



Meat & Livestock Australia  
**Annual Operating Plan**  
**2015-16**

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**MLA acknowledges the matching funds provided by the Australian Government to support the research and development detailed in this report**

## Acronyms

### MLA business units

Central Marketing and Industry Insights.....	CMII
Communications and Stakeholder Engagement.....	CSE
Corporate Services.....	CS
Red Meat Innovation.....	RMI
International Markets.....	IM
Livestock Productivity.....	LP
On-farm Innovation and Adoption.....	OIA
Value Chain Innovation.....	VCI

### Other acronyms

Annual Operating Plan.....	AOP
Australian Meat Industry Council.....	AMIC
Australian Meat Processor Corporation.....	AMPC
Australian Pesticides and Veterinary Medicines Authority.....	APVMA
Collaborative Innovation Strategies program.....	CISp
Cooperative Research Centre.....	CRC
Department of Agriculture and Food Western Australia.....	DAFWA
Exporter Supply Chain Assurance System.....	ESCAS
Free Trade Agreement.....	FTA
General practitioners.....	GPs
Going into Goats.....	GIG
Gulf Cooperation Council.....	GCC
Intellectual property.....	IP
Intercollegiate Meat Judging.....	ICMJ
International Organization for Standardization.....	ISO
Intramuscular fat.....	IMF
Key performance indicator.....	KPI
Livestock Data Link.....	LDL
Livestock Export Program.....	LEP
Livestock Production Assurance.....	LPA
Marketing dollars.....	M
Meat & Livestock Australia.....	MLA
Meat Standards Australia.....	MSA
MLA Donor Company.....	MDC
National Livestock Identification System.....	NLIS
National Livestock Reporting Service.....	NLRS
National Vendor Declaration.....	NVD
Natural resource management.....	NRM
Occupational health and safety.....	OH&S
Phosphorus.....	P
Research and development.....	R&D
Research, development and adoption.....	RD&A
Research, development and extension.....	RD&E
Research and Development Corporation.....	RDC
Research dollars.....	R
World Trade Organization.....	WTO

**Important note: all figures expressed in this AOP are in \$'000. Numbers may not add up due to rounding.**

# Introduction

This *Annual Operating Plan* (AOP) outlines MLA’s planned work program in 2015-16. It contains the strategic imperatives which are the themes that guide MLA’s annual work program. It also includes the objectives and the strategies, key initiatives and budgets to achieve those objectives. The AOP aims to guide MLA and inform levy payers, peak industry councils, the Australian Government and the wider industry about MLA’s planned activities.

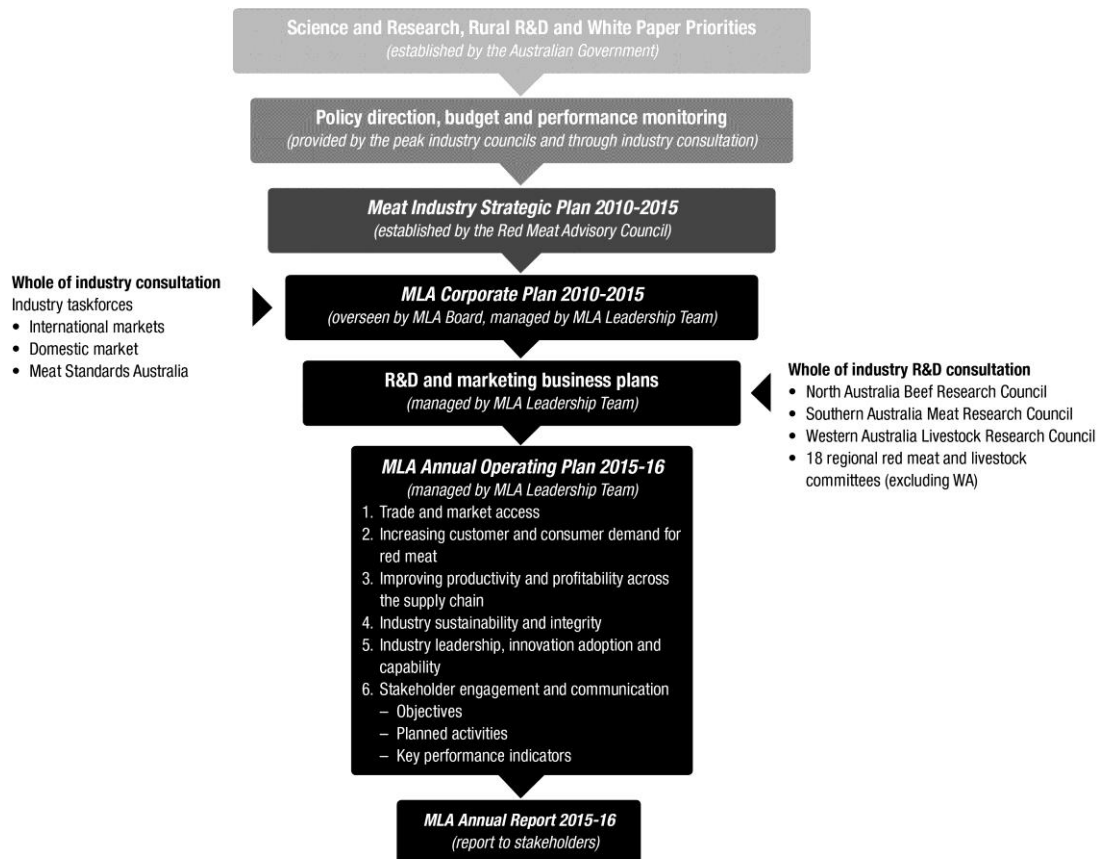
## Strategic direction

MLA doesn’t spend levies and make decisions in isolation. This is done in concert with producers, the government, peak industry councils and other industry organisations.

MLA considers 2015-16 to be a **transitional** year given the release of the *Meat Industry Strategic Plan (MISP) 2020* in September 2015, after this AOP had been finalised. As this document was unavailable during planning for the 2015-16 AOP, MLA has taken its strategic direction this year from the Australian Government’s Science and Research Priorities (see Appendix A) and the Rural Research Priorities (see Appendix B), the *MISP 2010-2015* and the *MLA Corporate plan 2010-15* (see Figure 1).

The Australian Government has developed clear, farmer-orientated priorities to target rural RD&E funding in its *Agricultural Competitiveness White Paper*, released in July 2015. MLA’s objectives in this AOP align to these priorities (see Appendix C).

**Figure 1: MLA’s strategic and operational planning process in 2015-16**



For the four years following this plan, MLA will take its strategic direction from the *MISP 2020* and the *MLA Corporate Plan 2015-2020* (currently in draft), as well as the Australian Government’s priorities.

### Strategic imperatives

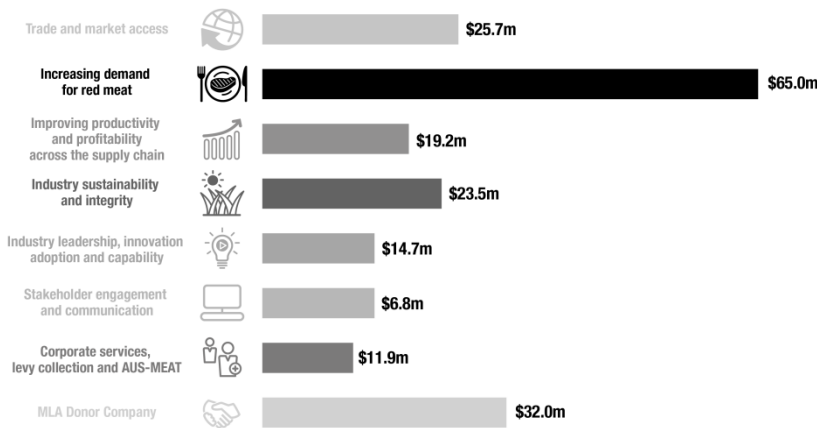
MLA's strategic imperatives in 2015-16 are:

1. Trade and market access
  2. Increasing customer and consumer demand for red meat
  3. Improving productivity and profitability across the supply chain
  4. Industry sustainability and integrity
  5. Industry leadership, innovation adoption and capability
  6. Stakeholder engagement and communication
- Corporate services
  - AUS-MEAT

### Budget overview

In 2015-16 MLA plans to invest \$199 million in research, development and marketing activities across the six strategic imperatives, the MLA Donor Company (which doesn't use producer levies), corporate services, levy collection and AUS-MEAT (Figure 2).

**Figure 2: MLA strategic imperatives – 2015-16 budget**



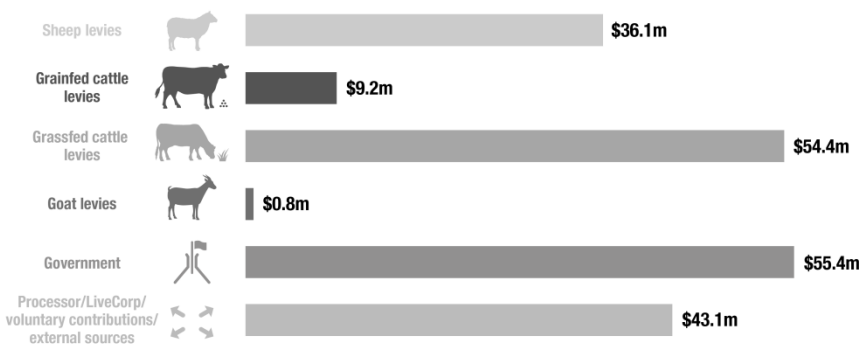
**Total investment \$199 million**

Includes MLA R&D and marketing levy funding and matched R&D funding from the Australian Government.

### Funding sources

MLA's \$199 million investment is funded by producer levies, the Australian Government and external sources including from processors, LiveCorp and voluntary contributions (Figure 3).

**Figure 3: Projected 2015-16 investment, by funding source**



**Total investment \$199 million**

Includes MLA R&D and marketing levy funding and matched R&D funding from the Australian Government. The \$32 million projected to be invested through the MLA Donor Company is captured in the figure above. This includes \$16 million in voluntary contributions and \$16 million in Australian Government funding.

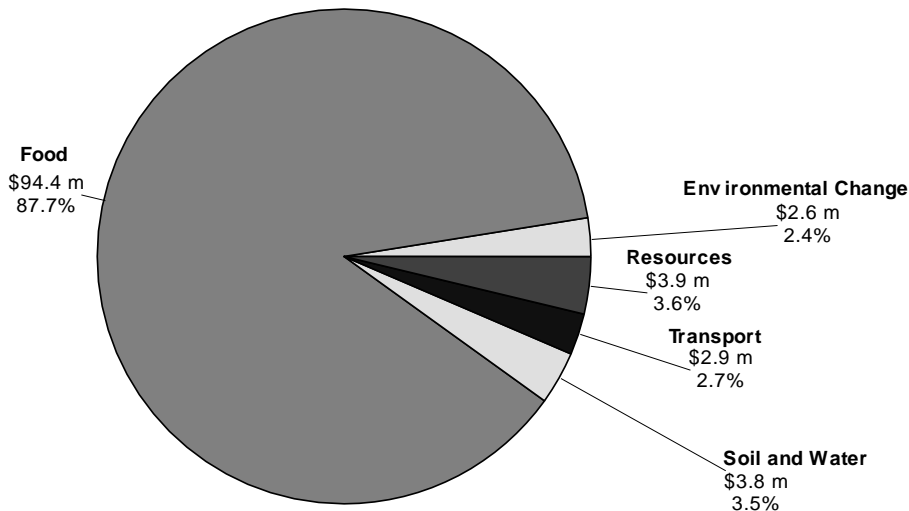
The funding sources of each strategic imperative are shown in Appendix D.

**Alignment with Australian Government priorities**

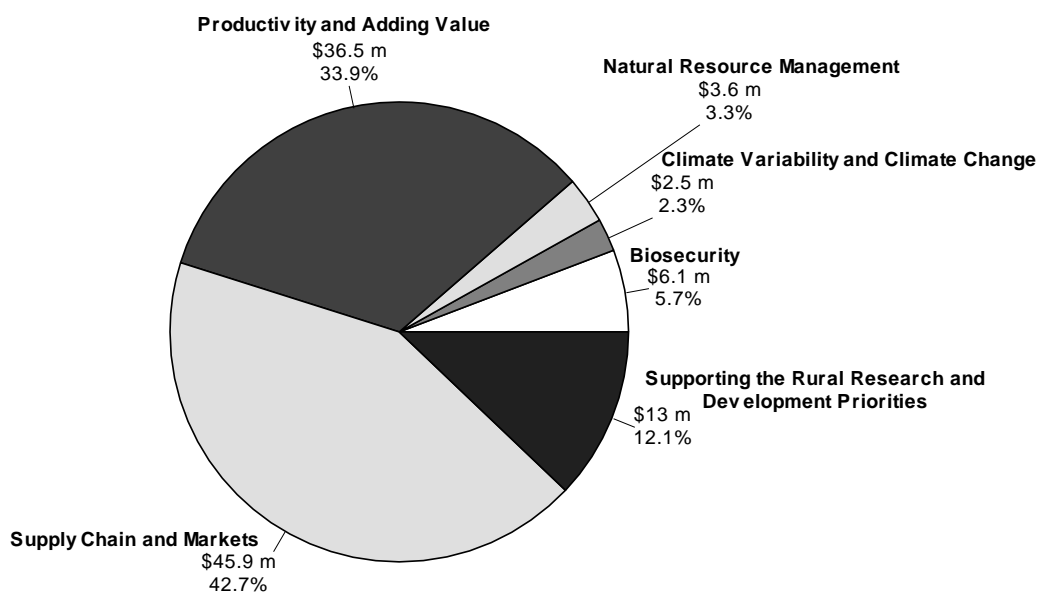
Figures 4-6 show the alignment of MLA’s \$107 million research and development budget (which includes Australian Government matching funding and MDC investments) across the Australian Government’s research priorities.

This alignment is further detailed in appendices A-C.

