

Engender signs \$1m deal with Chinese artificial insemination company

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Engender managing director Brent Ogilvie

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Engender's Brent Ogilvie says the deal gives it a definite channel to Chinese dairy farmers.

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Kiwi sperm startup Engender Technologies has secured a \$1 million deal with Asia's biggest animal genetics company.

Engender is commercialising a laser technology that separates male- and female-bearing sperm cells primarily for the dairy industry. It builds off the photonics work of Associate Professor Cather Simpson of Auckland University's Photon Factory.

The company has attracted \$5.5 million in investment capital and \$400,000 in research and development grants since it was spun out of the university in 2011. Investors include Auckland UniServices with a 15.35% stake, seed investment company Pacific Channel Holdings with 10.81%, Ice Angels with just under 10%, and the NZ Venture Investment Fund with 6%.

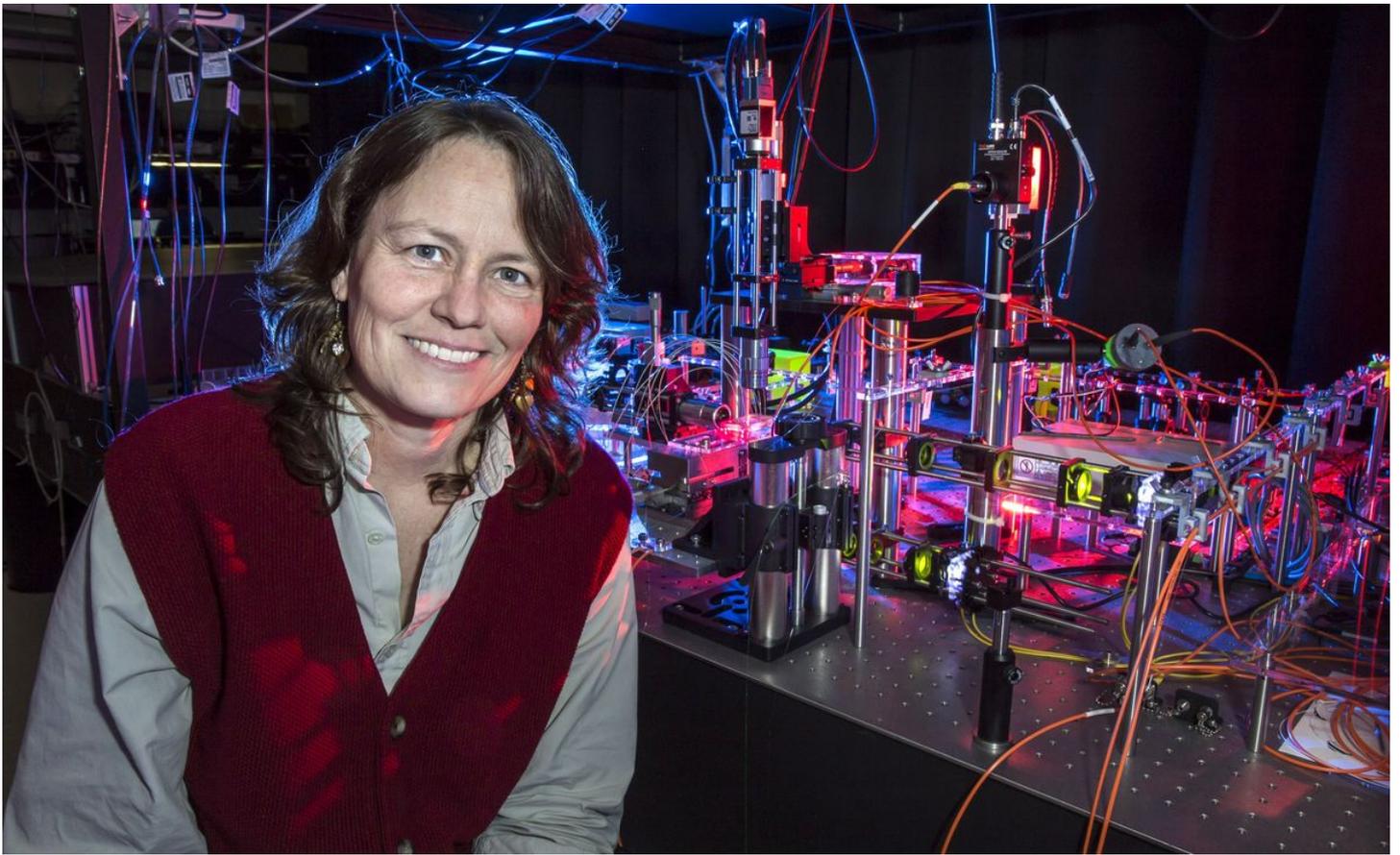
The Asian company sells bovine semen for local farmers but Engender managing director Brent Ogilvie says the firm has requested its name is not made public at this stage.

It's the first such deal for Engender in Asia and involves an upfront \$1 million payment and the provision of other development resources including in vitro and field trials in China in exchange for an option to licence the technology in that country.

Prof Simpson says the deal reinforces that Engender is on the right path.

"It's a competitive world for tech start-ups and securing a significant deal like this is not easy," she says.





(Cather Simpson)

Mr Ogilvie says it took nine months to complete the deal which is relatively fast when negotiating with a large Chinese corporate.

“The deal for us means that in addition to options for licences already signed in North America and in Europe we now have a definite channel to the Chinese market.”

The artificial insemination industry is dominated by a small number of big companies globally and Engender wants to licence the technology to those companies which will on-sell it to farmers.

Mr Ogilvie says there is only one incumbent semen sexing technology in the market but it has a couple of shortfalls, including reducing fertility for dairy farmers by about a third and a cost premium of up to four times more than unsexed straws of sperm.

“That combination has limited its uptake but nonetheless it has gone from concept to more than \$US200 million of sales in the most recent year that we know of and it does suggest there’s a very large market there for such technology.”

Engender’s technology is more gentle on the sperm cells during processing which should lower the fertility reduction and it should be produced at a lower capital and operating cost than in the incumbent technology, he says.

The next milestones for the start-up are developmental – proving with the help of its artificial insemination partners that the technology works as effectively as claimed – and raising more capital mid-year. Other targets include working with the pork industry which has similar breeding issues as dairy.

Last year Engender was the first Australasian company to win the agtech sector of the third annual World Tech Cup Challenge in Silicon Valley while Prof Simpson won the supreme award in the KiwiNet Research Commercialisation Awards. Engender was also recently named one of five most innovative international agtech start-ups at the 2017 Agfunder Global Innovation awards.

Prof Simpson is also involved in another spin-out, Orbis Diagnostics, which has attracted seed investment to develop technology that analyses milk composition in the milking shed at “point of cow.”

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