



Wagyu South Africa



The Wagyu Certified Beef Program

1. Introduction

The Animal Improvement Act of 1998 recognises the Wagyu Society of South Africa (WSA) to be the custodian of the Wagyu breed in South Africa. This includes its efforts to establish and ensure the integrity of its product.

Accordingly, WSA has established the South African Certified Wagyu Beef Program (CWB) which aims to ensure the integrity of the South African Wagyu beef supply chain and to assure the end customer of product reliability and quality.

2. Definition of Wagyu

The breed definition of Wagyu beef in South Africa is:

- Any animal sired by a WSA registered sire which is Fullblood or Purebred (see Appendix 1 for Wagyu Breed Trade Description).
- Minimum breed content level for Crossbred Wagyu (F1) - at least 50% Wagyu breed content with a maximum variation of 5%.

3. Definition of CWB is:

The definition of CWB is:

- Wagyu breeding as per the South African Wagyu breed definition.
- Minimum Marble Score 4 for export. Marbling 3 for primals in RSA and 1 and-2 to be graded as ground beef.
- Hormone free.
- All males castrated prior to 5 months of age.
- Ethically produced and managed.
- Maximum criteria for Bos Indicus content
- Weights and carcass data collected at critical control points

4. Program

Purpose

CWB will :

- Ensure product trust;
- Provide a consistent message to consumers regarding Wagyu beef as a product;
- Provide the Wagyu industry with the opportunity to market and brand the Wagyu product appropriately; and
- Protect the investment made by WSA members in all sectors of the Wagyu supply chain.

Wagyu supply chain

CWB will in future be able to **assure Wagyu breed content** using an Tissue Sampling Unit (TSU and hair) Combo in all live animals in the Wagyu meat supply chain including:

- Seedstock producers;
- Commercial/emerging producers;
- Backgrounders; and
- Feedlots.



Wagyu South Africa



The Wagyu Certified Beef Program

CWB will assure minimum carcass attributes for Wagyu meat in the Abattoir sector.
CWB will assure Wagyu meat at wholesale and retail level to ensure final product integrity and customer confidence and loyalty in the Wagyu brand.

Licensing

Each sector of the supply chain will have its business entities licenced to comply with the CWB program at a small charge. The licence principles include:

- CWB licence certificate prominently displayed.
- Only Fullblood and Purebred registered bulls used to produce progeny.
- Each sector must only purchase Wagyu animals and/or beef from a CWB licenced entity and sell to a CWB licenced entity.
- Commercial producers to tag all Wagyu slaughter progeny with CWB trademarked tags and supply a DNA sample (TSU and hair) and a list of registered Fullblood/Purebred bulls used to produce the progeny to CWB. The tag identifiers will only be activated on the CWB database when the matching TSU and hair sample is received by CWB.
- The CWB animal database will be accessible only to licensees.
- Feedlots to supply feedlot entry- and exit weights and -dates.
- Abattoirs to supply live animal tag/body number linkage and carcass attributes of:
 - Carcass Weight
 - Marble Score, or Marble Percentage if camera available
 - Eye Muscle Area, if camera available
 - Marbling Fineness, if camera available
- Wholesalers selling CWB approved products will only procure Wagyu products from CWB licenced abattoirs and CWB audits through the rest of the value chain.
- Retailers selling CWB approved products will only procure Wagyu products from CWB licenced abattoirs and/or wholesalers.
- Licensees may use the CWB trademarked logo in their marketing with CWB specific approval e.g. CWB produced signage.
- CWB will make the full list of licensees publicly available.
- Complimentary Commercial Membership with WSA if not already a member.
- The licence application form is available on the Wagyu website <http://wagyu.org.za/CertifiedWagyu>

Objective carcass scanning

CWB, though the Wagyu Society has procured a MIJ-30 Carcass camera from MIJ in Japan at a cost of nearly R1 million. The Camera gives an objective measure of marbling %, marble score and also records meat and fat colour. ASF, an independent meat grading company with over 500 staff independently assess all carcasses. Carcasses are then loaded onto the CWB slaughter database and the results will be used for genetic evaluation. CWB is also trailing the new Masterbeef phone App from Australia. More than 95% of all carcasses in South Africa are objectively scanned.

