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# Cattle Producer Research and Strategy Development

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# Abstract

The adoption of new technology and management practices among large beef producers was examined by a representative telephone survey of 229 large beef producers in May and June 2008. The research identified that while large beef producer' goals such as improving productivity, profitability and sustainability were broadly in line with MLA objectives, there were a number of barriers to adoption including climate, labour availability and the awareness and perceived benefits of R&D programs. Attitudes to change, attitudes to external advice and views on MLA were also significant barriers. Cluster analysis was used to segment large producers into groups that have the greatest and the least capacity to change. Following a workshop, a series of strategies to engage large beef producers with the capacity to change were developed. The results of this study will benefit the red meat industry by providing MLA with a framework to target large beef producers with the capacity to change and so contribute to the industry's productivity target. The study also provides benchmark data for 2008 and a methodology for tracking performance so that MLA will be able to reassess its position in the future and change strategies if needed.

# Executive Summary

The Livestock Production Innovation unit (LPI) of Meat and Livestock Australia (MLA) has a mandate to increase the profitability and sustainability of producers in the red meat industry. To achieve this, MLA plans to focus resources on the large beef and lamb producers which account for a disproportionately large share of red meat production. MLA therefore needs to develop a strategy to target this segment and base research was required to answer the following:

- What information sources do large producers prefer, what motivates them in regard to adoption of technologies or new management practices, and what factors are barriers to adoption?
- To what extent are LPI's current range of information, tools and learning activities meeting the needs of large producers and what should be done to better meet these needs?
- How can MLA better engage large producers to contribute to the industry productivity target?

Solutions conducted base qualitative and quantitative research among large beef producers in May and June 2008 and following a one day workshop to discuss the results, developed recommendations for a strategy for MLA to target large beef producers with the capacity to change. Key findings were as follows:

**Motivation for Adopting New Technologies and Management Practices**
Large beef producers' goals and achievements were largely in line with the objectives that MLA is pursuing such as increasing productivity, profitability and sustainability. Most producers therefore placed a high priority (and were apparently achieving) in specific areas such as reducing cost of production ($/kg), increasing weaning rates, reducing mortality rates, reducing age at sale and improving environmental management. Attitudes towards (a) the need for change (b) the need for information and advice and (c) the sources of that information (eg MLA and consultants) also played a major part in motivation for adopting new technology and management practices. More specifically, if producers were open to change their enterprises, willing to seek expert advice, perceived benefits in R&D and felt MLA had a valuable role to play in this process, they exhibited the greatest motivation to adopt new technologies and management practices.

Barriers to adoption of technologies and practices that will increase productivity, profitability and sustainability were often due the mindset of the producer with one segment of the population relatively independent and perceiving no need to change. In addition many producers mentioned external rather than internal factors preventing them from achieving their business goals such as climate, input costs, the Australian dollar and labour availability and skills.

**LPI's Current Range of Information, Tools and Learning Activities**
For a segment of large producers, needs are being met by MLA and LPI, for example:

- 43% agree that MLA provides information to improve the profitability of their business;
- 58% agree that MLA is relevant to them and their enterprise; and
- 62% plan to use MLA programs or tools in the future.

Information and learning needs are however being dampened by an apparent low awareness of programs and specifically what these programs offer, that is, features versus benefits and the outcomes. Reduced relevance and lack of prioritisation (eg no time / too busy) are the result. The need for increased follow up and linkage with consultant, producer and social groups / meetings to cement adoption has also been flagged.

Issues also exist with MLA's role in the process with MLA being perceived by some as a consumer, marketing focused organisation rather than a producer organisation. These issues represent further barriers to the adoption of new technology and management practices.

**Better Engaging Large Producers to Contribute to the Industry Productivity Target**

Any strategy to better engage large beef producers must first recognise that large beef producers have differing capacities to change. Research has revealed that large beef producers can be segmented into three groups reflecting their "capacity to change" as follows:

The Management Focused Progressives (46% of producers) represent producers with the greatest capacity to change. The group is characterised by:

- Direct participation in R&D;
- Openness to change their livestock enterprise;
- Willingness to seek expert advice;
- Plans to make changes in productivity, profitability and sustainability in the future;
- Likelihood of using MLA programs and tools in the future;
- See benefits in livestock R&D; and
- Stability in land holdings both over the last five years and forward into the next five years.

The Capital Focused Progressives (27% of producers) are also characterised by direct participation in R&D, openness to change their livestock enterprise and willingness to seek expert advice however they differ from the Management Focused Progressives in their:

- Increase in landholdings over the last five years and plans to increase landholdings in the next five years;
- Reduced focus on making major changes in productivity, profitability and sustainability in the future; and
- Lower likelihood of using MLA programs and tools in the future.

The Independents (27% of producers) represent large beef producers with the least capacity to change. Members of this group are characterised by:

- Less plans to make major changes in the areas of productivity, profitability or sustainability in the next five years;
- Lower likelihood of using MLA programs or tools in the future;
- Lower direct participation in R&D in the past;
- A lack of willingness to change; and
- Lower willingness to seek expert advice.

The Independents are not considered targets for a discriminatory strategy by MLA although they would be encompassed within MLA's broader adoption and communication strategies applied to the entire livestock industry.

Recommendations for targeting large beef producers with the capacity to change (the Management Focused Progressives and the Capital Focused Progressives) have been developed across four main strategies, each with specific objectives:

| Strategy | Objective |
|---|---|
| 1. Segment the large beef producer population | • To identify and target large beef producers with the capacity to change |
| 2. Refine MLA program offer | • Increase relevance of and participation in programs<br>• Cement adoption of program outcomes |
| 3. Improve delivery | • Increase awareness and relevance of, and participation in, R&D programs<br>• Overcome "MLA" being a barrier to program participation |
| 4. Measure success | • Guide future strategy development and resource requirements |

A series of tactics have been developed to address objectives within each strategy. A tabular summary of the tactics follows with further details regarding the approach, advantages, risks, basis for recommendation, priority and overlap with existing MLA tactics presented in Section 5 of this report. The implementation of any one tactic will involve further discussion, design, development and rollout processes, the details of which are beyond the scope of this report. Solutions and external consultants who participated in the workshop will be available to contribute to these processes if required.

Implementation of the strategies should improve the productivity, profitability and sustainability of large beef producers with the capacity to change. Given these producers' disproportionately greater share of red meat production, the subsequent aim would be to improve the overall position of Australian beef industry.

## Strategy Recommendations – Summary

| **Strategy 1** Segment the large beef producer population | **Strategy 2** Refine MLA Program Offer | **Strategy 3** Improve Delivery | **Strategy 4** Measure Success |
|---|---|---|---|
| **Tactic** | **Tactic** | **Tactic** | **Tactic** |
| Scope required producer characteristics | Conduct program review with producer participation | Initiate Producer Alliance Groups with linkage to consultants for ongoing support and social functions and community benefits for relevance | Develop database reporting system to estimate success of various tactics |
| Classify the characteristics into contact, enterprise and management profiles | Promote benefits of programs rather than the features | Run Update Workshops – showcase what's new | Administer an annual or biennial telephone tracking survey |
| De-dupe the known characteristics from existing databases and profile the unknown through telephone and web | Reconsider and redefine "what" is actually being offered ie "outcome" rather than "program" | Develop Professional Advisors – build their skills and capacity | |
| Database creation including segmentation | Expand the Information Platform / Offer to include areas such as HR, OH&S and succession planning | Reposition MLA's role as being the facilitator between the producer and the expert | |
| Initiate actions (direct mail, email and web) and tracking (approaches, participation, satisfaction, follow up and uptake) | Initiate a formal follow up process for all in-field programs | Create Special Groups – forums for "top" producers | |
| Update database | | Consider Alternative Options for Program Funding eg agribusiness | |
| | | Use agribusiness as critical information providers | |
| | | Initiate targeted communication via database | |
| | | Create E-access and discussion forums | |
| | | Leverage third parties to facilitate adoption eg DPI, CSIRO | |
| | | Reposition MLA's role as being the facilitator between the producer and the expert | |

# Contents

# 1 Background

## 1.1 Background

### 1.1.1 Background

LPI and MLA have a mandate to increase the profitability and sustainability of producers in the red meat industry. A comprehensive strategic plan has been developed that defines specific objectives so that internal and external resources can harnessed and appropriately targeted to meet the mandate. MLA is applying the Pareto Principle (the "80/20 rule") to focus resources on the large beef and lamb producers which account for a disproportionately large share of red meat production. MLA therefore needs to develop a strategy to target this segment and base research is required to answer the following "unknowns":

- What information sources do large producers prefer, what motivates them in regard to adoption of technologies or new management practices, and what factors are barriers to adoption?
- To what extent are LPI's current range of information, tools and learning activities meeting the needs of large producers and what should be done to better meet these needs?
- How can MLA better engage large producers to contribute to the industry productivity target?

# 2 Project Objectives

## 2.1 Project Objective

The primary objective of the project was as follows (taken verbatim from the Research Brief):

*"Conduct market research with a sample of producers within the target producer segments and provide recommendations to form the basis of a large producer strategy to better meet the needs of this segment to contribute to the achievement of LPI's industry productivity objective"*

## 2.2 Additional Details

For the purposes of defining approximate boundaries of this segment, this project focused on the large family-owned / operated properties with over 1,000 head of cattle (large pastoral companies were excluded from this study as they were addressed in a separate study). These large cattle properties (6% of all cattle properties) with more than 1,000 head of cattle represent over half (56%) of the national herd.

## 2.3 Research Issues

To achieve the project objective, the following research issues were addressed (taken verbatim from the Research Brief):

- Over the last 5 years, have you increased your land-holding? If so, by what %?, do you plan to increase your land-holding over the next 5 years?
- Without asking for information you may consider confidential, how would you describe the major goals for your livestock business?

- What have you implemented in the last 2 - 3 years that has or is likely to most improve the productivity, profitability or sustainability of your livestock operation?
- What aspect of your livestock operation do you believe is your greatest area for potential improvement in productivity, profitability, or environmental management?
- What are the major changes you plan to make in the next 5 years and what impact on your business are you expecting as a result? (specify whether related to productivity, profitability, environmental management, or other)
- How would you rate the relative priority (high, medium, low) for your business and current capability on the following:
    - Increase weaning rates
    - Decrease mortality rates
    - Reduce age at sale
    - Reduce cost of production ($ / kg)
    - Improve environmental management
- What are the major barriers preventing your business from achieving your goals?
- What R&D, information, tools or support would help overcome these barriers?
- What information sources do you generally use to help with key business decisions related to managing your herd or grazing land? (specify information source relative to type of decision)
- Has your business participated directly in any livestock-related R&D eg by supplying genetic material, conducting trials on your property, being involved in a project or program advisory group, or other method? Would you consider being involved in this way (or similar) in the future?
- What if any events, courses or workshops have you or others in your business participated in over the last couple of years to help improve knowledge and skills related to managing your herd or grazing land? How useful were these in terms of influencing changes to your business?
- What if any of MLA's on-farm R&D tools or information are you currently using that you know of? b) How useful have these tools or information been for the productivity, profitability or sustainability of your business?
- How would you like MLA to communicate with you about new technologies or methods of managing your livestock or grazing land?
- Do you think MLA should provide any type of service to support your operation's implementation of technologies, or livestock or grazing land management methods? If so, what would you like to see?

These issues were refined with MLA during the initial qualitative research phase and then within the pilot stage of the quantitative study.

# 3 Methodology

## 3.1 Research

### 3.1.1 Qualitative Research

To provide in-depth analysis of the research issues, a combination of five face to face interviews and fifteen extended telephone interviews were conducted with large beef producers in major livestock regions in Australia. One on one interviews were chosen over focus groups for a number of reasons:

1. Each interview took approximately one hour allowing for extensive probing of all issues and allowing a deeper level of analysis than possible with focus groups;
2. The telephone component allowed a larger number of regions to be assessed as the Executive Interviewers were not restricted by travel limitations and could easily target additional regions by telephone, for example, large beef producers in the Northern Territory. This was particularly important as both southern and northern beef regions had to addressed within the budget; and
3. As eight to ten producers are required for a focus group, it was felt that it would have been difficult to draw a sufficient number of "large" producers who satisfy the minimum head screens into one location to participate in a focus group (due to the larger catchment required and travel distances). This difficulty has been exacerbated by the current drought which has seen herd and flock numbers fall significantly requiring an even wider catchment to recruit participants. One on one and telephone methodology avoided these issues.

The Executive Interviews provided a wealth of qualitative information that was validated through quantitative methodology.

### 3.1.2 Quantitative Research

A sample of 229 beef producers was interviewed by telephone from Solutions' call centre in Sydney in May and June 2008. The final questionnaire (following a pilot with around 20 respondents) was 22 minutes in length.

In designing the sample methodology, two primary requirements were:
1. The sample had to be designed to allow interpretation at the 90% confidence level with a margin of error of plus / minus 5% for the national sample frame; and
2. Interviewing had to be conducted and results interpreted across all major cattle regions of Australia.

A sample of 260 beef producers was sufficient to meet the first requirement however due to the difficulty in contacting some respondents (as MLA had conducted two other large beef producer studies in the previous two months), the final sample achieved was 229 respondents. The margin of error achieved however was still within the acceptable boundaries for the project (5.28% versus 5%).

The second requirement was achieved using a three step process:
1. Australian Bureau of Statistics ("ABS") census data was used to calculate the population of beef cattle within each State (and region where required eg northern and southern Western Australia);
2. The sample was then stratified by State based on the outcomes of Step 1; and
3. Quotas were designed to represent the distribution of the herd with minimum herd sizes of: 1,000 head for the southern States of New South Wales, Victoria, Tasmania, South Australia and southern Western Australia; and 3,000 head for the northern States of Queensland, Northern Territory and northern Western Australia (with half of these to have more than 6,000 head).

The final sample for each state (and region in Western Australia) by herd size is summarised below.

**State and Herd Size Quotas**

| State | Region | Minimum Herd Size | Sample Quota |
|---|---|---|---|
| NSW | Southern | > 1,000 | 61 |
| VIC / TAS | Southern | > 1,000 | 32 |
| QLD | Northern | 3,000 – 6,000 | 60 |
| | | > 6,000 | 22 |
| SA | Southern | > 1,000 | 11 |
| WA | Southern | > 1,000 | 10 |
| | Northern | 3,000 – 6,000 | 6 |
| | | > 6,000 | 6 |
| NT | Northern | 3,000 – 6,000 | 9 |
| | | > 6,000 | 6 |
| Total | | | 229 |

### 3.1.3 Attitudinal Segmentation

A key component of the research and strategy recommendations was to use “Mind Mapping” and develop an Attitudinal Segmentation Model of large beef producers with the capacity to change. Essentially, a psychographic profile of producers was developed through ‘Cluster’ analysis, a multivariate procedure for detecting natural groupings in data.

Solutions developed a series of attitudinal statements relating to areas such as:

- Personal attitude to producers’ businesses including goals and barriers;
- Interest in issues facing the industry;
- Attitude towards adoption of technology, improving their operations, conservation, the environment, capacity to change, etc;
- Attitudes towards MLA and its on-farm R&D tools and resources; and
- Sources of information.

The objective was to classify responses to these statements into sub-groups although neither the number nor members of the sub-groups were known before segmentation. The analysis would identify those large beef producers with the capacity to change.

### 3.1.4 Interpretation of Results

It should be noted that the results presented in this study are derived from a survey (as opposed to a census when all members of a population are captured). The survey results are used to make inferences about the total population. As all surveys are subject to errors, a survey result should not be treated as a single value but rather as the midpoint of the likely range that the true population result would lie within. The range around the survey result is the "margin of error". For example, a survey result of 50% may have a margin of error of plus or minus 3% i.e. 47% - 53%. The margin of error depends on the sample size (smaller sample sizes have larger errors) and the actual sample result (a result closer to 50% has a larger error). Due to a high margin of error associated with a small sample, results based on a small sample in the analysis should be treated with caution.

The following matrix summarises the margin of errors for different sample sizes and different survey results. The matrix is based on a 90% confidence level, that is, you are 90% confident that the true result (the result derived from interviewing the entire population) would be in the range specified in the table.

**Margin of Errors for Different Sample Sizes and Survey Results**

| | Survey Result | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Sample Size | 5% or 95% | 10% or 90% | 15% or 85% | 20% or 80% | 25% or 75% | 30% or 70% | 35% or 65% | 40% or 60% | 45% or 55% | 50% |
| **25** | 7 | 10 | 12 | 13 | 14 | 15 | 16 | 16 | 16 | 16 |
| **50** | 5 | 7 | 8 | 9 | 10 | 11 | 11 | 11 | 12 | 12 |
| **75** | 4 | 6 | 7 | 8 | 8 | 9 | 9 | 9 | 9 | 9 |
| **100** | 4 | 5 | 6 | 7 | 7 | 7 | 8 | 8 | 8 | 8 |
| **150** | 3 | 4 | 5 | 5 | 6 | 6 | 6 | 6 | 7 | 7 |
| **200** | 3 | 3 | 4 | 5 | 5 | 5 | 5 | 6 | 6 | 6 |
| **250** | 2 | 3 | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 |
| **300** | 2 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 5 | 5 |

As a guide to interpretation, a survey result of 30% from a sample of 250 producers would have margin of error of 5%, that is, you are 90% confident that the true answer would lie between 25% and 35%.

Results for the research have been analysed using both graphic (as contained in this report) and cross tabulated formats (as contained in Appendix 1 of this report).

## 3.2 Strategy Development

Following the quantitative research a one day planning workshop was held at MLA offices involving the core project team from Solutions, key MLA staff and two external consultants, one specialising in beef, the other in grain. The outcomes of the workshop (and the accompanying research) were used to develop a suite of key recommendations for MLA for a strategy focused on large producers with the capacity to change. The recommendations are presented in Section 5 of this report.

