



2nd DRAFT

MEAT AND LIVESTOCK AUSTRALIA

Final Report

MILESTONE No. 5

Project No. G.EPM.0002

Project Title: Establishing the long term strategic direction for MLA Market Information

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THE VITAL COMMUNICATIONS INGREDIENT

Currie Communications Pty Ltd Level 4, 180 Albert Road, South Melbourne, Victoria 3205
Telephone 03 9696 5899 Facsimile 03 9696 6285 www.curriecom.com.au
ACN 050 913 909 ABN 82 050 913 909

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EXECUTIVE SUMMARY

In terms of market information, the Australian red meat and livestock industry wants a service that delivers world-class performance – not one that necessarily looks ‘first-class’.

In other words, the market information – more accurately described as market intelligence – provided by Meat & Livestock Australia (MLA) needs to demonstrate those values that rural Australia associates with a Toyota Landcruiser, as opposed to a Rolls Royce.

More than 90% of subscribers in each client segment studied – producers, media, processors, agents and lot-feeders – consider the MLA service to be ‘important’ to their business.

Yet there is clear evidence from the research to indicate that a ‘tune-up’ to the current model of MLA Market Information will raise the torque of the business.

MLA market information sent via the media or direct from MLA, is the main source of information about red meat and livestock markets for Australian livestock producers, yet 33% of non-subscriber producers are not aware that MLA produces this information.

In addition, it’s now clear that MLA Market Information clients, generally, do not want the same market reports, instead preferring customised market intelligence that they believe better meets the specific needs of their business and/or industry segment.

These conclusions have been reached following three research phases and a workshop analysis, completed during February/March 2007 as part of the *Establishing the long term strategic direction for Market Information* project (Project No.G.EPM.0002).

In summary, the findings from the project reveal that:

Topic Areas

- Of all MLA information, the National Livestock Reporting Service (NLRS) market reports are considered the most ‘important’ by every client group, in every region.
- Other topics which rate highly are *Projections and Forecasts*, followed by *Market Indicators*, *Store Sale Reports* and *Market Analysis and Insights*.
- The flagship publication, *Meat and Livestock Weekly*, in its current version, is valued by processors, agents and media, but is not compelling to most producers.
- A revamped *Meat and Livestock Weekly* (three versions), quarterly editions of *Projections and Forecasts*, the launch of a *Feeder Cattle/Sheep Bulletin* and a six- monthly *Lamb Survey* will better meet the needs of MLA clients.

Channels/Distribution

- With livestock market reports the most highly-regarded product of MLA market information, consistency and accuracy of reporting is essential.
- The media is the main source of information for most clients, with radio, in particular, more highly-preferred for the immediacy of its delivery.
- Agents are the second main source of market information for producers, and agents rely on MLA, as well as their colleagues, for their information.
- Engagement of media and agents is a key to making MLA information more widely available. Education briefings are essential, and will heighten overall awareness and use of the service.

Business Development

- There is a low level of awareness among producers of MLA's role in delivering market information. As one of the most tangible outcomes from producer levies, it is important that the awareness of this service from MLA is improved.
- Clients who are aware of MLA's market information consider it worthwhile and important to their businesses. However, as the industry becomes increasingly specialised, there is significant potential for MLA to customise content, thus increasing its relevance and useability.
- Once content has the potential to be customised, then tailored delivery options, providing content that matches client needs, should be embraced.
- A revitalised MLA Market Information service would be best rolled-out through media and agents – the two mediums that have the most direct access to all other stakeholders. An education program would be essential to maximise the impact of this roll out.
- Customising content and tailoring delivery would improve MLA market information relevance, lift its perceived value, and encourage a pricing strategy to be developed.

Business Impacts

- MLA market information generates a large (and, as yet, an unknown) amount of goodwill between MLA and the red meat and livestock industry.
- Producers make up the majority of MLA stakeholders and yet 30% say they don't know MLA provides market information, and 50% of producers who do subscribe can't name a product. Despite this, they consider market information to be important to the running of their business.
- Continued communication with stakeholders is necessary to ensure continued relevance of MLA-produced market information.

