

final report

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Business Case – Industry Research Feedlot

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Executive summary

Fostering world class research and development is critical to the future success and sustainability of the feedlot industry. The national feedlot industry contributes a total \$4.4 billion to GDP and supports 1,800 direct and 29,200 indirect fulltime employees across Australia. The feedlot industry desires a fit for purpose facility to be designed so feedlot health, welfare, sustainability and productivity research can be streamlined under the operation of a single entity. It is envisaged that development of a industry research feedlot will accelerate the path to development of products and strategies that generate significant economic benefit for the Australian economy. Additionally, the site will train the next generation of world class research service providers and feedlot staff.

The Meat Industry Strategic Plan (2020) outlines the key imperative of increasing feedlot productivity by 1% by 2020. The ALFA-MLA Feedlot Program Strategic Plan (2015-2020) also outlines the desire of industry to utilise a research feedlot as a demonstration site for new technologies. Furthermore, this plan identified for the first time, the desire of industry to invest in research targeting automation and remote monitoring technologies to enhance labour effectiveness and increase efficiency of induction, feeding management, feeding, and animal health activities. A targeted and focussed approach is required to achieve commercial success against these goals.

In June, 2016 ALFA and MLA toured Australian universities to identify opportunities to improve the capability, capacity and cost of Australian service providers to conduct feedlot research. Following this tour, it was identified by ALFA and MLA that no one research facility satisfies the needs of the industry, and that development of a research facility aligned with commercial operating principles could benefit the wider industry and increase return on investment from expenditure of grain-fed levies by:

1. Increasing targeted investment in productivity and automation research with the presence of a suitable facility,
2. Providing a cost effective and equitable research site for universities and industry service providers,
3. Increased alignment with practical industry equipment and management systems (milling, feeding, pen cleaning and software),
4. Increased alignment of standard operating procedures for both day to day operations and research project application within a key research facility.
5. Improving industry confidence in research outcomes from university feedlots and thereby increasing the rates of adoption in positive research,
6. A decrease in reliance on use of commercial facilities for research. This present system has legal and financial pitfalls, and confounding effects on objective research.
7. Enhanced opportunities for post-graduate students to operate within a more commercially focused feedlot environment while undertaking research enhances greater levels of understanding of challenges facing industry.
8. Development of a facility that can be used as a focus and gathering point for national training through feedlot focused workshops and conferences.
9. Allowing a clear approach to research, demonstration and adoption of R&D outputs.

MLA Project B.FLT.8010 analysed the feasibility of three business models:

- 50:50 Joint Venture between a University and ALFA (1000 standard cattle units)
- Greenfield site development attached to an existing commercial feedlot (1,000 standard cattle units)
- Greenfield site development (1,000 standard cattle units).

Results of the feasibility analysis were made available to ALFA and MLA to inform an Expressions of Interest Process for hosting the research feedlot.