# 4 Results and Discussion

## 4.1 Qualitative Results

### 4.1.1 Introduction

Twenty interviews were carried out with large producers (I,000+ head in New South Wales and 3,000+ head in Queensland). Five interviews were conducted face-to-face in Rockhampton and Wagga and the remaining 15 were conducted via telephone. The state split was almost equal with 11 respondents from New South Wales and nine from Queensland.

Following the first five interviews, questions on internet usage, information sources, MLA research usage and effectiveness and triggers for specific information requirements were added.

### 4.1.2 Segmentation

Despite the “large producer” segment classified as one demographic, it was evident there were complex behavioural drivers operating in this segment. In broad terms, respondents tended to differ in their level of confidence and the level of planning adopted. Confidence represented drive for growth, flexibility, pragmatism, higher risk taking and adaptability. The level of planning represented long / short term goal setting, understanding of productivity, profitability, sustainability (and the interaction between all three) and the strategy mix of on-farm activity.

Large producers who displayed both confidence and planning tended to regard themselves as successful while those in the lower levels tended to regard themselves as not so successful. Although there will be considerable overlap between the segments and in fact, there will be “sub-segments within these major segments, there were clearly two attitudinal drivers within the category and these differences were reflected in their behaviours towards their properties and the directions they wished to take those properties.

It should be noted that this is probably typical across a broad range of populations….many industries will talk of their clients, stores, etc as A, B, C performers not because of business size but more because of their attitudes and behaviours to their business.

The major implication of this for the quantitative phase of the project was that there are likely to be different segments in the large beef producer population that will need to be defined, identified and then targeted.

### 4.1.3 Barriers to Performance Goals

All large producers identified external factors as the key barriers to performance. Government policy, the Australian dollar, local council activity, input costs and the drought were all mentioned. It was as if the word “barriers” could only be applied to external factors and therefore in the producers’ minds, large producers assumed that R&D, information, etc could not impact on this area. There was no recognition of any individual accountability for “barriers”.

Interestingly, many respondents perceived that performance was an issue in achieving goals however it was seen as an integral part of their business and not as a “barrier” but more as something that has to be overcome by the large producer within the business.

When probed on MLA contribution, there was no recognition of MLA being able to impact on the issues raised, not so much because of the “barrier” issue but because, in their minds, the MLA brand was often associated with the consumer campaigns and the thrust towards promotion. Twenty years of advertising has seen an inextricable link between meat promotion and MLA.

*“MLA should stick to what they know the best...promoting our beef, here and overseas”*

It was only after some explaining of the LPI that many respondents understood that that MLA offered a much broader perspective, including producer assistance.

### 4.1.4 Barriers to Adoption (Research)

Very few of those interviewed in this phase had participated in research groups and trials due to:

- Lack of awareness of trial activity;
- Lack of an invitation to participate; and
- Lack of understanding of the trials process.

Lack of time was also provided as a reason, once again highlighting the large producers need to maintain presence on the farm to ensure reasonable recovery due to the drought. This was almost seen as an additional answer to justify their “stay at home” approach.

Once these producers were probed on the specific benefits and on how these trials do not really impact negatively on their property, there was a significant increase in willingness to participate.

This is a clear indication that once benefits are clear and large producers are comfortable with the process then there it is more likely to increase participation.

### 4.1.5 Information Sources

Respondents used a wide range of information sources to assist their business decisions with ABC radio and TV, rural newspapers (Country Life, Herald and Weekly Times, Land), direct mail, consultants, trials, field days, neighbours and family members all mentioned.

Finding a single source of information was particularly difficult because the majority did not want to commit (indicating in reality, there was no consistent single information source) but when pushed for a response it always came down to a trusted advisor, neighbour or agent although there were a few who bowed to the experience of themselves and their parents. Interestingly, although only one respondent did not have the internet, there was only moderate usage by the respondents and very little for business, revealed in the figures for visitation of the MLA web-site. In most cases, the wife conducted most of the on-line activity which has communication implications.

Large producers were virtually unanimous in the most effective methods of providing useable, relevant information …..person-to-person. The written word was fine but for real adoption to take place they really needed to discuss the process, risks, timeframe, etc to become comfortable with implementing the recommendations.

### 4.1.6 Barriers to Adoption (Courses)

Only half the respondents had participated in courses over the past few years and most of those could not accurately recall the workshop's title (probably Meat Profit Days), however the Breeding Edge and Breed Plan also received mentions. Value was obtained from those workshops and had been implemented, from pasture management to breed selection.

Reasons for non-participation echoed many of the previous responses, although distance and lack of local course activity figured as well. Essentially more people knew about them but did not have enough information about their value, time involved, outcomes, etc to attend. Once again, when the benefits were probed and the respondents realised the potential outcomes, there was a significant change in attitude.

### 4.1.7 Current Usage and Understanding

No producer interviewed in this phase was currently using any of MLA's on-farm tools although this finding needs to be qualified as it is possible they were using the MLA on-farm tools but were not associating those tools with MLA.

The majority were aware of at least four to five courses and several had participated in previous workshops, particularly the "Meat Profit Days". Reasons for not using MLA tools were similar to those provided by respondents for MLA courses ie lack of awareness, no understanding of outcomes, etc. Time was raised again but was once again, seen as more of a justification than a reason. Explanation of the benefits saw an increase in positive response.

There was a strong pattern emerging that simple and friendly familiar language that triggers interest and highlights real relevant benefits and specific outcomes is vital when communicating workshops to large producers.

### 4.1.8 Communication Methods

Respondents highlighted direct mail as an important method of communicating new techniques but newspapers, field days and Feedback magazine were all mentioned as important communication vehicles…..clearly a variety is preferred.

Frequency was mentioned several times…if an ad is seen in several different communication vehicles it is more likely to make an impact.

Some respondents sometimes felt intimidated by the ad and the language and there was less likelihood of a response to a formal approach versus an informal approach. One suggestion was to incorporate contact details in the body of the offer / explanation as if you were contacting your neighbour. It was suggested that MLA needs to explain more clearly exactly what the course will be and what it will do for the large producer… "How much more will I earn", "how much can I save", etc. It was also suggested that MLA should provide simple information in the Feedback magazine about the MLA web site.

According to one producer:

*"MLA should call itself 'Someone to take over when all the other agencies have closed down'!"*

### 4.1.9 MLA Services

All respondents felt the provision of a person to talk to about their property was worthwhile. Respondents mentioned that this could be in the form of a help desk or a field advisor who knows and understands the property of local large producer and who was also identified as the MLA contact.

Several producers in remote places felt that more activity in more remote parts of cattle production areas would be beneficial. They felt that social functions combined with workshops would work and actually assist in bringing communities together.

Additionally, producers who were "time poor" requested an increase the number of short, hard hitting easy to implement workshops and the provision of short easy to use Hot Tips that they could refer to on a regular basis. Simple case studies on CD / DVD geared to specific outcomes would also be welcome.

### 4.1.10 Actual Information Suggestions

Respondents suggested a range of possible information that would be useful in managing their properties. These included:

- How to feed in the drought;
- How to improve haymaking;
- Brief formulas for reducing feed cost;
- How to market and sell to Feedlots…what are their needs?;
- Understanding branding….how can I brand my products for specific markets?;
- How to improve your pastures;
- What are the new grazing techniques;
- How am I going versus my neighbour…… a new approach to large producer benchmarking;
- How do I measure improvement on my property;
- Case studies made simple…..Can I talk to the expert large producer whose property the case study is based on …the who, when, where, how and what of the implementation;
- What is the impact on feeding different grains to cattle;
- Where are the best feedlots and abattoirs and their contact details;
- How do I get into a niche market….how do I sell into that market;
- How do I improve my selling skills…how can I cut out the middle-man and make some more money;
- How do we implement a grading system for our business; and
- How do we tell consumers about us.

Results of the qualitative research were used in the development of the quantitative study, the outcomes of which are presented in the following section.

## 4.2 Quantitative Results

### 4.2.1 Introduction

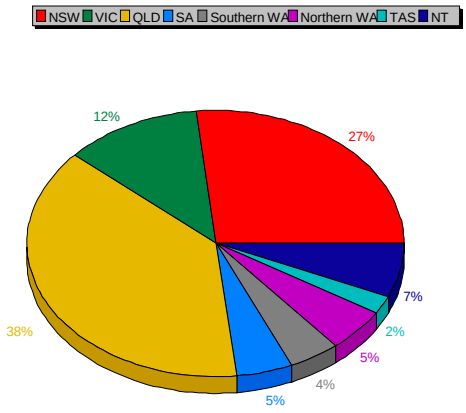
Results from the quantitative survey of 229 respondents have been analysed and presented in seven sections including:

1. Demographics;
2. Planning, Goals and Achievements;
3. Participation in R&D Activities;
4. MLA Program Awareness and Participation;
5. Communication;
6. Defining Large Beef Producers with the Capacity to Change; and
7. Characteristics of Large Beef Producers with the Capacity to Change.

### 4.2.2 Demographics

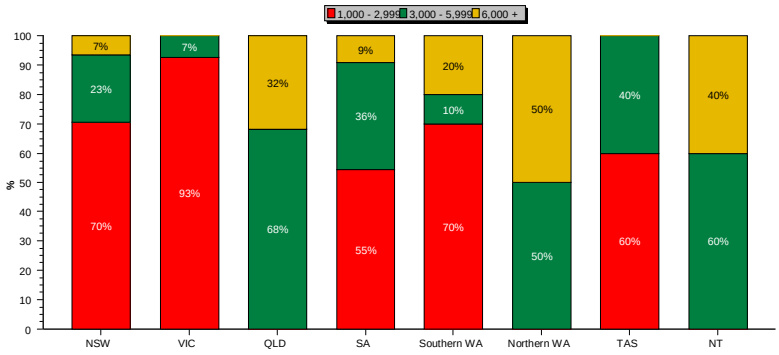
Respondent demographics by state, herd size, age and education are presented graphically below.

**Sample by State**

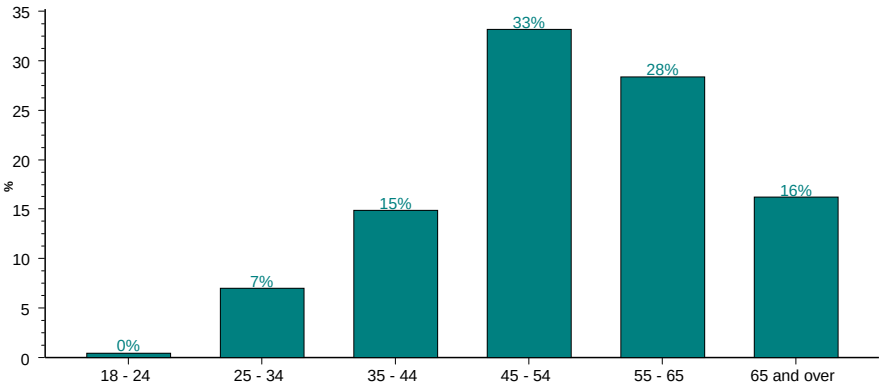



**State by Herd Size**

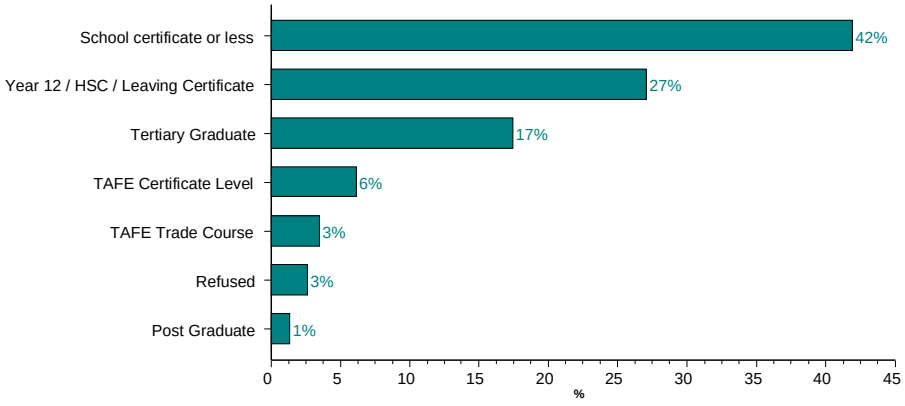
'As at 30 April 2008, can you tell me approximately how many beef cattle were on your property?'



## Sample by Age Group



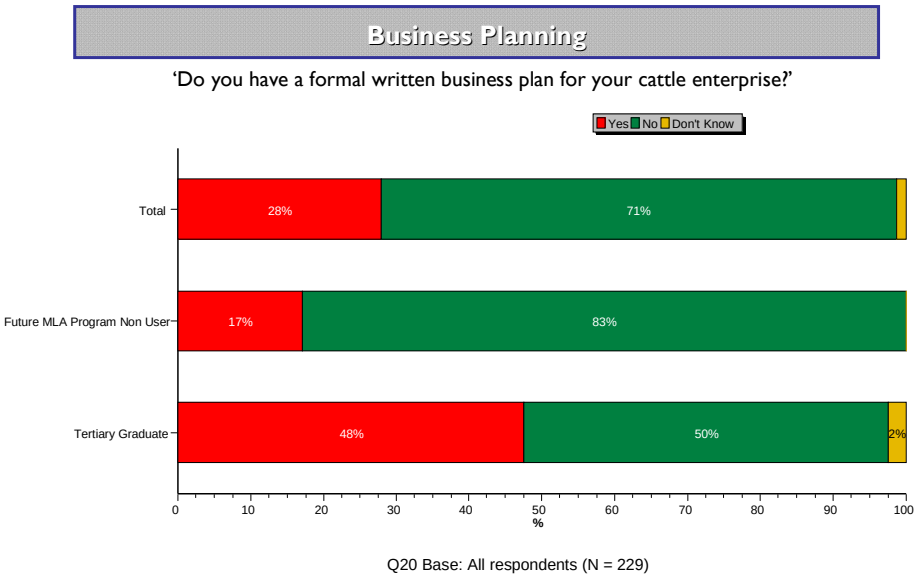

## Sample by Education



### 4.2.3 Planning, Goals and Achievements

**Planning**

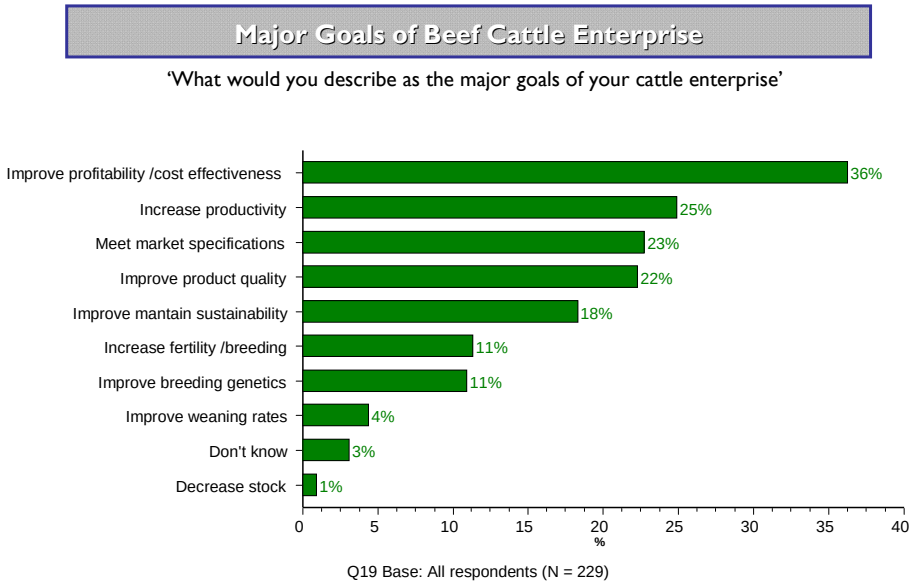
Formal, written business plans were not widespread within large beef producer enterprises although among tertiary graduates, use was significantly higher. In contrast, producers who had no intention of participating in future MLA programs were less likely to have formal written business plans. Clearly, many large cattle producers were managing their businesses based on informal plans.




Q20 Base: All respondents (N = 229)

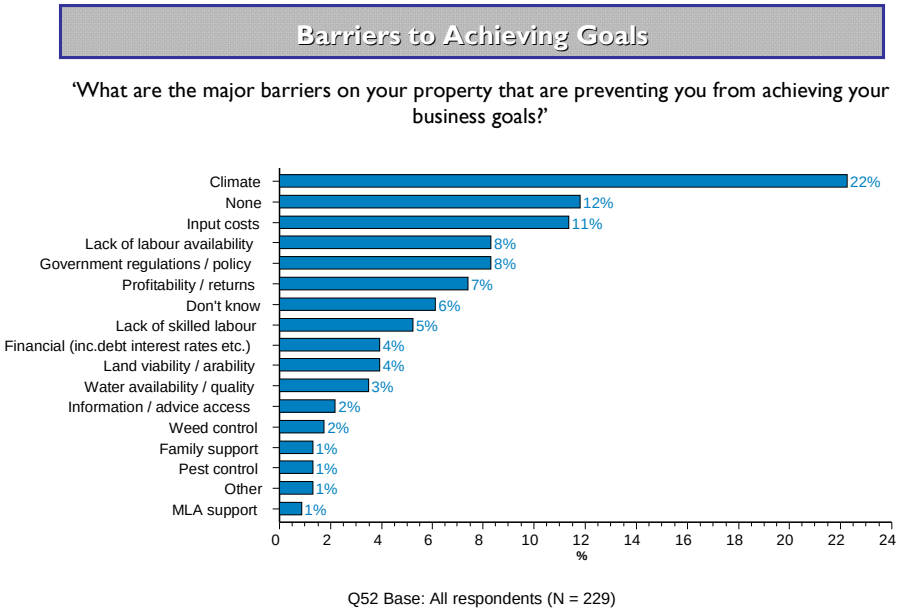
Although many large beef producers must be using informal, non written plans in managing their businesses, that does not mean that they are not goal oriented. In line with qualitative research, large beef producer goals were strongly associated with productivity, profitability and sustainability which aligns well with MLA and LPI overall objectives. Product quality and meeting market specifications also emerged as significant goals.