This Final Report provides a set of conclusions and recommendations to assist MLA Market Information prepare a business and communications strategy which ensures the business delivers products that meet the current and future needs of its clients.

INTRODUCTION

The goal of the *Establishing the long term strategic direction for Market Information* project is to determine what type of market information clients need now and what they expect they will need from Meat and Livestock Australia (MLA) during the next five years.

The objectives of the project are to:







- Identify what type of market information (format, content, timeliness, channel) will meet the future needs of clients; and
- Determine how well existing MLA market information meets this 'need' by:
 - Reviewing current MLA market information products;
 - Comparing them with other market information services;
 - Evaluating the strengths and weaknesses of the service;
 - Confirming which of the products/services are relevant; and
 - Identifying any gaps in information needed by clients.

In order to extract the market insights that MLA requires to make truly strategic decisions about the market information business, Currie Communications has used the following approach.



This approach does not collect raw data alone. Importantly, the process gathers intelligence; the sort of insights required to compile a truly robust strategy; it reveals who needs what products, how they want to receive them and what are the key priorities.

KEY FINDINGS

Client	Topic Areas	Channel/Distribution	Business Development	Business Impacts
Producers	<p>1. Livestock market reports (inc. indicators) </p> <p>2. Store sales reports </p> <p>3. Projections, forecasts </p> <p>4. Market analysis, insights (i.e. <i>Industry Overview</i>) </p> <p>5. Feeder reports </p> <p>6. News and information (i.e. <i>Meat & Livestock Weekly</i>) </p>	<p><i>Preferred channels:</i></p> <ol style="list-style-type: none"> 1. Mail/Post* 2. E-mail# 3. Media 4. Web Site <p>* 50% of MLA subscribers prefer to information in a paper-based mail. # E-mail emerges as most preferred in five years' time.</p> <p><i>Primary Sources:</i></p> <ol style="list-style-type: none"> 1. Media 2. Agents 3. Processors <p><i>Priorities:</i></p> <ol style="list-style-type: none"> 1. Accuracy 2. Content 3. Timeliness 4. Format <p><i>Desired Frequency:</i></p> <ol style="list-style-type: none"> 1. Weekly; 2. 2. Monthly 	<p><i>Products:</i></p> <ul style="list-style-type: none"> ● 54% of MLA subscribers get <i>Meat and Livestock Weekly</i>, of these only 6% say it is of little value. <p><i>Promotion:</i></p> <ul style="list-style-type: none"> ● 33% non-subscriber producers don't know MLA provides market information.* * 50% of producer subscribers can't name a MLA market information product. <p><i>Process:</i></p> <ul style="list-style-type: none"> ● Minor concern over consistency, accuracy of NLRs reporting. <p><i>Partnerships:</i></p> <ul style="list-style-type: none"> ● Radio favoured for timely and widespread delivery. 	<p><i>Major Needs:</i># *</p> <ol style="list-style-type: none"> 1. Staying informed (58%) 2. Buying/selling (56%) 3. Management (30%) <p>*75% of <u>Northern</u> subscribers use information from MLA to stay informed) #Producers prefer reports with a domestic market focus.</p> <p><i>Key Impacts:</i></p> <ul style="list-style-type: none"> ● MLA presence ensures accuracy, independence. ● 93% of all producers say market information, generally, is 'important'.

Topic Areas Legend: Workshop participants were asked to rank products/topics, allocating points out of 100, based on their perceived value to their business.