The Wagyu Certified Beef Program



Fees and charges

CWB will only apply charges to:

- Commercial producer – for the purchase of the tag bundle (matching visual tag, RFID button tag, Tissue Sampling Unit) from CWB for every CWB animal.
- CWB has negotiated a special price, for the producers account, of R130 for a DNA parentage test at the Unistel laboratory in Tygerburg.
- A fee of R150 per animal will be equally distributed between the Producer, Feedlot and Abattoir and be levied from producer to feedlot phase, feedlot phase to abattoir and at slaughter by the abattoir i.e. at each transfer. A transfer implies the physical movement of animals from one entity to the next entity. A fee of R150 at slaughter is applicable to entities that own the whole value chain.
- CWB charges \$6AUD per carcass image that is paid as a royalty to MIJ and Masterbeef. ASF, official SAMIC suppliers also charges a scanning fee.

CWB funds the following supply chain functions:

- Loading data for inclusion into the Wagyu genetic analysis.
- Enabling and encouraging animal number feedback to licensed supplier.
- CWB brand marketing.
- Research and development.
- Opening of new markets.
- Coordinating the SAMIC audits.
- Coordinating the carcass imaging.



Wagyu South Africa



The Wagyu Certified Beef Program

Supply chain audit

CWB will audit the Wagyu supply chain as follows:

- Commercial Producer – random 100% physical inspection to ensure all CWB identified animals are CWB tagged and TSU's and hair samples have been submitted to CWB to activate the tags on the CWB database. 10% of all commercial entities are audited annually.
- Sire validation through genetic testing of supplied DNA.
- Feedlot – random physical inspection to ensure all CWB fed animals are CWB tagged to ensure they are active in the CWB database. No use of hormones or disallowed feed products on CWB animals. Feedlots are audited twice per annum.
- Abattoir – random physical inspection to ensure all CWB lairage animals are CWB tagged to ensure they are active in the CWB database. Correct matching of CWB ear tag to body number. Check on CWB carcasses to ensure minimum Marble Scores. Feedlots are audited twice per annum.
- CWB logo correctly displayed on all Wagyu vacuum packs and boxes and on all beef sold as carcasses or part carcasses.
- Wholesaler – random physical inspection of cool rooms to ensure all Wagyu beef is CWB. Random sample of meat offered as CWB to be genomically tested for minimum Wagyu breed content. CWB logo is correctly displayed on marketing materials. Wholesalers are audited twice per annum.
- Retailer (Butchers and Restaurants) – random physical inspection of cool rooms to ensure all Wagyu beef is CWB. Random sample of meat sold and/or served as CWB to be genomically tested for minimum Wagyu breed content. CWB logo is correctly displayed on menus and other marketing materials. Wholesalers are audited twice per annum.