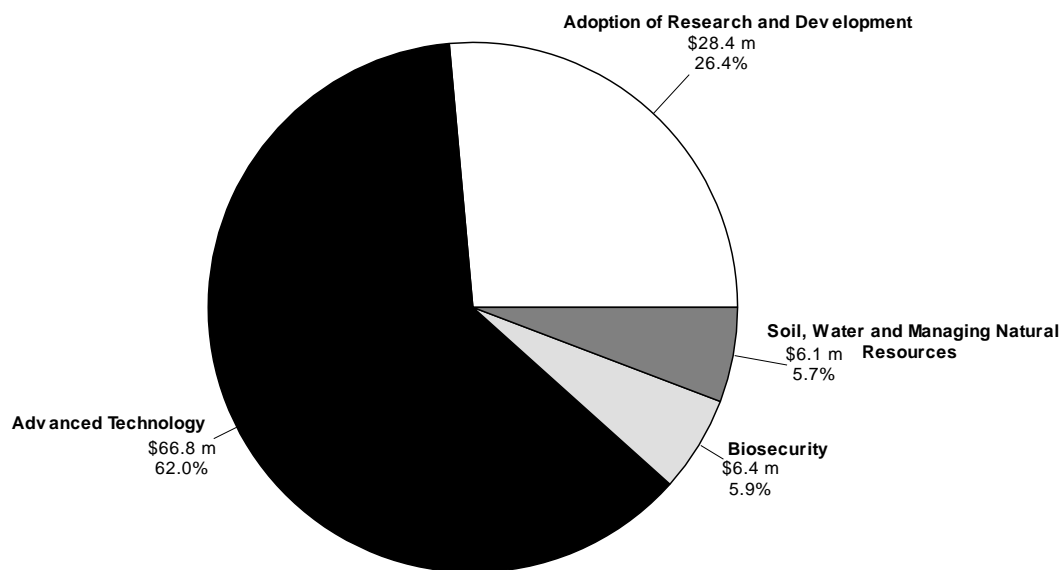
**Figure 4: MLA’s research and development 2015-16 budget across the Australian Government’s Science and Research Priorities**



**Figure 5: MLA’s research and development 2015-16 budget across the Australian Government’s Rural R&D Priorities**



**Figure 6: MLA's research and development 2015-16 budget across the Australian Government's Agricultural Competitiveness White Paper Priorities**



### Structure

The remainder of the AOP is structured as follows:

- Strategic imperatives: level one eg. 1. Trade and market access
- Objectives: level two eg. 1.1 Develop and deliver industry systems that underpin product integrity
- Strategies: level three eg. 1.1.1 Conduct scientific research to ensure food safety systems are at the leading edge of knowledge and practice
- Key initiatives: level four eg. 1.1.1.1 Access and maintain the safety and integrity of product in the marketplace.

# 1. Trade and market access

## 1.1 Develop and deliver industry systems that underpin product integrity

For many years, Australia has enjoyed unparalleled access to world meat markets due to its favourable disease status and world class food safety and integrity systems. Continued work is required in these areas to ensure ongoing leadership through both R&D and industry integrity system activities to keep Australia at the forefront of developments and investments in maintaining existing systems. In the area of food safety and integrity, MLA will continue to invest in the maintenance of the NLIS database and LPA systems; develop tools and systems for managing food safety based on innovative science; and develop capabilities, processes and systems that facilitate the electronic transfer of food safety information throughout the supply chain.

This objective aims to deliver the following outcomes which, unless otherwise indicated, are related to all the strategies in the table below:

- Satisfaction rating of MLA's food safety activities by industry (processors and AMIC) rated at more than 85 per cent (*related to strategy 1.1.1*)
- Develop a comprehensive information resource on shelf-life (*related to strategy 1.1.1*)
- NLIS Database Refresh project completed (*related to strategy 1.1.2*)
- eDEC tool replaced by a simple-to-use interim solution by September 2015 (*related to strategy 1.1.3*)
- Implement eNVD data standards for business-to-business use (*related to strategy 1.1.3*)
- A whole-of-industry eNVD strategy has been endorsed and enabling tools supporting this strategy are built (*related to strategy 1.1.3*)
- Development of an online assessment and registration tool for LPA by December 2015 (*related to strategy 1.1.3*)
- Achieve recognition of industry assurance programs meeting national standards for food safety, traceability, biosecurity and animal welfare by June 2016

Strategy	Key initiatives	Business unit	2014-15 budget	2015-16 budget
1. Conduct scientific research to ensure food safety systems are at the leading edge of knowledge and practice	1. Assess and maintain the safety and integrity of product in the marketplace	VCI	1,368	1,242
	2. Develop and implement new techniques and systems for delivering safe and wholesome product	VCI	572	698
	3. Develop risk-based post mortem inspection systems for animal health surveillance, and risk-based systems for the assessment of product safety and suitability	VCI	340	340
2. Develop and implement appropriate meat and livestock traceability systems	1. Ensure that NLIS Ltd has the capability to deliver database and support services to enable industry to meet the national traceability standards	VCI	5,766	5,827
3. Support the development and uptake of food safety and quality assurance systems by all sectors of the red meat supply chain	1. Deliver programs that underpin the integrity of the Australian red meat and livestock industry, including enhancing and supporting the LPA and NVD programs.	VCI	1,330	2,550
	2. Provide secretariat services to SAFEMEAT and develop effective industry safety/issues management strategies	VCI	480	465
9. AMPC-managed initiatives	1. AMPC-funded and managed initiatives in alignment with strategic direction outlined on this page	AMPC	1,028	1,325
			<b>10,884</b>	<b>12,447</b>



**Budget 2015-16**

	1.1.1	1.1.2	1.1.3	1.1.9	Grand Total	
- Goat R	-	-	-	30	-	30
- Goat M	-	-	28	70	-	99
- Mutton R	14	-	33	11	-	59
- Mutton M	-	-	75	24	-	99
- Lamb R	194	-	27	217	-	438
- Lamb M	-	-	1,148	565	-	1,712
- Grassfed Cattle R	318	-	329	181	-	828
- Grassfed Cattle M	-	-	1,894	469	-	2,363
- Grainfed Cattle R	56	-	-	69	-	125
- Grainfed Cattle M	-	-	755	167	-	922
- Processor R	558	-	500	123	663	1,843
- Processor M	-	-	150	384	-	534
- Livestock Export R	-	-	-	16	-	16
- Livestock Export M	-	-	-	17	-	17
- Gov R	1,140	-	889	646	662	3,338
- External M	-	-	-	25	-	25
<b>Sum of R</b>	2,280	-	1,778	1,293	1,325	6,676
<b>Sum of M</b>	-	-	4,049	1,722	-	5,771
Sum of AOP 15/16	2,280	-	5,828	3,015	1,325	12,447

## 1. Trade and market access

### 1.2 Support industry and government to maintain and liberalise world meat markets

Australia's red meat exports face access restrictions in many overseas markets. Global trade liberalisation and improvements in technical market access conditions are a key focus of industry efforts to create opportunities for growth, development and diversification. Industry invests in research, consultation, assisting diplomatic activities and advocacy in pursuit of the commercial and economic gains from removing or reducing impediments to trade.

In 2015-16, MLA will collaborate with government and industry stakeholders to assist in the defence of existing favourable access conditions and in seeking to secure access improvements. Priorities include progressing industry positions under the India-Australia, Indonesia-Australia, GCC-Australia, Trans Pacific Partnership and Regional Comprehensive Economic Partnership trade negotiations; strategic advocacy in support of timely implementation of the recently concluded China-Australia FTA; advocacy in support of initiating FTA negotiations with the EU; implementing measures to assist in alleviating access impediments in Indonesia and China; and an ongoing effort (in conjunction with industry and government) directed towards tackling the plethora of technical trade barriers imposed by a number of Australia's trading partners.

This objective aims to deliver the following outcomes which, unless otherwise indicated, are related to all the strategies in the table below:

- Submissions prepared by MLA on market access barriers are endorsed by industry/peak councils
- The Australian Government has clarity on industry access issues and values MLA's input
- Demonstrable progress is made on implementing the Indonesia, China and EU market access and engagement strategies (*related to strategy 1.2.4*)

Strategy	Key initiatives	Business unit	2014-15 budget	2015-16 budget
1. Support industry and government to maintain and defend existing favourable market access conditions in overseas markets	1. Monitor developments in overseas markets; develop and utilise networks of industry and government contacts in Australia and overseas to ensure favourable access is not eroded; and respond when impediments arise	IM	3,112	2,780
2. Assist in positioning the Australian red meat and livestock industry for the WTO Doha round	1. Monitor and respond to WTO developments; reinforce industry priorities; build coalitions in key overseas markets	IM	51	52
3. Assist in positioning the Australian red meat and livestock industry for FTA negotiations	1. Advance industry priorities in bilateral and regional FTA negotiations and initiate advocacy efforts in support of existing and sought FTAs	IM	984	748
4. Develop strategies to remove access barriers	1. Undertake research to support trade reform advocacy in WTO and FTA negotiations and in assisting the alleviation of technical trade barriers	IM	760	450
	2. In conjunction with the AMPC Trade Director, assist with developing and implementing technical barrier alleviation action plans (specifically in the Middle East and China)	IM	0	150
9. AMPC-managed initiatives	1. AMPC-funded and managed initiatives in alignment with strategic direction outlined on this page	AMPC	0	910
			<b>4,907</b>	<b>5,090</b>

**Budget 2015-16**

	<b>1.2.1</b>	<b>1.2.2</b>	<b>1.2.3</b>	<b>1.2.4</b>	<b>1.2.9</b>	<b>Grand Total</b>	
- Goat R	-	-	-	-	-	-	
- Goat M	-	-	-	2	-	2	
- Mutton R	-	-	-	-	2	2	
- Mutton M	74	-	1	9	-	84	
- Lamb R	-	-	-	-	17	17	
- Lamb M	550	-	7	166	30	752	
- Grassfed Cattle R	-	-	-	-	33	33	
- Grassfed Cattle M	688	-	16	165	30	898	
- Grainfed Cattle R	-	-	-	-	5	5	
- Grainfed Cattle M	94	-	2	34	10	140	
- Processor R	-	-	-	-	113	455	113
- Processor M	1,355	-	26	373	80	-	1,834
- Livestock Export R	-	-	-	-	-	-	-
- Livestock Export M	-	-	-	-	-	-	-
- Gov R	-	-	-	-	170	455	170
- External M	20	-	-	-	111	-	131
<b>Sum of R</b>	-	-	-	-	339	-	339
<b>Sum of M</b>	2,780	-	52	748	261	-	3,841
Sum of AOP 15/16	2,780	-	52	748	600	910	5,090

## 1. Trade and market access

### 1.3 Maximise market options for producers and exporters in the livestock export market

Australia's livestock export industry employs thousands of Australians and contributes significantly to the national economy. Operated by MLA in partnership with LiveCorp, the Livestock Export Program (LEP) assists Australian livestock exporters and supply chains to meet regulatory requirements, improve performance and address market access issues. In 2015-16, a major goal of the LEP is to research, develop and pilot a Livestock Global Assurance Program (LGAP) for industry. Strong support will also be provided to exporters and importers via training, technical support and market access initiatives. Effort will be directed to building and strengthening relationships with key stakeholders in-market. New and emerging markets will be strategically supported.

This key objective aims to deliver the following outcomes which, unless otherwise specified, are related to all the strategies in the table below:

- LEP meets 85 per cent of exporter/importer requests for gap analysis, risk analysis, training and technical advice (*related to strategy 1.3.1*)
- For each of the supply chain efficiency key initiatives, deliver four programs to support improvements in supply chain efficiency and performance (*related to strategy 1.3.2*)
- Peak councils rate LEP advice on live export issues as valuable (3/5), measured by stakeholder survey
- Peak councils and government rate LEP advice and management of market access issues as valuable (3/5), measured by stakeholder survey (*related to strategy 1.3.4*)

Strategy	Key initiatives	Business unit	2014-15 budget	2015-16 budget
1. Assist supply chains to deliver continuous improvement in animal health and welfare	1. Conduct R&D to develop innovations that will assist supply chains improve animal health and welfare	OIA	1,700	2,220
	2. Support industry to review supply chains and implement ESCAS in Indonesia	IM	1,197	823
	3. Support industry to review supply chains and implement ESCAS in other Asian markets	IM	968	1,574
	4. Support industry to review supply chains and implement ESCAS in Middle East markets	IM	1,164	1,175
2. Provide research and support to enable improvements in supply chain efficiency and performance	1. Deliver industry capability programs to support improvements in efficiencies through the supply chain	IM	134	134
	2. Conduct R&D to develop tools and better methods for improved livestock performance through the supply chain	OIA	500	500
	3. Deliver programs in Indonesia aimed at improving livestock performance	IM	125	125
	4. Deliver programs in other Asian markets aimed at improving livestock performance	IM	117	215
	5. Deliver programs in Middle East markets aimed at improving livestock performance	IM	68	68
3. Provide communications support for the Industry Reform Strategy	1. Provide valued information and deliver communication based support services that collectively build industry's capacity to promote and defend the trade	IM	320	305
	2. Deliver targeted communications support activities to industry through a dedicated live export communications position	IM	241	242
4. Assist industry and	1. Conduct R&D that assists and supports	IM	200	200

Strategy	Key initiatives	Business unit	2014-15 budget	2015-16 budget
government to defend and improve market access conditions and build demand for livestock	improved market access conditions			
	2. Assist in the defence of existing market access conditions in Indonesia	IM	230	202
	3. Assist in the defence of existing market access conditions in other Asian markets and support the development of new markets	IM	113	135
	4. Assist in the defence of existing market access conditions in Middle East markets and support the development of new markets	IM	290	277
			<b>7,367</b>	<b>8,195</b>

#### Budget 2015-16

	1.3.1	1.3.2	1.3.3	1.3.4	Grand Total
- Goat R	25	-	-	-	25
- Goat M	34	-	-	-	34
- Mutton R	65	20	-	15	100
- Mutton M	250	40	70	80	440
- Lamb R	65	45	-	15	125
- Lamb M	290	40	78	80	488
- Grassfed Cattle R	245	60	-	10	315
- Grassfed Cattle M	2,093	297	129	289	2,808
- Grainfed Cattle R	-	-	-	-	-
- Grainfed Cattle M	-	-	-	-	-
- Processor R	-	-	-	-	-
- Processor M	-	-	-	-	-
- Livestock Export R	710	125	-	60	895
- Livestock Export M	905	165	270	165	1,505
- Gov R	1,110	250	-	100	1,460
- External M	-	-	-	-	-
<b>Sum of R</b>	2,220	500	-	200	2,920
<b>Sum of M</b>	3,572	542	547	614	5,275
Sum of AOP 15/16	5,792	1,042	547	814	8,195

## 2. Increasing customer and consumer demand for red meat

### 2.1 Develop and deliver market and consumer insights for better decisions

Assisting producers and their supply chain partners to engage effectively with new higher value markets is critical to the sustained growth of the red meat and livestock sector. MLA will develop and deliver market and consumer insights during 2015-16 that will help red meat producers and other stakeholders along the value chain make informed business management decisions. MLA will do this by ensuring information gaps are identified, collected, analysed and communicated in a timely, user-friendly and readily assessable manner.