1-20/Poor 








21-40/Fair 

41-60/Good 

61-80 /High 







81-100/Excellent 

KEY FINDINGS







Client	Topic Areas	Channel/Distribution	Business Development	Business Impacts
Lot-feeders	<p>1. Livestock market reports (incl. indicators) </p> <p>2. Projections, forecasts </p> <p>3. Market analysis, insights (i.e. <i>Industry Overview</i>) </p> <p>4. Sheep/cattle feeder reports (numbers/prices) </p> <p>5. News and information (i.e. <i>Meat & Livestock Weekly</i>) </p> <p>6. Industry Facts, Figures </p> <p>7. Store sales reports </p>	<p><i>Preferred channels:</i></p> <ol style="list-style-type: none"> E-mail Mail/Post Web site <p><i>Primary Sources:</i></p> <ol style="list-style-type: none"> Agents Processors Media <p><i>Priorities:</i></p> <ol style="list-style-type: none"> Accuracy Content Timeliness Format <p><i>Desired frequency:</i></p> <ol style="list-style-type: none"> Weekly Daily 	<p><i>Products:</i></p> <ul style="list-style-type: none"> Lot-feeders need forecasts, trends, insights, facts and statistic (reports that provide market 'signals') <p><i>Promotion:</i></p> <ul style="list-style-type: none"> 35% of non-subscribers say they don't know that MLA delivers market news, analysis and statistics <p><i>Process:</i></p> <ul style="list-style-type: none"> Preferred channel for subscribers is e-mail; non-subscribers prefer media. Both signal a need for e-mail in five years' time, but 32% subscribers will still prefer 'paper'. <p><i>Partnerships:</i></p> <ul style="list-style-type: none"> Evidence of a desire from independents to access more data from processors. 	<ol style="list-style-type: none"> Staying informed (95%) Buying/selling (53%) Management decisions (47%) Feeding (42%) Planning (42%) <p><i>Key Impacts:</i></p> <ul style="list-style-type: none"> 75% of lot-feeders who receive MLA market information consider it vital MLA information is the main source of information for 87.5% of lot-feeders, either directly or via the media. 20% of MLA subscribers say there is less than 'reasonable value' in MLA market information* <p>* Highest level of dissatisfaction from any client segment</p>

Channels Legend: Preferred channels = how they want to hear direct from MLA; Primary Sources -= Other than MLA, what is the main source of market information.








KEY FINDINGS

Client	Topic Areas	Channel/Distribution	Business Development	Business Impacts
Agents	<p>1. Livestock market reports </p> <p>2. Store sale reports </p> <p>3. Market analysis, insights (i.e. <i>Meat & Livestock Weekly</i>) </p> <p>4. Sheep/cattle feeder reports (numbers/prices) </p> <p>5. NLRS indicators </p> <p>6. Projections, Forecasts </p>	<p><i>Preferred channels:</i></p> <ol style="list-style-type: none"> E-mail Radio Newspaper Fax/Mail Telephone <p><i>Primary Sources:</i></p> <ol style="list-style-type: none"> Internal Media Agents <p><i>Priorities:</i></p> <ol style="list-style-type: none"> Accuracy* Content Timeliness# Format <p>* Four out of five agent subscribers say they are happy with accuracy. # Two out of five agent subscribers are not pleased with timeliness of MLA delivery.</p> <p><i>Desired frequency:</i></p> <ol style="list-style-type: none"> Weekly Daily 	<p><i>Products:</i></p> <ul style="list-style-type: none"> Twice a year <i>Lamb Survey</i> report; a quarterly <i>Projections, Forecasts</i> bulletin; <i>Sheep/cattle Feeder</i> reports. <p><i>Promotion:</i></p> <ul style="list-style-type: none"> Approx. 66% of agents don't get information from MLA* *81% of non-subscribers cite "internal" as source of non-MLA information <p><i>Process:</i></p> <ul style="list-style-type: none"> Investigate options for real-time data via telephone/SMS reports, use by subscription <p><i>Partnerships:</i></p> <ul style="list-style-type: none"> Agents are main source of market information for non-subscriber producers* * Prospect to brief agents on MLA content and how it can be used. 	<p><i>Major Needs:</i></p> <ol style="list-style-type: none"> Buying/selling (90%)* Staying informed (76%) Planning (29%) Breeding/Investing (24%) <p>* Two-thirds of agents rate market information, in general, as "extremely important" to their business.</p> <p><i>Key Impacts:</i></p> <ul style="list-style-type: none"> MLA market information is more important to agents than any other segment; 100% subscribers say "highly or extremely" valuable. Almost 66% of agent non-subscribers are aware MLA produces market information, but choose not to subscribe (Many agents comment that there is "enough information" - of MLA origin most likely - already available to them from their internal sources).