Data collection and storage

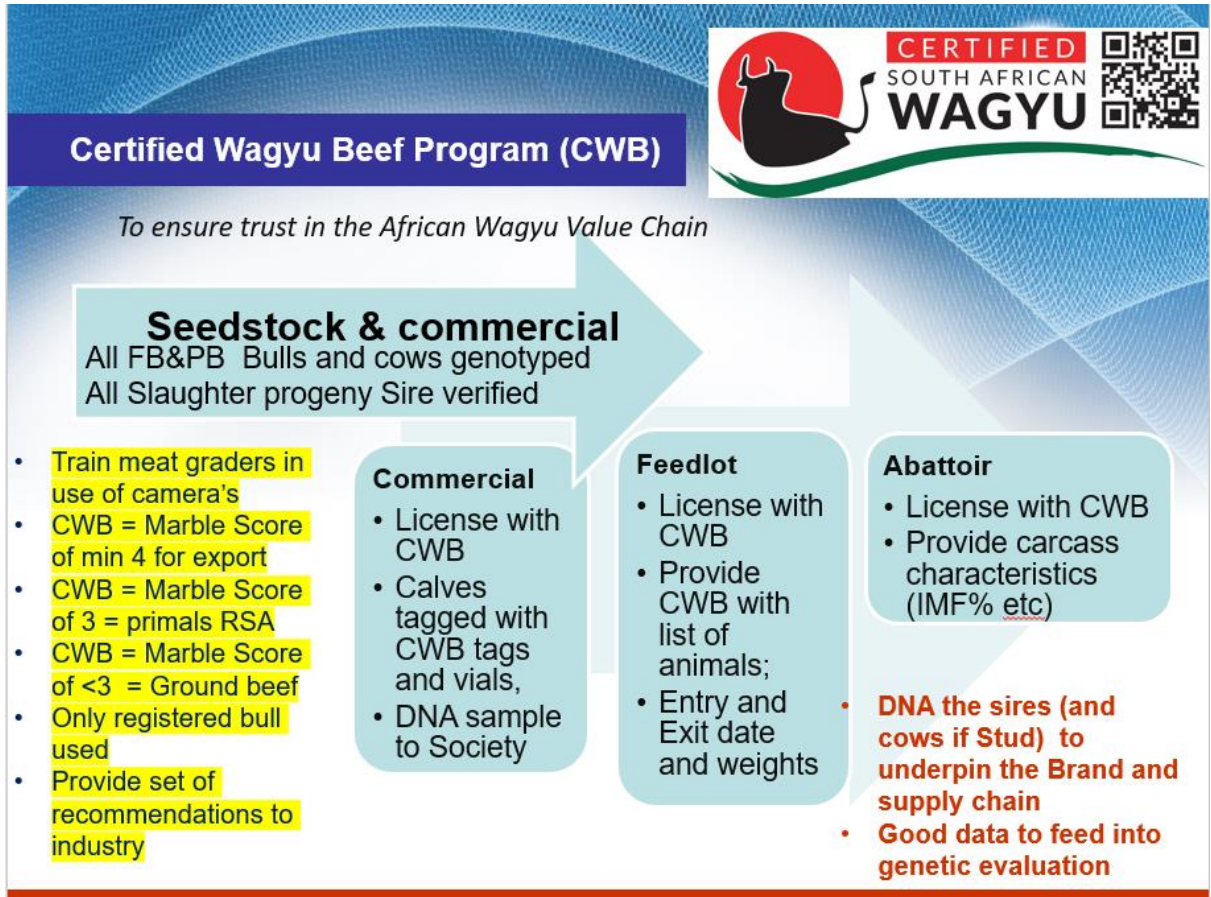
CWB will collect and store data as follows:

- CWB tag bundles sent to commercial producers will be registered in the CWB register on ILR2
- When the TSU and hair sample is returned to CWB with the DNA sample enclosed it will be:
 - Sent for sire validation to the DNA service provider and the TSU returned to CWB.
 - Stored in the CWB TSU storage unit for subsequent testing as required. CWB retains the right to SNP genotype and test the DNA sample at its sole discretion.
- As the technology develops, the licenced commercial producers or feedlots may purchase a SNP genotype and performance prediction of an animal
- CWB will collect feedlot and carcass performance data and store in ILR2 for input to Wagyu BREEDPLAN as follows:
 - Feedlots to supply feedlot entry- and exit weights and -dates
 - Abattoirs to supply live animal tag/body number linkage and carcass attributes of:
 - Carcass Weight
 - Marble Score, or Marble Percentage if camera available

