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MARKET STATEMENT

24 November 2023

LIC provides update on semen quality issue

This month Livestock Improvement Corporation (NZX: LIC) notified affected farmers of a semen quality issue that has impacted some batches of their fresh conventional Premier Sires straws that were inseminated on farms on 17 - 19 October and 23 - 25 October.

LIC has thoroughly considered how the co-op can support affected farmers. The co-op has listened to the feedback from many of its farmers and consulted with the LIC Board and Shareholder Reference Group, recognising this situation has impacted farms differently.

LIC are offering a package that has two categories and can be refunded from farmers' LIC account to their bank account if preferred:

- All affected inseminations across all 6 days will be credited to the value of the original product used.

In addition:

- All CIDR inseminations across all 6 days will be credited a goodwill payment of \$30 per insemination.
- All affected inseminations on 18, 19, 24 and 25 October will be credited a goodwill payment of an additional \$30 per insemination. This recognises the greater impact identified on these days.
- Any herd where more than or equal to 10% of the herd size were inseminated on 18, 19, 24 and 25 October, a further \$30 credit per insemination will be credited.

Getting cows in calf goes to the core of what LIC do, and the co-op acknowledges the potential impact this situation has caused for individual cows in farmers' herds. LIC are disappointed that they haven't delivered to the high standard expected and are taking this situation very seriously.

The co-op continues to investigate the cause of this issue and have implemented additional quality control checks at 4am each morning prior to semen despatch. Since implementing this, LIC have seen no further issues.

LIC understands this is the last thing farmers need to deal with and sincerely apologise for the frustration this has caused. The co-op is committed to working with affected farmers, and their LIC Agri Manager is ready to provide them with support.

The co-op invites farmers to join LIC Chief Executive David Chin and Board Chair Corrigan Sowman on Tuesday 28 November at 7pm to hear more about this and have an opportunity to ask questions. This invitation is open to all LIC shareholders.

More details can be found at www.lic.co.nz.

ENDS

Contact

For shareholder enquiries, phone 0800 542 742

For media enquiries, contact Steph Slattery, Communications Manager: steph.slattery@lic.co.nz, 027 256 2057.

About LIC

LIC is a farmer-owned co-operative and world leader in pasture based dairy genetics and herd management. LIC exists to deliver superior genetics and technological innovation to help its shareholders sustainably farm a profitable animal. With origins dating back to 1909, LIC has a long history of developing and delivering world-leading innovations for the dairy industry. The co-op continues to be one of the sector's biggest private investors in research and development. Today the New Zealand-based co-op employs more than 700 permanent staff, swelling to 2000 during the spring peak dairy mating season. LIC also has offices in the United Kingdom, Ireland and Australia. All LIC profit is returned to its farmer owners/shareholders in dividends, or reinvested for new solutions, research and development. www.lic.co.nz