The only significant demographic differences for goals was that no respondent in Victoria mentioned maintaining or improving sustainability as a goal, compared to 22% of Queensland respondents and 11% of New South Wales respondents.




## Barriers to Achieving Goals

Despite probing for "on property" issues, it was clear that macro issues such as climate, input costs, labour availability and lack of skilled labour were the primary issues preventing the achievement of business goals. Similar findings were evident in the qualitative producer research conducted by both MLA and Solutions. Climate was more likely to be mentioned by respondents in New South Wales (36%) with input costs mentioned more frequently in Victoria / Tasmania (28%).



For each barrier mentioned, respondents were asked to identify what information, tools or support could help them overcome the barrier. An analysis of first mentioned barriers by their corresponding “solution” follows. The main finding to emerge was that nearly 60% of respondents either could not suggest information, tools or support for their barrier (28%) or felt there were none (30%). This is in line with the dominance of external barriers that were often considered “out of anyone’s control”. Further research / education was however flagged by around 15% of respondents mentioning a barrier which is a gap that MLA could fill.

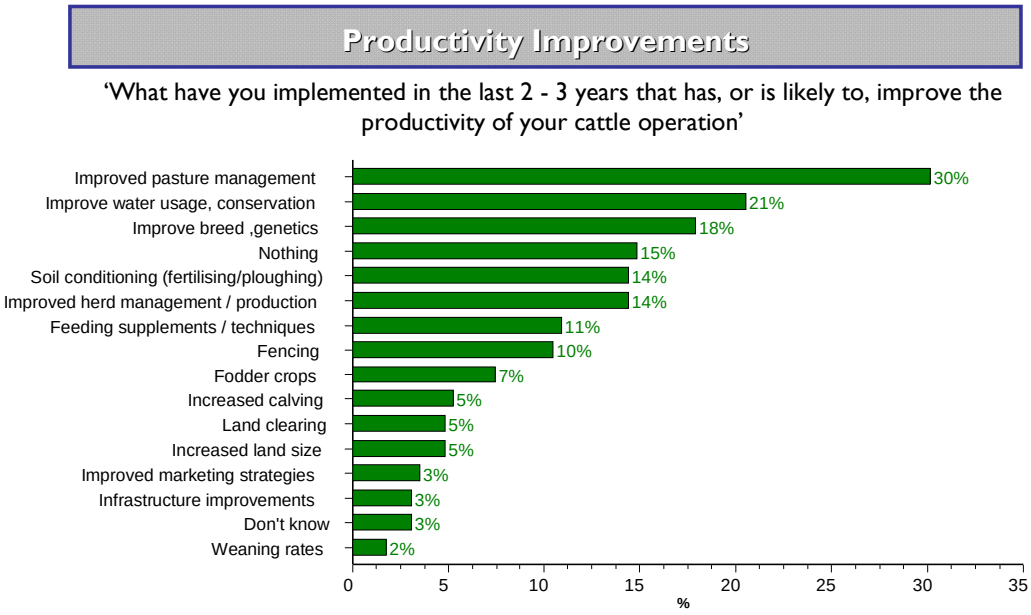
The results need to be treated with caution as due to the large number of barriers identified, the sample sizes for each barrier cross tabulated by its corresponding solution is small.

| | | BARRIER (FIRST MENTIONED) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Information/Tool/Support Needed to Overcome Barrier | Total | Lack of labour availability | Lack of skilled labour | Climate | Government regulations / policy | Input costs | Profitability / returns | Financial (inc.debt, rates, etc.) | Land viability / arability | Pest control | Weed control | Water availability/ quality |
| Sample reporting barrier | 125 | 7 | 9 | 35 | 11 | 19 | 5 | 8 | 8 | 4 | 3 | 5 |
| Don't know | 28% | 57% | 22% | 23% | 36% | 37% | 20% | 38% | 38% | 25% | | 20% |
| None | 30% | 29% | 11% | 31% | 9% | 26% | | 25% | 25% | 75% | 33% | 20% |
| MLA support | 2% | | | | 9% | 5% | | 12% | | | | |
| Better weather forecasting | 4% | | | 14% | | | | | | | | |
| Government support | 11% | | 11% | 11% | 36% | 16% | | 12% | | | | 20% |
| Agronomist /consultant | 1% | | | | | | | | | | | |
| Improved image for agriculture | 2% | 14% | 22% | | | | | | | | | |
| Automation reducing labour | 2% | | 11% | | | | | | | | 33% | |
| Research / education | 15% | | 11% | 17% | 9% | 11% | 40% | 12% | 38% | | 33% | 20% |
| Market access | 3% | | | 3% | | 5% | 40% | | | | | |
| Industry support | 2% | | 11% | | | | | | | | | 20% |

**Productivity Improvements**

Consistent with achieving their goals, the vast majority of large beef producers identified productivity improvements they have made over the last two to three years ("productivity" being defined as: "How much you produce from the existing resources on your property eg land, stock, pasture").

Many of respondents' productivity achievements matched MLA objectives such as improving pasture management, breed genetics, herd management / production and increased calving.



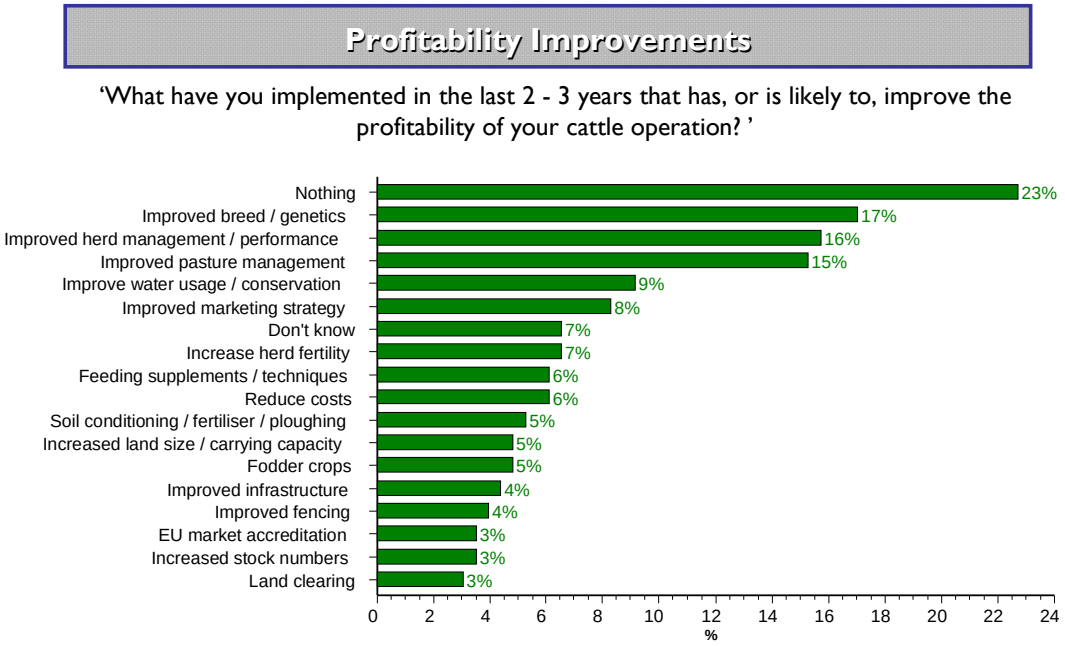

Q23 Base: All respondents (N = 229)

Producers on larger property sizes (over 40,000 hectares) were less likely to have improved pasture management (15% versus 30% overall) whereas those on smaller landholdings (1,000 – 1,699 hectares) were less likely to have improved water usage / conservation (4% versus 21% overall).

**Profitability Improvements**

Again, the majority of large beef producers (70%) had made specific improvements to their profitability of their enterprise over the last two to three years. As first identified in the qualitative phase, productivity and profitability are strongly linked in many producers' minds and similar responses were provided to both questions. Some respondents had difficulty in "pigeon holing" their responses to either productivity or profitability which may account for the higher proportion of respondents having done "nothing" for profitability (23%) as they had provided responses under "productivity".

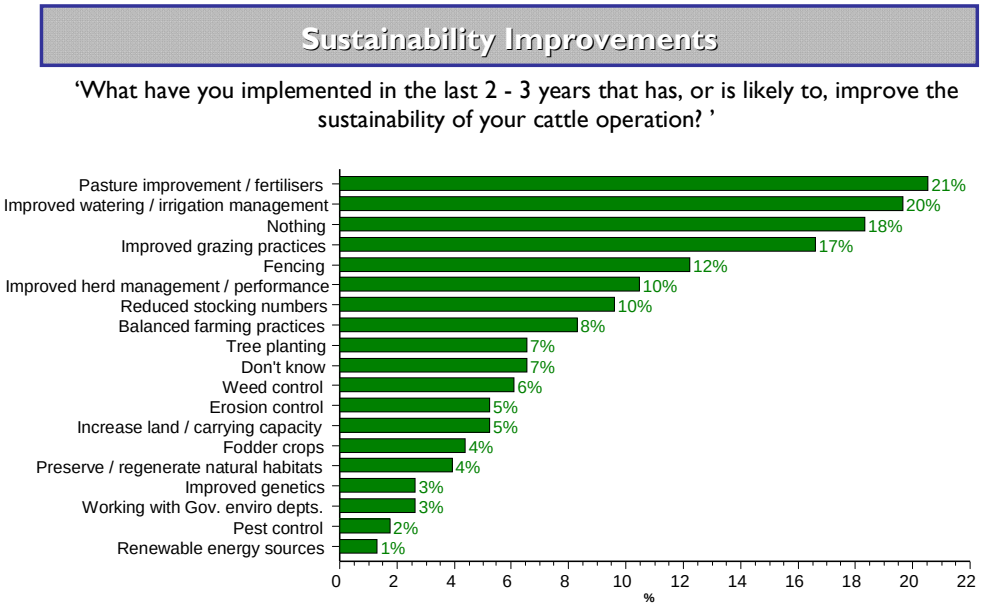
Respondents who believed that MLA should not provide any services to help them improve the profitability of their business were more likely to have done nothing in terms of profitability (33%). Those who believed MLA had a role to play were less likely to have done nothing (only 13%).




Q24 Base: All respondents (N = 229)

**Sustainability Improvements**

Over 70% of respondents had implemented sustainability improvements on their properties in the last two to three years (sustainability being defined as "the environmental management of your property or managing your property for the long term"). Sustainability was strongly associated with productivity and profitability. Respondents on larger properties (over 40,000 hectares) were less likely to have undertaken pasture improvement / fertiliser (7% versus 21% overall), no doubt due to the areas involved. Those with tertiary educations were more likely to have undertaken fencing improvements (25% versus 12% overall).




Q25 Base: All respondents (N = 229)

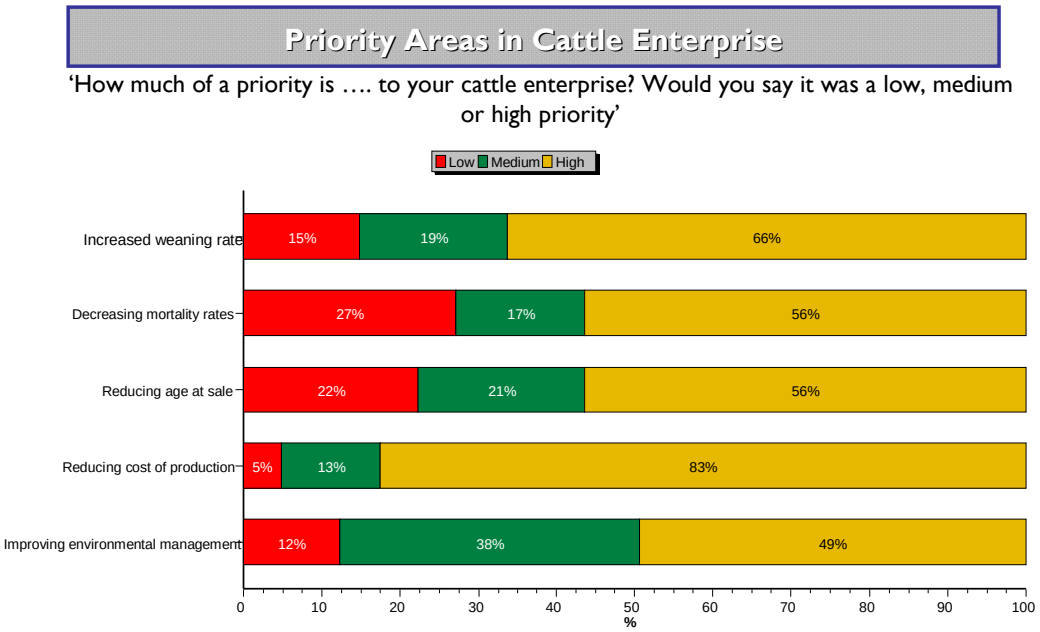
**Priority Areas in Cattle Enterprises and Achievements**

To benchmark producers' priorities and achievements, five specific priority areas (provided by MLA) were tested in the research. These included:

- Increased weaning rates;
- Decreased mortality rates;
- Reducing age at sale;
- Reducing cost of production (c/kg); and
- Improving environmental management.

Each area was tested for the priority that producers placed on it and their achievement against other producers in their area.

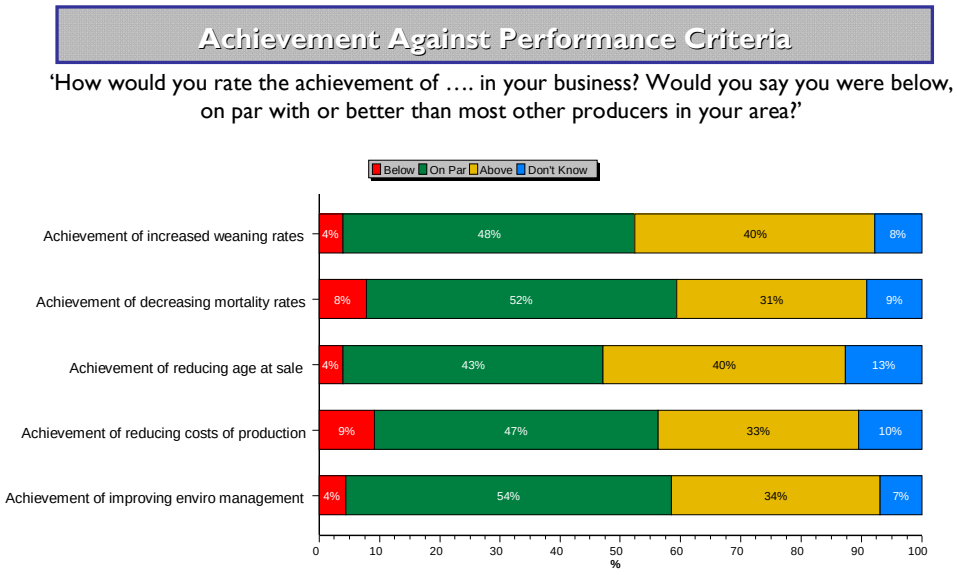
As presented below, most producers placed a high priority on the performance criteria with at least half of respondents rating the priorities as “high”. Reducing costs of production was rated the highest priority by the vast majority of respondents (83%). These are positive findings as the aim would be to have a strong alignment between producer priority areas and the priority areas that MLA are promoting.




Q29 - 41 Base: All respondents (N = 229)

Decreasing mortality rates was a lower priority for respondents on smaller landholdings of 1,000 – 1,600 hectares (43% rated this as a low priority compared to 27% overall). Reducing age at sale was a lower priority for respondents in Victoria and Tasmania (50% rated this as a low priority compared to 22% overall).

In terms of achievement of priorities, around 80% of respondents felt they were either on par or above average compared to other producers in their area. Respondents’ perceived strong performance against other producers may indicate that many do not have an immediate need for information / help in each area. This could be a challenge for MLA to find relevance but needs to be qualified by an inherent reluctance to admit that one is “below average”. Achievement of priority areas was consistent across all demographic groups.