In addition, new innovation insights are required to identify growth opportunities in emerging markets and market segments. This program will develop new knowledge and market insights that will inform more strategic innovation investment decisions (at both industry and value chain levels) and ultimately lead to increased value creation and capture along the value chain. Innovation insights will build on a range of market, consumer, customer, competitor and in-country value chain analyses and will ensure that industry is well positioned to respond to high value opportunities as they emerge in the future.

This key objective aims to deliver the following outcomes which, unless otherwise indicated, are related to all the strategies in the table below:

- Over 90 per cent of stakeholders who utilise MLA market and industry insights information believe it is valuable and contributes towards their business decision making process
- Maintain NLRs ISO accreditation by reporting over 80 per cent of livestock market sales (*related to strategy 2.1.1*)
- Establish innovation insights strategies to identify and evaluate new innovation opportunities that will underpin growth in at least three key markets and market segments (*related to strategy 2.1.4*)
- Design and deliver at least three industry workshops and/or communication materials that build industry's capabilities and awareness of emerging trends and opportunities for new growth opportunities in emerging markets and market segments (*related to strategy 2.1.4*)

Strategy	Key initiatives	Business unit	2014-15 budget	2015-16 budget
1. Collect and disseminate livestock market data and analyses that help producers make informed business decisions	1. Operate a National Livestock Reporting Service in accordance with its ISO Quality Management System	CMII	2,200	2,500
	2. Conduct surveys on each segment of the supply chain	CMII	669	750
	3. Conduct incisive analysis and disseminate market news reports, industry projections and market overviews	CMII	0	680
2. Collect and disseminate international market data and conduct incisive analyses of relevant world meat market developments	1. Collect and maintain a database of domestic and global meat market data	CMII	780	780
	2. Conduct incisive analysis and disseminate market insight reports	CMII	1,358	680
3. Develop consumer and customer insights for decision making and KPI tracking	1. Conduct global research and monitor, analyse and report on trade, customer and consumer trends	CMII & IM	2,184	550
	2. Conduct consumer research to develop and measure domestic marketing strategies	CMII	0	1,214
4. Develop value chain innovation insights	1. Deliver innovation knowledge services of emerging trends and opportunities that support design led research to develop future growth and inform future investment decisions.	VCI	500 R MDC	350 R MDC

Strategy	Key initiatives	Business unit	2014-15 budget	2015-16 budget
	2. Deliver innovation knowledge services which raise industry awareness of emerging trends and opportunities for new products, packaging and value chain business model innovations and support more informed innovation decision making for producers and their value chain partners (including the Rural Research and Development for Profit Insights programme).	VCI	100 R	1,475
			<b>7,791</b>	<b>8,979</b>

#### Budget 2015-16

	2.1.1	2.1.2	2.1.3	2.1.4	Grand Total
- Goat R	-	-	12	-	1
- Goat M	-	-	-	5	-
- Mutton R	33	-	8	-	6
- Mutton M	-	-	-	-	-
- Lamb R	263	-	94	-	46
- Lamb M	295	-	-	340	-
- Grassfed Cattle R	746	-	290	-	87
- Grassfed Cattle M	800	-	-	722	-
- Grainfed Cattle R	80	-	27	-	11
- Grainfed Cattle M	-	-	-	108	-
- Processor R	-	-	300	295	150
- Processor M	-	-	-	-	-
- Livestock Export R	-	-	-	-	-
- Livestock Export M	-	-	-	-	-
- Gov R	1,123	-	730	295	300
- External M	589	-	-	-	1,225
<b>Sum of R</b>	<b>2,246</b>	<b>1,460</b>	<b>590</b>	<b>600</b>	<b>4,896</b>
<b>Sum of M</b>	<b>1,684</b>	<b>-</b>	<b>1,174</b>	<b>1,225</b>	<b>4,083</b>
Sum of AOP 15/16	3,930	1,460	1,764	1,825	8,979

## 2. Increasing customer and consumer demand for red meat

### 2.2 Aggressive promotion of beef across global markets

In the domestic market, MLA anticipates increased prices due to supply shortages. Given this dynamic and the continued growth in consumer health awareness, it is necessary to give consumers a reason to pay more for their beef. The “You’re Better on Beef” positioning encapsulates that beef is the most nutrient rich of popular proteins and as such, plays a crucial role in fueling healthy lifestyles of Australians. This program will be supported by seasonal mass marketing campaigns and trade marketing initiatives. Investment in nutrition research and health care professional marketing programs aims to ensure that key influencers continue to recommend red meat three to four times per week as part of a healthy diet.

In international markets, in accordance with the five year global marketing strategy, focus will continue to increase towards the “growth” and “develop” beef markets of China, North America, Middle East/North Africa, Indonesia, and South-East Asia, while Korea and Japan remain “maintain” markets and EU/Russia are “managed strategically”. MLA’s International Markets structure will provide efficiencies and focus to implement both business development programs and ‘brand Australia’ building programs globally, including investment in further developing the interationally consistent “True Aussie” platform.

To support consumers’ preference for consistent eating quality in beef, focus will continue on ensuring adoption and recognition of the MSA beef grading system through the supply chain. Further innovation focus and delivery will continue to develop from purely a product value add focus to new business solutions and models. The Value Chain Innovation program will provide impetus and capability for this to occur.

This key objective aims to deliver the following key outcomes; the strategy which relates to each is also denoted:

#### Domestic market

- Maintain beef’s value share at 36 per cent or higher of all fresh meat; and penetration in the last four weeks (preceding the survey) at 69 per cent or higher (*related to strategy 2.2.1*)
- Improve key beef attributes that drive consumer purchase propensity as measured by consumer tracking (*related to strategy 2.2.1*)
- Strong trade/end user support for, and uptake of, MLA beef marketing programs (*related to strategy 2.2.1*)

#### International markets

- International business plans are endorsed by industry and at least 80 per cent of KPIs listed are achieved (*related to strategy 2.2.4*)
- Business development programs deliver supply chain opportunities and create strong trade and customer links
  - Over 80 per cent of Australian exporters are satisfied with MLA delivery of key events (trade shows, missions, etc)
  - Over 75 per cent of importers and trade are satisfied with MLA information and in-market activities (*related to strategy 2.2.4*)
- True Aussie brand building activities differentiate Australian beef and increase customer loyalty and preference
  - Increased consumer levels of unprompted awareness in key surveyed markets
  - Increase in True Aussie logo presence at retail and foodservice across key markets (*related to strategy 2.2.4*)

These core initiatives will be implemented in differing degrees across markets according to whether a market/segment is considered ‘developing’, ‘growth’, ‘developed’ or ‘strategically managed’

#### Value adding innovations

- Develop novel value adding options through packaging and product/process innovation that enhances demand for beef in global markets (*related to strategy 2.2.5*)
- Work with supply chain partners and end customers to develop at least one new beef product opportunity that encompasses demand-driven technologies that transform and value-add low value cuts, with the potential to add at least \$5/head in net value and grow demand for producers (*related to strategy 2.2.5*)



- Design and deliver at least two industry workshops and/or communications materials that improve beef industry capabilities and awareness to adopt and prosper from new products and value adding innovations (*related to strategy 2.2.5*)
- Lead and deliver objectives in the cross-sectoral Rural Research and Development for Profit Insights programme (*related to strategy 2.2.5*)

#### MSA

- 100 per cent of MSA licensed processors implement the MSA Model V1.8 (MSA Model 2014) (*related to strategy 2.2.8*)
- Improvement of national eating quality measured by the MSA Index (*related to strategy 2.2.8*)

Strategy	Key initiatives	Business unit	2014-15 budget	2015-16 budget
1. Strengthen customer loyalty and commitment for beef in the domestic market	1. Brand development – deliver impactful brand campaigns that reinforce Australians’ emotional bond with beef	CMII	5,823	6,185
	2. Consumer nutrition – help consumers prepare healthy meal solutions, reducing the number of households limiting consumption of beef for health reasons	CMII	2,926	2,220
	3. Business development – leverage consumer demand building programs into foodservice, retail and wholesale customers and support channels with promotional activities to enhance knowledge of beef with the aim of increasing menu penetration	CMII	2,809	1,628
	4. Develop and deliver consumer collateral supporting the MSA grading program which clearly delivers a message of beef eating quality to the end user	CMII	786	651
2. Build evidence supporting health benefits and maintain fact-based recommendations	1. Invest in research and credible publications on the health benefits of red meat, including beef	CMII	590	534
	2. Develop strategic partnerships and collaborations with key influencer organisations	CMII	78	90
3. Communicate and promote evidence based nutrition information on red meat to key influencers	1. Develop and implement a content marketing strategy targeting GPs	CMII	280	104
	2. Develop and promote the red meat nutrition website	CMII	0	104
	3. Hold annual symposium and conferences targeting dietitians and other professionals	CMII	542	90
4. Build the True Aussie brand to differentiate and add value to Australian beef in export markets	1. Business development – increase penetration of Australian beef by building a network of stakeholders and supporting business partners	IM	4,013	5,842
	2. Brand building – increase the demand for, and value of, Australian beef by communicating the True Aussie point of difference and supporting business partners to optimise brand opportunities	IM	10,784	11,704
	3. Meat safety – communicate the integrity of Australian red meat products internationally	IM	2,688	2,232

Strategy	Key initiatives	Business unit	2014-15 budget	2015-16 budget
5. Develop novel value adding options through packaging and product innovation that enhances demand for beef in global markets	1. Develop innovative new products, packaging and processes for beef that support growth in high value markets and market segments	VCI	574 R MDC	400 R MDC
	2. Build beef industry capability to adopt new products, packaging and value adding concepts that lead to growth in high value markets and market segments	VCI	146 R MDC	130 R MDC
	3. Develop innovative technologies and processes to add value to beef co-products	VCI	MDC	MDC
6. Support brand owners in developing their brands to better differentiate them in global markets	1. Support the CoMarketing Program to build industry marketing capability, improve customer loyalty towards Australian beef brands, and ultimately deliver value across the supply chain to producers	CMII	4,179	2,635
7. Ensure sufficient integrity programs are implemented to build confidence in the MSA program	1. Maintain program standards and review for relevance in line with the introduction of technologies that predict components of MSA grading. Continue to review and refine pathways that underpin eating quality performance	LP	250	162
	2. Ensure the protection of MSA IP and the integrity of all eating quality trademarks is maintained globally through effective licensing, audit and surveillance systems	LP	480	438
8. Support adoption and recognition of the MSA beef grading system through the supply chain	1. Increase the adoption of the MSA system to improve eating quality consistency and build value across the supply chain	LP	2,403	950
	2. Improve compliance to the MSA requirements for beef grading through producer education and a greater understanding of the MSA beef grading model	LP	0	950
			<b>39,351</b>	<b>37,049</b>

**Budget 2015-16**

	2.2.1	2.2.2	2.2.3	2.2.4	2.2.5	2.2.6	2.2.7	2.2.8	Grand Total
- Goat R	-	-	-	-	-	-	-	-	-
- Goat M	-	-	-	-	-	-	-	-	-
- Mutton R	-	-	-	-	-	-	-	-	-
- Mutton M	-	-	-	-	-	-	-	-	-
- Lamb R	-	-	-	-	-	-	-	-	-
- Lamb M	-	-	-	-	-	-	-	-	-
- Grassfed Cattle R	-	94	36	-	108	-	83	237	<b>558</b>
- Grassfed Cattle M	8,402	18	36	16,660	-	1,685	167	951	<b>27,918</b>
- Grainfed Cattle R	-	17	17	-	25	-	26	79	<b>164</b>
- Grainfed Cattle M	792	27	10	1,572	-	950	52	316	<b>3,719</b>
- Processor R	-	156	52	-	133	-	-	-	<b>340</b>
- Processor M	1,415	45	45	1,086	-	-	-	-	<b>2,591</b>
- Livestock Export R	-	-	-	-	-	-	-	-	-
- Livestock Export M	-	-	-	-	-	-	-	-	-
- Gov R	-	267	104	-	265	-	110	316	<b>1,062</b>
- External M	75	-	-	460	-	-	162	-	<b>697</b>
<b>Sum of R</b>	-	534	209	-	530	-	219	633	<b>2,124</b>
<b>Sum of M</b>	10,684	89	90	19,778	-	2,635	381	1,267	<b>34,925</b>
Sum of AOP 15/16	10,684	623	299	19,778	530	2,635	600	1,900	<b>37,049</b>

## 2. Increasing customer and consumer demand for red meat

### 2.3 Aggressive promotion of sheepmeat and goatmeat across global markets

Global demand for Australian sheepmeat continues to grow with export volumes now exceeding domestic utilisation. However, Australia remains the most important single market and the focus in 2015-16 will be to consolidate the strong position lamb holds in this market. The timing of the three lamb campaigns will remain unchanged in 2015-16: autumn (roasts), spring and Australia Day. The consumer communication platform of 'You never lamb alone' (established in 2014-15) will continue in the domestic market in 2015-16. Reminding consumers why they love lamb is a key pillar in supporting the price premium lamb enjoys over other proteins. An additional pillar is 'continued eating quality development' and in 2015-16, MLA will continue to invest in ensuring lamb eating quality is adopted and supported across the lamb supply chain.

In international markets, in accordance with the five year global marketing strategy, focus will continue to increase towards the "growth" sheepmeat markets of North America, Middle East/North Africa, China and Japan, while fostering developing markets in South East Asia. MLA will "manage strategically" markets in the EU/Russia. MLA's International Markets structure will provide efficiencies and focus to implement both business development programs and 'brand Australia' building programs globally, including investment in further developing the internationally consistent "True Aussie" platform.