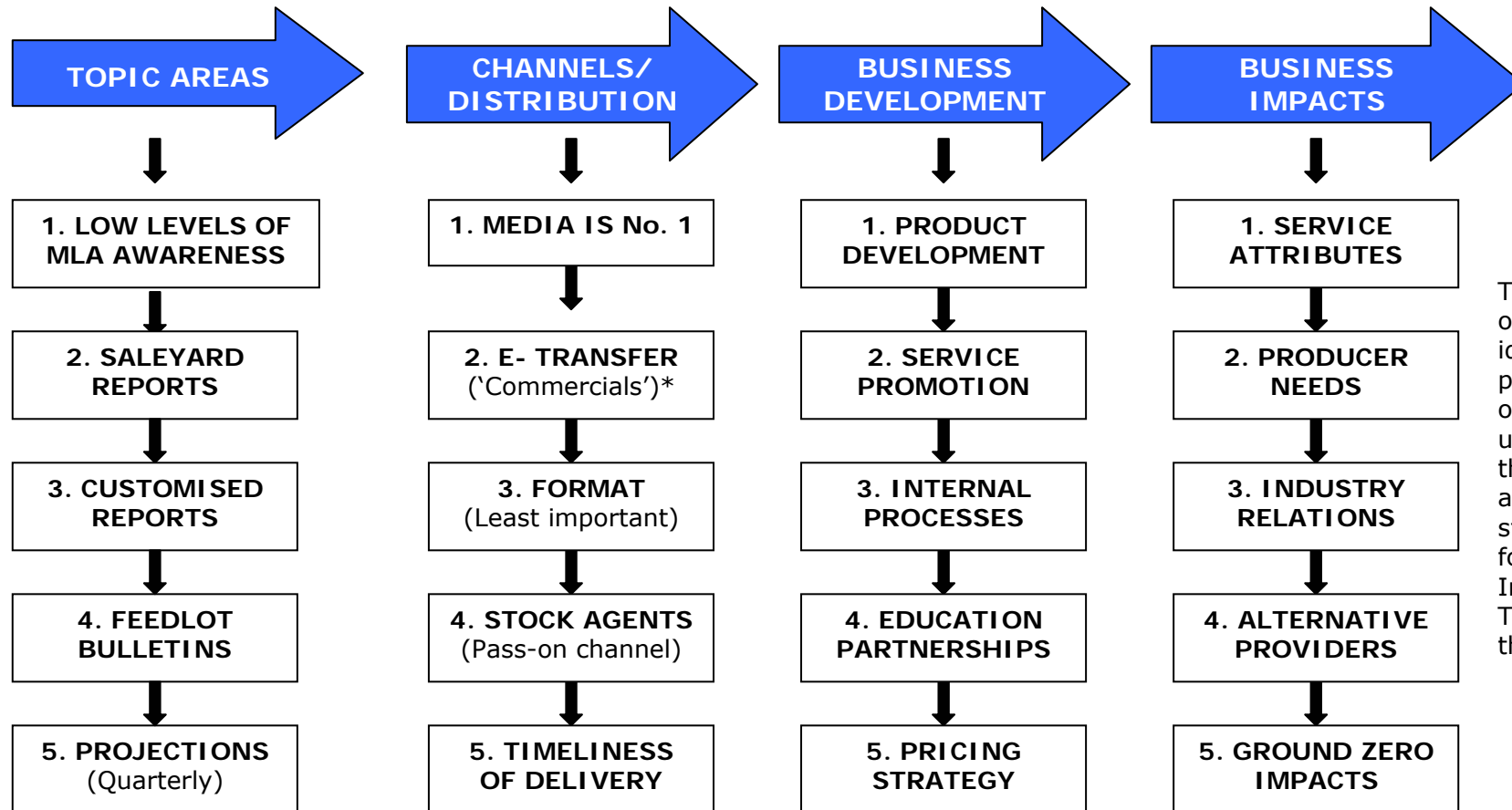
KEY FINDINGS

Client	Topic Areas	Channel/Distribution	Business Development	Business Impacts
Media	<p>1. NLRs market reports (incl. NLRs indicators) </p> <p>2. Market analysis, insights (i.e. <i>Industry Overview</i>) </p> <p>3. Projections, forecasts </p> <p>4. Lamb industry survey </p> <p>5. Latest news and information (i.e. <i>Meat & Livestock Weekly</i>) </p> <p>6. Facts & Figures </p>	<p><i>Preferred channels:</i></p> <ol style="list-style-type: none"> E-mail Web site <p><i>Primary Sources:</i></p> <ol style="list-style-type: none"> Direct/MLA Livestock agents <p><i>Priorities:</i></p> <ol style="list-style-type: none"> Accuracy Timeliness Format Content <p><i>Desired frequency:</i></p> <ol style="list-style-type: none"> Daily Weekly 	<p><i>Products:</i></p> <ul style="list-style-type: none"> Timeliness and accuracy ensure rural media will publish market content Timeliness of NLRs market reports ensures it is the main content used by print and radio <p><i>Promotion:</i></p> <ul style="list-style-type: none"> Despite weekly presence in media fewer than 10% of producers who are aware that MLA produces market reports can name NLRs reports as an MLA product. <p><i>Process:</i></p> <ul style="list-style-type: none"> Suggestion that format can be more friendly to use on outlet-by-outlet basis <p><i>Partnerships:</i></p> <ul style="list-style-type: none"> Prospect to educate media on content and available and how it can be used. 	<p><i>Major Needs:</i></p> <ol style="list-style-type: none"> Content* * The client with highest need for market reports <p><i>Key Impacts:</i></p> <ul style="list-style-type: none"> MLA presence ensures accuracy, independence

KEY FINDINGS

Client	Topic Areas	Channel/Distribution	Business Development	Business Impacts