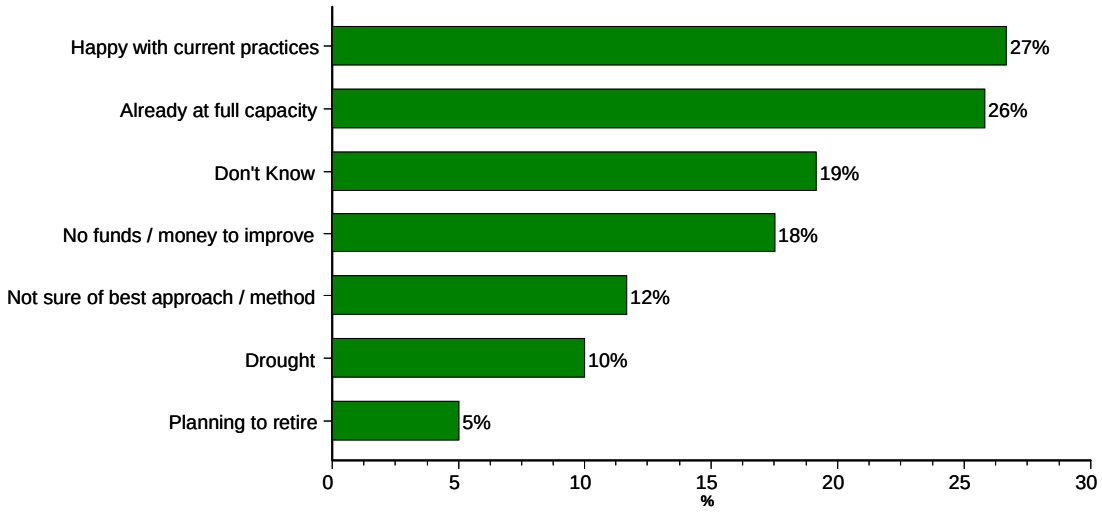

Q31 – 43 Base: All respondents (N = 229 )

## Planned Changes

Nearly half of all respondents (48%) planned to make changes in the areas of productivity, profitability or sustainability in the next five years. Many of the planned changes were aligned with the information, tools and programs that MLA currently provides (refer to the following table). This augers well for MLA as it indicates that many large beef producers have the necessary "capacity to change" that will encourage the adoption of new information, knowledge and technologies.

| Major plans intended to make | Percent (n=110) |
|---|---|
| Water / irrigation improvements | 14% |
| Introduce / change different farm type | 14% |
| Improve productivity / profitability | 10% |
| Better herd management / performance | 9% |
| Pasture improvement | 8% |
| Reduce costs | 7% |
| Improved feed management | 7% |
| Increase stocking rates | 7% |
| Focus on sustainability | 7% |
| Increase land | 7% |
| Improve marketing strategies | 7% |
| Improved grazing practices | 6% |
| Improved genetics | 6% |
| Improve infrastructure | 5% |
| Research / education / advice | 5% |
| Weed control | 5% |
| Soil conservation / management | 4% |
| Don't know | 4% |
| Fencing | 4% |
| Reduce stocking rates | 4% |
| Plant trees | 4% |

The remaining half (52%) of large beef producers either were not planning to make any changes (40%) or did not know if they were planning any changes (12%). When questioned as to why, an inertia to change was largely driven by a belief that there was no scope or no need to change. An additional one in five of this group could not nominate a reason (19%). These are major challenges for MLA as the need / desire for change must first be present in order to be receptive to program initiatives. This highlights the priority of engaging large beef producers with the capacity to change.




Q28 Base: Those not considering change (N = 120)

In regard to changes in landholdings in the last five years, 56% of respondents had not changed their landholding, 5% had decreased and 39% had increased. Proportionate increases were as follows:

- Up To 11% 25%
- 12 To 23% 26%
- 24 To 45% 24%
- Over 45% 24%

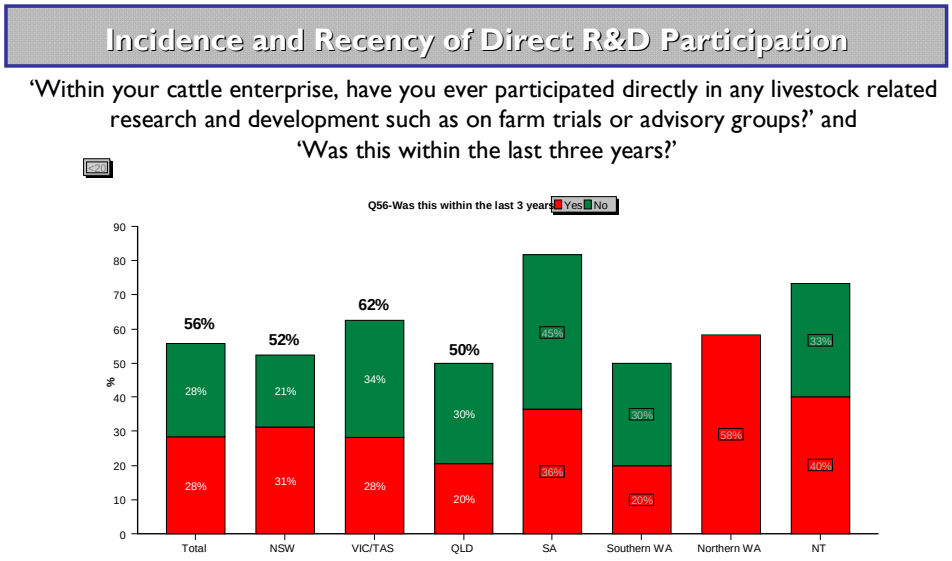
In the next five years however, the majority of large beef producers (62%) intend to keep their landholdings stable. The proportion planning to increase their landholdings is lower at 19% although proportionate increases are still significant:

- Up to 10% 38%
- 11 - 25% 31%
- Over 26% 31%

## 4.2.4 Participation in R&D Activities

**Incidence of Participation**

Over half of large beef producers (56%) had participated directly in livestock related R&D. One in four (28%) of all respondents had participated within the last three years. Findings were reasonably consistent across most demographic groups.

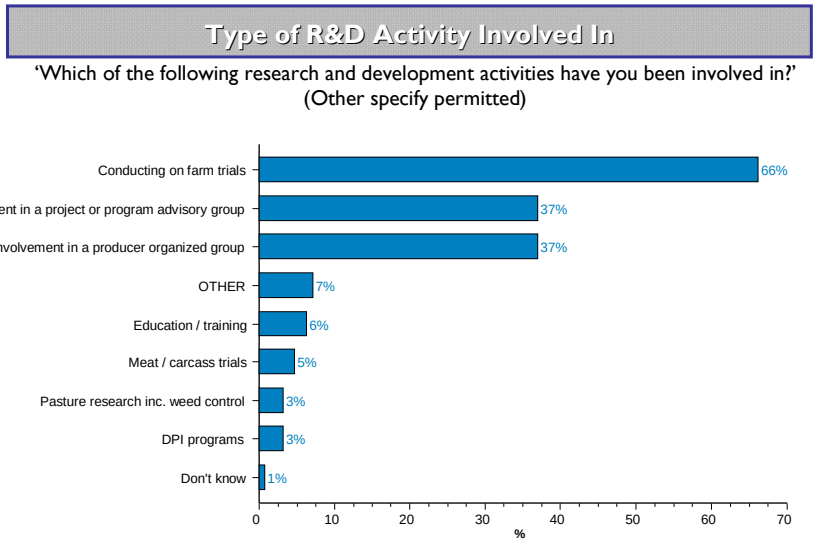



Q54 Base: All respondents (N = 229)
Q56 Base: Of those participating in R&D (N = 127)

**Type of Participation**

Respondents were prompted for participation in three specific types of R&D including trials on property, project or program advisory groups and producer organised groups. Trials on properties dominated (66%) followed by project or program advisory groups (37%) and producer organised groups (37%). On larger properties (over 40,000 ha), participation in producer organised groups was significantly lower (16% versus 37% overall), no doubt driven by the distances involved in these remote locations.

Respondents also noted other unprompted types of R&D participation that are presented in the following chart.




Q57 Base: Of those participating in R&D (N = 127)

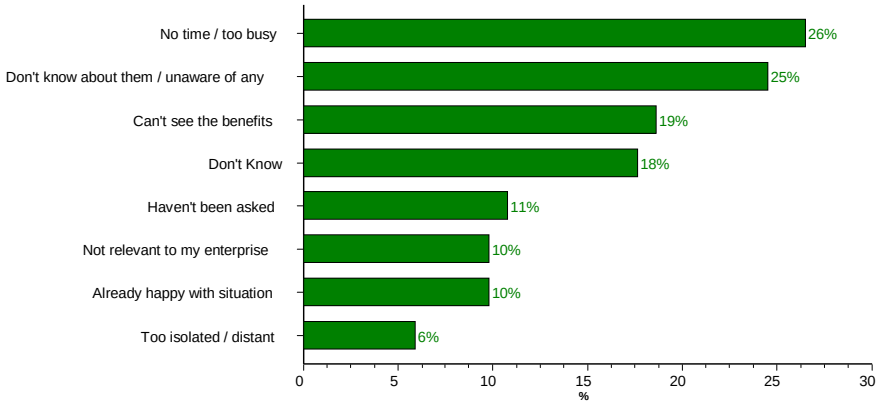
The vast majority of R&D participants (88%) had already applied or will apply the research and development information to their cattle enterprise. Recency of participation was found to have no difference in incorporation rates with those participating in the last three years incorporating at the same rate as those participating more than three years ago (89% and 87% respectively).

**Reason for Not Participating**

The major barriers to direct participation in R&D activities were a perceived lack of time, lack of awareness and lack of benefits. These findings were first identified in the qualitative research and confirmed in the quantitative study. The "lack of time / too busy" barrier is most likely a prioritisation issue and would be strongly linked with low awareness of the R&D opportunity and its benefits.

## Reason for Not Participating in R&D in the Past

'What are the reasons that you haven't participated?'

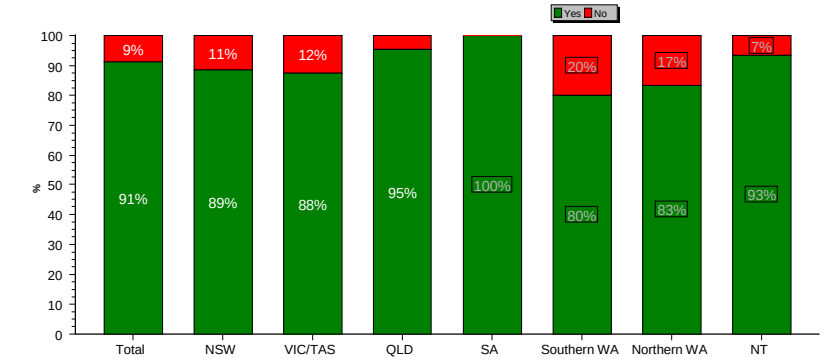



Q55 Base: Those not participating in R&D (N = 100)

It was further identified that a combination of increased awareness and tangible, relevant benefits significantly lifts participation in R&D opportunities with 91% of all respondents considering future involvement if these two criteria could be met.

## Future Involvement in R&D Opportunities

'If you were aware of future research and development opportunities such as trials and advisory or producer groups and could see the benefits to your enterprise, would you consider being involved in the future?'




Q59 Base: All respondents (N = 227)

### 4.2.5 MLA Program Awareness and Participation

One of the key outcomes of the research was to identify if MLA's current range of information, tools and learning activities were meeting the needs of large beef producers and what should be done to better meet these needs. To establish this, MLA programs were assessed against three criteria including:

- Prompted awareness;
- Participation; and
- Usefulness.

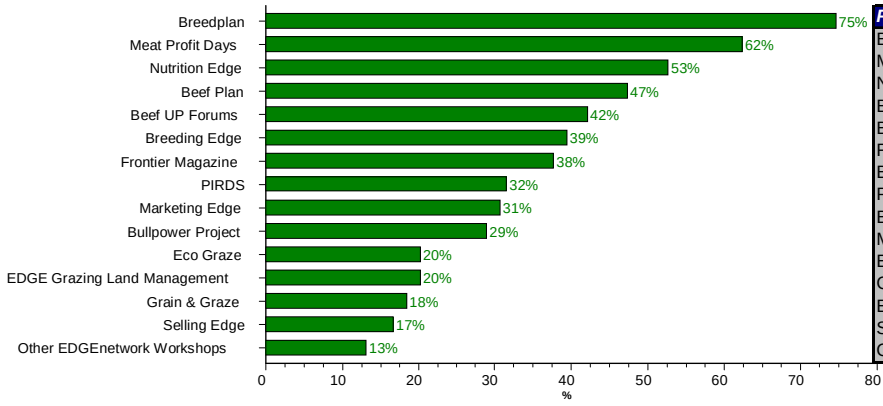
Results for each of these criteria are presented below for both Northern and Southern programs. Note that PIRDS includes Producer Demonstration Sites (PDS).

**Northern Program Awareness and Participation**

Breedplan and Meat Profit Days were found to have the highest awareness levels among northern beef producers at 75% and 62% respectively. Participation in the programs was also high at 58% of all northern beef producers for Breedplan and 46% for Meat Profit Days. Although the awareness and participation levels are high, results need to be qualified by the longevity of the programs with Breedplan being in operation for around 20 years. In addition, no time period was set for participation, for example, within the last two years. Any participation was captured in the research.

**Northern Program Awareness and Participation**

'MLA funds and co-develops a range of programs for beef producers which involve events, courses, workshops, information resources and tools to help producers manage their herd and grazing land. Could you please tell me which of the following MLA programs you are aware of?'




| Program | % Using |
|---|---|
| Breedplan | 58% |
| Meat Profit Days | 46% |
| Nutrition Edge | 43% |
| Beef Plan | 34% |
| Breeding Edge | 31% |
| Frontier Magazine | 31% |
| Beef UP Forums | 26% |
| PIRDS | 26% |
| Bullpower Project | 23% |
| Marketing Edge | 23% |
| Eco Graze | 18% |
| Grain & Graze | 16% |
| EDGE Grazing Land Management | 15% |
| Selling Edge | 9% |
| Other EDGEnetwork Workshops | 9% |

Q69/70 Base: Northern respondents (N = 114 )

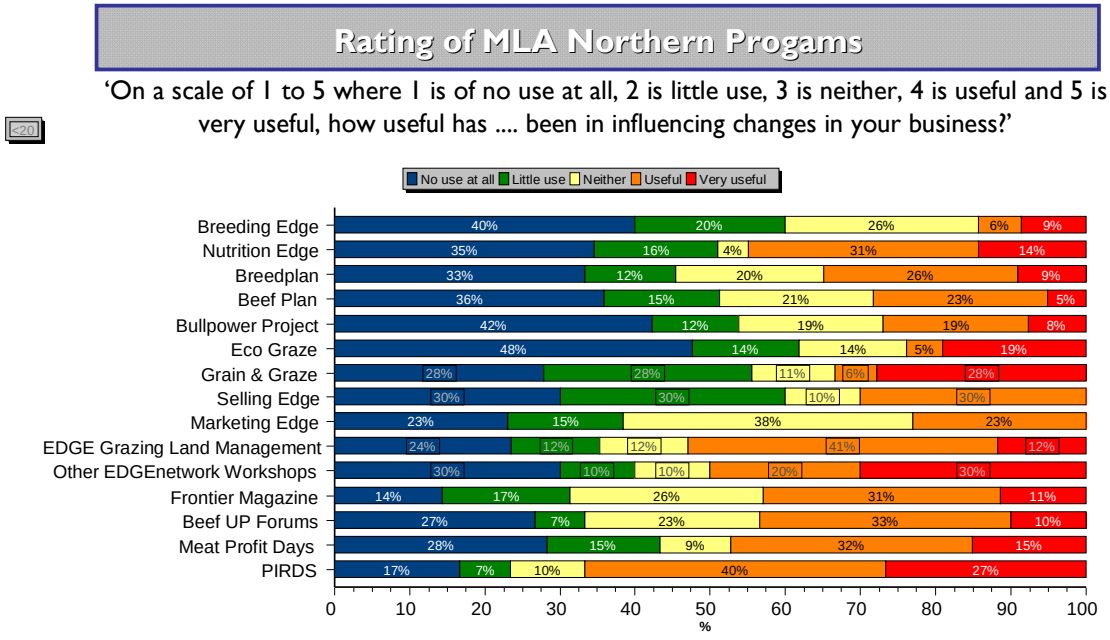
In summary, while prompted awareness of particular MLA programs is high, the challenge for MLA is to lift awareness of other programs on offer to northern beef producers.

**Northern Program Usefulness**

Respondents who had participated in specific MLA programs were asked to rate the usefulness of that program on a scale of one to five where one was no use at all and five was very useful. Results are presented graphically below. While usefulness of a number of programs was reasonably high (eg PIRDS including PDS's at 67%), many of the programs were considered either useful or very useful by less than 50% of participants. While this could highlight a relevance issue, the results need to be qualified by a number of factors:

1. The longevity of participation being considered. A respondent who participated in a program a number of years ago will have a poorer recollection of usefulness of the program compared to a more recent participant
2. Sample size. A number of programs were only rated by a small number of participants ie less than 20, and results need to be treated with caution. Results for ratings from smaller sample sizes are highlighted with a box in the chart below.

These qualifications aside, the research would suggest that there is merit in developing a formal system for recording invitations to, participation in, ratings of and follow up on MLA programs for every large beef producer. While it is understood that MLA already conduct reviews of programs (eg exit surveys, awareness and participation tracking, etc), linking with individual large producers via a database is an essential step to more fully engaging large producers and meeting their needs.



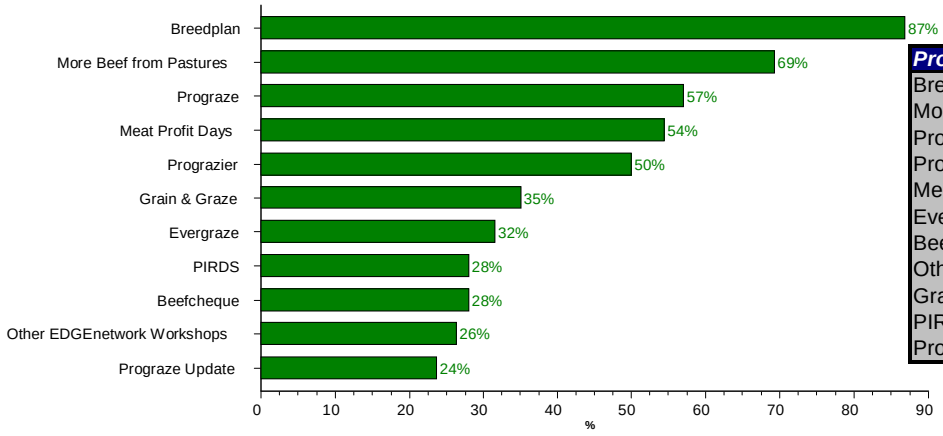

Q70 Base: Northern respondents participating (N = Various )

**Southern Program, Awareness, Participation and Usefulness**

Results for Southern program awareness, participation and usefulness are presented in the following charts and table. Conclusions are similar to northern program findings. In terms of demographic differences, awareness of Beefcheque was significantly higher in Victoria than New South Wales (56% versus 13%). Awareness of Prograzier and Meat Profit Days was significantly lower among older respondents (65 years and older – both 24%).