The Wagyu Certified Beef Program

- Eye Muscle Area, if camera available
- Marbling Fineness, if camera available

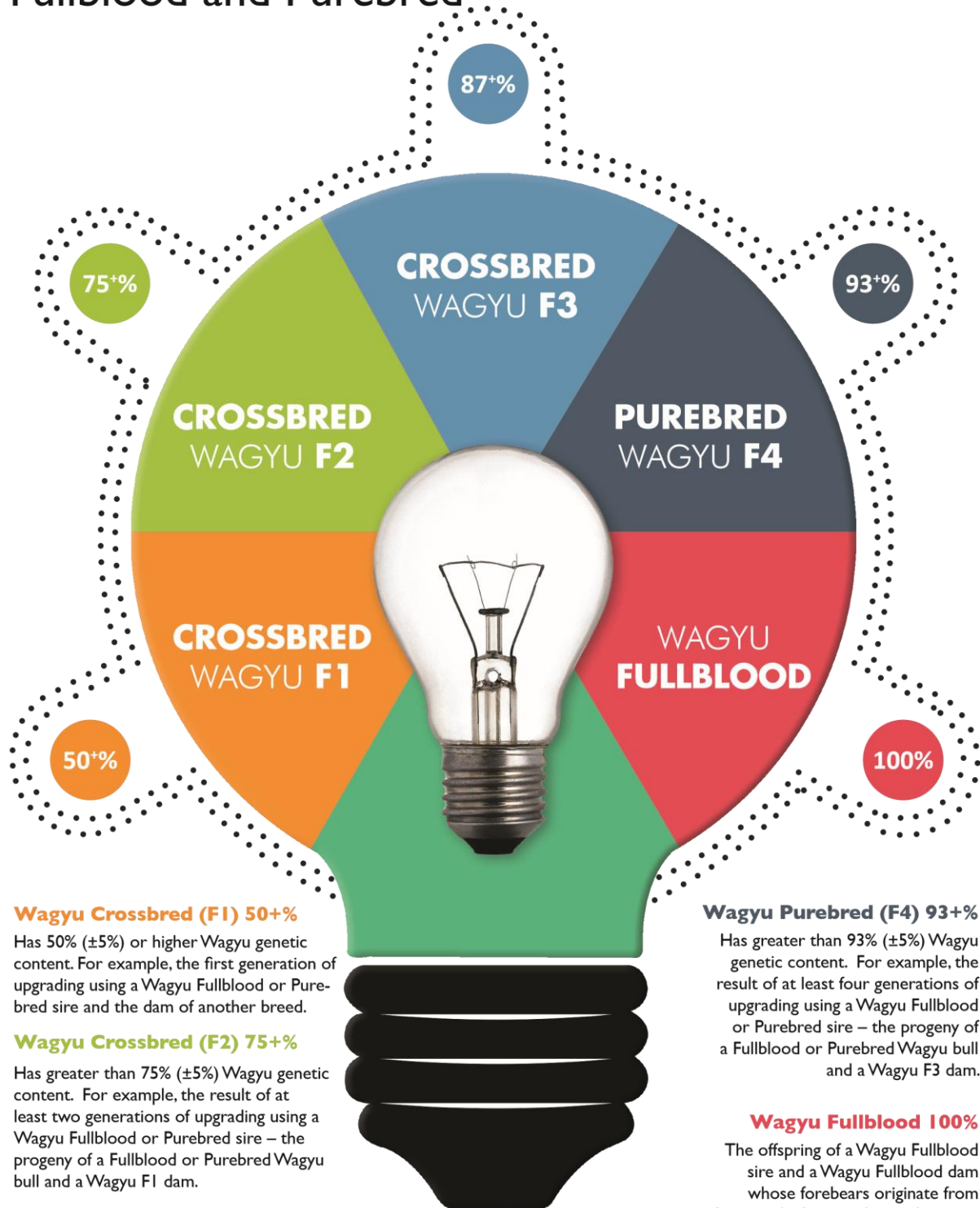
This is diagrammatically represented as follows:



Appendix 1 Wagyu Breed description

WAGYU GRADING-UP PROGRAM

Fullblood and Purebred



Wagyu Crossbred (F1) 50+%

Has 50% (±5%) or higher Wagyu genetic content. For example, the first generation of upgrading using a Wagyu Fullblood or Purebred sire and the dam of another breed.

Wagyu Crossbred (F2) 75+%

Has greater than 75% (±5%) Wagyu genetic content. For example, the result of at least two generations of upgrading using a Wagyu Fullblood or Purebred sire – the progeny of a Fullblood or Purebred Wagyu bull and a Wagyu F1 dam.

Has greater than 87% (±5%) Wagyu

Wagyu Purebred (F4) 93+%

Has greater than 93% (±5%) Wagyu genetic content. For example, the result of at least four generations of upgrading using a Wagyu Fullblood or Purebred sire – the progeny of a Fullblood or Purebred Wagyu bull and a Wagyu F3 dam.

Wagyu Fullblood 100%

The offspring of a Wagyu Fullblood sire and a Wagyu Fullblood dam whose forebears originate from Japan and whose pedigree shows no evidence of any crossbreeding.