MLA will also continue to partner with research and technology providers and industry partners to identify and adopt novel science and technology platforms that add value to grow smallstock demand. The Value Chain Innovation program will provide impetus and capability for this to occur.

This key objective aims to deliver the following outcomes; the strategy which relates to each is also denoted:

#### Domestic market

- Maintain lamb's market share of fresh meat at retail at 13.5 per cent (*related to strategy 2.3.1*)
- Improvement in key lamb attributes as measured by consumer tracking: "top of mind awareness" and "is loved by Australians" (*related to strategy 2.3.1*)

#### International markets

- International business plans are endorsed by industry and at least 80 per cent of KPIs listed are achieved (*related to strategy 2.3.4*)
- Business development programs deliver supply chain opportunities and create strong trade and customer links
  - Over 80 per cent of Australian exporters are satisfied with MLA delivery of key events (trade shows, missions, etc)
  - Over 75 per cent of importers and trade are satisfied with MLA information and in-market activities (*related to strategy 2.3.4*)
- True Aussie brand building activities differentiate Australian sheepmeat and goatmeat and increase customer loyalty and preference
  - Increased consumer levels of unprompted awareness in key surveyed markets
  - Increase in True Aussie logo presence at retail and foodservice across key markets (*related to strategy 2.3.4*)

These core initiatives will be implemented in differing degrees across markets according to whether a market/segment is considered 'developing', 'growth', 'developed' or 'strategically managed'

#### Value adding innovations

- Work with supply chain partners and end customers to develop at least one new smallstock product opportunity that encompasses demand-driven technologies that transform and value-add low value cuts, with the potential to add at least \$1/head in net value and grow demand for producers (*related to strategy 2.3.5*)
- Design and deliver at least one industry workshop and/or communications resource that improves industry capabilities and awareness to adopt and prosper from new products and value adding innovations (*related to strategy 2.3.5*)

#### MSA

- Two supply chains trialling MSA cuts based sheepmeat (*related to strategy 2.3.8*)

- MSA Index implemented for sheep (related to strategy 2.3.8)

Strategy	Key initiatives	Business unit	2014-15 budget	2015-16 budget
1. Strengthen consumer loyalty and customer commitment for sheepmeat in the domestic market	1. Brand development – deliver marketing campaigns effective at reinforcing the lamb brand position within the marketplace to entrench lamb as Australians’ national meat	CMII	6,507	6,113
	2. Consumer nutrition – help consumers prepare healthy meal solutions, reducing the number of households limiting consumption of lamb for health reasons	CMII	0	835
	3. Business development – leverage consumer demand building programs into foodservice, retail and wholesale customers and support channels with promotional activities to enhance knowledge of lamb with the aim of increasing menu penetration	CMII	1,525	908
	4. Develop and deliver consumer collateral supporting the MSA grading program which clearly delivers a message of lamb eating quality to the end user	CMII	0	175
2. Build evidence supporting health benefits and maintain fact-based recommendations	1. Invest in research and credible publications on the health benefits of red meat, including lamb	CMII	300	534
	2. Develop strategic partnerships and collaborations with key influencer organisations	CMII	1,079	89
3. Communicate and promote evidence based nutrition information on red meat to key influencers	1. Develop and implement a content marketing strategy targeting GPs	CMII	79	105
	2. Develop and promote the red meat nutrition website	CMII	0	105
	3. Hold an annual symposium targeting dieticians	CMII	85	91
4. Build the True Aussie brand to differentiate and add value to Australian sheepmeat in export markets	1. Business development – increase the penetration of Australian lamb by building a network of stakeholders and supporting business partners	IM	1,626	3,711
	2. Brand building – increasing the demand for, and value of, Australian lamb by communicating the True Aussie point of difference and supporting business partners to optimise brand opportunities	IM	1,425	3,289
	3. Meat safety – communicate the integrity of Australian red meat products internationally	IM	446	905
5. Develop novel value adding options through packaging and product innovation that enhances demand for sheepmeat and goatmeat in global markets	1. Develop innovative new products, packaging and processes for sheepmeat and goatmeat that support growth in high value markets and market segments	VCI	162 R MDC	314 R MDC
	2. Build sheep and goat industry capability to adopt new products, packaging and value adding concepts that lead to growth in high value markets and market segments	VCI	32 R MDC	70 R MDC
	3. Develop innovative technologies and processes to add value to sheep and goat co-products	VCI	MDC	MDC
6. Support brand owners in developing their brands and products that better differentiate them in global markets	1. Support the CoMarketing Program to build industry marketing capability, improve customer loyalty towards Australian lamb brands, and ultimately deliver value across the supply chain to producers	CMII	3,575	550

Strategy	Key initiatives	Business unit	2014-15 budget	2015-16 budget
7. Ensure sufficient integrity programs are implemented to build confidence in the MSA program	1. Maintain program standards and review for relevance in line with the introduction of new grading tools and pathways	LP	0	68
	2. Ensure the protection of MSA IP and the integrity of all eating quality trademarks is maintained globally through effective licensing, audit and surveillance systems	LP	120	162
8. Support adoption and recognition of the MSA sheep grading system through the supply chain	1. Increase the adoption of the MSA system to improve eating quality consistency and build value across the supply chain. Trial the implementation of an MSA Index for sheepmeat	LP	497	500
	2. Provide operational assistance to processors to support the implementation of a cuts based MSA lamb program with at least two supply chains trialling MSA cuts based sheepmeat	LP	0	500
			<b>17,458</b>	<b>19,024</b>

### Budget 2015-16

	2.3.1	2.3.2	2.3.3	2.3.4	2.3.5	2.3.6	2.3.7	2.3.8	Grand Total
- Goat R	-	-	-	-	13	-	-	-	13
- Goat M	50	-	-	205	-	50	-	-	305
- Mutton R	-	-	-	-	29	-	8	22	59
- Mutton M	5	-	-	140	-	200	16	117	478
- Lamb R	-	34	52	-	150	-	33	72	342
- Lamb M	7,663	45	45	7,005	-	300	133	694	15,885
- Grassfed Cattle R	-	-	-	-	-	-	-	-	-
- Grassfed Cattle M	-	-	-	-	-	-	-	-	-
- Grainfed Cattle R	-	-	-	-	-	-	-	-	-
- Grainfed Cattle M	-	-	-	-	-	-	-	-	-
- Processor R	-	233	52	-	-	-	-	-	285
- Processor M	288	45	45	445	-	-	-	-	823
- Livestock Export R	-	-	-	-	-	-	-	-	-
- Livestock Export M	-	-	-	-	-	-	-	-	-
- Gov R	-	267	105	-	192	-	41	95	699
- External M	25	-	-	110	-	-	-	-	135
<b>Sum of R</b>	-	534	209	-	384	-	81	189	1,398
<b>Sum of M</b>	8,031	89	91	7,905	-	550	149	811	17,626
Sum of AOP 15/16	8,031	624	300	7,905	384	550	230	1,000	19,024

### 3. Improving productivity and profitability across the supply chain

#### 3.1 Identify and deliver innovative opportunities to increase on-farm productivity and profitability through genetic and management interventions

For producers to remain competitive in the long term, innovative interventions from R&D that support production efficiency and greater profitability are critical. Key focus areas for 2015-16 include genetics, grazing systems improvements and management systems to improve eating quality. MLA's investment in genetics will seek to improve the effective measurement and analytical platforms of BREEDPLAN and Sheep Genetics. Implementation of the Feedbase Investment Plan will continue with investments into new pasture species, soil borne root disease and phosphorous efficiency. Eating quality programs including MSA will focus on prediction of *Bos indicus* content, colour and intramuscular fat (IMF) and a further refinement of cut-offs for different grades. In sheep there will be continued investment in MSA cuts based analysis and the use of measurements such as IMF and carcass components to predict individual merit.

This key objective aims to deliver the following outcomes; the strategy which relates to each is also denoted:

- Increased rate of genetic improvement in beef and lamb through higher rates of genetic gain principally focused on eating quality (lamb) and reproductive rate (beef) and higher numbers of recorded seedstock animals particularly in northern Australia (*related to strategy 3.1.1*)
- Development and implementation of an MSA cuts based program for lamb in two supply chains (*related to strategy 3.1.2*)
- Development of at least two technologies that can predict yield and elements of eating quality in beef and lamb supply chains (*related to strategy 3.1.2*)
- Establishment of three R&D programs to improve reproductive performance, increase northern feedbase options and develop novel options for lifting growth rates as part of the new growNORTH initiative (subject to the Department of Agriculture approving the initiative) (*related to strategy 3.1.3*)
- Quantify the economic impact (using producer case studies) of adopting recommended practices to improve breeder herd productivity (*related to strategy 3.1.3*)
- Evaluated Sperm Chromatin Structure Assay and the Sperm Protamine Deficiency Assay as predictors of bull semen quality and female reproductive traits (*related to strategy 3.1.1*)
- Developed and tested prototype systems for the on-property production of algae as a protein and energy supplement in northern Australia, including determining the optimal growth conditions for dry matter and crude protein accumulation and developing simple methods to harvest and store algae from these ponds (*related to strategy 3.1.3*)

Strategy	Key initiatives	Busines unit	2014-15 budget	2015-16 budget
1. Enhanced rates of animal and feedbase genetic improvement for the beef and sheep industries	1. Establishment of a single national database for genetic delivery of beef information from BREEDPLAN	LP	0	700 R MDC
	2. Establishment of a national consortium for genetic and genomic R&D and adoption	LP	0	2,400
	3. Development of the Sheep Genetics Management plan to implement outcomes from sheep genetics R&D	LP	3,789	2,500
	4. Develop genetic and genomic evaluation tools for breeding enterprises	OIA	0	914
2. Continued investment in knowledge of management and measurement technologies that predict variation in eating quality performance	1. Identify measurement technologies that improve the credibility, accuracy and transparency of MSA grading and yield prediction in both beef and sheepmeat	LP	576	700
	2. Continue to improve the prediction accuracy of lamb and beef through analytical models in beef and sheepmeat. Expand the knowledge of sensory responses to a range of genetic and management interventions including breed, carcass weight, finishing regime, stress and pathway to market	LP	1,988	1,753
3. Improved productivity in grazing and	1. Develop technologies and management programs to increase grazing performance, reproduction and	OIA	4,407	3,448

Strategy	Key initiatives	Busines unit	2014-15 budget	2015-16 budget
feedlot systems	livestock survival in grassfed and feedlot systems			
			<b>10,405</b>	<b>12,415</b>

#### Budget 2015-16

	3.1.1	3.1.2	3.1.3	Grand Total
- Goat R		-	-	45
- Goat M		-	-	-
- Mutton R	479		82	33
- Mutton M		-	-	-
- Lamb R	1,304		297	403
- Lamb M		-	-	-
- Grassfed Cattle R	975		610	690
- Grassfed Cattle M		-	-	-
- Grainfed Cattle R	204		238	555
- Grainfed Cattle M		-	-	-
- Processor R		-	-	-
- Processor M		-	-	-
- Livestock Export R		-	-	-
- Livestock Export M		-	-	-
- Gov R	2,961		1,226	1,724
- External M	593		-	-
<b>Sum of R</b>	5,921		2,453	3,448
<b>Sum of M</b>	593		-	-
<b>Sum of AOP 15/16</b>	6,514		2,453	3,448



### 3. Improving productivity and profitability across the supply chain

#### 3.2 Identify information platforms and technologies that drive productivity and innovation throughout supply chains

Current export market opportunities offer the strongest drivers for demand driven farm-gate pricing. Given increasing global competitiveness, a whole-of-chain response is required to ensure the industry improves productivity and retains a competitive advantage. The key drivers and opportunities for improving demand-based farm-gate pricing, processing efficiency and market responsiveness are accurate and timely supply chain information and related decision making tools; maximising yield; improving eating quality performance; optimising product mix; addressing labour availability and OH&S issues; and implementing broader business efficiencies and innovation capabilities.

In 2015-16, MLA will continue to focus on delivering large-scale transformational supply chain efficiency initiatives with a specific focus on automation and supply chain information. This program will be complemented by value chain capability building programs outlined in objective 5.2. MLA will also continue to collaborate with meat processors and the Australian Meat Processor Corporation (AMPC), to assist in the development of a portfolio of core AMPC-managed activities aimed at improving processing productivity. MLA and AMPC will also work closely together on the commercialisation and adoption of R&D outcomes to ensure benefits to producers and processors are realised.