## Southern Program Awareness

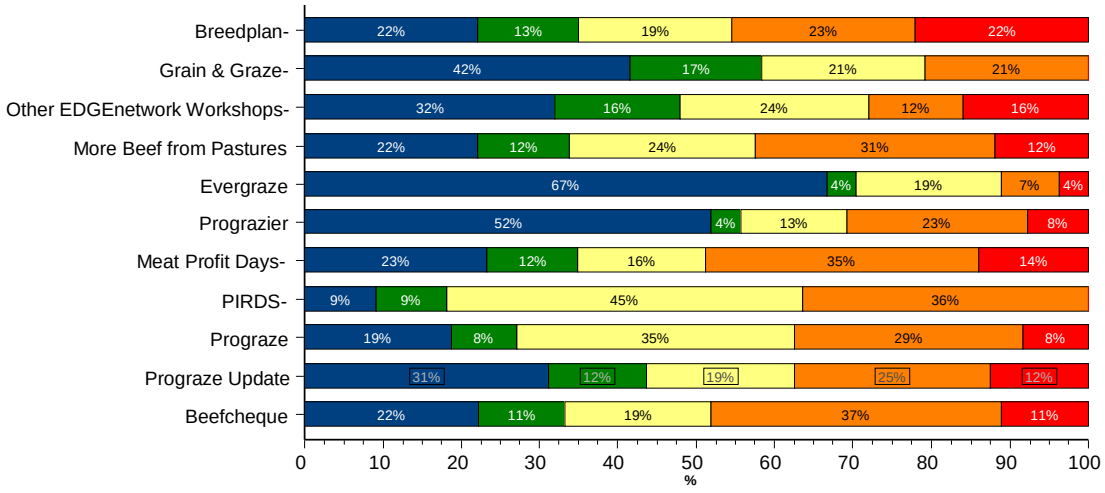
'Could you please tell me which of the following MLA programs you are aware of?'




| Program | % Using |
|---|---|
| Breedplan | 68% |
| More Beef from Pastures | 52% |
| Prograzier | 46% |
| Prograze | 42% |
| Meat Profit Days | 38% |
| Evergraze | 24% |
| Beefcheque | 24% |
| Other EDGEnetwork Workshops | 22% |
| Grain & Graze | 21% |
| PIRDS | 19% |
| Prograze Update | 14% |

Q71/72 Base: Southern respondents (N = 114)

## Rating of MLA Southern Programs




Q72 Base: Northern respondents using program (N = Various)

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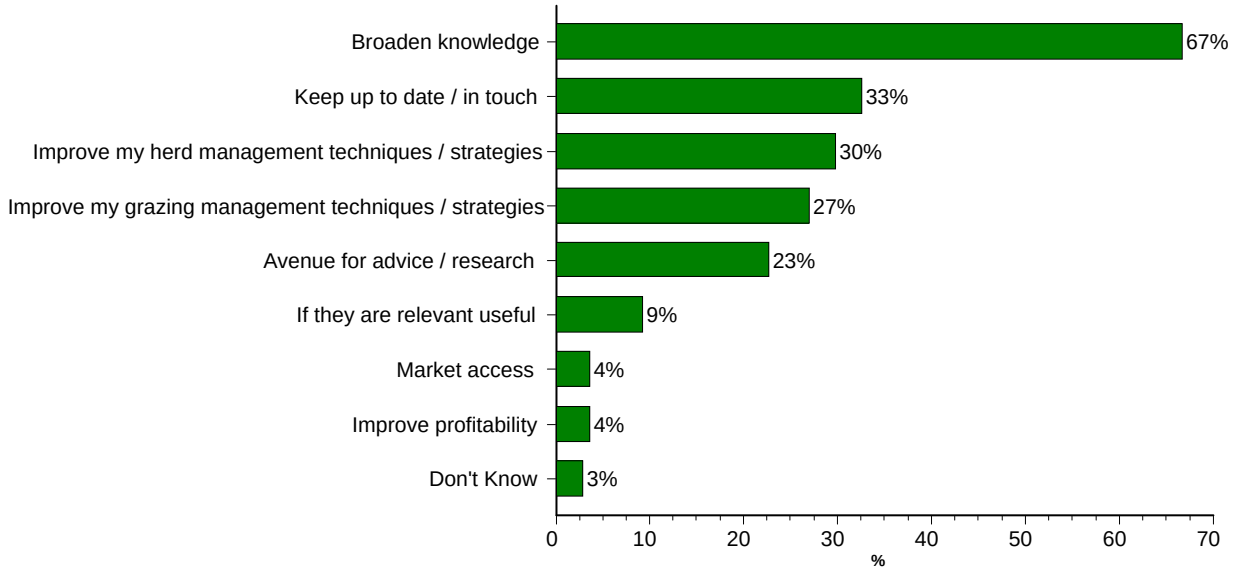
**Future Participation in MLA Programs**

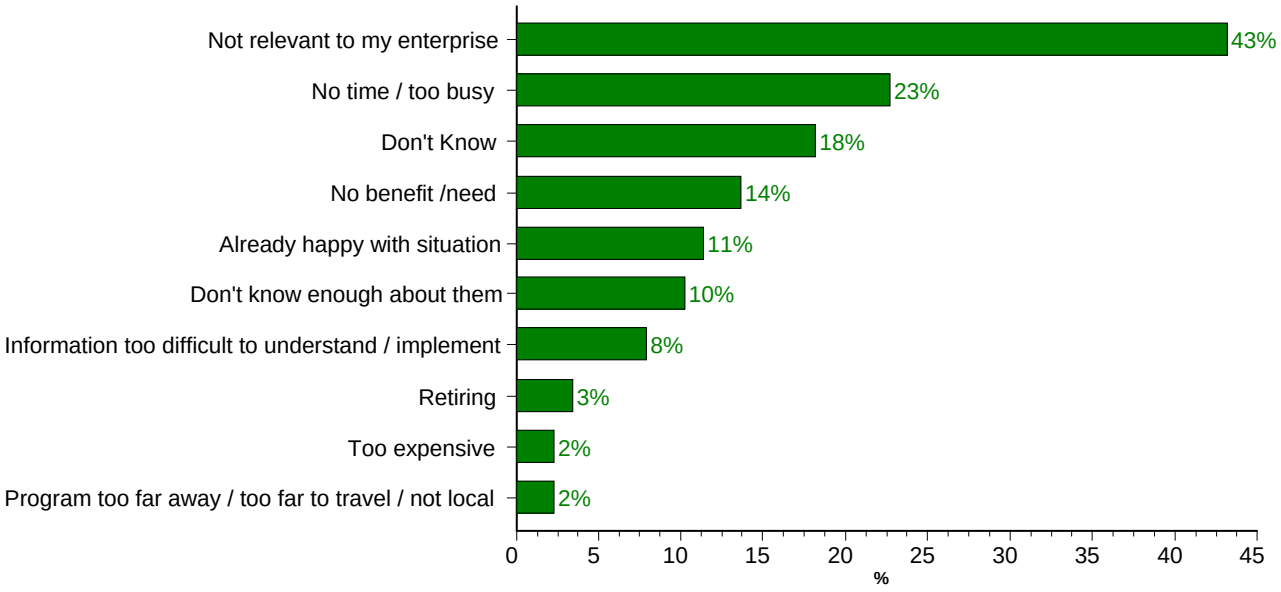
The majority of large beef producers (62%) felt that they were likely to participate and use MLA programs and tools in the future. Those with a tertiary education were more likely (80%) and those with an HSC / Year 12 / Leaving Certificate or who were aged 65 years and over were less likely to participate (45% and 38% respectively).

The majority of large producers intending to participate were clearly seeking to remain up to date with and broaden their knowledge of information to improve herd and grazing management. This augers well for current and future initiatives targeting these areas.



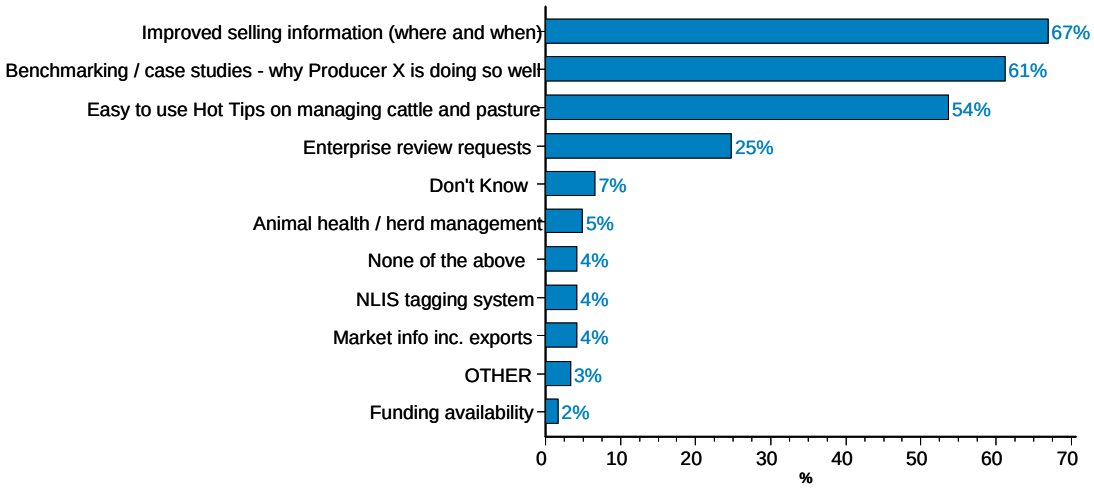

Q74 Base: Those considering MLA programs (N = 141)

One in three large beef producers (38%) indicated that they do not plan to use MLA programs in the future. As presented below, the main barriers to future involvement centre around perceived lack of relevance / benefits, prioritisation (a time issue) and awareness.



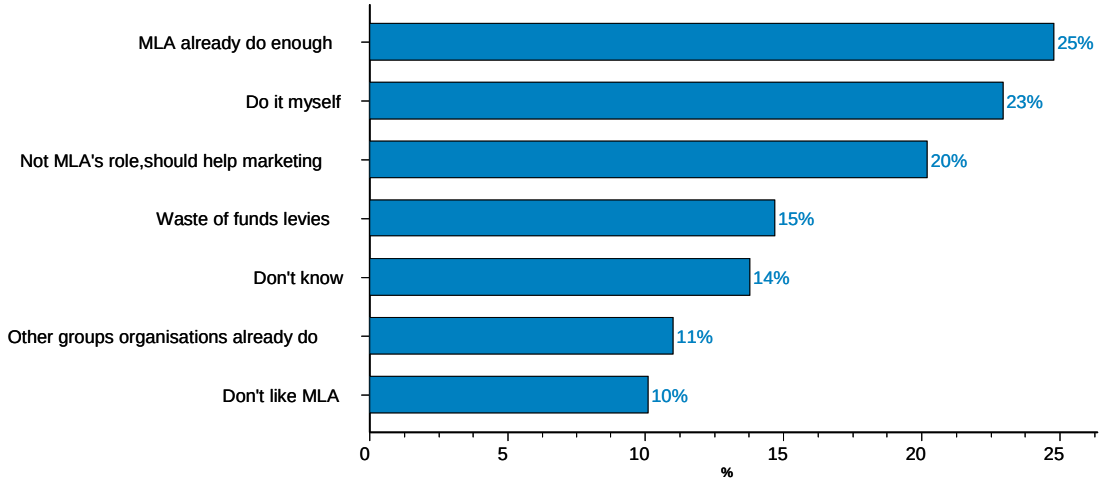

Q74 Base: Those not using MLA programs in future (N = 88)

When questioned as to whether MLA should provide any type of service to support respondents' operations, implementation of technologies or livestock or grazing management systems, large producers were clearly divided. Around half of large beef producers felt that MLA should provide support services for their enterprises with information on selling, benchmarking and "hot tips" being positively received.




Q80 Base: Those indicating a need for MLA (N = 121)

The perceived barriers to MLA providing a service centred around producer independence, a role conflict, overlap / duplication and a lack of need. "Standard" MLA detractor responses were also present such as "waste of funds levies" and "don't like MLA".




Q80 Base: Those indicating no need for MLA (N = 109)

The issue of role conflict is important as, in line with findings from the qualitative research, it highlights MLA corporate positioning as a potential barrier to adoption update (ie consumer activities / promotion versus producer based activities). MLA "facilitation" via third parties rather than "direct involvement" in support services may be a solution.

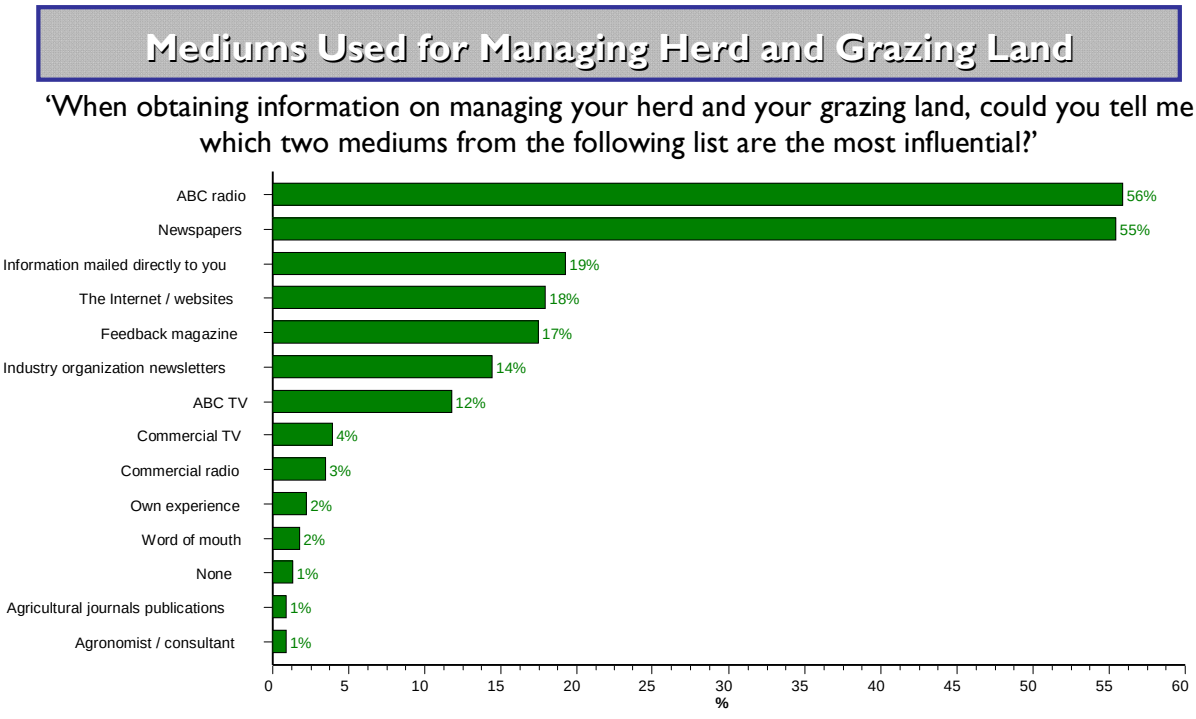
### 4.2.6 Communication

The issues of communication with large beef producers was assessed via five variables including:

1. Mediums used;
2. Influencers used;
3. Preferred method of MLA communication;
4. Use of the internet; and
5. Use of consultants.

**Mediums Used**

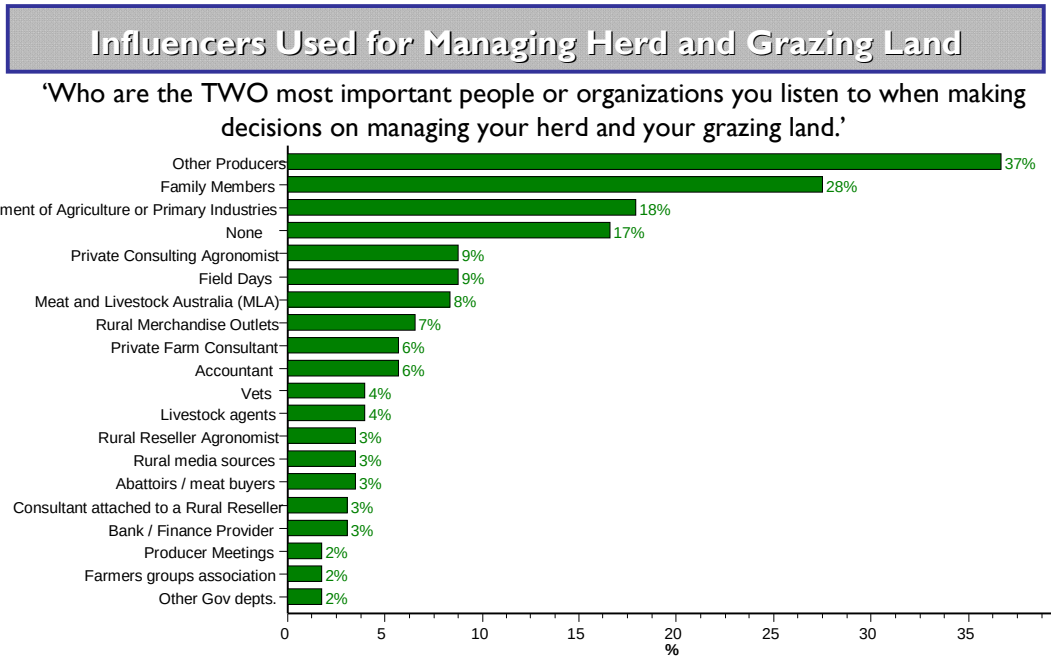
While the traditional ABC Radio and newspapers (typically Rural Press) dominated, direct mail, the internet and Feedback magazine were identified as the most important sources for producers to obtain information on managing their herd and grazing land. No significant differences were identified across different demographic groups of large beef producers.




