

# final report

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## **CISp and WA project management services**

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## Executive Summary

The purpose of the project is to provide project management and specialist technical services to support the implementation of the CISp program and Western Australian Value Chain programs. It was the intention that the project would be reviewed at its conclusion work schedule (31/03/2013).

The purpose of this consultancy agreement was to :

- Engage and manage new and existing CISp clients as directed by the Manager Innovation Capability.
- Liaise with internal (MLA) project administration support services.
- Contribute to the development of the WA value chain optimisation program as direct by the General Manager CIS and Manager Innovation Capability.

The project was to oversee and managing current CISp and WA Beef Industry Change Program (BICP) activities (refer to Appendix 1 WA Beef Change Program leave behind brochure). A summary of BICP program activities and program updates is detailed in Appendix 2. One of the key activities being managed under the current project was Project A.SCT.0067. The outcomes of this project were reported in Feb 2012 to the WA Beef Committee (refer to Appendix 3) and informed the next phases of work in WA northern and southern supply chain studies (Appendix 4, proposed next steps).

The project was terminated early due to consultant's commitments elsewhere. A final report was not required due to the early termination of the project. This is a summary of the outcomes up until termination of the project.

## Appendix 1 – Beef Industry Change Program Leave Behind Document

# The Beef Industry **Change** Program

An initiative of the WA Beef Council in partnership with DAFWA and MLA



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## About the Program

The Beef Industry **Change** Program is an initiative of the WA Beef Council, Department of Agriculture and Food Western Australia and Meat and Livestock Australia. The Program aims to assist the development of robust beef supply chains in Western Australia and quantify the capability and capacity to consistently supply a quality beef product.

The **Change** Program acknowledges that the lack of a year-round beef supply is a major hurdle to winning growth in exports and greater financial security for the industry.

The **Change** Program is also built on the premise that cultural change is required before industry can become a competitive international force.

The **Change** Program's key objective is to demonstrate that new and existing supply chains can be developed and re-invigorated using innovative marketing techniques and modern approaches that build confidence and improved business relationships.

The **Change** Program is an evolving and continuous improvement process that builds on existing information and new experiences to develop a range of business techniques and alternative transaction pathways that create incentive for industry to change. As data around capacity, capability and culture is collected, underlying barriers and opportunities will be identified to assist in refining and/or adjusting the process for each sector of the supply chain.

### What's different?

The Beef Industry **Change** Program focuses on the whole beef supply chain in Western Australia to address the complexities within each sector to develop long term sustainable supply chains.

It will use two WA supply chain opportunities as its canvas for providing support and analysis:

1. Northern Market Diversification and;
2. High Value Beef Markets.

The Northern Market Diversification supply chain aims to prove the opportunities to develop reliable, long term sustainable markets for high quality northern cattle as a viable alternative to live export. Opportunities will be investigated for northern producers to utilise backgrounding and

feed lotting operations to meet an MSA graded market specification to deliver consistent quality cattle throughout the year.

The High Value Beef Markets project will support the development of a high quality beef supply chain for new and existing high value export markets. Initial investigations will concentrate on defining the market requirements and determining the optimum product for delivering into the export market. The provision of quality market intelligence and customer insight will be a key component of this work.

### **Activities**

The overall activities of the **Change** Program to support the supply chain initiatives:

- Identify the capacity, capability and limitations of the WA industry to consistently supply the quality and quantity of product required by the market opportunity.
- Develop innovative solutions to overcome barriers to change and improved business models in WA.
- Build relationships, communication and transparency between all sectors of the supply chain to build confidence in the industry to achieve change.
- Develop pilot demonstrations and trials that engage willing participants to develop capability, capture learning's and improve efficiencies.
- Develop market intelligence and consumer insight capability to improve decision making.

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## Appendix 2 – Beef Industry Change Program: Update on recent achievements and immediate focus areas.