This key objective aims to deliver the following outcomes; the strategy which relates to each is also denoted:

- Develop and demonstrate in a supply chain a high volume sensing system to increase capacity and productivity and provide accurate supply chain data on carcass quality which offer options that can directly benefit producers (*related to strategy 3.2.1*)
- Livestock Data Link (LDL) is demonstrated as adding value to both producers and processors through enhanced information flow and decision making abilities (*related to strategy 3.2.2*)
- A whole-of-industry information exchange strategy endorsed by industry and implemented through key programs such LDL (*related to strategy 3.2.2*)
- Realise net benefits of \$1 million/annum from processing technologies developed under the MDC program and for which installation is completed in 2015-16 (*related to strategies 3.2.1 and 3.2.3*)
- Total aggregated net benefit of MDC-funded technologies installed in 2015-16 and previous years reaches \$10 million/annum (*related to strategy 3.2.3*)
- Five MDC-funded supply chain efficiency commercial innovations have achieved at least 80 per cent of their annual adoption strategy targets, including associated cost benefit analyses (*related to strategy 3.2.3*)
- Updated BeefSpecs tool includes prediction of eating quality attributes (carcass yield, MSA marbling score, MSA ossification and MSA Index) and capability to assess the costs and benefits of changing livestock management for improved compliance (*related to strategy 3.2.4*)

Strategy	Key initiatives	Business unit	2014-15 budget	2015-16 budget
1. Develop and prove technologies that improve carcass information	1. Develop and prove objective carcass measurement technologies that predict a range of carcass attributes including eating quality and lean meat yield	VCI	880 R MDC	880 R MDC
2. Facilitate improved information flows within value chains	1. Develop a whole-of-industry information exchange strategy including implementation of LDL	VCI	950 R MDC	1,300 R MDC
3. Develop new technologies to improve value chain productivity and efficiency	1. Develop and implement transformational automation technologies that increase processing efficiency and maximise carcass utilisation	VCI	MDC	MDC
4. Implement new practices and technologies to	1. Evaluate, develop and implement strategies to increase labour efficiency and cost of production	OIA	298	100

Strategy	Key initiatives	Business unit	2014-15 budget	2015-16 budget
increase labour efficiency and compliance with market specifications	2. Develop precision management tools to improve market compliance	OIA	614	1,000
9. AMPC-managed initiatives	1. AMPC-funded and managed initiatives which are aligned to the strategic direction outlined on this page	AMPC	4,530	3,549
			<b>7,272</b>	<b>6,829</b>

### Budget 2015-16

	3.2.1	3.2.2	3.2.4	3.2.9	Grand Total
- Goat R	-	-	-	-	-
- Goat M	-	-	-	-	-
- Mutton R	23	41	3	-	67
- Mutton M	-	-	-	-	-
- Lamb R	70	88	32	-	189
- Lamb M	-	-	-	-	-
- Grassfed Cattle R	113	521	515	-	1,149
- Grassfed Cattle M	-	-	-	-	-
- Grainfed Cattle R	14	-	-	-	14
- Grainfed Cattle M	-	-	-	-	-
- Processor R	220	-	-	1,775	220
- Processor M	-	-	-	-	-
- Livestock Export R	-	-	-	-	-
- Livestock Export M	-	-	-	-	-
- Gov R	440	650	550	1,774	1,640
- External M	-	-	-	-	-
<b>Sum of R</b>	880	1,300	1,100	-	3,280
<b>Sum of M</b>	-	-	-	-	-
Sum of AOP 15/16	880	1,300	1,100	3,549	6,829

## 4. Industry sustainability and integrity

### 4.1 Sustainable supply chain resource management

The Australian red meat industry is an important custodian of vital natural resources and the ongoing success and reputation of the industry will depend on the way in which these natural resources are managed.

In 2015-16 on-farm research will focus on refinement and localisation of existing knowledge to enhance our natural resources; new techniques for controlling major weed species; continued funding to the Invasive Animals CRC for commercial testing and roll-out of new controls for feral pigs, rabbits and wild dogs; trialling and refining tools to demonstrate and improve environmental stewardship; and strategies to enhance the environmental management of feedlots.

Climate change will have major and complex economic, productivity and environmental impacts on the red meat industry. The integrated nature of these challenges means a strategic and multi-faceted response strategy must be adopted across the entire supply chain. Major investments include continuing projects funded jointly with the Australian Government to reduce greenhouse gas emissions and assist producers to adapt to increasingly variable climates.

Off-farm research will continue to focus on energy and water use efficiency and developing more efficient waste water treatment processes as well as exploring opportunities for value adding to waste.

A new initiative will explore the value proposition for producers and processors to engage in environmental activities that link together the value chain stakeholders, to increase productivity and profitability, while improving the industry's environmental footprint.

This key objective aims to deliver the following outcomes; the strategy which relates to each is also denoted:

- Cost effective weed management options for producers including parkinsonia biocontrol agents (loopier caterpillar) classified as "established" in >30 target zones across northern Australia (Queensland, NT and WA) and a parkinsonia bioherbicide approval for registration under review to the Australian Pesticides and Veterinary Medicines Authority (APVMA) (*related to strategy 4.1.1*)
- 10,000 ha of silverleaf nightshade infected areas will be under best practice management during the 2015-2016 control season, including 150 producer demonstration/trial sites (*related to strategy 4.1.1*)
- Preliminary host specificity testing of *Jatropha* leaf-miner to control bellyache bush completed and assessment completed of *Nigrospora* fungus for biocontrol of giant rat's tail grass (*related to strategy 4.1.1*)
- New tools for managing feral pigs, including submission of an APVMA registration package for a new pig toxin based on sodium nitrite and release of PIGOUT® Econobait pending registration approval (*related to strategy 4.1.1*)
- New strain of rabbit calicivirus released across Australia pending APVMA registration approval (*related to strategy 4.1.1*)
- New management options for producers to deal with hotter and more variable climates at a whole farm level through: completion of NRM spatial hub assessment for potential of utilising remote sensing of land condition data to improve biomass, productivity, pasture growth models and grazing decision tools; evidence base underpinning recommendations for use of wet season spelling to recover poor condition grazing land developed and communicated; identified the long-term impacts of different grazing strategies on vertebrate faunal biodiversity (wildlife abundance and diversity); and completion of the Wambiana grazing trial analysis and deliver products designed with producer input to assist grazing land management decisions (*related to strategy 4.1.1*)
- Developed strategies to abate N-based greenhouse gas emissions in feedlots, potentially allowing the industry to develop abatement methodologies that are approved under the Emissions Reduction Fund (*related to strategy 4.1.1*)
- Completed benchmarking of the phosphorus (P)-efficiency of a number of key pasture legume and grass species to identify those which have 30 per cent better P-use efficiency. This will include the development and delivery to industry of lower P fertiliser management guidelines, strategies for targeted fertiliser use and objective information concerning the P-fertility requirements of emerging, novel and alternative pasture legumes (*related to strategy 4.1.1*)
- First results from the Pasture Variety Trial Network released to industry with results from over 100 varieties of six key pasture species evaluated in five environments (*related to strategy 4.1.1*)
- Improved strategies and tools developed allowing for selection of sub-clover varieties which have resistance to fungal root diseases (*related to strategy 4.1.1*)
- Completed the 15-year breeding program for a psyllid resistant variety of leucaena with the application for Plant Breeders Rights for the selected line/s successfully completed (*related to strategy 4.1.1*)

- Technologies/processes that, in combination, demonstrate >10% reduction in electricity usage by meat processors defined and/or validated (*related to strategy 4.1.2*)
- New technologies or processes capable of reducing the fossil fuel consumption (LPG/natural gas/coal etc) for meat processing plants by 5% are defined and/or validated (*related to strategy 4.1.2*)
- New technologies or processes capable of reducing abattoir town water consumption are demonstrated and/or validated (*related to strategy 4.1.2*)
- High rate anaerobic pond technology adopted with ex-post cost-benefit analysis completed (*related to strategy 4.1.2*)
- Ex-ante cost-benefit analysis on conversion of waste to value-add products completed (*related to strategy 4.1.2*)
- Develop strategy that identifies the value propositions for producers through the adoption of environmental value chain opportunities (*related to strategy 4.1.2*)

Strategy	Key initiatives	Business unit	2014-15 budget	2015-16 budget
1. Support sustainable on-farm resource productivity	1. Develop improved management systems to enhance natural resources and reduce beyond-farm impacts from production systems and feedlots	OIA	1,436	3,761
	2. Respond to climate variability through the development of resilient farming systems from mitigation and adaptation strategies	OIA	3,248	2,500
	3. Develop cultivars and/or agronomic practices to improve persistence and/or quality of forage	OIA	3,492	2,940
	4. Accelerate discovery and delivery of new plant breeding methods and cultivars to improve feedbase productivity, quality and persistence	OIA	1,328	1,130
2. Develop and implement through chain environment strategy	1. Improve efficiency of energy and water use and management of, and value adding to, waste along the value chain	VCI	MDC	MDC
	2. Identify and quantify the value propositions for producers through the adoption of environmental value chain opportunities	VCI	MDC	150 R MDC
9. AMPC-managed initiatives	1. AMPC-funded and managed initiatives which are aligned to the strategic direction outlined on this page	AMPC	930	3,115
			<b>10,434</b>	<b>13,596</b>

**Budget 2015-16**

	<b>4.1.1</b>	<b>4.1.2</b>	<b>4.1.9</b>	<b>Grand Total</b>
- Goat R		-	-	-
- Goat M		-	-	-
- Mutton R	97		1	99
- Mutton M		-	-	-
- Lamb R	1,876		25	1,901
- Lamb M		-	-	-
- Grassfed Cattle R	1,713		25	1,738
- Grassfed Cattle M		-	-	-
- Grainfed Cattle R	579		23	602
- Grainfed Cattle M		-	-	-
- Processor R				1,558
- Processor M		-	-	-
- Livestock Export R		-	-	-
- Livestock Export M		-	-	-
- Gov R	4,265		75	4,340
- External M	1,801		-	1,801
<b>Sum of R</b>	<b>8,530</b>		<b>150</b>	<b>8,680</b>
<b>Sum of M</b>	<b>1,801</b>		<b>-</b>	<b>1,801</b>
<b>Sum of AOP 15/16</b>	<b>10,331</b>		<b>150</b>	<b>13,596</b>

## 4. Industry sustainability and integrity

### 4.2 Animal welfare, biosecurity and animal well-being without reducing productivity levels

Community expectations around animal welfare standards for livestock continue to increase in Australia and overseas. In this objective, R&D investment will remain focussed on improving the welfare of livestock on-farm; seek to mitigate risks for potential market access to be compromised from breeches in animal welfare; address consumer concerns with evidenced based science; and enable industry to proactively respond to emerging issues. Key R&D investments will include seeking pain relief options for invasive husbandry practices and addressing heat load issues in feedlots.

This key objective aims to deliver the following outcomes which, unless otherwise indicated, are related to all the strategies in the table below:

- Livestock producers and industry will have baseline data to address the increasing consumer and community scrutiny of animal well-being credentials (*related to strategy 4.2.1*)
- Livestock producers will have improved tools and techniques to manage animals in feedlots for improved health and welfare
- The livestock industry will have improved processes to detect and respond to new and exotic diseases and biosecurity threats (*related to strategy 4.2.2*)
- Livestock producers will have improved processes and tools to manage and reduce the impact of endemic disease on productivity and market access (*related to strategy 4.2.2*)
- Established a new program of sheep animal health RD&E projects based on the priority endemic diseases identified in the B.AHE.0010 endemic disease survey and impact assessment project (*related to strategy 4.2.2*)
- Completed a risk assessment of bluetongue transmission in Southern Australia by identification of endemic *Culicoides* spp host feeding preferences and their competence to transmit bluetongue virus (*related to strategy 4.2.2*)
- Identified the vector/s of theileriosis and assessed the potential for passive transfer of the organism, for example on contaminated needles used for injection (*related to strategy 4.2.2*)
- Developed a quantitative, real-time PCR (qPCR) diagnostic test for theileriosis in multiplex format which is more sensitive and provides faster and more cost-effective results than conventional PCR (*related to strategy 4.2.2*)
- Completed efficacy trials using the “Barbervax” vaccine for barbers pole worm in goats, enabling a claim to be submitted to the Australian Pesticides and Veterinary Medicines Authority (APVMA) for Australian goats and Barbervax (MDC project) (*related to strategy 4.2.2*)
- Assessed the production and financial benefits to feedlot operators from the adoption of the principles of "acclimation" under Australian feedlot conditions

Strategy	Key initiatives	Business unit	2014-15 budget	2015-16 budget
1. Manage and improve livestock welfare to meet community expectations	1. Improve animal welfare on-farm	OIA	1,474	2,139
	2. Improve the management options for key feedlot welfare issues	OIA	1,236	966
2. Support industry to improve animal health and biosecurity	1. Deliver improved diagnostic methods, enhanced understanding and/or improved control measures for external threats	OIA	500	300
	2. Improve biosecurity measures that will minimise the treat/risk of endemic, emerging and exotic diseases to production and trade	OIA	2,095	538
	3. Investigate and improve the management of key feedlot animal health problems	OIA	639	465
	4. Invest in priority endemic diseases to reduce the cost to industry	OIA	2,451	3,433
			<b>8,395</b>	<b>7,841</b>

**Budget 2015-16**

	4.2.1	4.2.2	Grand Total	
- Goat R		-	29	29
- Goat M		-	-	-
- Mutton R		32	185	217
- Mutton M		-	-	-
- Lamb R		614	1,102	1,716
- Lamb M		-	-	-
- Grassfed Cattle R		424	595	1,019
- Grassfed Cattle M		-	-	-
- Grainfed Cattle R		483	226	709
- Grainfed Cattle M		-	-	-
- Processor R		-	-	-
- Processor M		-	-	-
- Livestock Export R		-	-	-
- Livestock Export M		-	-	-
- Gov R		1,552	2,138	3,690
- External M		-	460	460
<b>Sum of R</b>		3,105	4,276	7,381
<b>Sum of M</b>		-	460	460
Sum of AOP 15/16		3,105	4,736	7,841

## 4. Industry sustainability and integrity

### 4.3 Support industry's effective engagement with the community

Interest in the ethics of food production is gaining momentum both within Australia and overseas, particularly around animal welfare and environmental sustainability. The Australian public is generally supportive and has a high level of trust in the beef and lamb industry and particularly in Australian livestock producers. However, increased media and social media focus on animal welfare and the environmental impact of beef and lamb production threatens confidence in the red meat and livestock industry. To reinforce the existing community trust that the industry is an ethical and responsible custodian of livestock, land and resources, the community engagement program will support industry to authentically communicate the integrity of livestock production practices throughout the supply chain and the commitment of the industry to improvements based on scientific evidence.