Q66 Base: All respondents (N = 227)

**Influencers Used**

Research has confirmed the importance of other producers and family members when making decisions on managing the beef herd and grazing land. Developing social networks will therefore be a key to engaging large beef producers. Use of external consultant advice was also significant although advice was spread across a number of different types of specialists such as private consulting agronomists, private farm consultants, rural reseller agronomists and rural reseller consultants. Note that all influencers mentioned were unprompted.




Q67 Base: All respondents (N = 229)

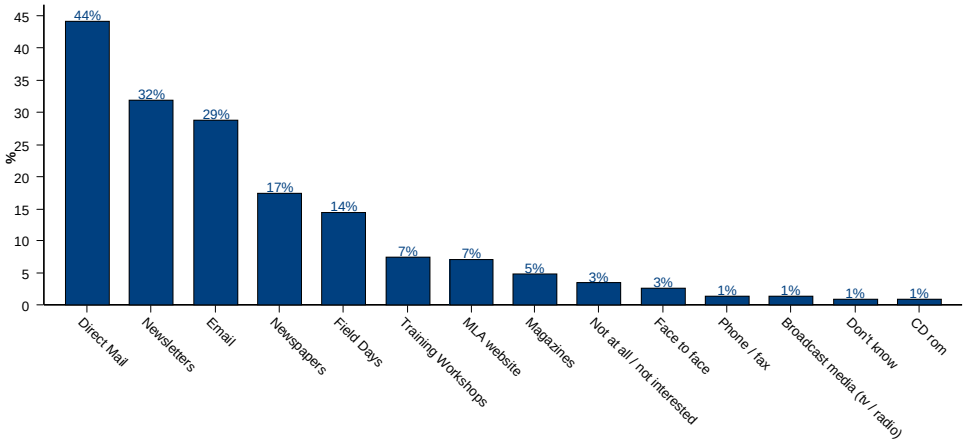
**Preferred Method of Communication with MLA**

Large producers flagged direct mail (44%), newsletters (32%) and email (29%) as their most preferred means of communication with MLA. Tertiary graduates had a strong preference for email (48%) with those 65 years and older having a lower preference for this method (8%). Note that these were the only significant demographic differences with preferences for the top three methods consistent across all large beef producers.

The results highlight that a more targeted communication with **individual** large beef producers using direct mail, newsletters and email via a database would be an important strategic option for MLA to consider.

## Preferred Methods of MLA Communication

'How would you like MLA to communicate with you about new technologies or methods of managing your livestock or grazing land?'




Q77 Base: All respondents (N = 229)

**Use of the Internet**

Large beef respondents' IT profile is presented in the table below. Virtually all respondents (93%) had an internet connection with 77% of all respondents having a broadband connection (either broadband cable, broadband ADSL, satellite or wireless). In the past, the dominance of dialup among rural producers and its poor speed and reliability and lack of permanent connection has limited the internet as an engagement tool. With the current dominance of broadband however, the opportunity exists to expand this medium for targeted communication initiatives, particularly email.

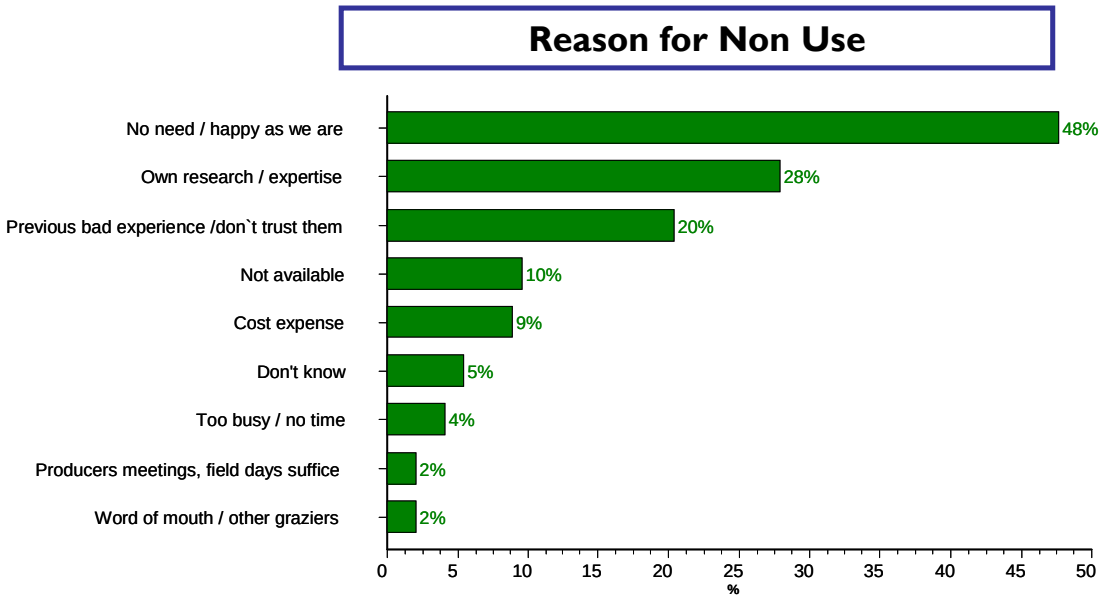
| IT Profile | Percent (n = 229) |
|---|---|
| Own a computer | 99% |
| Connected to the Internet | 93% |
| Type of Internet Connection: | |
| Broadband cable | 4% |
| Broadband ADSL | 14% |
| Satellite | 49% |
| Wireless | 10% |
| ISDN | 2% |
| Dialup | 6% |
| Don't know connection type | 7% |
| Other connection | 1% |

Specific uses of the internet (of the 209 respondents connected) revealed that email is the most cited use (32%) in line with producers' preferences for communication with MLA.

| Uses of the Internet in the Cattle Enterprise | Percent (n = 209) |
|---|---|
| E-mail | 32% |
| Banking | 26% |
| Weather information | 23% |
| Paying bills | 20% |
| Education / general research | 19% |
| Other agricultural information | 19% |
| Selling / Trading | 15% |
| Agronomy information | 14% |
| Unspecified commodity prices / market reports | 12% |
| Information on world agricultural trends | 11% |
| Product information | 11% |
| Don't Know | 11% |
| General browsing / surfing | 10% |
| Company information | 9% |
| Financial information eg interest rates, exchange rates etc | 9% |
| NLIS / tagging | 8% |
| Grain prices | 7% |
| Purchasing goods and services | 7% |
| Herd management / monitoring | 7% |
| News / current affairs | 6% |
| Book keeping | 6% |
| Share market | 6% |
| Animal husbandry / veterinary | 4% |
| Chat / discussion groups | 4% |
| Market information including exports | 4% |
| Government department information | 4% |
| Recreation / entertainment | 4% |
| Breeding information | 3% |
| MLA website information | 2% |
| Real estate information | 2% |
| Wool market information / sale details | 2% |
| General cropping information | 1% |
| Other | 1% |

**Use of Consultants**

Around one third (36%) of large beef respondents used a consultant or specialist on a one-on-one basis to provide advice on the profitability, productivity and sustainability of their cattle enterprise. Non users were largely confident in their own ability to make decisions on these areas and perceived no need. A significant proportion of non users (20%) mentioned a "bad experience / trust issue" with consultants.




Q82 Base: Those not using consultants (N = 147)

A specific engagement strategy tested in the research was to question respondents on their interest in MLA contributing funding towards a respected specialist. The specialist would discuss the producer's business with them on a one-on-one basis and provide written assessments and recommendations.

Interest in an MLA co-funded consultant was high with around half (53%) of all large beef respondents being interested in the concept. When results were compared for those respondents who already used a one-on-one consultants versus those that did not, nearly half of non users (43%) would use an MLA co-funded consultant. Co-funding consultants could therefore be an effective strategy to encourage large beef producers to access new information, knowledge and techniques.

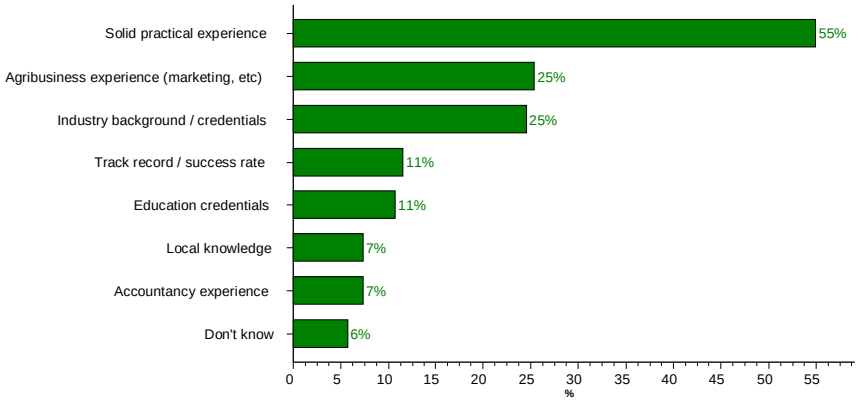
In terms of the required qualifications or expertise for the consultant, practical industry and / or agribusiness experience were some of the keys to ensure relevance.

## Potential Use of MLA Funded Consultant Advice

'Would you be interested if MLA contributed funding to one or more respected specialists to discuss your business with you, on a one-on-one confidential basis, and provide you with a written assessment and recommendations?'

- **No - 47%**
- **Yes - 53%**

### Qualifications / Expertise Sought




Q83 Base: All respondents (N = 229)

Q84 Base: Those considering use (N = 122)

### 4.2.7 Defining Large Beef Producers with the Capacity to Change

MLA provided minimum herd size levels to determine the beef cattle enterprises that could be defined as "large" and could therefore be included in the research. To recap these were:

- Southern Australia – minimum of 1,000 head; and
- Northern Australia – 50% of sample with at least 3,000 head and 50% of sample with at least 6,000 head.

While the definition of a large producer was clear, MLA's primary need is for a strategy focused on large producers with the **capacity to change**, an unknown subset of the overall large beef producer population. The challenge therefore was to analyse the research data to identify this subset.

The desire for an organisation to focus on such a group is not new. Solutions conducted similar work for the Department of Agriculture, Fisheries and Forestry as part of the Agriculture – Advancing Australia (AAA) initiative over a five year period from 1998 to 2003. As part of this research, Solutions benchmarked and tracked the proportion of producers in five broad performance "Indicators" including:

1. Capacity to Manage Change and Adoption of Innovation Indicator;
2. Natural Resource / Climatic Indicator;
3. Strategic Planning Indicator;
4. Financial Self Reliance Indicator; and
5. Market Competitiveness Indicator.

Each Indicator consisted of a series of Monitoring Measures which were asked of producers in each successive wave of the research. The Monitoring Measures were developed in a series of workshops with the Department and consultants specialising in benchmarking rural performance.

The Capacity to Manage Change and Adoption of Innovation Indicator consisted of five Monitoring and Sub Monitoring Measures including:

1. Use External Advice
   - Accessed outside advisors to help with farm decision making

2. Level of Involvement in Education / Training
   - Participated in training activities in last two years

3. Adoption of New Business and Natural Resource Management Practices
   - In the last two years adopted new innovations, new ideas, management practices or equipment

4. Continuous Learning Attitude
   - Believe there is so much to know about farming practices, you have to keep up with them;
   - Believe a good source of management information is invaluable to them and are prepared to pay for the right advice;
   - Like to confirm that they are on the right track with their farming practices and will ask an expert where they can;
   - Are always looking around seeing what's working and what's not for other producers; and
   - Believe rural consultants provide excellent practical information about farming.

Solutions benchmarked and tracked producer performance against each of these measures to determine the effectiveness of the Department's AAA initiative in encouraging change (among other Indicators).

For the Large Beef Producer Study, there are a number of theoretical constructs for measuring a producer's capacity to change. These may include:

1. Whether a producer has recently increased their landholdings or intend to increase their landholdings in the future;
2. Does the producer intend to make any changes in terms of productivity, profitability and sustainability?;
3. Has the producer participated in R&D activities or intend to participate in the future?; and
4. What are the producer's attitudes towards external advice and the need for change?

It is clear that the capacity to change is multidimensional, that is, there is no single measure of a producer's capacity to change. Identifying producers with such as capacity must therefore be based on a number of measures, as experience with DAFF's AAA research has shown.

For the current study, Solutions selected a range of questions from the quantitative study that may have indicated a producer's capacity to change, based on experience, discussions with MLA and workshops proceedings. Cluster Analysis, a multivariate procedure for detecting natural groupings in data, was then applied to each group of questions. The objective was to classify responses into sub-groups although neither the number nor members of the sub-groups are known before segmentation.

The following eight questions were determined as the preferred measures to identify groups of producers with a capacity (or less of a capacity) to change:

| | |
|---|---|
| Q13 | Over the last 5 years, have your land holdings increased, decreased or stayed the same? |
| Q17 | Over the next 5 years, do you think your landholdings will increase, decrease or stay the same? |
| Q26 | Do you plan to make any major changes in the areas of productivity, profitability and sustainability in the next 5 years? |
| Q54 | Within your cattle enterprise, have you ever participated directly in any livestock related research and development such as on farm trials or advisory groups? |
| Q73 | In the future, are you likely to use any of the MLA programs or tools that we have mentioned? |
| Q85.1 | I like to confirm that I am on the right track with my property practices. I'll ask an expert when I can (agreement scale) |
| Q85.12 | Livestock research and development provides me with no real benefits (agreement scale) |
| Q85.13 | My livestock enterprises are pretty much under control. I see no need to change (agreement scale) |

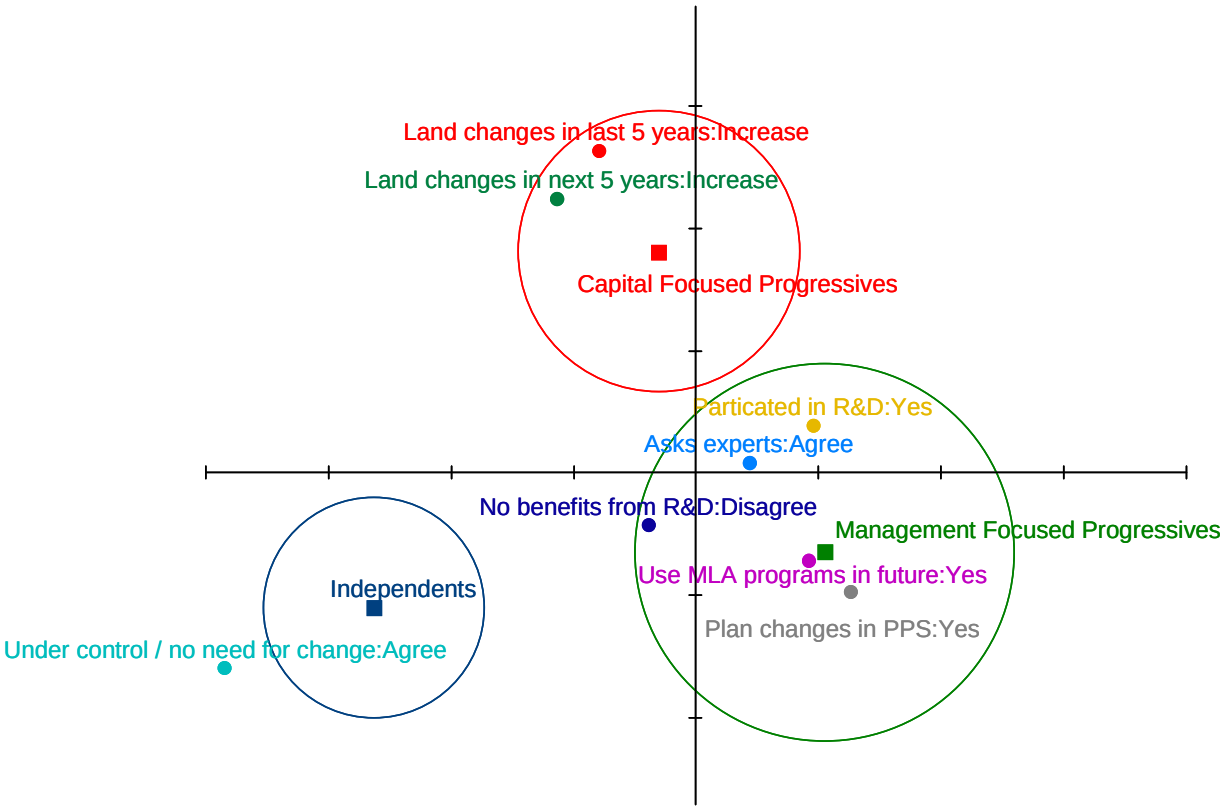
Note that attitudinal statements relating specifically to MLA were intentionally excluded from the Cluster Analysis eg "MLA provides information that helps me improve the profitability of my business", "A lot of information received from MLA is self justification", etc. The intention was to cluster on the basis of factors that indicate capacity to change rather than views on MLA, even though MLA develops and co-funds programs to encourage change.

