

Dear Dairy Farmers, Breeders and Industry Colleagues,

Liberty Genetics is the rational choice as your genetics and AB services provider.

We strive to:

- Work hard and keep things simple & efficient.
- Maximise conception rates
- Give Farmers value for money
- Produce quality replacement stock

These are the goals of our founders and management team.

Economy:

There is still some considerable financial pressure being applied to farmers as most financial institutions are struggling with liquidity and exposure to the rural market. Debt reduction from your banker's point of view is now number one.

Cash Flow is king – Our four goals above help you to achieve positive financial results!

have the highest loading of sperm per straw; 2.5 million sperm in a fresh straw, 25 million in a frozen straw. These two factors are backed up with our systems and experienced technicians ensuring that sperm is delivered to the cow in top condition.

Breeding Worth (BW) is the primary measure of the genetic quality of replacement stock and we agree. The BW breeding objective is a world class ranking system that relates directly to profitability and feed conversion efficiency. In addition to delivering high BW we have also delivered improvement in key conformation traits e.g. measured by the udder overall BV.

Animal Evaluation results confirm that the performance and conformation of the daughters from the Liberty elite young sire teams, has matched and in several cases exceeded the results delivered by contemporary proven sire teams. The most recent example is our 2006 Crossbred team,

Team Profile	No of bulls	Ave BW	Top Bull	Lowest bull	Average protein	Average Udder Overall
2006 Liberty Crossbred Team	9	214	267	179	21	0.09
2006 Most used Proven team	10	163	238	129	12	0.11
Estimated Weighted average delivered by the Proven bull team		175				

TABLE 1: Comparison of crossbred teams, sires of current season milking 2 yr olds



Data from Animal Evaluation Run, March 6th 2010

2010 Sales Season is underway. Remember that you need to order by June 1 to lock in your Best Value semen pricing for 2010. Visit the website or contact a sales rep or shareholder (list on Page 4)

Fertility on farm remains a major issue across the industry and the key driver of profitability on farm. Reports from many of our customers suggest that they are definitely seeing above average or improved results when they use the Liberty product.

Liberty Genetics fertility performance is second to none. One of the reasons behind this is our straws

where the two year olds are now completing their first lactation.

Table 1. shows the crossbred teams stellar performance.

While we agree that BW is the right breeding objective, this outcome must be delivered at reasonable cost to the farmer. We look forward to welcoming many new customers in 2010.

I take this opportunity to acknowledge and thank our shareholders and customers that have contributed to the Liberty Genetics success story.

David Hayman and the Liberty Team

Congratulations to Dave & Lisa Ritchie

Congratulations Dave and Lisa, clients of Liberty Genetics, for winning the Auckland/Hauraki Sharemilker Of The Year (SMOTY) competition. Dave and Lisa won four of the nine merit awards through-out the evening.

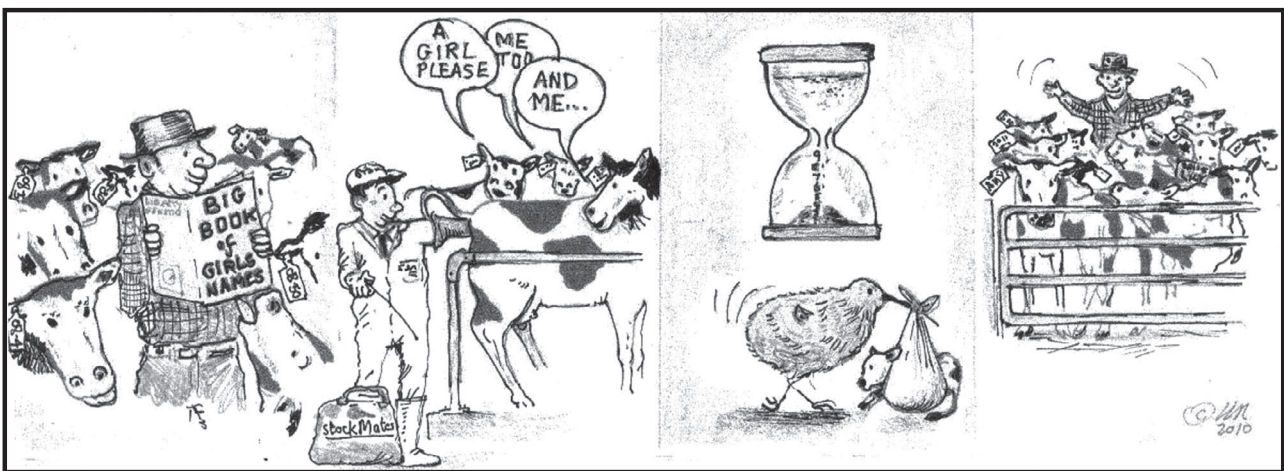
These were the; Meridian energy farm environment award, LIC recording and productivity award, Ecolab farm dairy hygiene award and Westpac business performance award. The evening ended on a high for the Ritchie's' when they were announced the winners of the regional competition.



