

17 September 2014

Media release

## **Landcorp completes full purchase of Focus Genetics**

Landcorp Farming Ltd. is now sole owner of livestock genetics business, Focus Genetics. The announcement comes after Landcorp successfully acquired the remaining 33% shareholding from Rissington Breedline.

Hawkes Bay based Focus Genetics is New Zealand's largest red meat genetics business with 17 breeding partners throughout New Zealand. Formed in 2011, Focus Genetics has since grown its market share, serving more than 750 commercial farm operations. Last year the company sold over 4,000 rams, 800 bulls and 400 stags to farmers in New Zealand and overseas.

Gavin Foulsham, Focus Genetics CEO, said having one owner provided certainty for the company's plans to invest more towards achieving greater rates of genetic improvement. It also means Focus could explore more sales opportunities offshore.

"We've continued to build off our very strong genetic base, focusing on the traits that deliver better performance for New Zealand farmers.

"This deal means we can better leverage Landcorp's market presence to develop new partnerships and customers. It puts us in an excellent long term position to continue investing in research and development for the benefit of all New Zealand farmers. That investment will assist with generating further income from offshore markets like Britain, Australia and South America," he said.

Focus Genetics have recently introduced a new programme to better identify bulls that will produce offspring with better marbling capabilities, a feature that meat companies pay a premium for. They have also signed an agreement with UK meat processor St Merryn, where UK farmers who provide Focus Genetics sired lambs are paid a premium.

Under the terms of the settlement, Focus Genetics will remain a wholly independent company and will continue running breeding programmes for all commercial farmers in New Zealand.

Landcorp Chief Executive, Steven Carden, said the acquisition was vitally important to Landcorp's strategy to boost returns from its red meat and wool products.

"Growing the volume and value of our red meat portfolio is a core part of our strategy to transform New Zealand farming. We see the great sheep and beef breeds of Focus Genetics as key to integrating Landcorp's sheep and beef products into niche value chains offshore.

“Our plan is that over time discerning customers will demand meat created from these genetics because of their taste profile.

“Many overseas retailers are becoming specific about the genetics they prefer based on consumer feedback. Focus Genetics’ growing local and international presence will play a vital role in securing and supplying those orders at a sustainable premium over time.

“Our arrangement with Silver Fern Farms to exclusively supply prime lambs to Tesco’s UK Supermarkets for its Tesco’s Finest program is one example of how successful this approach can be. It’s all about how we can differentiate our products and improve their value to the supply chain.

“We also appreciate the productivity improvements on-farm from Focus Genetics’ breeds. Landcorp and our partners are becoming much better at understanding how best to feed these breeds to make the most of their genetic potential. Further, Landcorp’s expansion into complementary co-products, such as sheep milk, will be strengthened through an ongoing investment in expanding the breeding expertise within Focus Genetics.”

ENDS

Contact: Michelle Sutton 021 908 900

### **Editor’s notes**

#### About Landcorp

Landcorp is a state owned enterprise and New Zealand’s largest farmer. It owns or manages 137 dairy, beef, sheep and deer farms from the Far North to Southland. With 1.6 million stock units on 376,942 Ha, it produces around 18,000 tonnes of milk solids, 10,000 tonnes of sheep meat, 10,000 tonnes of beef, 3,500 tonnes of wool, 2,500 tonnes of venison and 8 tonnes of velvet per annum.

#### About Focus Genetics

Focus Genetics is New Zealand’s largest red meat genetics company by market share, selectively breeding rams, bulls and stags for meat production. With 10,000 recorded ewes, 2,500 record cows and 2,000 hinds, Focus Genetics is also the largest single breeder in NZ. With sheep breeding operations in Australia, South America and the United Kingdom, Focus Genetics is playing its part in growing world food production.