Three distinct groups emerged from the Cluster Analysis:

| Cluster Group | Number of Respondents | % of Sample |
|---|---|---|
| The Management Focused Progressives | 107 | 46% |
| The Capital Focused Progressives | 61 | 27% |
| The Independents | 61 | 27% |

Members of each group are distinguished from other groups by their responses to each of the capacity to change measures (questions). A Correspondence Analysis Map is presented below which presents the relative clustering of each group's responses to each capacity to change measure ("PPS" refers to productivity, profitability and sustainability).

**Correspondence Analysis Map for Capacity to Change Segments**



A more detailed summary of these differential responses is presented in the following tables. If a group's response is significantly higher than other groups, this is highlighted in green. If the response is significantly lower than other groups, this is highlighted in red.

| Capacity to Change Measure | Response | Management Focused Progressives | Capital Focused Progressives | Independents |
|---|---|---|---|---|
| | | 107 | 61 | 61 |
| Land Holdings Status Over The Last 5 Years | Increased | 21% | 89% | 20% |
| Over the next 5 years, do you think your landholdings will increase, decrease or stay the same? | Increase | 10% | 41% | 13% |
| Plan to make any major changes in the areas of productivity /profitability / sustainability in the next 5 years | No | 14% | 57% | 67% |
| In the future, are you likely to use any of the MLA programs or tools | No | 11% | 54% | 70% |
| Within your cattle enterprise, have you ever participated directly in any livestock related research and development such as on farm trials or advisory groups? | Yes | 71% | 67% | 16% |
| My livestock enterprises are pretty much under control. I see no need to change | Disagree | 70% | 66% | 18% |
| Over the next 5 years, do you think your landholdings will increase, decrease or stay the same | Don't know | 7% | 13% | 5% |
| I like to confirm that I am on the right track with my farming practices. I'll ask an expert when I can | Agree | 82% | 75% | 34% |
| Livestock research and development provides me with no real benefits | Agree | 14% | 25% | 23% |
| Land Holdings Status Over The Last 5 Years | Stayed the same | 74% | 8% | 74% |
| Over the next 5 years, do you think your landholdings will increase, decrease or stay the same? | Stay the same | 73% | 34% | 72% |
| Plan to make any major changes in the areas of productivity /profitability / sustainability in the next 5 years | Yes | 75% | 30% | 20% |
| In the future, are you likely to use any of the MLA programs or tools? | Yes | 89% | 46% | 30% |
| Within your cattle enterprise, have you ever participated directly in any livestock related research and development such as on farm trials or advisory groups? | No | 28% | 31% | 84% |
| My livestock enterprises are pretty much under control. I see no need to change | Agree | 17% | 21% | 69% |
| I like to confirm that I am on the right track with my practices. I'll ask an expert when I can | Disagree | 12% | 16% | 52% |
| Livestock research and development provides me with no real benefits | Disagree | 77% | 66% | 59% |

The Management Focused Progressives, representing nearly half of all large beef producers, are typified by:

- Direct participation in R&D;
- Openness to change their livestock enterprise;
- Willingness to seek expert advice;
- Plans to make changes in productivity, profitability and sustainability in the future;
- Likelihood of using MLA programs and tools in the future;
- See benefits in livestock R&D; and
- Stability in land holdings both over the last five years and forward into the next five years.

With landholdings generally stable, it appears that this group's capacity to change is centred around acquiring and incorporating new management practices rather than land based capital expansion.

The Capital Focused Progressives, representing around a quarter of large beef producers, are similar to the Management Focused Progressives in their:

- Direct participation in R&D;
- Openness to change their livestock enterprise; and
- Willingness to seek expert advice.

The Capital Focused Progressives differ from the Management Focused Progressives however in their:

- Increase in landholdings over the last five years;
- Plans to increase landholdings in the next five years;
- Few plan to make changes in productivity, profitability and sustainability in the future; and
- Lower likelihood of using MLA programs and tools in the future.

In addition to openness to change and seeking expert advice, this group's capacity to change has often (although not exclusively) been associated with increased capital (land) base.

Both the Management Focused Progressives and the Capital Focused Progressives exhibit the greatest capacity to change and are considered the primary targets for the development of strategies to encourage change within the large beef producer population.

The Independents represent large beef producers with the least capacity to change, around a quarter of the population. Members of this group are characterised by:

- Less plans to make major changes in the areas of productivity, profitability or sustainability in the next 5 years;
- Lower likelihood of using MLA programs or tools in the future;
- Lower direct participation in R&D in the past;
- A lack of willingness to change; and
- Lower willingness to seek expert advice.

The Independents are not considered targets for a discriminatory strategy by MLA as while they are large beef producers, they do not exhibit the necessary capacity to change. Excluding the Independents from the large producer strategy does not exclude this group entirely as these producers would be encompassed within MLA's broader adoption and communication strategies applied to the entire livestock industry.

### 4.2.8 Characteristics of Large Beef Producers with the Capacity to Change

The groups derived through cluster analysis were also profiled by demographic characteristics to identify any differences in factors such as age, education, location, herd size, property size, etc. Such differences help profile each group by "painting a picture" of their members. In the current study however, no significant demographic differences were identified among the three groups, in contrast to most other studies conducted in the past by Solutions. This was primarily due to the fact that the study was based on a segmented sample of the beef producer population, that is, large beef producers with very specific minimum herd sizes. Producers sampled therefore shared many similar demographic characteristics. The only differences to emerge included:

- The Independents tended to be older with 30% in the 65 years plus age group compared to only 12% and 10% for the Management Focused Progressives and the Capital Focused Progressives respectively;
- The Independents tended to be less educated – only 8% had tertiary level education compared to 21% and 20% for the Management Focused Progressives and the Capital Focused Progressives respectively; and
- The Capital Focused Progressives tended to have a higher education than the Management Focused Progressives - 41% with Year 12 / HSC / Leaving Certificate in the Capital Focused Progressives versus only 17% for the Management Focused Progressives.

To provide further insight into attitudes, current position and awareness and use of R&D within each group, all questions fielded in the survey were "filtered" for each group. The results were then ranked to highlight where results for the groups were most different from each other. The results are presented in the following tables (excluding the eight capacity to change measures and the demographic measures previously discussed).

In summary, key differentiating responses for each group were as follows:

The Management Focused Progressives:
- More likely to agree that MLA provides information to improve the profitability of their business;
- More likely to agree that MLA is relevant to them and their enterprise;
- Places the highest value on technical information;
- Greatest interest in MLA co-funding for a one-on-one consultant;
- Highest awareness of MLA programs;
- Most likely to use MLA programs in the future to improve grazing management;
- Highest visitations to the MLA website;
- Highest participation in producer organised groups; and
- Least likely to nominate climate as a barrier to achieving goals.

The Capital Focused Progressives:
- Less likely to agree that MLA provides information to improve the profitability of their business;
- Lowest participation in producer organised groups;
- Least likely to use MLA programs in the future to improve grazing management;
- Most likely to use consultants on a one-on-one basis;
- Most likely to have undertaken pasture improvement or used fertilisers in the last 2 – 3 years to improve sustainability; and

The Independents:

- Least likely to agree that MLA provides information to improve the profitability of their business;
- Least likely to agree that MLA is relevant to them and their enterprise;
- Places the least value on technical information;
- Lowest interest in MLA co-funding for a one-on-one consultant;
- Lowest visitations to MLA website;
- Lowest awareness of MLA programs;
- Least likely to use consultants on a one-on-one basis; and
- Least likely to believe that MLA should provide any type of service to support their operation's implementation of technologies or livestock or grazing management systems.

Note that the Independents generally have the lowest awareness of MLA programs and are significantly less positive about the role of MLA in contributing to their cattle enterprises. This re-inforces the group's position as having the least capacity to change, particularly when that change is being driven by MLA.

In contrast, the Management Focused Progressives are generally pro MLA and have a higher awareness of the current programs available and the greatest interest in future MLA offerings. The Capital Focused Progressives are generally less aware and responsive to MLA initiatives than the Management Focused Progressives but still well ahead of the Independents in terms of willingness to change. This confirms the recommendation that the Management and Capital Focused Progressives comprise large producers with the capacity to change and should therefore be the primary targets of any MLA discriminatory strategies. As discussed in the workshop though, MLA could consider applying the strategy recommendations to **all** large beef producers given the relatively small populations involved (approximately 4,000 producers).

| Question | Response | Management Focused Progressives | Capital Focused Progressives | Independents |
|---|---|---|---|---|
| Q85 - MLA provides information that helps me improve the profitability of my business | Agree | 55% | 36% | 30% |
| Q85 - MLA is relevant to me and my enterprise | Agree | 68% | 61% | 36% |
| Q85 - Technical information on livestock production is invaluable to me | Agree | 79% | 66% | 56% |
| Q59- If you were aware of future research and development opportunities such as trials and advisory groups and could see the benefits for your enterprise, would you consider being involved in the future | Yes | 97% | 97% | 75% |
| Q83 - Would you be interested if MLA contributed funding to one or more respected specialists to discuss your business with you on a one-on-one confidential basis and provide written assessment and recommendations? | Yes | 64% | 49% | 39% |
| Q71 - Southern awareness of MLA programs: Other EDGEnetwork Workshops | Aware | 39% | 12% | 18% |
| Q69 - Northern awareness of MLA programs: Eco Graze | Aware | 31% | 10% | 12% |
| Q57 - Which of the following research and development activities have you been involved in: Involvement in a producer organised group | Yes | 46% | 22% | 30% |

| Question | Response | Management Focused Progressives | Capital Focused Progressives | Independents |
|---|---|---|---|---|
| Q74 - Why are you considering using the MLA programs or tools: To improve my grazing management techniques / strategies | Yes | 34% | 11% | 17% |
| Q69 - Northern awareness of MLA programs: Grain & Graze | Aware | 29% | 10% | 9% |
| Q65 - Have you ever visited the MLA website? | Yes | 74% | 70% | 45% |
| Q69 - Northern awareness of MLA programs: Breeding Edge | Aware | 52% | 38% | 21% |
| Q71 - Southern awareness of MLA programs: More Beef from Pastures | Aware | 80% | 72% | 46% |
| Q69 - Northern awareness of MLA programs: Producer Initiated Research & Development Sites (PIRDS) or MLA Producer Demonstration Sites | Aware | 42% | 24% | 21% |
| Q66 - When obtaining information on managing your herd and your grazing land, could you tell me which two mediums from the following list are most influential | Feedback Magazine | 23% | 13% | 11% |
| Q71 - Southern awareness of MLA programs: Producer Initiated Research & Development Sites (PIRDS) or MLA Producer Demonstration Sites | | 37% | 31% | 7% |
| Q40 - How would you rate the achievement of reducing cost of production ($/kg) compared to other producers in your area? | Above | 39% | 34% | 21% |
| Q81 - Do you currently use consultants / specialists on a one-on-one basis? | Yes | 42% | 48% | 15% |
| Q71 - Southern awareness of MLA programs: Grain & Graze | Aware | 43% | 47% | 7% |
| Q71 - Southern awareness of MLA programs: Meat Profit Days | Aware | 61% | 66% | 29% |
| Q85 - I am always looking around seeing what is working and what's not for other producers | Agree | 95% | 97% | 85% |
| Q78 - Do you think MLA should provide any type of service to support your operation's implementation of technologies or livestock or grazing management systems? | Yes | 56% | 59% | 39% |
| Q37 - How would you rate the achievement of reducing age at sale compared to other producers in your area? | Above | 43% | 48% | 28% |

| Question | Response | Management Focused Progressives | Capital Focused Progressives | Independents |
|---|---|---|---|---|
| Q85 - MLA provides information that helps me improve the profitability of my business | Disagree | 30% | 41% | 61% |
| Q85 - MLA is relevant to me and my enterprise | Disagree | 18% | 25% | 48% |
| Q59-If you were aware of future research and development opportunities such as trials and advisory or producer groups and could see the benefits to your enterprise, would you consider being involved in the future? | No | 3% | 3% | 25% |
| Q83 - Would you be interested if MLA contributed funding to one or more respected specialists to discuss your business with you, on a one-on-one confidential basis, and provide you with a written assessment and recommendations? | No | 36% | 51% | 61% |
| Q85 - Technical information on livestock production is invaluable to me | Disagree | 11% | 18% | 31% |
| Q65 - Have you ever visited the MLA website? | No | 23% | 30% | 49% |
| Q53 - Out of all of the barriers that we have discussed, which is the most important to you, in preventing you achieving your business goals? | Climate | 15% | 28% | 30% |
| Q64 - What do you use the Internet for in your cattle enterprise? | NLIS / Tagging | 4% | 17% | 8% |
| Q25 - Changes implemented in last 2 - 3 years to improve sustainability of cattle enterprise | Pasture improvement / fertilisers | 15% | 34% | 16% |
| Q85 - I would really like to learn more about how to better produce what I market | Disagree | 11% | 16% | 25% |
| Q63 - What type of internet connection do you have? | Wireless | 7% | 19% | 11% |
| Q85 - When a new practice comes along, I am usually the first to adopt it: Disagree | Disagree | 37% | 36% | 62% |
| Q19 - Major Goals For Cattle Enterprise | Increase fertility / breeding | 7% | 10% | 20% |
| Q81 - Do you currently use consultants / specialists on a one-on-one basis, to provide advice on the profitability, productivity and sustainability of your cattle enterprise? | No | 58% | 52% | 85% |
| Q19 - Major Goals For Cattle Enterprise | Increase productivity | 21% | 36% | 20% |
| Q78 - Do you think MLA should provide any type of service to support your operation's implementation of technologies or livestock or grazing management systems? | No | 44% | 41% | 61% |

# 5 Strategy Recommendations

## 5.1 Recommendations for a Strategy Focused on Large Beef Producers with the Capacity to Change

### 5.1.1 Introduction

Solutions' strategy recommendations to engage large beef producers with the capacity to change have been developed from the qualitative and quantitative research, the Workshop outcomes and Solutions' experience in targeting rural producers for other clients' communication strategies.

Four overarching strategies have been developed, each with specific objectives as follows:

| Strategy | Objective |
|---|---|
| 5. Segment the large beef producer population | • To identify and target large beef producers with the capacity to change |
| 6. Refine MLA program offer | • Increase relevance of and participation in programs<br>• Cement adoption of program outcomes |
| 7. Improve delivery | • Increase awareness and relevance of, and participation in, R&D programs<br>• Overcome "MLA" being a barrier to program participation |
| 8. Measure success | • Guide future strategy development and resource requirements |

The implementation of any one strategy will involve further discussion, design, development and rollout processes, the details of which are beyond the scope of this report. Solutions and external consultants who participated in the workshop will be available to contribute to these processes if required.

### 5.1.2 Strategy 1: Segmenting the Large Beef Producer Population

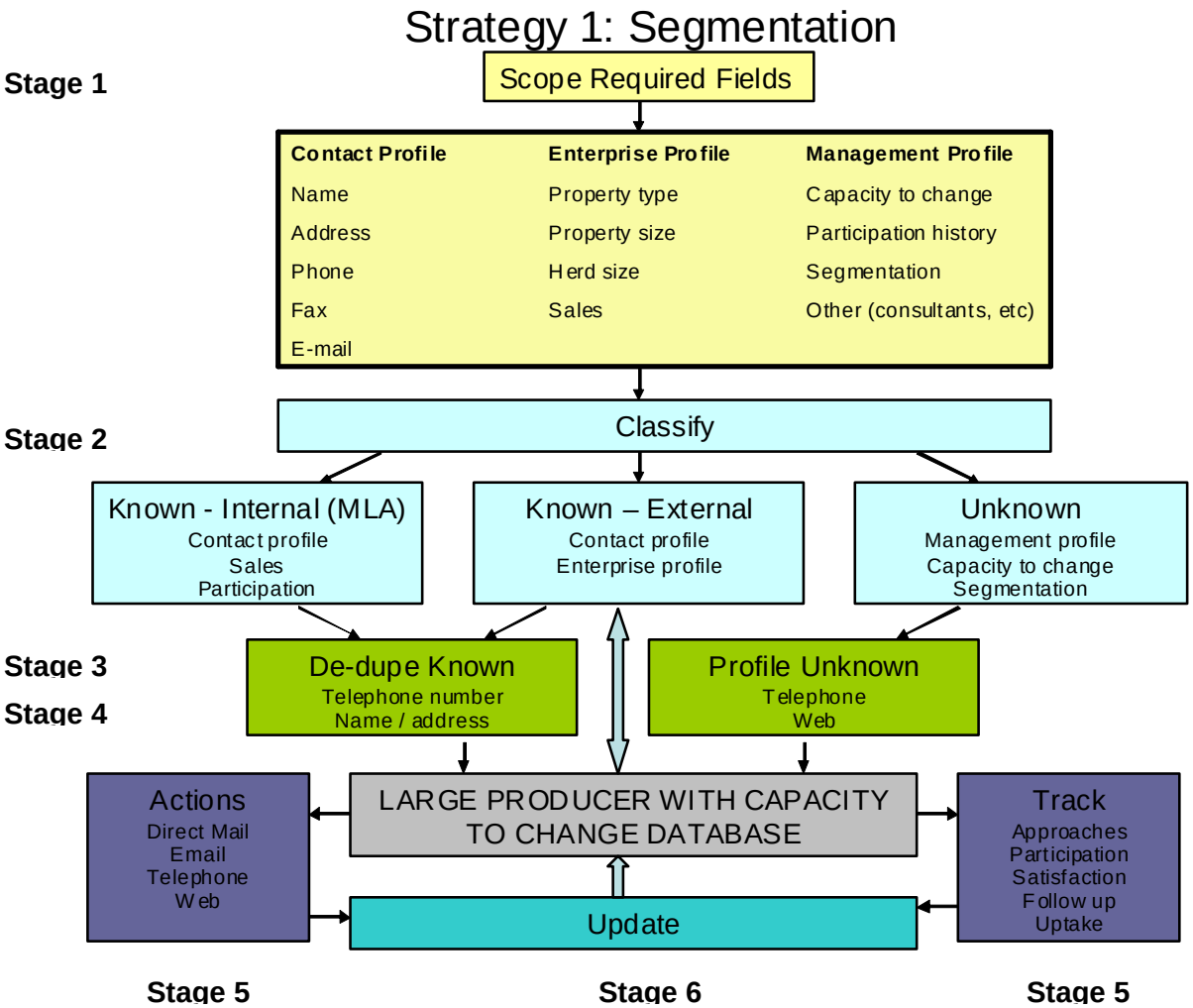
**Objective: To identify and target large beef producers with the capacity to change**

Identifying producers with the capacity to change is considered fundamental to any discriminatory strategy. Solutions' view, which was confirmed by some workshop participants, was that identifying and segmenting the approximately 4,000 large beef producers is a major priority for MLA as it will allow targeted efforts rather than a second best (and perhaps more typical) "scattergun" approach.

