

TO MARKET BY SPECIFICATION

MEMO TO CLIENTS

17 05 2013

It is interesting to reflect upon the state of the sheep and beef industry these last few months. In particular the formation, and subsequent actions, of the Meat Industry Excellence (MIE) group. The six principles of the MIE, as presented at the inaugural meeting in Gore, are the key objectives that have motivated this particular group of farmers.

MIE's principle number three:-

"<u>Contracting of Stock to Specification will Underpin this New Structure</u>. Farmers will need to change their culture of focussing on short term and small gains from procurement and instead concentrate on the long term, sustainable returns from being a strong marketer"

This principle, together with the following additive, derived from recent MIE media releases, "<u>that farmers</u> <u>need to be more robustly profitable to sustain a viable industry</u>" is the only segment of the MIE plan that is operational, and delivering tangible results to farms, in the form of the Falkirk system. Farmer clients hold your own experiences to validate this fact.

To those clients who share the belief of quality branded product being the ultimate goal, and qualify to be "Falkirk Certified" for wool, meat and livestock, I would like to share an unsolicited testimony from the North Island Procurement and Export Manager of an international wool exporter, and I quote:

"in regard to the wool that has come through the auction system which has had Falkirk as part of brand and description (Falkirk Certified), it has been noted by myself and included in my valuations, is that the wool types have had some really good characteristics over and above a lot of other wool. This wool is consistently even, for length and colour, has very good crimp, which we used to see 20 years ago but not today, and a very good tensile strength. It has certainly stood out as being a processors dream in regard to these characteristics. It is very noticeable in the catalogue due to Falkirk (Falkirk Certified) being part of the branding and description"

This acknowledgement is both reward and affirmation that astute producers hold the key to the future of agriculture. I would like to thank those clients who have participated in this branding exercise to provide the inputs to complete the marketing circuit. Falkirk is currently completing business relationships and arrangements to extend to long term market impact of "Falkirk Certified" meat and wool, in spite of the erroneous pathway the industry has been travelling.

I am particularly proud that combined brands representing product above specification have been noted as superior. These particular lines of wool have been favoured over industry lines as fit for purpose.

Many thanks