This key objective aims to deliver the following outcomes; the strategy which relates to each is also denoted:

- Percentage of consumers stating they are reducing red meat consumption due to perceived animal welfare or environment reasons remains below 7 per cent (*related to strategy 4.3.2*)
- Drive increased engagement with the community engagement program through the Target 100 social platforms by 20 per cent from the 2014-15 baseline (*related to strategy 4.3.1*)
- Promote beef and lamb teacher guides and drive an increase in their use as tracked by teacher resource downloads from Target 100 by 20 per cent from the 2014-15 baseline (*related to strategy 4.3.1*)
- Assist industry in responding to community reputation issues as measured by peak council feedback (*related to strategy 4.3.1*)

Strategy	Key initiatives	Business unit	2014-15 budget	2015-16 budget
1. Support the industry to maintain the community's trust and confidence in the integrity and ethics of the Australian red meat industry by building knowledge and providing experience	1. Build knowledge in the community by partnering with relevant events to engage with thought leaders and the wider public in the food and sustainability space	CSE	227	170
	2. Develop and promote targeted resources for primary, secondary and tertiary education facilities that deliver balanced messaging that is valued by teachers and utilised by students	CSE	217	203
	3. Continue to utilise a central platform for communicating the industry's sustainability and integrity, including animal welfare and environment to the community, customers and thought leaders	CSE	1,092	857
	4. Work with industry to ensure an appropriate response to issues that could affect the industry's reputation with the community, including developing industry processes, utilising industry advocates and social media	CSE	276	300
2. Equip and empower producers and their representatives to build our industry's reputation through facts and engagement	1. Prepare research-based print and online materials and develop platforms to equip the industry to promote and respond to key environmental and animal welfare issues based on research and data	CSE	261	249
	2. Proactively identify emerging community concerns that have the potential to impact industry through research, media and social media monitoring and key relationships. Use consumer research to actively track community sentiment	CSE	94	300
			<b>2,167</b>	<b>2,079</b>



**Budget 2015-16**

	4.3.1	4.3.2	Grand Total
- Goat R	-	-	-
- Goat M	-	-	-
- Mutton R	-	2	2
- Mutton M	43	7	50
- Lamb R	-	18	18
- Lamb M	375	86	461
- Grassfed Cattle R	-	18	18
- Grassfed Cattle M	734	241	975
- Grainfed Cattle R	8	20	27
- Grainfed Cattle M	232	66	298
- Processor R	18	7	25
- Processor M	96	21	117
- Livestock Export R	-	-	-
- Livestock Export M	-	-	-
- Gov R	25	64	89
- External M	-	-	-
<b>Sum of R</b>	51	128	179
<b>Sum of M</b>	1,479	421	1,900
Sum of AOP 15/16	1,530	549	2,079

## 5. Industry leadership, innovation adoption and capability

### 5.1 Platforms for supporting skill development and innovation adoption by producers

MLA invests in innovative research and development on behalf of livestock producers to ensure the industry remains competitive, profitable and sustainable. To support adoption of our R&D investment, MLA delivers the outputs of R&D programs through various different educational platforms, tools and services that enable levy payers to build their skills and capacity to enhance their decision making and overall business management. In 2015-16, MLA will continue to deliver targeted and timely packages of information, workshops and on-line tools in partnership with public and private sector delivery organisations.

This key objective aims to deliver the following outcomes which, unless otherwise indicated, are related to all the strategies in the table below:

- On average, 50 per cent of engaged producers in the majority market programs (More Beef from Pastures, Making More From Sheep, FutureBeef and the Pastoral Profit program) will apply at least one new practice to improve their business performance (*related to strategy 5.1.1*)
- Ten additional Producer Demonstration Sites (PDS') to be implemented (across sheepmeat and grassfed beef programs) (*related to strategy 5.1.2*)
- A pilot for a new adoption program will be completed that will underpin MLA's future investments into producer adoption for the next five years
- BusinessEDGE delivery will be enhanced in the north and a new program will be implemented for southern producers and also for those within the pastoral zone (*related to strategy 5.1.1*)
- A new monitoring, evaluation and reporting framework will be implemented to ensure effective and transparent measurement of overall on-farm RD&A program impact for the red meat and livestock industry against the Meat Industry Strategic Plan 4, the Sheep Industry Strategic Plan and the Beef Industry Strategic Plan (*related to strategy 5.1.3*)
- At least 300 producers will be actively involved in the Producer Research Sites program as part of the Feedbase Investment Plan (*related to strategy 5.1.2*)
- The Parasite Control module within the Going into Goats (GiG) manual will be reviewed and updated content developed to provide Australian goat producers with current best practice advice to minimise the impacts of parasites on enterprise profitability and sustainability (*related to strategy 5.1.1*)
- Developed a 'management package' for the successful integration of goats into sheep and/or cattle enterprises. The management package will focus on the benefits of "co-grazing" with economic analyses demonstrating the benefits of diversifying into goats (*related to strategy 5.1.1*)
- Completed the pilot phase for a new feedlot extension model that utilises face-to-face communication to open dialogue with feedlots, and a range of different media, including mailouts, emails and a Facebook page as mechanisms for making information available and maintaining contact with interested feedlots (*related to strategy 5.1.1*)

Strategy	Key initiatives	Business unit	2014-15 budget	2015-16 budget
1. Facilitate the adoption of MLA R&D through tools and innovative learning programs	1. Deliver best practice integrated farming systems programs to support skill development and practice change – sheep	LP	1,821	1,524
	2. Develop adoption platforms including educational tools and e-extension tools that enables maximum producer access to R&D outputs – sheep	LP	276	278
	3. Deliver best practice integrated farming systems programs to support skill development and practice change – beef	OIA	1,165	865
	4. Develop adoption platforms including educational tools and e-extension tools that enables maximum producer access to R&D outputs – beef	OIA	740	642

Strategy	Key initiatives	Business unit	2014-15 budget	2015-16 budget
2. Partner with producers to support the development and adaptation of R&D and accelerate adoption	1. Establish partnerships with producer groups and networks to support facilitated learning through demonstration sites – sheep	LP	911	623
	2. Establish partnerships with producer groups and networks to support facilitated learning through demonstration sites – beef	OIA	558	478
	3. Use producer participatory R&D (Producer Research Sites) to maximise the rate and effectiveness and evaluation of new technologies	OIA	1,654	1,845
3. Continuously measure and monitor the performance and overall impact of RD&E levy investment	1. Develop effective measurement tools and conduct robust program evaluation and market research to determine industry RD&E needs and the impact of RD&E investment – sheep	LP	438	430
	2. Develop effective measurement tools and conduct robust program evaluation and market research to determine industry RD&E needs and the impact of RD&E investment – beef	OIA	530	320
			<b>8,093</b>	<b>7,005</b>

#### Budget 2015-16

	5.1.1	5.1.2	5.1.3	Grand Total
- Goat R	-	-	199	-
- Goat M	-	-	-	-
- Mutton R	102	-	65	32
- Mutton M	-	-	-	-
- Lamb R	649	-	562	183
- Lamb M	-	-	-	-
- Grassfed Cattle R	754	-	363	155
- Grassfed Cattle M	-	-	-	-
- Grainfed Cattle R	-	-	242	5
- Grainfed Cattle M	-	-	-	-
- Processor R	-	-	-	-
- Processor M	-	-	-	-
- Livestock Export R	-	-	-	-
- Livestock Export M	-	-	-	-
- Gov R	1,505	-	1,430	375
- External M	300	-	84	-
<b>Sum of R</b>	<b>3,009</b>	<b>-</b>	<b>2,861</b>	<b>750</b>
<b>Sum of M</b>	<b>300</b>	<b>-</b>	<b>84</b>	<b>-</b>
Sum of AOP 15/16	3,310	-	2,945	750

## 5. Industry leadership, innovation adoption and capability

### 5.2 Build industry value chain innovation capability

For the red meat industry to be sustainable in the future, a culture of innovation at all levels is critical. This will only occur if supply chains, organisations and the people within them have the necessary capabilities to grow and sustain innovation. In 2015-16, MLA will, via the MLA Donor Company, focus on delivering the Collaborative Innovation Strategies program (CISp) program to specifically address the need for integrated and long-term innovation capabilities, both at the enterprise level and throughout the supply chain. MLA will also continue to collaborate with the Department of Agriculture and Food Western Australia on a number of major supply chain programs in both beef and sheepmeat sectors as part of its *Royalties for Regions* program.

It is anticipated that the northern beef supply chain program will be further developed beyond Western Australia via collaboration with the proposed growNORTH initiative and via the MDC. MLA, in collaboration with producers, meat processors, R&D providers, universities, state departments and the Australian Meat Processor Corporation, will seek to address targeted capability gaps such as enhancing science and technical skills within processing enterprises; supporting the development and adoption of new knowledge and technology innovations; increasing general innovation skills within enterprises/supply chains; and ensuring long-term R&D capability is available in required disciplines within the R&D provider community.

This key objective aims to deliver the following outcomes; the strategy which relates to each is also denoted:

- The Intercollegiate Meat Judging (ICMJ) program is successfully delivered with positive feedback received from participating companies and students documented (*related to strategy 5.2.1*)
- The CISp program is demonstrating significant benefit to processors and producers as evidenced through a stakeholder engagement survey (*related to strategy 5.2.2*)
- The 'young value chain innovators program' is designed and delivered and attracts at least 15 participants and is supported by industry and university programs (*related to strategy 5.2.1*)

Strategy	Key initiatives	Business unit	2014-15 budget	2015-16 budget
1. Attract and build individual value chain innovation capability	1. ICMJ program	VCI	126	119
	2. Young value chain innovators program	VCI	30	15 R MDC
2. Work with enterprises and value chains to build capability to implement innovation strategies	1. Deliver the Collaborative Innovation Strategies program (CISp)	VCI	MDC	MDC
	2. Develop and deliver targeted value chain capability programs	VCI	200 R MDC	200 R MDC
3. Support the development of essential science, research, technical and extension capabilities	1. Build professional capability and scientific knowledge of RD&E providers in the on-farm discipline	OIA	946	500
9. AMPC-managed initiatives	1. AMPC-funded and managed initiatives that are aligned to the strategic direction outlined on this page	AMPC	3,968	6,025
			<b>5,270</b>	<b>6,859</b>

**Budget 2015-16**

	5.2.1	5.2.2	5.2.3	5.2.9	Grand Total	
- Goat R		-	-	2	-	2
- Goat M		-	-	-	-	-
- Mutton R		3	10	12	-	24
- Mutton M		-	-	-	-	-
- Lamb R		15	40	84	-	139
- Lamb M		-	-	-	-	-
- Grassfed Cattle R		18	40	80	-	138
- Grassfed Cattle M		-	-	-	-	-
- Grainfed Cattle R		4	11	73	-	87
- Grainfed Cattle M		-	-	-	-	-
- Processor R		28	-	-	3,013	28
- Processor M		-	-	-	-	-
- Livestock Export R		-	-	-	-	-
- Livestock Export M		-	-	-	-	-
- Gov R		67	100	250	3,012	417
- External M		-	-	-	-	-
<b>Sum of R</b>		134	200	500	6,025	834
<b>Sum of M</b>		-	-	-	-	-
Sum of AOP 15/16		134	200	500	6,025	6,859

## 5. Industry leadership, innovation adoption and capability

### 5.3 Industry leadership and issues research

One of MLA's roles is to invest in the development of industry capability and capacity. The future success of the industry will be underpinned by the ability of its leaders and MLA's investment seeks to increase the skills and experience of industry participants through a range of industry development and scholarship opportunities. The investment will also develop a platform for industry leadership participants to network and seek opportunities to promote the industry.

The success of the industry also relies upon the provision of high quality research in areas identified in conjunction with peak councils and government. This research is then able to inform industry in its policy development.

This key objective will deliver the following outcomes; the strategy which relates to each is also denoted:

- Three people to be supported through industry leadership programs in 2015-16 and actively engaged in industry activities (*related to strategy 5.3.1*)
- 20 previous industry leadership program participants to be actively engaged in the alumni program, with at least five participating in events and five media trained (*related to strategy 5.3.1*)
- Three projects completed and used by peak industry councils to progress priority policy issues on behalf of the red meat industry (*related to strategy 5.3.2*)

Strategy	Key initiatives	Business unit	2014-15 budget	2015-16 budget
1. Equip and empower producers to build the industry's reputation through skills development	1. Support industry leadership programs such as Australian Rural Leadership Program, Nuffield scholarships and Horizon Scholarships	CSE	0	250
	2. Develop a network for industry participants in industry leadership programs to encourage and continue advocacy within the industry and to the broader community, including through workshops, governance and media training	CSE	56	252
2. Work closely with peak councils and government and seek opportunities with like-minded organisations to identify priority industry issues and commission research to support these issues	1. Support policy research and analysis on priority policy issues identified by peak councils and government and where appropriate work with other RDCs and relevant organisations	CSE	300	400
			<b>356</b>	<b>902</b>

**Budget 2015-16**

	<b>5.3.1</b>	<b>5.3.2</b>	<b>Grand Total</b>
- Goat R		-	-
- Goat M		-	-
- Mutton R		4	7
- Mutton M		-	-
- Lamb R		43	52
- Lamb M		60	-
- Grassfed Cattle R		88	119
- Grassfed Cattle M		84	-
- Grainfed Cattle R		25	22
- Grainfed Cattle M		36	-
- Processor R		-	-
- Processor M		-	-
- Livestock Export R		-	-
- Livestock Export M		-	-
- Gov R		161	200
- External M		-	-
<b>Sum of R</b>		322	400
<b>Sum of M</b>		180	-
Sum of AOP 15/16		502	400

## 6. Stakeholder engagement and communication

### 6.1 Stakeholder engagement and communication

As the industry service company, MLA receives significant funds derived from livestock transaction levies and government contributions. MLA is accountable to a range of stakeholders and must be diligent and transparent in its engagement with its stakeholder groups, ensure levy payers have adequate influence over the investment of their levy and ensure stakeholders are aware of the value of the levy investment in R&D and marketing. Effective and efficient consultation mechanisms with industry are essential to ensure robust strategic insight into MLA's corporate plan and annual operating plans. The company also has a range of corporate reporting requirements under MLA's Deed of Agreement with the Australian Government and the *Corporations Act*. Reporting activities include an annual general meeting, annual report, corporate plan and annual operating plan.