Solutions' proposed approach to Segmentation involves a six step process:

Stage 1: Scope required producer characteristics or "fields"
Stage 2: Classify the fields
Stage 3: De-dupe the known and profile the unknown
Stage 4: Database creation
Stage 5: Actions and tracking
Stage 6: Updating

A schematic of the recommended process follows:



**Stage 1: Scope Required Fields**
Characteristics that will help MLA engage large beef producers fall into three broad categories:

1. Contact profile such as name and contact details;
2. Enterprise profile such as property size and herd size. Property type (as defined by the Australia New Zealand Standard Industry Classification or ANZSIC system) could also useful (eg beef specialist, sheep / beef or grain / beef); and
3. Management profile such as past participation in MLA programs, perceptions of MLA, use of consultants and most importantly the eight measures of a producer's capacity to change and segmentation (which were established in the quantitative study).

These fields are only examples – a full list of required fields would need to be developed in conjunction with MLA and Workshop participants. An important point to note is that, where possible, only mandatory fields should be included ie "must haves" rather than "nice to haves". This maintains fields to the minimum level that is required for effective management and communication decisions.

**Stage 2: Classify the Fields**
Fields will fall into three broad categories – Known internally by MLA, Known by external service providers and Unknown. MLA will need to conduct an audit of all possible profile sources. For example, Solutions understand that within MLA there are a number of producer databases covering fields such as name, address, number of cattle sold, participation in MLA programs, etc. External databases contain contact profiles but also enterprise profiles such as property size, property type and herd size. Unknown profiles would include for example information on producer's capacity to change, views on MLA and other unknown contact and enterprise profile details eg e-mail address.

**Stage 3: De-dupe the Known and Profile the Unknown**
Given likely overlap between MLA databases and external databases, Stage 3 will involve de-duping the databases based on a common denominator such as telephone number and / or name and address. Once unique records have been obtained, unknown fields will then be collected via telephone surveys (and possible web surveys). Additional "unknown" information will then be collected and will be used to define each producer ie the Management Focused Progressives and the Capital Focused Progressives.

**Stage 4: Database Creation**
Full contact, enterprise and management profiles will be centralised in a database.

**Stage 5: Actions and Tracking**
The database will be used to launch all communication campaigns with large producers with the capacity to change including direct mail, email, telephone and web. It should also be used to track approaches, participation, satisfaction, follow-up and uptake of programs.

**State 6: Updating**
With producers retiring, properties being sold or passed onto the next generation, an essential component of the strategy will be to maintain the currency of the database in relation to contact details. It is recommended that updates be obtained from multiple sources including (a) direct MLA communication with large producers (b) other MLA databases eg membership, NLIS, etc and (c) external databases that are used by other organisations to communicate with the same producers but on topics different to MLA.

### 5.1.3 Strategy 2: Refining the MLA Program Offer

As identified in the quantitative study, there was broad alignment between the goals and achievements of large beef producers and MLA innovation objectives – both producers and the MLA are focused on productivity, profitability and sustainability. Issues were therefore not based on misalignment of objectives but rather on the issues such as awareness, perceived benefits, relevance and follow up. Strategy 2 "Refining the MLA Program Offer" has two specific objectives:

**Objective 1: Increase relevance of and participation in programs; and**
**Objective 2: Cement adoption of program outcomes.**

A suite of tactics to achieve each of these objectives has been developed along the following lines:

- Tactic approach;
- Advantages;
- Risks;
- Project support for recommendation (eg qualitative, quantitative, workshop conducted for the current project, etc);
- Priority (Low, Medium or High); and
- Overlap with existing MLA approach (None, Some, Strong).

Note that the objectives and tactics within Strategy 2 "Refining the MLA Program Offer" are not specifically targeted at either the Management Focussed Progressive or the Capital Focused Progressives as it is felt that both groups will benefit from implementation of the strategy. However, given that the Capital Focused Progressives are generally less aware of and responsive to MLA and its initiatives, it is likely that this segment may benefit more from some of the proposed tactics than the Management Focused Progressives. This is noted under the tactic approach where relevant.

## Strategy 2: Refining the MLA Program Offer
### Objective 1: Increase relevance of and participation in programs

| Tactic | Approach | Advantages | Risks | Supported by | Priority | Overlap with Existing MLA Approach |
|---|---|---|---|---|---|---|
| Conduct program review with producer participation | Work with a number of key producer to refine events, courses, workshops, information resources and tools<br>Consider suggested tools including improved selling information, Hot Tips and benchmarking / case studies | Producer input increases **relevance** | | Qualitative<br>Quantitative<br>Workshop | High | None |
| Promote benefits of programs rather than the features | Link with program review with key producers<br>Assess features and perceived benefits of programs, tools and information and refine focus of promotion<br>**Key target: Capital Focussed Progressives** | Increased **relevance** | | Qualitative<br>Quantitative | High | None |
| Reconsider and redefine "what" is actually being offered | Link with program review with key producers<br>Explore the opportunity to reduce the focus on programs and lift the emphasis on outcomes of packages<br>Concept development and testing eg<br>Current offer: Programs<br>Future offer?: A systematised business building approach<br>Future offer?: A new way of production<br>**Key target: Capital Focussed Progressives** | Greater appeal and **relevance** | | Qualitative<br>Quantitative | High | None |

## Strategy 2: Refining the MLA Program Offer (continued)
### Objective 1: Increase relevance of and participation in programs

| Tactic | Approach | Advantages | Risks | Supported by | Priority | Overlap with Existing MLA Approach |
|---|---|---|---|---|---|---|
| Expand the Information Platform / Offer | Broaden knowledge and information disseminated to include topics such as HR (eg labour skills and availability), OH&S, succession planning, etc)<br>Total Enterprise Efficiency rather than Total Factor Productivity<br>**Key target: Capital Focussed Progressives** | Provides a range of offers lifting appeal and **relevance** | Resource constraints | Quantitative<br>Quantitative<br>Workshop<br>MLA experience | Medium | Some |

## Strategy 2: Refining the MLA Program Offer
### Objective 2: Cement Adoption of Program Outcomes

| Tactic | Approach | Advantages | Risks | Supported by | Priority | Overlap with Existing MLA Approach |
|---|---|---|---|---|---|---|
| Initiate a formal follow up process for all in-field programs | Engage consultants in each region and Innovation Managers<br>Link with Large Producer Database<br>**Key target: Capital Focussed Progressives** | Avoids perception of MLA "vanishing act" and perceived cyclical nature of programs<br>Avenue of support<br>Increase uptake and **cement adoption** | Resource constraints | Workshop | High | Some |

### 5.1.4 Strategy 3: Improve Delivery

Strategy 3: “Improve Delivery” has two specific objectives:

**Objective 1: Increase awareness and relevance of, and participation in, R&D programs; and**
**Objective 2: Overcome “MLA” being a barrier to program participation.**

A suite of tactics to achieve each of these objectives has been developed along the following lines:

- Tactic approach;
- Advantages;
- Risks;
- Project support for recommendation (eg qualitative, quantitative, workshop conducted for the current project, etc);
- Priority (Low, Medium or High); and
- Overlap with existing MLA approach (None, Some, Strong).

Objective 1 and its associated tactics within Strategy 3 apply equally to the Management Focussed Progressive and the Capital Focused Progressives. Objective 2 is more targeted (although not exclusively) at the Capital Focused Progressive given their lower awareness and perception of the value of MLA programs.

## Strategy 3: Improve Delivery

### Objective 1: Increase awareness and relevance of, and participation in, R&D programs

| Tactic | Approach | Advantages | Risks | Supported by | Priority | Overlap with Existing MLA Approach |
|---|---|---|---|---|---|---|
| Initiate Producer Alliance Groups | Contain core messages of R&D and profit focus to drive adoption<br>Include social and community benefits eg Races, sale days, etc<br>Eg Extension of Northern Pastoral Group<br>Link with consultants in each region for ongoing support | Group focus and social engagement<br>Local project ownership<br>Community benefit focus particularly important in remote areas<br>Raises **awareness** and increases **relevance** and **participation** | Resource constraints<br>Conflict on structure – some groups may prefer to be informal rather than formal | Many examples of Group Models in other industries eg Grain: TopCrop, FM500, Benchmarking, Birchip, Others. | High | None |
| Run Update Workshops | 1 or 2-day workshops to showcase WHAT'S NEW?<br>Producers and local advisors set agenda themes | Group focus<br>Local project ownership<br>Increased **relevance** | Resource Constraints | Quantitative study<br>MLA Workshop<br>Experience in other industries | Medium | Some |
| Develop Professional Advisors | Develop program to build the skills and capacity of consultants | Consultants are technically competent, have intimate knowledge of producers properties and capability and are easily targeted (name and contact details are available)<br>Key linkage between producer and R&D – drive **participation**<br><br>Use of consultants will drive **participation** in, and adoption of, R&D | Resource constraints | Quantitative study<br>Workshop<br>Experience in other industries | Low | Some |
| Reposition MLA's role as being the facilitator between the producer and the expert | Expand Innovation Manager Program | | Resource constraints | Workshop | High | Some |
| | Researcher / Consultants Conference for producers | | Resource constraints | Workshop | Medium | None |
| | Co-fund specialists to discuss producer's business one-on-one and provide a written assessment and recommendation<br>Develop provider / advisor network | | Resource constraints | Qualitative Study<br>Quantitative Study<br>Workshop | Medium | None |

## Strategy 3: Improve Delivery

### Objective 1: Increase awareness and relevance of, and participation in, R&D programs

| Tactic | Approach | Advantages | Risks | Supported by | Priority | Overlap with Existing MLA Approach |
|---|---|---|---|---|---|---|
| Create Special Groups | Select producers will be invited to be part of a forum / club of "top" producers which could offer:<br>• Easy access to top researchers<br>• Opportunity to contribute to development of upcoming R&D project and topics<br>• Special benchmarking programs<br>• Brand development – premium products eg Riverina Blue Label | Highly targeted dissemination of information and opportunity for **participation**<br><br>Increased **relevance** as producers contribute to R&D development<br><br>Lower resource constraint issues | May alienate those excluded<br><br>Difficulty in determining "entry" criteria eg herd size, sales, period, etc<br>Perhaps open to all and "top" will join | Workshop<br>Experience in other industries<br>CEO Forum | Low | None |
| Consider Alternative Options for Program Funding | MLA could broker agribusinesses to provide funding towards programs eg resellers (Landmark, Elders, etc), fertiliser suppliers, etc | Increased **relevance** through community business participation<br>Overcome MLA's resource constraints | | Workshop | Low | None |
| Use agribusiness as a critical information provider | Engage agribusiness | Increased **awareness** as an additional information channel to maximise information flow | | Workshop | Medium | None |
| Initiate targeted communication via database | Emails / Newsletters – customised to producer requests for specific information relevant to their enterprise | Avoids scatter gun approach<br>Invitations and participation recorded in database for future follow up<br>Increased **awareness.** High **relevance** as allows producer to determine what and when they want the information | | Quantitative study<br>Workshop<br>Experience with other RDCs | High | Some |

## Strategy 3: Improve Delivery

### Objective 1: Increase awareness and relevance of, and participation in, R&D programs

| Tactic | Approach | Advantages | Risks | Supported by | Priority | Overlap with Existing MLA Approach |
|---|---|---|---|---|---|---|
| Initiate targeted communication via database (continued) | Webinars – Video of keynote speakers available on demand | Webinars are an excellent substitute where physical interaction is not possible given isolated working environment<br>Wider **participation** | Webinars should not replace all person to person programs as some physical interaction is still important | Workshop | Medium | None |
| | Invitations to participate in upcoming events, workshops, etc | Greater **awareness** | | Workshop<br>MLA experience | High | Some |
| Create E-access and Discussion | Web information access – browser based library search for MLA information and knowledge | Leverages increased adoption of internet among producers<br>Targeted towards producer needs (as producer drivers requests)<br>Increased **relevance** and **participation** | Although internet access is high, familiarity with applications still lagging | Workshop<br>Experience with other RDCs | High | None |
| | Discussion forums on key topics including participation by advisors and producer involvement in development of MLA programs | Facilitates peer to peer knowledge transfer and advisor to producer transfer<br>Able to undertake real time evaluation of MLA programs through forums<br>Due to the isolated working environment of enterprises and the need for personal interaction, E-interaction initiatives must be run in conjunction with more traditional approaches. Increased **relevance** and **participation** | | Workshop<br>Grains industry<br>Experience with other RDCs | High | None |

## Strategy 3: Improve Delivery
### Objective 2: Overcome "MLA" being a barrier to program participation

| Tactic | Approach | Advantages | Risks | Supported by | Priority | Overlap with Existing MLA Approach |
|---|---|---|---|---|---|---|
| Leverage third parties | Expand use of third parties to facilitate adoption eg DPI, CSIRO, etc. Eg Expansion of Beef Up program<br>**Key target: Capital Focused Progressive** | Broadens appeal and relevance due to involvement of multiple partners. MLA "removed" from service equation.<br>Overcomes **"MLA" barrier** | | Qualitative | High | Some |
| Reposition MLA's role as being the facilitator between the producer and the expert* | Expand Innovation Manager Program | Consultant / Expert becomes the champion and driver of change rather than MLA.<br>Overcomes **"MLA" barrier** | Resource constraints | Workshop | High | Some |
| | Researcher / Consultants Conference for producers<br>**Key target: Capital Focused Progressive** | | Resource constraints | Workshop | Medium | None |
| | Co-fund specialists to discuss producer's business one-on-one and provide a written assessment and recommendation<br>Develop provider / advisor network<br>**Key target: Capital Focused Progressive** | | Resource constraints | Qualitative Study<br>Quantitative Study<br>Workshop | Medium | None |

* This tactic appears in both Objective 1 and Objective 2 of Strategy 3 as it aims to achieve both objectives

### 5.1.5 Strategy 4: Measuring Success

**Objective: Guide future strategy development and resource requirements**

Measuring success after the implementation of the strategy recommendations will be an essential component of MLA's approach. Solutions' proposed methodology involves two tactics:

Tactic 1: Develop a reporting system within the large producer database to estimate success of various tactics undertaken as part of each strategy

A series of KPI's would be developed in areas including (but not limited to):

- Direct mail response rates;
- Telemarketing response rates;
- Program participation rates (participation versus approach);
- Satisfaction levels with programs;
- Re-use intent; and
- 1800 number logs.

Tactic 2: Administer an annual or biennial telephone tracking survey to a sample of large beef producers from the database

The survey will be comprised of a subset of the original questions fielded in the quantitative benchmark survey and would include areas such as:

- Capacity to change measures;
- Shifts in segmentation proportions;
- Recall of recent MLA activities; and
- Perceptions on MLA.

It is envisaged that the survey would be fielded to the same number and distribution of producers as the benchmark survey and would be no more than ten minutes in length.

Solutions are available to discuss all elements of the proposed strategy recommendations in greater detail with MLA if required.

# 6 Success in Achieving Objectives

## 6.1 Success in Achieving Objectives

The objective for the current project was to:

*"Conduct market research with a sample of producers within the target producer segments and provide recommendations to form the basis of a large producer strategy to better meet the needs of this segment to contribute to the achievement of LPI's industry productivity objective"*

The research has clearly demonstrated that there are number of barriers to the adoption of new technology and management practices and there are identifiable groups within the population of large beef producers that a greater and a lesser capacity to change. A series of actionable strategy recommendations have been developed which will allow MLA to target producers with the greatest capacity to change and better meet their needs in terms of both program content and delivery mechanisms. Implementation of the strategies should ultimately contribute to the achievement of LPI's industry productivity objective.

Given the above, the researchers are confident that they have been successful in achieving the project objective.

# 7 Impact on the Meat and Livestock Industry – now and in five years time

## 7.1 Impact on the Meat and Livestock Industry – now and in five years time

The current project has provided MLA with a methodology to identify and then target large beef producers with the capacity to change. The project will positively impact on the meat and livestock industry **now** as it provides actionable recommendations for MLA to develop, refine, test and implement a discriminatory strategy for large beef producers. Implementation of such a strategy will ultimately contribute towards the beef industry's productivity target, ideally within a **five year** time frame.

The project has also **now** provided the meat and livestock industry with a benchmark from which to gauge the effectiveness of any strategies implemented. Ongoing tracking studies to measure the impact of strategies either at yearly, biennially or in **five year** intervals will ultimately improve the performance of MLA, its members and importantly, from an industry wide perspective, non members.