Processors	<p>1. NLRS market reports </p> <p>2. Latest news, information (<i>Meat & Livestock Weekly</i>) </p> <p>3. Projections, forecasts </p> <p>4. Market analysis, insights (i.e. <i>Industry Overview</i>) </p> <p>5. NLRS indicators </p> <p>6. Lamb industry survey </p> <p>7. Facts & Figures </p>	<p><i>Preferred channels:</i></p> <ol style="list-style-type: none"> E-mail Web site Post/Mail <p><i>Primary Sources:</i></p> <ol style="list-style-type: none"> Processors (incl. internal)* Media# Agents MLA <p>* Internal information is most trusted/valued # Media is preferred medium for <u>Western</u> processors.</p> <p><i>Priorities:</i></p> <ol style="list-style-type: none"> Accuracy Content Timeliness Format <p><i>Desired frequency:</i></p> <ol style="list-style-type: none"> Monthly Weekly Daily/Fortnightly 	<p><i>Products:</i></p> <ul style="list-style-type: none"> Twice a year <i>Lamb Survey</i> report; quarterly <i>Projections, Forecasts</i> bulletin. <p><i>Promotion:</i></p> <ul style="list-style-type: none"> Almost 20% of <u>domestic</u> processors who don't subscribe are not aware that MLA produces market reports <p><i>Process:</i></p> <ul style="list-style-type: none"> MLA will not need to deliver information to processors via paper/mail in five years' time <p><i>Partnerships:</i></p> <ul style="list-style-type: none"> Any relationship with processors that can generate more data on prices and carcasses for other client segments would be welcome by industry. 	<p><i>Major Needs:</i></p> <ol style="list-style-type: none"> Staying informed (68%) Buying/selling (55%) Management decisions (47%) Feeding (27%) Planning (23%) <p><i>Key Impacts:</i></p> <ul style="list-style-type: none"> 90% of MLA subscribers regard the information as 'valuable' to their business# #It is considered much more valuable to <u>Southern</u> processors <i>Latest news and information</i> is valued more highly by processors than any other segment; demand for this content from this segment will grow during the next five years.

