

We would like to thank all purchasers and underbidders our Fossil Creek Bull Auction on June 16th. The sale was a reflection of the strong positivity in the New Zealand beef industry, and the full and active gallery reflected the enthusiasm our clients have for Fossil Creek genetics.

It is satisfying to have positive feedback from our clients around the country with their successes in both pregnancy scanning and in premium beef programmes such as SFF Beef EQ and Angus Pure. We relish this interaction with you, and see your results as the crucial link in the chain to ensure that we, as your genetic suppliers, are doing the very best job that we can at producing robust, industry-leading genetics that can perform in your breeding herds throughout the country - especially in some of the toughest climatic conditions that New Zealand has to offer.

A special thanks to Trevor and Karen Peters from Millers Flat who bought a very appealing son of our bull FC Hero H6 with a balanced and solid performance data set. The Peters were involved in the original bidding for Hero in 2014 so it was gratifying to have them come and buy a son of this strong bloodline for \$19,000.

Carolyn and Drew Dundass, from Ranfurly had done their homework very well and were able to purchase a very quiet Charolais 2 yr son of our senior herdsire, Silverstream Gladiator for \$20,000. This helped lift our overall average for our Roseville Charolais to its highest since we have been breeding Charolais.



FOSSIL CREEK ANGUS - FORGING AHEAD

As you may be aware, in March 2015 we mustered up the 240 cow Fossil Creek breeding herd at our Kauru Hill 'Crestlo' block and took them over the hills to Blair and Jane Smith's Newhaven hill country farm, 'Blairgowrie'. This was a well thought out decision that was based on a number of factors, including:

Given Neil's recent health challenge, coupled with the increased demand for Neil and Rose's global genetic business, 'Advanced Genetics Limited', and Brian's pending retirement, the time was right to look at an option that would mean that an equally enthusiastic team could concentrate on the breeding herd, freeing up time for continued focus on continued genetic improvement.

The Fossil Creek team had always been impressed by Blair and Jane's dedication to genetics in their Newhaven Perendale stud and their passion for beef

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through their sizeable commercial Angus herd along with their proactive industry involvement. This has since blossomed into a 50/50 partnership between the Sandersons and the Smiths in Fossil Creek Angus Limited which we believe, is an exciting development to forge ahead into the future for both Fossil Creek Angus Limited and our progressive clientele both throughout the country and abroad.

We wanted to challenge the Fossil Creek Herd even further in tough commercial conditions that mirror our client's farming environments. While just along the Kakanui range from where they were at 'Crestlo', they are now at 600 metres above sea level, mated and calved in tussock blocks, and guaranteed to be well challenged in snow, wind, drought and social pressure.

In line with Blair and Jane's tough genetic expectations, they will not be supplementary fed, they will be expected to clean out the hardest tussock blocks during winter in one large mob, and they will be only mated for 2 cycles and need to get in calf within this time frame – regardless of the conditions. No excuses accepted!



WHAT WILL CHANGE?

Nothing – except the team has been strengthened even further. Contact Neil and Rose in the first instance with your specific genetic queries and Blair and Jane encourage you to come and visit them to view the cow herd and young stock and any time during the year. The Smith's run a 10,000 stock unit beef and sheep breeding and finishing operation, including the hill block and the original Newhaven farm.

UPDATE ON BRIAN DAVIDSON

As you may well be aware - Brian, our long serving and highly valued Fossil Creek Angus (and Roseville Charalois) herd manager had an unfortunate yard incident when a cattle yard gate slammed back and hit him in the temple just over 12 months ago.

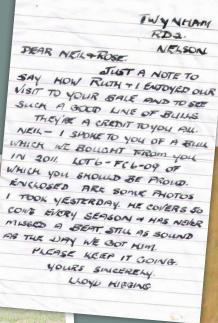
Brian suffered a head injury and has had a long and challenging recovery period, however he is making good progress now. Brian and his wife Rhoda, have retired to Rolleston to be near their daughters and grandchildren. We had hoped that Brian would be able to attend our bull sale in mid June this year, however the distance was not conductive to his stage of recovery. Brian continues to hold an active interest in each and every client's farming operation and he enjoys hearing updates on progress within your breeding herds.

CLIENT FEEDBACK

Hereford stud breeder, Lloyd Higgins from Nelson has been buying commercial Angus bulls from us for many years. At our recent June sale he purchased another outstanding bull to complement his commercial beef programme. Lloyd wrote the following letter to us when his bull arrived on his farm and enclosed a photo of a Fossil Creek Angus bull he bought from us and who is now 6 yrs of age.

The bull has been single sire mated for 4 years now and has NEVER left an empty cow. Yes that is right, 100% pregnancy rate. Well done Lloyd and Ruth and thank you for your feedback.





IT'S OFFICIAL!