This key objective aims to deliver the following outcomes which, unless otherwise indicated, are related to all the strategies in the table below:

- Increase membership to 51,000 members (currently 49,500) (*related to strategy 6.1.2*)
- Producer feedback via a survey conducted in August with 65 per cent of feedback being positive
- All reporting requirements required under corporations law and MLA's Statutory Funding Agreement with the Australian Government are met (*related to strategy 6.1.1*)
- Consultation model established and implemented by October 2015 (*related to strategy 6.1.2*)
- 10 per cent increase in usage of the website from 2014-15 baseline (*related to strategy 6.1.3*)
- Five per cent increase in open rates of *Friday Feedback* from 2014-15 baseline (*related to strategy 6.1.3*)
- Increase member satisfaction with *Feedback* magazine from 71 per cent to over 80 per cent (*related to strategy 6.1.3*)
- Annual call for sponsorships implemented (*related to strategy 6.1.3*)

Strategy	Key initiatives	Business unit	2014-15 budget	2015-16 budget
1. Deliver best practice corporate reporting	1. Develop corporate publications and deliver an annual general meeting that communicate opportunities for members and meet MLA governance requirements	CSE	647	367
2. Develop opportunities to actively engage with stakeholders and improve services to members	1. Ensure appropriate consultation mechanisms exist with all stakeholders to provide strategic insights to MLA and ensure MLA program plans focus on industry priorities and are implemented effectively	CSE	783	2,324
	2. Support the development of a national consultation model based on regional committees that provides levy payers with the opportunity to provide direct input into the investment of their levy in MLA programs	OIA	0	800
	3. Enhance MLA's ability to report to levy payers by growing MLA's membership base and improving data collection systems	CSE	503	313
3. Ensure stakeholders are aware of the activities and opportunities created by the investment of the levy in R&D and marketing	1. Produce MLA's member magazine <i>Feedback</i> , deliver dynamic digital content and generate effective coverage through rural media to deliver valuable, relevant information and opportunities to support producers	CSE	2,035	2,010
	2. Deliver a strategic program of MLA events and sponsor targeted industry events/activities to deliver MLA information and tools to producers across Australia	CSE	1,187	1,000
			<b>5,155</b>	<b>6,814</b>



**Budget 2015-16**

	6.1.1	6.1.2	6.1.3	Grand Total	
- Goat R		1	1	12	14
- Goat M		1	1	2	4
- Mutton R		-	14	60	74
- Mutton M		11	10	13	34
- Lamb R		-	452	478	930
- Lamb M		122	744	347	1,212
- Grassfed Cattle R		-	515	408	923
- Grassfed Cattle M		217	697	407	1,320
- Grainfed Cattle R		2	3	144	149
- Grainfed Cattle M		10	17	37	64
- Processor R		-	-	-	-
- Processor M		-	-	-	-
- Livestock Export R		-	-	-	-
- Livestock Export M		-	-	-	-
- Gov R		3	985	1,103	2,090
- External M		-	-	-	-
<b>Sum of R</b>		6	1,969	2,205	4,180
<b>Sum of M</b>		361	1,468	805	2,634
Sum of AOP 15/16		367	3,437	3,010	6,814

### 7.1 Corporate services

Encompassing the board, executive, finance, legal, human resources, information technology and other MLA-funded initiatives, the corporate services business unit provides support services, risk management, governance, budget and planning and reporting functions to MLA management and stakeholders as well as ensuring compliance with statutory and other corporate obligations.

This key objective aims to deliver the following outcomes which, unless otherwise indicated, are related to all the strategies in the table below:

- Clean audit report received (*related to strategy 7.1.2*)
- Internal audit program delivered to the satisfaction of the MLA Audit and Risk Committee
- Operation within the framework of the Deed of Agreement and statutory obligations (*related to strategy 7.1.5*)
- Implement information technology three-year business plan (*related to strategy 7.1.4*)
- Implement people and values business plan (*related to strategy 7.1.3*)
- Implement processes and systems business plan

Strategy	Key initiatives
1. Board and executive	1. The board and executive oversee and determine policies consistent with the company's strategic plan and exercise direction and governance over resources and the way in which the strategies are implemented
2. Finance	1. Provide accurate, timely and meaningful information to management and stakeholders, manage financial risks, provide support for the budget and planning process and ensure internal controls are in place while effectively supporting operations
3. Human resources and administration	1. Provide services throughout the employment lifecycle to realise the full potential of MLA's human resources to deliver value to the industry
4. Information technology and library services	1. Provide infrastructure, applications and applications support to facilitate the pursuit and realisation of organisational strategic objectives
5. Legal and registry	1. Provide legal advice and support to management. Monitor compliance with statutory and other regulations applicable to MLA's business and interaction with its stakeholders. Manage the member registry
6. Undistributed costs	1. Cover costs that relate to the company as a whole, but which are not distributed to the key programs. They include insurance, repairs and maintenance and depreciation costs
7. Performance evaluation and benchmarking	1. Measure the effectiveness of MLA's programs and the efficiency of services provided. Evaluations to be conducted on at least three programs (costs are allocated against programs evaluated)
8. Commercial	1. Provide contract services support to facilitate the negotiation, preparation, administration and execution of contracts in accordance with MLA's contract approval policy

**Budget 2015-16**

	7.1.1	7.1.2	7.1.3	7.1.4	7.1.5	7.1.6	7.1.7	7.1.8	Grand Total
- Goat R	5	3	4	8	1	3	-	-	23
- Goat M	3	1	2	4	1	2	-	-	13
- Mutton R	19	8	12	26	5	13	2	-	85
- Mutton M	19	8	12	27	5	13	2	-	86
- Lamb R	124	53	76	172	35	83	12	3	558
- Lamb M	306	132	191	426	86	205	29	8	1,383
- Grassfed Cattle R	162	70	100	225	46	108	16	4	731
- Grassfed Cattle M	657	283	401	1,285	186	440	63	19	3,334
- Grainfed Cattle R	39	17	24	54	11	26	4	1	176
- Grainfed Cattle M	82	35	50	114	23	55	8	2	369
- Processor R	-	-	-	-	-	-	-	-	-
- Processor M	-	-	-	-	-	-	-	-	-
- Livestock Export R	-	-	-	-	-	-	-	-	-
- Livestock Export M	-	-	-	-	-	-	-	-	-
- Gov R	348	151	216	485	98	233	34	8	1,571
- External M	509	220	314	710	144	341	49	13	2,300
<b>Sum of R</b>	695	301	431	969	196	466	68	16	3,142
<b>Sum of M</b>	1,576	679	970	2,566	445	1,056	151	42	7,485
Sum of AOP 15/16	2,271	980	1,401	3,535	641	1,522	219	58	10,627

## AUS-MEAT

### AUS-MEAT

AUS-MEAT is an independent company limited by guarantee and jointly owned by the Australian Meat Processor Corporation (AMPC) and MLA. The board is made up of two members from each of the owner organisations and an independent chairman. The funding reflected below is only that injected by MLA, with AMPC making its equal contribution directly to AUS-MEAT. AUS-MEAT operations are split into two areas: the standards division (AUS-MEAT) and the services division (AUS-QUAL). Industry levies are only provided to fund the standards division. All costs incurred by the services division are met from revenues and from previous industry transition capitalisation. The services division is budgeted to be self-funding, as per the original business plan.

### Budget 2015-16

	7.2.1	Grand Total
- Goat R	-	-
- Goat M	2	2
- Mutton R	-	-
- Mutton M	13	13
- Lamb R	-	-
- Lamb M	208	208
- Grassfed Cattle R	-	-
- Grassfed Cattle M	450	450
- Grainfed Cattle R	-	-
- Grainfed Cattle M	56	56
- Processor R	-	-
- Processor M	-	-
- Livestock Export R	-	-
- Livestock Export M	-	-
- Gov R	-	-
- External M	-	-
<b>Sum of R</b>	-	-
<b>Sum of M</b>	729	729
Sum of AOP 15/16	729	729

## MLA Donor Company

A fully-owned MLA subsidiary, MLA Donor Company Limited provides a vehicle for attracting voluntary contributions from individual enterprises that share a mutual interest with MLA to co-invest in innovation initiatives that will deliver benefit to the Australian red meat industry. Since inception in 1999, the MDC (R&D partnership) program has engaged enterprises from all parts of the industry supply chain including processors, value-adders, breed societies, large pastoral companies and technology providers. A specific component of MDC activity relates to the Plant Initiated Partnership (PIP) projects which are co-funded with AMPC and processors. In addition, MDC has also formed international alliances which have assisted in accelerating Australia's access to valuable intellectual property at a much lower cost than would otherwise have been possible. The current value of projects in progress within the R&D partnership portfolio is \$180 million with an anticipated total expenditure in 2015-16 of approximately \$32 million.

MDC initiatives are clearly integrated with the overall objectives of MLA's five-year *Corporate Plan*. In broad terms, the objectives of MDC initiatives include: to significantly increase the level of enterprise investment in innovation in the Australian red meat industry; enhance the outcomes of commercially focused innovation thereby ensuring quantifiable benefit to individual enterprises and ultimately to the industry overall; accelerate the commercialisation of R&D adding to the quantum of innovations available to the industry; and assist the Australian red meat industry to develop an innovation culture and capability.

As MDC partnership projects are directly related to delivering against MLA's overall strategic plan, key program deliverables have been included in the relevant milestone sections of this *Annual Operating Plan*. A key outcome of the MDC programs will be to ensure dissemination and adoption of project outcomes to the broader industry. In 2015-16, quantified measurement of this will be undertaken.

Strategy and MLA AOP page	Key initiatives
1. Conduct scientific research to ensure food safety systems are at the leading edge of knowledge and practice (1.1)	<ol style="list-style-type: none"> <li>1. Assess and maintain the safety and integrity of product in the marketplace</li> <li>2. Develop and implement new techniques and systems for delivering safe and wholesome product</li> <li>3. Develop risk-based post mortem inspection systems for animal health surveillance, and assessment of product safety and suitability</li> </ol>
2. Develop value chain innovation insights (2.1)	<ol style="list-style-type: none"> <li>1. Deliver innovation knowledge services of emerging trends and opportunities that support design led research to develop future growth and inform future investment decisions.</li> </ol>
3. Develop novel value adding options through packaging and product innovation that enhances demand for red meat in global markets (2.2 and 2.3)	<ol style="list-style-type: none"> <li>1. Develop innovative new products, packaging and processes for red meat that support growth in high value markets and market segments</li> <li>2. Build red meat industry capability to adopt new products, packaging and value adding concepts that lead to growth in high value markets and market segments</li> <li>3. Develop innovative technologies and processes to add value to red meat co-products</li> </ol>
4. Enhance rates of animal and feedbase genetic improvement for the beef and sheep industries (3.1)	<ol style="list-style-type: none"> <li>1. Establish a single national database for genetic delivery of beef information from BREEDPLAN - Beef Information Nucleus (BIN)</li> </ol>
5. Supply chain innovation including facilitating improved information flows within value chains (3.2)	<ol style="list-style-type: none"> <li>1. Develop and prove objective carcass measurement technologies that predict a range of carcass attributes including eating quality and lean meat yield</li> <li>2. Develop a whole-of-industry information exchange strategy including implementation of Livestock Data Link</li> <li>3. Develop and implement transformational automation technologies that increase processing efficiency and maximise carcass utilisation</li> </ol>
6. Northern Beef Value Chain Program	<ol style="list-style-type: none"> <li>1. Develop and deliver Northern Beef productivity improvements</li> <li>2. Leverage investment and collaborate with DAFWA via the Royalties for Regions Northern Beef Futures</li> <li>3. Partner with the growNORTH collaborative research and development program to deliver research that will lower investment barriers and enable significant development in the north</li> <li>4. Develop and support a Northern Beef Industry Supply Chain group</li> </ol>

Strategy and MLA AOP page	Key initiatives
7. Develop and implement a 'through chain' environment strategy (4.1)	<ol style="list-style-type: none"> <li>1. Improve efficiency of energy and water use and management of, and value adding to, waste along the value chain.</li> <li>2. Identify and quantify the value propositions for producers through the adoption of environmental value chain opportunities</li> </ol>
8. Support industry to improve animal health and biosecurity (4.2)	<ol style="list-style-type: none"> <li>1. Deliver improved diagnostic methods, enhanced understanding and/or improved control measures for external threats</li> <li>2. Improve biosecurity measures that will minimise the treat/risk of endemic, emerging and exotic diseases to production and trade</li> <li>3. Investigate and improve the management of key feedlot animal health problems</li> <li>4. Invest in priority endemic diseases to reduce the cost to industry</li> </ol>
9. Build industry value chain innovation capability (5.2)	<ol style="list-style-type: none"> <li>1. Deliver the young value chain innovators program</li> <li>2. Deliver the Collaborative Innovation Strategies program (CISp)</li> <li>3. Develop and deliver targeted value chain capability programs</li> <li>4. Build professional capability and scientific knowledge of on-farm RD&amp;E providers</li> </ol>
<b>Anticipated total investment</b>	<b>\$32,000</b>

## Appendix A – alignment of MLA’s AOP objectives and 2015-16 budget to the Australian Government’s Science and Research Priorities

Australian Government Science and Research Priority/MLA AOP objective	Budget \$'000
<b>Environmental Change</b>	<b>2,650</b>
4.1 Sustainable supply chain resource management	2,650
<b>Food</b>	<b>94,411</b>
1.1 Develop and deliver industry systems that underpin product integrity	8,016
1.2 Support industry and government to maintain and liberalise world meat markets	1,249
2.1 Develop and deliver market and consumer insights for better decisions	5,458
2.2 Aggressive promotion of beef across global markets	4,027
2.3 Aggressive promotion of lamb across global markets	1,460
3.1 Identify and deliver innovative opportunities to increase on-farm productivity & profitability through genetic and management interventions	14,977
3.2 Identify information platforms and technologies that drive productivity and innovation throughout supply chains	20,753
4.1 Sustainable supply chain resource management	6,908
4.2 Animal welfare, biosecurity and animal well-being without reducing productivity levels	9,410
4.3 Support industry’s effective engagement with the community	179
5.1 Platforms for supporting skill development and innovation adoption by producers	6,628
5.2 Build industry value chain innovation capability	10,429
5.3 Industry leadership and policy research	722
6.1 Stakeholder engagement and communication	4,196
<b>Soil and Water</b>	<b>3,807</b>
4.1 Sustainable supply chain resource management	2,237
4.2 Animal welfare, biosecurity and animal well-being without reducing productivity levels	1,570
<b>Transport</b>	<b>2,920</b>
1.3 Maximise market options for producers and exporters in the livestock export market	2,920
<b>Resources</b>	<b>3,862</b>
4.1 Sustainable supply chain resource management	1,229
5.2 Build industry value chain innovation capability	2,632
<b>Total MLA R&amp;D budget (including MLA Donor Company)</b>	<b>107,649</b>

None of MLA’s R&D budget is allocated to the following Australian Government Science and Research Priorities: Cybersecurity, Energy, Advanced Manufacturing or Health.