### Brief Project Updates (February 2013)

#### Project 1 - Communication & Industry Engagement (Brad, Lauren)

##### 1.1 Co-ordination (a.cis.0038 – Communication & engagement) –

- Admin, invoicing & monthly reporting on track and up to date.
- Mid-June report under development
- Lauren co-ordinating July 1 & 2 meetings in WA (proposed agenda attached)
- Lauren facilitating an agreed communication initiative with BICP 3 year plan and narrative including 3 year plans for each focus area (to facilitate planning & stakeholder engagement)

##### 1.2 Monitoring & evaluation –

- DG facilitating discussions with service providers on TOR M&E specialist.
- New potential M&E providers using RBA methodology identified in WA and extension of submission date of TOR proposal to Fri 21/6.

##### 1.3 Communication & dissemination –

- Esther's draft communication plan lacked strategic content. Strategic input into 3 year communications plan provided as part of the review process and used to facilitate discussions with Esther, Tony, Brad & Lauren. Esther is currently reviewing BICP communication plan which is expected to be re-submitted in 1 week.
- Overdue milestones (MS 2-4) will be resolved in 1 week. Lauren assisting and expect reporting, invoicing and payments to be update within the week.
- Revised i) project reporting framework and ii) stakeholder engagement plan with project co-ordinators after piloting for 1 month comments.
- "Leave Behind" document / factsheet completed and being used to facilitate some stakeholder engagement / meetings.

#### Project 2 - Cultural and behavioural change (Christine)

##### 2.1 Dynamic Alignment (Edwina)

- Edwina provided update on GT producer survey (Thurs 6/6):
  - 179 are complete and there are 3 other producers that have indicated that they would like to be involved therefore the final total will be 182
  - 58 from the north
  - 124 from the south (including feedlotters)
  - John has e-mailed the processors today regarding their phone discussions. This discussion will not involve scenario questions and will not be a structured approach like the producer interviews.
  - Dynamic Alignment will start analysing results next week ready for our meetings on 1 & 2 July
- Edwina provided processor contact details to John Gattorna, GT contacting processors to arrange survey of 3 processors (Harvey, Westerns & V&V Walsh)
- Co-ordinating meetings July 1&2 to update group and processor groups on GT study outcomes
- Mike Jackson departs Harvey Beef and reviewing stakeholder engagement plans to identify GT contact options. New Harvey contact requiring input form group.

##### 2.2 Market Intelligence / Consumer insights (a.cis.0035 - Kate)

- Revised MICI proposal (developed by Kate with input from Phil & DG) is mapping key decisions and their data requirements within a particular area of potential sector growth. This work will

initially focus on one high-potential niche market strategy identified by WA as a priority opportunity. Specifically, it is proposed to analyse through decision mapping of supply to a **high-end Chinese restaurant chain**. Discussion with Tony has indicated that this is a tangible potential opportunity that could be pursued as a real strategy by a sub-group of the industry. Revised proposal has in principle approval.

- MLA's regional manager for China (Andrew Simpson) providing input into the high quality China market mapping exercise.
- Kate to participate in Gattorna feedback workshops to identify additional opportunity to analyse network structure of stakeholders where it is believed that some GT questions may provide insights.
- Opportunities identified for Kate to engage with stakeholders at July meetings in Perth.
- Internal MLA discussions with proposed MLA network including Tim McRae, Alex Ball, Mick Quirk, Liz Allen, Andrew Cox, Ton, Lachlan Bowtell, Jo Quigley & Mick Prendergast etc. In principle MLA support from all to be involved.
- Facilitated a generic 3 year MICI plan with input from Tony, Brad, Lauren & Kate to support a revised IFS (WA Govt) MI proposal (ie Market Intelligence and Consumer Insight Program Customised for the WA Beef Industry). Proposal endorsed by Tony and currently under consideration for funding (see proposal attached which includes a generic DRAFT 3 year plan around MI for the WA beef supply chain with more consideration required)

### 2.3 Trust & Collaboration

- Agreed to be on hold

### **Project 3 - Northern market diversification (Phil, Manus)**

- Draft milestone 1 report completed and milestone 2 report under development.
- Phil and Manus completed engagement and data capture meetings with 3 processors w/c 27/5. Positive feedback for all 3 processors for future involvement. Modelling progressing with list of required WA data required under development.
- Opportunities identified for Phil & Manus to engage with stakeholders at July meetings in Perth.
- Phil provided metrics around 3 "Cs" of capacity, confidence and capability – under development on how tied into KPIs for each project and linked to M&E framework
- Reviewing Phil's roles and budget under the current contract.
- Brad, Phil, Manus and Dean working on DAFWA, MLA & stakeholder map to identify network and linkages across the various projects & activities.
- Skills and capability map including MLA, DAFWA & service providers under development.