The latest Australasian Group Breedplan run has been very rewarding and positive for the Fossil Creek Angus breeding programme. FC Vision 80-00 a very safe son of Mytty in Focus has been named the No 1 bull in Australasia for Calving Ease. Vision has a full brother in Uruguay that has been used for thousands of commercial cow inseminations with excellent calving ease data in this country. In addition, our old herdsire Te Mania Prince 153-93 has reached the No 2 spot for best Calving Ease on his daughters.

Also we can report that for all other traits, numerous sires used over the years in the Fossil Creek Angus programme appear in the Top 100 summary. Commercial breeders can be assured that their decision to purchase bulls at Fossil Creek Angus certainly puts them on the right track to maximizing their profitability.

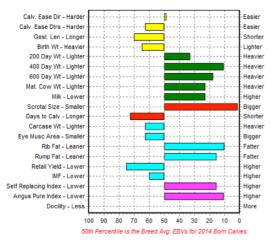
Fossil Creek Hewitt H34 has come up as a traitleader for Scrotal Circumference.

NEW HERDSIRES

To ensure that we continue to produce the very best from our genetics, and meet the future requirements of your breeding herds and their progeny in regards to profitability, efficiency, productivity and longevity, we need to be constantly assessing the genetic horizon. This year we have purchased another two herdsires to complement our genetic base base – with much thought and analysis put into the process to ensure that they will fit both our breeding goals and your production targets well.

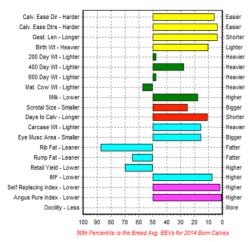
'MF Outlaw 1992' is a son of Matauri Outlier one of the most sought after sire of sons in recent times. Outlaw has a very sound and balanced phenotype and is very quiet like his sire. Good Growth, Very high Scrotal Circumference and High Fats really round out this sire, the third bull we have bought from the Martin Farming Programme in Nelson. The MF breeding philosophy is well aligned with ours.

EBV Percentiles for MF OUTLAW 1992



'Earnscleugh Tussock' was born and raised above the snowline in one of the most challenging beef cattle environments New Zealand has to offer. Tussock was purchased specifically to mate over our Chisum bred progeny. Chisum and his four sons that we have used have all passed on great body fats and maternal features to their daughters and Tussock will add some marbling to the genetic mix to complete the package.

EBV Percentiles for EARNSCLEUGH TUSSOCK 144307







MF Outlaw 1992 Tussock's Sire - Ayrvale Bartel E7

GENETIC GRUNT

You would have heard Auctioneer John McCone mention 'Milestone Dams' during the Fossil Creek Auction in June. This concept acknowledges the crucial cornerstone role that the dam bloodlines play in genetic capacity, and the ability to push the boundaries time and time again, with productive longevity at the forefront of these dams.

Below is an interesting link to a video clip that outlines the importance of this in the Australasian beef industry and references bloodlines that are linked to our genetic portfolio here at Fossil Creek; we have used a bull from Rennylea in our Fossil

Creek stud - 'R Edmund E11' and his son, Storth Oaks Everest J20.
Similar to the Rennylea philosophy, the cows at Fossil Creek Angus are paramount in driving the programme ahead.



https://www.youtube.com/watch?v=L0UAoJWg8L8



INTERNATIONAL BEEF ALLIANCE 2016 YOUNG LEADERS SCHOLARSHIP

Established in 2010, this youth program under the Five Nations Beef Alliance (now the International Beef Alliance) attracts participation from young leaders within each nation who are passionate about the future direction of the beef industry.

Beef + Lamb New Zealand is offering a scholarship to attend the Young Leaders Program and the International Beef Alliance Conference in Taupo on 15th – 21st October 2016. The scholarship covers airfares, accommodation and all conference costs. They must be keen to progress a career related to the beef industry and be aged between 22 – 32 years.

Applications close 10th August 2016. Contact doug.macredie@beeflambnz.com.



A BRIGHT BEEF OUTLOOK

In the next decades, global population will increase to over 9 billion people and fewer resources will be available. Our role as New Zealand farmers is to capture the demand for increased protein at the very leading edge of quality. Targeting the most discerning consumer and pushing our grass fed advantage is key to capturing the gains - not being pushed around by the 'beef burger' market.

Insights from Rabobank's latest Beef insights include:

- New Zealand cattle supplies are now tightening as the season moves into winter, and farm gate prices are expected to strengthen considerably. However, the extent of this increase will depend on how the US market reacts, and this always has a tendency to cause volatility in the marketplace.
- China's slowing economy is affecting general beef consumption, but higher and middle-income earners are supporting continued imports. Beef prices will remain stable in the coming quarter, as supply and demand are likely to be balanced. However, middle to high-end consumer groups are unaffected by the slowing economy and continue to seek quality beef products, and more importantly will be prepared to pay for the opportunity for sustainably produced NZ beef.

We hope that the remaining months of Winter are kind to you - followed closely by a very productive Spring.

Kind Regards,

Neil & Rose and Blair & Jane

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