BUSINESS PRIORITIES



BUSINESS PRIORITIES
The SWOT Analysis of research findings identified five priorities (in order of importance) under four areas that need to be addressed in the strategic direction for MLA Market Information. This chart illustrates these key priorities.

* ‘Commercials’ is a term we have used to describe corporate producers, processors, agents and lot-feeders; clients in this group demonstrate a need for industry analysis and forecasts, and delivery on information by electronic transfer.

KEY RECOMMENDATIONS

TOPIC AREAS

1. Low Awareness

The low 'unprompted' awareness of MLA Market Information products - NLRS market reports were named by as few as 10% of producers who subscribe to MLA) - indicates most producers are not aware of the types of market information from MLA.

Recommendation:

1. Produce a 'Product List' insert/flyer for *Feedback* magazine and *Prime Time, More Beef from Pasture* farmer forums;
2. Brand 'NLRS reports' on radio and in print media as 'MLA market reports'.
3. Name the business/offering MLA Market Intelligence; the term, intelligence, implies higher value knowledge than 'information', clients feel under siege by information; and
4. Advertise selectively in markets sections of newspapers; and

2. Saleyard Reports

Livestock market reports produced by the NLRS are considered by clients across all client segments and each of the three geographic regions to be the most valuable market information they receive when they need to make business decisions.

Recommendation:

1. Increase the training of the NLRS reporting team to improve the accuracy, quality and consistency of livestock market reports; and
2. Brand NLRS reports on radio and in print, together with signage and/or PA announcements at prime livestock markets as 'Proudly reported by MLA.'

3. Customised Reporting

The type of content sought by different client segments varies, depending upon their needs. For example, the news and latest information content of *Meat and Livestock Weekly*, in its current form, appeals more to processors, agents and media than 'non-corporate' producers.

Recommendation:

1. Invest in software that enables the business to segment the database and automatically send different versions of the same product to different client segments, matching content to client need.

"The 'idea' would be to get this information so specific, so tailor-made - right down to regions and breeds - that individuals could make sound financial and business decisions based on it."

- Livestock Agent, Stakeholder Forum, Melbourne, February 2007

RECOMMENDATIONS

CHANNELS/DISTRIBUTION

1. The media is No.1

The media is considered by users of market information to be the most preferred channel to receive market reports from MLA. Radio is the preferred medium because its timely delivery is becoming increasingly important to clients, especially livestock agents and processors.

Recommendation:

1. Target more commercial radio stations for delivery of MLA Market Intelligence on a user-pays basis;
2. Investigate options with each major media user to make the data more user-friendly more frequently, especially for radio; brand the service better.

2. Timeliness/accuracy

'Timeliness' and 'accuracy' are the most important attributes that market information users say they need in their market information. These are followed by relevant 'content' and finally, the least important attribute, 'format' (how it looks).

Recommendation:

1. Make market intelligence available more quickly by e-mail and SMS transfer to 'commercial clients' – big producers, agents, processors, advisors and the media.

3. Livestock Agents

Livestock agents are main source of market information for non MLA-subscriber producers. Agents are heavy users of MLA market reports and randomly pass them throughout their 'internal' networks without paying copyright or making an acknowledgement of MLA.

Recommendation:

1. Investigate options for sending information more widely by creating reports in a heavily-branded, electronic format which can be easily passed between agents;
2. Conduct a series of education briefings for agents on the types of reports available from MLA and how they can be used;
3. Consider a subscription deal (similar to the group-wide media deals) with the head offices of Landmark, Elders and Ruralco where MLA sells tailored, express-delivered market intelligence packages to select branches in each of their networks; and
4. Explore an alliance with independent agents through Australian Livestock and Property Agents Association; where a similar arrangement could be made.