Dave and Lisa at the NZDIA on March 11th, at Alexandra Park, Auckland

In Dave and Lisa's victory speech Dave said that the competition for them would not be over until they brought the National SMOTY Title home. We wish you all the best Dave & Lisa

New Zealand Sexed Semen Trials



Phase II of the NZ Sexed Semen Trials are in motion with Liberty Genetics recruiting winter milk farmers with well grown lines of recorded heifers, to be mated in the autumn/winter period. The cost to farmers is low and there is a limit to the size of the trial. So contact us soon if you are interested

AgResearch is currently analyzing the spring

mating data and DairyNZ will evaluate the economic benefits for dairy farmers, using NZ sexed semen in their dairy herds.

Dairy farmers throughout NZ are anticipating the calving results and are looking forward to mating their top animals to Liberty Genetics NZ Sexed Semen.

Liberty Genetics @ Regional Field Days

Liberty Genetics was present at the Southland, Northland and Central Districts Field Days. The weather was very pleasant at Waimumu with the rain holding off till the evening of the last day unlike the weather at Dargaville and Feilding where we faced the challenges of wind on the first two days, followed by a thunderstorm in Dargaville on the last day. Our gazebo, which was purchased for the Feildays, stood tall with the help of some number 8 wire and bailing twine but it leaked like a sieve when the rain started to bucket down. No complaints from the team as rain is a priority especially up North.



Farmer feedback was extremely positive throughout the field days.

We also ran a competition at each location, with the winners receiving \$700 worth of Liberty Genetics NZ Sexed Semen.

The winners of the Field Days competitions were:

Southland - Kevin and Lin Hall, from Gore,
Northland - Neil and Ingrid Davies, from Dargaville
Manawatu - Kylie and Scott Guy, from Feilding
 Congratulations to all the winners and we look forward to helping you to get Best Value out of these straws.

StockMates are there to help you at any time in the year!

Our StockMates technicians did a fantastic job inseminating the 2009 spring mated herds.

We have received positive feedback about farmers conception rates and we hope that farmers are planning for the challenge of a busy and tighter, calving period.

As Liberty Genetics continues to increase its market share StockMates will need to increase their technician base. If you are a technician and are looking at your options in 2010 please call **Elizabeth Leonard on 0272543737**.

Remember that many of our technicians are available to help with skilled stock work tasks at other times of the year. If you have cut back your core staff and are finding it tough to make time to do those critical stock work tasks (e.g., animal health & identification, or DNA sampling especially with the young stock), contact us to find out who we can recommend.



CARR

For Dulcie it was the perfect Valentine's Day gift.. everything a cow could want without all the rest of the bull.

Another satisfied Liberty Genetics customer

South Canterbury's Rua Farming Co has had their best six week in-calf rate ever at 83.7% with a three week conception rate of 60%. Farm manager; Mitchell Bragg, (2003 winner of the Auckland/Hauraki NZ Sharemilker of the year competition), has managed Rua Farming Co for the last three seasons and Mitchell attributes the high conception rate to factors such as animal health and a higher sperm count per straw.