### **Project 4 - High Quality Beef (Matt)**

- Revised HQ proposal under development with input provided from MLA's Alex Ball and Mick Quirk with resubmission of LPI's Southern Australian project.

### **Focus areas (moving forward) – Actions**

#### **Program management - Overall**

- July 1 & 2 meetings being arranged with corresponding project activities and stakeholder meetings under development on following days
- Brad & DG provided update to WA Beef Council meeting (27/5) on BICP projects and updates; Tony updated the Council on Melanie's visit
- Draft reporting framework & stakeholder engagement plan being piloted with input from project co-ordinators and managers. Propose to update Committee in July's meeting
- M&E TOR document sent out to agreed service providers list & facilitated discussions underway (DG)
- Kate's revised MICI project scope (a.cis.0035) and budget approved requiring input from group on staged meetings with supply chains related to high quality China markets. Brad & Manus providing input.

## Appendix 3 – Presentation to WA Beef Council

The following presentation was made to the WA Beef Council as an outcome of the project (A.SCT.0067 project):

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### Sanity check some options

- Kimberly options to East & South
- 25% of Pilbara to southern backgrounding
  - Increase breeder numbers
  - Disperse transport over weaners
  - Increase average sale weight/head
  - NM similar but risk spread across markets
  - Managing seasonal factors
- Domestic sea transport at 70% of road increases NM \$0.19/kg

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### Northern Beef industry development

- Diversified northern markets build wider industry capability
  - Reliance on inter-sectorial communication (Backgrounding, feedlotting)
  - Supply continuity
- More stable markets
  - Reduced pastoral risk
  - Less industry shock
  - Company growth strategies more likely

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### Building Capability

Notes/assessors	Capability (1st report)	Capability (2nd report)	Capability (3rd report)
<b>Market/Production</b>			
1. Targeting value of 1000 markers			
2. Identifying improved value from 4000 to 10000 beef			
3. Identifying market value for 10000 markers			
4. Identifying high value export markets			
5. Identifying markets for Pilbara cattle			
6. Identifying markets for Pilbara cattle			
7. Identifying markets for Pilbara cattle			
8. Identifying markets for Pilbara cattle			
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18. Identifying markets for Pilbara cattle			
19. Identifying markets for Pilbara cattle			
20. Identifying markets for Pilbara cattle			

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### Backgrounding Capability

How to leverage opportunities in W.A.?

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### Northern Cattle Market Diversification could bridge mid-year gap in Southern slaughter volumes