RECOMMENDATIONS

BUSINESS DEVELOPMENT

1. Product Development

The highest priority for business development is the re-packaging of the offering from MLA Market Intelligence, including a revamp of existing products and the launch of new products, in order to tailor content to meet the needs of different client segments.

Recommendation:

1. Re-package *Meat and Livestock Weekly* into three versions (producer, domestic, global);
2. Enhance the reporting of store sales (especially in southern Australia); publish/broadcast *Forecasts/Projections* quarterly;
3. Target the content and delivery of *Industry Overview* to processors, agents and lot-feeders; and
4. Launch a regional *Feeder Cattle/Sheep Bulletin*; publish the *Lamb Survey* six-monthly.

"In the past 5-10 years the emphasis has really shifted in the industry and south-eastern Australia has become the nursery of particularly the beef industry. You have to question whether southern levy payers are being given bang for their buck in terms of livestock market reporting when their primary concern is the store market."

- Journalist, Stakeholder Forum, Melbourne, February 2007

2. Service Promotion

Almost 60% of non-subscriber producers who say that they are aware that MLA produces market information cannot name (unprompted) an MLA product (highest recall – about 9% - was made for NLRS and, curiously *Feedback magazine*); 33% of non-subscriber producers say they are not aware that MLA provides market information.

Recommendation (See Low Awareness, above):

1. Brand the business 'MLA Market Intelligence'; and
2. Prepare and execute a promotional campaign to increase awareness of the choices of MLA Market Intelligence products and how/where they are available
 - Producers
 - Agents, processors, lot-feeders.

3. Internal Processes

The need for more specialised content by individual client segments requires that MLA Market Intelligence invest in technology that enables a sophisticated and customise system of information delivery that matches content and timeliness to client needs.

Recommendation:

1. Consider the development or acquisition of software which enables targeted publishing and investigate options for securing an ISO Quality Assurance accreditation to improve operating efficiency.
 - “Commercial” clients (Corporate producers, processors, agents, media, agribusiness)

4. Education Partnerships

The two main channels used by producers for receiving market information are the media (60%) and livestock agents (57%). These two channels have the widest reach to producers.

Recommendation:

1. Develop a proposal for a series of educational briefings with media outlets and agents to explain what is available from MLA Market Intelligence and how it can be used by them and their customers.
 - Media
 - Agents.

5. Pricing Strategy

MLA Market Information is highly-valued and widely-used. Should MLA decide to improve the service by targeting information to better suit the needs of clients, it introduces more value to the product.

Recommendation:

1. Conduct research to test price-points for each client segment, in order to develop a pricing strategy for customised, high-value, express packages of intelligence.

RECOMMENDATIONS

BUSINESS IMPACTS

1. Service Attributes

Those attributes of the MLA Market Information service which appear to be most important to clients, mainly the media and producers (in that order of importance), are accuracy, independence, expertise, uniformity, timeliness and the breadth of coverage.

Recommendation:

1. Consider charging more users of MLA Market Information for tailored packages of reporting:
 - Radio
 - Agents

2. Industry Relations

It is reasonable to assume that MLA Market Information generates a large (but unquantifiable) amount of goodwill between MLA and industry stakeholders because it meets a real need, especially among (in order of priority), media, agents and producers.