This season, Rua Farming Co is milking 850 cows off 266 ha with the target of increasing cow numbers to 1000 within the next 3 years.

The 2009 forecasted payout helped make the decision to change Rua's AB provider to Liberty Genetics, who offer the dairy farmer a competitive product, for a significantly lower price.

"The savings that we made were used in other areas of herd improvement such as vaccinating the whole herd for BVD which had been a on-farm problem for the last couple of years."

Rua Farming Co has a policy of "keeping things simple." 55 cows were induced at the start of calving

and the herd was metro-checked before the start of AB resulting to 70 cidrs being used in the first week of A.I. Cow condition was maintained throughout the spring by supplementing the herd's grass diet with 220 tons of grass silage.

"We like to think that we are pro active and prevent problems before they occur and we are able to minimize our animal health problems if the cows are in excellent condition." During pregnancy testing, Oamaru Veterinary Practice also commented on the excellent cow condition. Better fed cows have been a priority resulting in Rua achieving better in-calf rates, increased milk production and a more condensed calving spread.

Contacts on the website.

For enquiries call **Lin Buckley 0508 454 237**
Customer Services Manager
or email info@libertygenetics.co.nz

For bull breeding and business enquiries contact:
Dave Hayman, Managing Director;
email dhayman@libertygenetics.co.nz, or **phone 0274 965 983**.

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LibertyGenetics
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www.libertygenetics.co.nz

Creating Value in Dairy Genetics since 1998

What can farmers believe about Genomics?

There has been a great deal of speculation about how genomics would perform in the sire proof results in the 2009-10 season. These results are critical to farmer genetic selection decisions in 2010 as we need to know how credible the genomic enhanced BWs are. It impacts in both the commercial and the seed-stock(bull breeding) sectors. We are now getting towards the end of the season and bull proofs on the new graduates are tending to stabilise. It is also a key time at the start of the AB sales season as farmers are being asked to make decisions for the 2010 mating season.

A review of the introduction of genomics.

2006- 2007 The LIC secure funding to progress development in genomics.

2008 – May. LIC and CRV market Genomic selected bulls with a premium price tag. LIC applied a “Parent Average Adjustment(PAA)” to the estimation of the BW enhanced with genomic analysis to adjust for bias in the genetic evaluation of bull dams.

2008 – November. LIC Friesian genomics team is withdrawn and farmers are refunded the premium paid. Proof results from the CRV Ambreed 2005 code genomic selected bulls are also disappointing.

2009 – February, Animal Evaluation seeks to apply a parent average adjustment to all young sires (effective from June 2009). NZAEL agreed

to postpone this step until more research and consultation can be completed.

2009 – October. New graduate Jersey and Crossbred bulls from 2006 SPS teams are promoted to the proven sires team with fanfare, because their BWs are lifting on early season AE runs. Further investigation confirms that this lift has occurred, not because of daughter performance, but because once the first daughter is herd tested, the Parent average adjustment is withdrawn producing a \$22-26 lift in BW.

Where are we at today?

October 2009 to March 2010

Animal Evaluation provides an NZ BVs file after each evaluation to confirm what the bull BVs would be without genomic data included. Analysis of this data shows significant discrepancies between the NZ daughter performance and the genomic enhanced BW. It becomes clear that the genomic information has greater weighting in the AE calculations than originally thought.

Summary

“There is a significant risk that, at this point the influence of genomics on the new daughter proven sires may have compromised genetic gain especially in the Jersey breed.”

Farmers that have paid a premium for genomically selected semen are highly unlikely to get an economic return given the premium price and the probable under performance.

Reviewing The Budget?

Don't sign up for AB services before you have checked out Liberty Genetics.

***NZ farmer owned.
Driving down AB costs!***

Use Liberty Genetics to achieve genuine genetic gain and add value to your herd, at maximum economic efficiency!



Check out our website or call
Freephone **0508 454 237**



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