## Appendix B – alignment of MLA’s AOP objectives and 2015-16 budget to the Australian Government’s Rural R&D Priorities

Australian Government Rural R&D Priority/MLA AOP objective	Budget \$'000
<b>Biosecurity</b>	<b>6,068</b>
1.1 Develop and deliver industry systems that underpin product integrity	3,563
4.2 Animal welfare, biosecurity and animal well-being without reducing productivity levels	2,504
<b>Climate Variability and Climate Change</b>	<b>2,500</b>
4.1 Sustainable supply chain resource management	2,500
<b>Natural Resource Management</b>	<b>3,616</b>
4.1 Sustainable supply chain resource management	3,616
<b>Productivity and Adding Value</b>	<b>36,540</b>
1.3 Maximise market options for producers and exporters in the livestock export market	500
2.1 Develop and deliver market and consumer insights for better decisions	1,075
2.2 Aggressive promotion of beef across global markets	316
2.3 Aggressive promotion of lamb across global markets	95
3.1 Identify and deliver innovative opportunities to increase on-farm productivity & profitability through genetic and management interventions	12,524
3.2 Identify information platforms and technologies that drive productivity and innovation throughout supply chains	5,691
4.1 Sustainable supply chain resource management	3,793
4.2 Animal welfare, biosecurity and animal well-being without reducing productivity levels	8,476
5.1 Platforms for supporting skill development and innovation adoption by producers	4,070
<b>Supply Chain and Markets</b>	<b>45,946</b>
1.1 Develop and deliver industry systems that underpin product integrity	4,452
1.2 Support industry and government to maintain and liberalise world meat markets	1,249
1.3 Maximise market options for producers and exporters in the livestock export market	2,420
2.1 Develop and deliver market and consumer insights for better decisions	2,047
2.2 Aggressive promotion of beef across global markets	3,711
2.3 Aggressive promotion of lamb across global markets	1,366
3.1 Identify and deliver innovative opportunities to increase on-farm productivity & profitability through genetic and management interventions	2,453
3.2 Identify information platforms and technologies that drive productivity and innovation throughout supply chains	15,061
4.1 Sustainable supply chain resource management	3,115
4.3 Support industry’s effective engagement with the community	179
5.2 Build industry value chain innovation capability	6,025
5.3 Industry leadership and policy research	472
6.1 Stakeholder engagement and communication	3,397
<b>Supporting the Rural Research and Development Priorities</b>	<b>12,979</b>
2.1 Develop and deliver market and consumer insights for better decisions	2,336
5.1 Platforms for supporting skill development and innovation adoption by producers	2,558
5.2 Build industry value chain innovation capability	7,036
5.3 Industry leadership and policy research	250
6.1 Stakeholder engagement and communication	800
<b>Total MLA R&amp;D budget (including MLA Donor Company)</b>	<b>107,649</b>

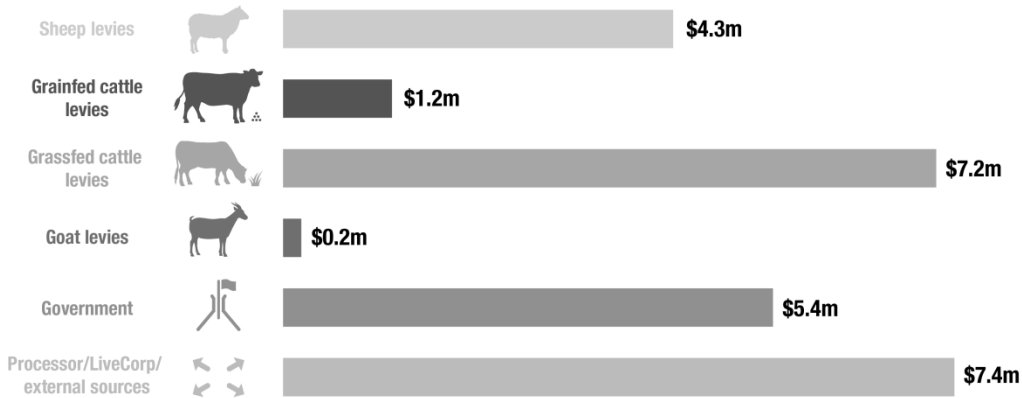


## Appendix C – alignment of MLA’s AOP objectives and 2015-16 budget to the Australian Government’s Agricultural Competitiveness White Paper Priorities

Australian Government Agricultural Competitiveness White Paper Priority/MLA AOP objective	Budget \$'000
<b>Adoption of Research and Development</b>	<b>28,370</b>
1.1 Develop and deliver industry systems that underpin product integrity	1,242
2.1 Develop and deliver market and consumer insights for better decisions	1,475
2.2 Aggressive promotion of beef across global markets	2,190
2.3 Aggressive promotion of lamb across global markets	856
4.2 Animal welfare, biosecurity and animal well-being without reducing productivity levels	4,374
4.3 Support industry’s effective engagement with the community	50
5.1 Platforms for supporting skill development and innovation adoption by producers	6,628
5.2 Build industry value chain innovation capability	7,036
5.3 Industry leadership and policy research	322
6.1 Stakeholder engagement and communication	4,196
<b>Advanced Technology</b>	<b>66,756</b>
1.1 Develop and deliver industry systems that underpin product integrity	2,870
1.2 Support industry and government to maintain and liberalise world meat markets	1,249
1.3 Maximise market options for producers and exporters in the livestock export market	2,920
2.1 Develop and deliver market and consumer insights for better decisions	3,983
2.2 Aggressive promotion of beef across global markets	1,837
2.3 Aggressive promotion of lamb across global markets	604
3.1 Identify and deliver innovative opportunities to increase on-farm productivity & profitability through genetic and management interventions	14,977
3.2 Identify information platforms and technologies that drive productivity and innovation throughout supply chains	20,753
4.1 Sustainable supply chain resource management	6,908
4.2 Animal welfare, biosecurity and animal well-being without reducing productivity levels	4,101
4.3 Support industry’s effective engagement with the community	129
5.2 Build industry value chain innovation capability	6,025
5.3 Industry leadership and policy research	400
<b>Biosecurity</b>	<b>6,408</b>
1.1 Develop and deliver industry systems that underpin product integrity	3,903
4.2 Animal welfare, biosecurity and animal well-being without reducing productivity levels	2,504
<b>Soil, Water and Managing Natural Resources</b>	<b>6,116</b>
4.1 Sustainable supply chain resource management	6,116
<b>Total MLA R&amp;D budget (including MLA Donor Company)</b>	<b>107,649</b>

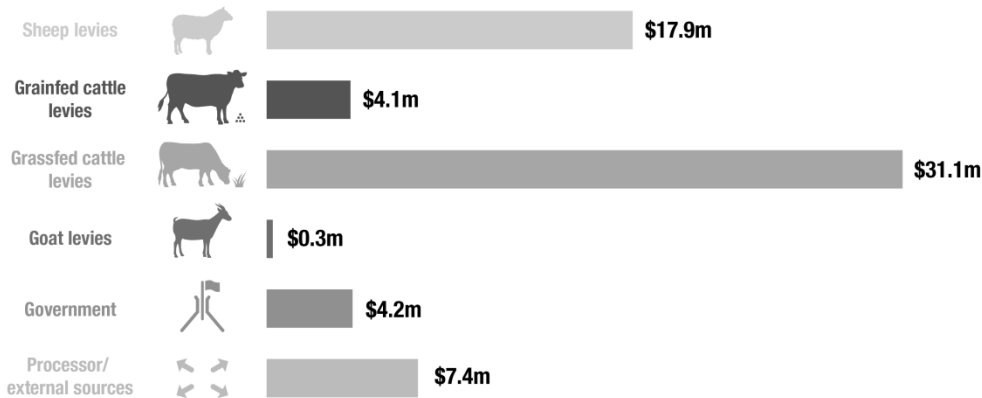
## Appendix D: Funding sources of strategic imperatives

Figure D1: Strategic imperative 1 – Trade and market access 2015-16 budget, by funding source (see pages 8-13)



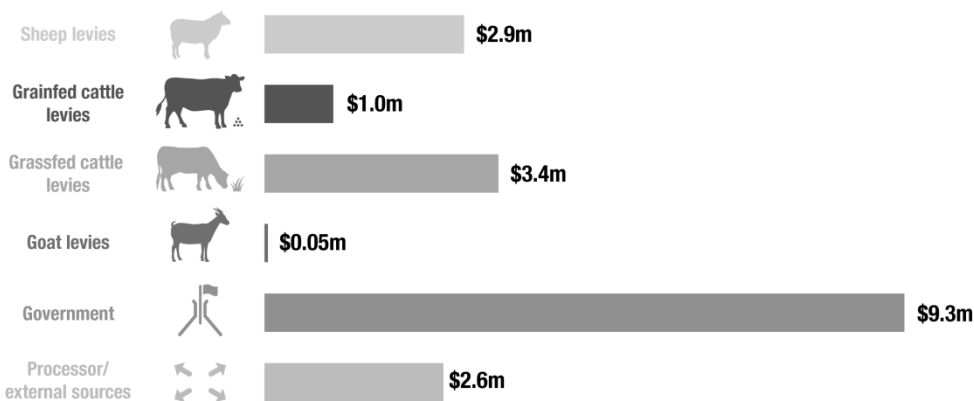
**Total investment \$25.7 million**

Figure D2: Strategic imperative 2 – Increasing demand for red meat 2015-16 budget, by funding source (see pages 14-22)



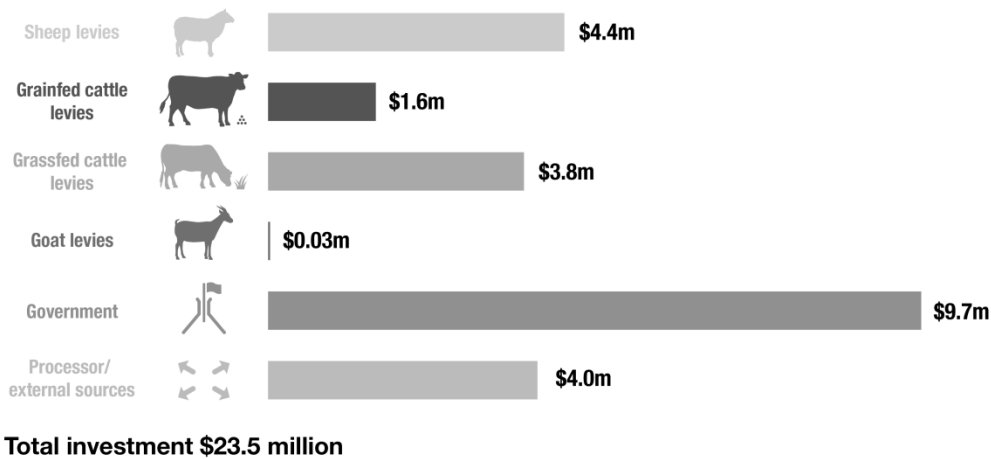
**Total investment \$65 million**

Figure D3: Strategic imperative 3 – Improving productivity across the supply chain 2015-16 budget, by funding source (see pages 23-26)

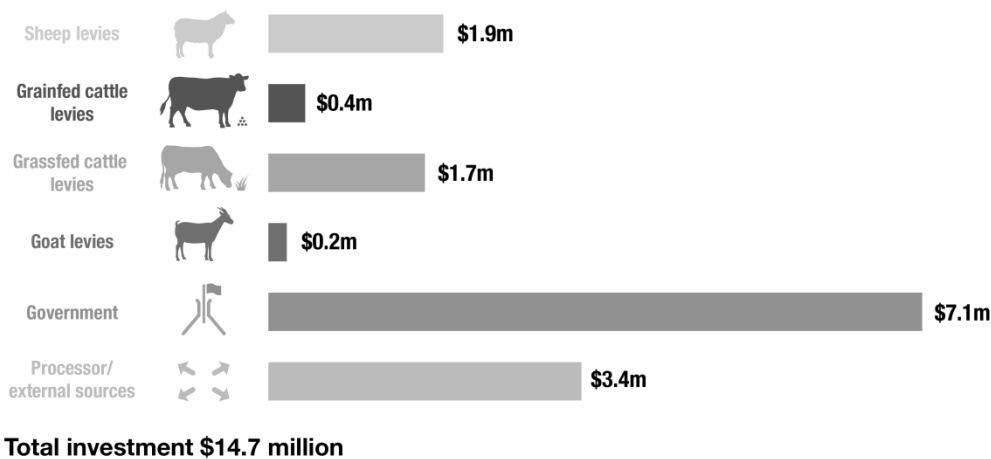


**Total investment \$19.2 million**

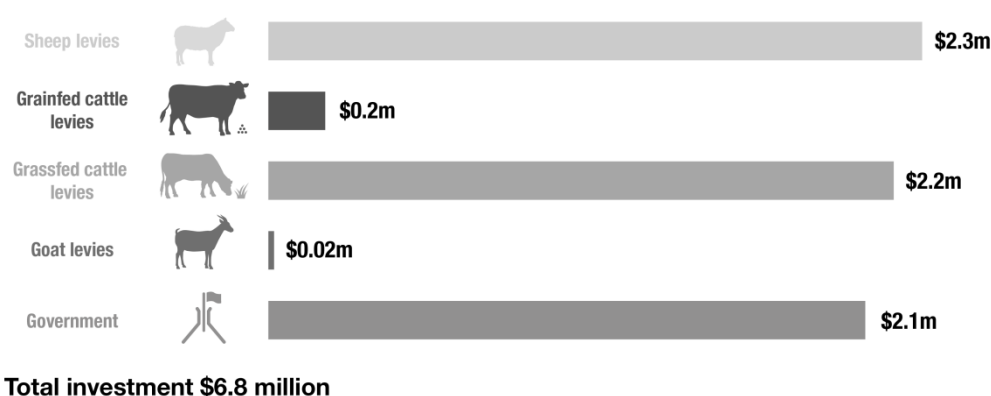
**Figure D4: Strategic imperative 4 – Industry sustainability and integrity 2015-16 budget, by funding source (see pages 27-33)**



**Figure D5: Strategic imperative 5 – Industry leadership, innovation, adoption and capability 2015-16 budget, by funding source (see pages 34-39)**



**Figure D6: Strategic imperative 6 – Industry engagement and communication 2015-16 budget, by funding source (see pages 40-41)**



In 2015-16, an additional \$16 million is projected to be attracted in voluntary contributions, matched with Australian Government funding (\$16 million) and invested via the MLA Donor Company (MDC) (see page 45). No producer levies are used in MDC projects.