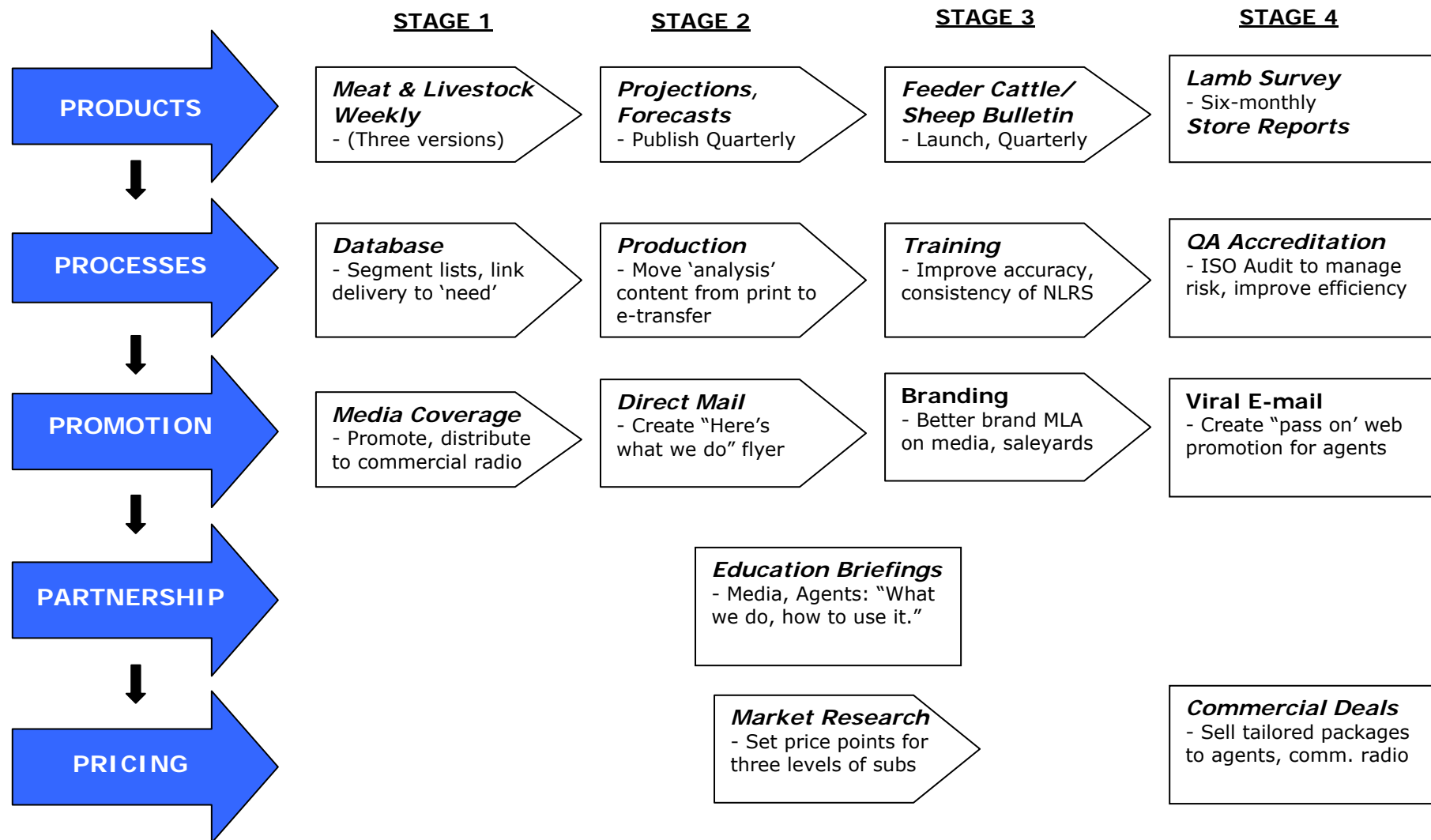
Recommendation:

1. Establish/reinstate a reference panel (Users Advisory Group) of 12 industry advocates/clients that meets half-yearly to review the performance of the business; and
2. Calculate the level of goodwill created for by the production of high-value information that clearly meets an urgent need of influential (image-making) third-parties. This may be possible when MLA Corporate Communications and Live Export next conducts a relational audit or attitudinal survey with stakeholders; and

"You may not use it on a day-to-day basis, but a lot of this other market information (from MLA) helps to build a bank of information from which you make the decisions about where you are going with your business."

- Processor, Stakeholder Forum, Melbourne, February 2007

STRATEGIC DIRECTION





CONCLUSION
