualified to our expectation for employment within our system.

As there is no person or organization in the agricultural genetic industry without a vested interest in standard setting, Falkirk has developed in house criteria for our operators that fits our brand, industry requirement and is commercially logical. Accreditation ratings for Falkirk operators are classified by degree of excellence from A, AA to AAA certification.

The fact that Falkirk was invited to Australia in 1998 and South Africa in July 2005 highlights credibility. These events give credence to a system that is becoming recognized as a uniform standard, across country. Ian Walsh holds contracts to validate animal selections for interaction between the Tri-Nations.

Mr. Ian Walsh is a dedicated career producer and breeder of 45 years. He was greatly influenced at an early age by his paternal Grandmother who was a profound judge of livestock and reliable genetic material. Ian, a self taught innovator holds a reasoned understanding of all aspects of agriculture that has cleared the vision for optimal genetics and systems that provide serious financial outcomes.

In the late 1980s, this drive recognized the need for ultra sound technology as a tool to complete the required process in conjunction with a carcass probe that was capable of accurately measuring meat yield and quality and additional data that clearly audits outcomes. A mentor in this particular field, Mr. Brian Hennessy a precision instrument manufacturer, taught him many aspects of measurement inclusive of VIA, Magnetic Resonance, Ultra Sound and Fibre Optic Systems. This background and knowledge base

is truly unique and drives the assessment programme of the Falkirk Index operations. This dictum became the conduit for Ian Walsh to become a highly skilled Ultra Sound Operator, Livestock Assessor and Principle Director of Falkirk Scientific Foundation.

Testimonials from clients and operators state, "We have learnt and now understand so much". This statement underwrites the Falkirk Brand.