- Benefits in smoothing total states supply volumes

12 Month Supply & Price Fluctuations - Seasonal Production System Drivers

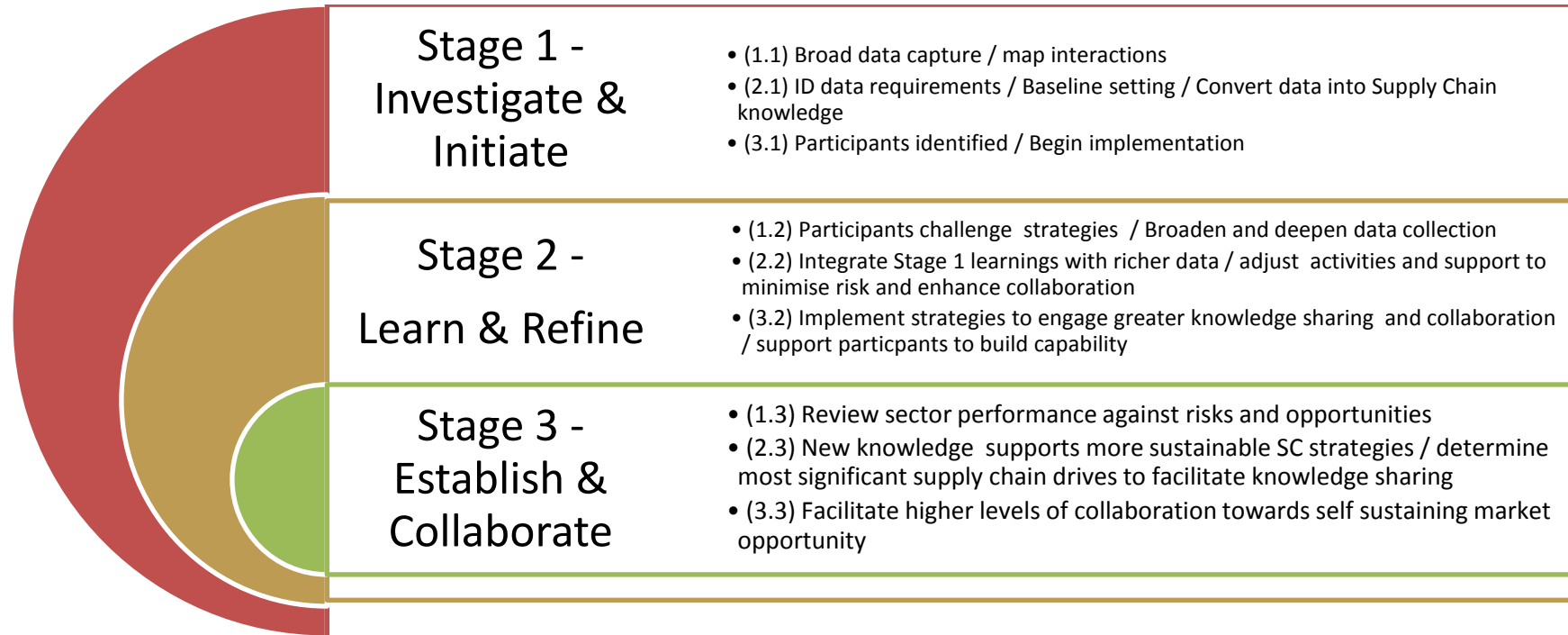
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### Cattle Market Diversification (Sth & Nrth)

How to leverage opportunities in W.A.?

## Appendix 4 – Proposed next steps

The following Figure 1 summarises the key activities and methodology that will be employed to achieve the project outputs.



**Figure 1: Cyclical BVOP development process**

The BVOP process involves a cyclical investigation, learning and re-focusing process described in 3 progressive cycles in the diagram above. BVOP loosely follows an action learning process similar to the Living Labs Innovation developments in European rural communities (Schaffers H, 2007)

- Stage 1 – (Investigate and Initiate) – This stage begins the initial interface with wide groupings of members of the supply chain. Information capture begins at a high level and identifies the key themes and critical drivers that will influence supply chain development



activities. This stage enables a level of understanding required to identify the most suitable development strategies, important attributes within each sector of the chain required for success, recruit suitable and willing participants, and begin the implementation activities.

- Stage 2 – (Learn and Refine) –Market focused activities initiated in the first stage has produced a range of leanings about the supply chain participants and their relationships. A deeper understanding of the market forces, production constraints, knowledge sharing and levels of trust between supply chain members is being developed. This stage builds on the initial implementation activities. Scenarios, risk assessments and what-if analysis are used to facilitate knowledge sharing within and between supply chain sectors. Field days or other focused training is helping increase participants capability. Refinement to the Stage 1 activities is critical to continued support of the program and creation of new value. This requires collaboration from the supply chain members which begins to be encouraged.
- Stage 3 – (Establish and Collaborate) – Confidence in capability building activities in the earlier stages should be increasing as initial success is being established. Activities will stabilise initial capability building. It is hoped value as a result of trust, collaboration and knowledge sharing is being created. Further refinement to capability building will be required but with the focus on self-sustaining continuous improvement. Strategies to transition from pilot trials to build wider supply chain confidence and engagement will be developed.