



### **SunGold Payment Grid Changes – Effective Aug 22, 2017**

Starting in August 2017 SunGold will be grading at the hot dressed rail scale. This is consistent with grading locations performed in other countries. In Canada, historically lamb grading has been done in the carcass cooler after fat has set up for 20-40 minutes. In testing SunGold has determined the measurement at the scale compared to in the cooler is not significantly different. (In testing only 3% of carcasses exhibited a different GR measurement of only 1mm.) Grading at the scale will be a more efficient process from a labour, equipment and systems standpoint.

Also starting in August, SunGold is moving to a new grading tool that is more efficient and accurate at visually determining grades for lamb. This is a manual grading tool used in New Zealand that is visually simpler. We'll be faster at grading and more accurate at assessing the grade breaks between YG1 and YG2, for example, or the breaks for YG3 and YG4. This tool is also larger and can accommodate future grades if we want to differentiate extremely over-fat lamb, like those over 35mm fat cover.

Concurrent with the grading adjustments in August 2017 we are dropping the distinction between a YG2A (12-15mm fat cover) with a YG2B (16-18mm fat cover). Prior a YG2A had a \$0.05 premium while the YG2B had no premium. Instead all YG2 will receive a \$0.03 premium.

Additionally, we are moving the YG1 and YG2 break from 12mm to 13mm. This is more consistent with the historical Canadian grading system. This will provide more premium potential to producers that utilize the SunGold payment grid.

**Bottom line:** Producers will benefit from a simpler grid with better premiums in the YG1 and YG2 range and SunGold will benefit from a simpler, less expensive grading process.



Image is showing the new grading tool on the left and the older tool on the right.