

Report to stakeholders

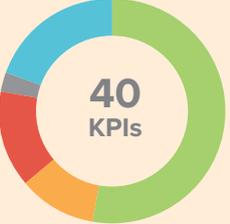
This 'Report to stakeholders' reports against the pillars and priorities outlined in MLA's *Strategic Plan 2016–2020* and provides transparency around the organisation's actual activities and outcomes.

MLA objectives and planned activities in 2018–19 were directed by its *Annual Investment Plan 2018–19*. All these activities enable MLA to deliver on its Strategic Plan. MLA regards the *Annual Investment Plan 2018–19* as the fourth year of the *MLA Strategic Plan 2016–2020*.

The *MLA Strategic Plan 2016–2020* is aligned to the *Meat Industry Strategic Plan 2020* and the Australian Government's Science and Research Priorities and its Rural Research, Development and Extension Priorities. The *MLA Strategic Plan* was released in April 2016, following the publication of the *Meat Industry Strategic Plan 2020* in September 2015.



Strategic Plan 2016–2020: pillar overview

Strategic Plan 2016–2020		Pillars
Strategic Plan 2016–2020	Pillars	 <p>1. Consumer and community support</p>
	Outcomes by 2020	The community continues to support and trust the Australian red meat and livestock industry, with industry practices in step with community expectations.
	Priorities	<ul style="list-style-type: none"> • Continuous improvement of the welfare of animals in our care • Stewardship of environmental resources • Role of red meat in a healthy diet
Annual Investment Plan 2018–19	Programs	<ul style="list-style-type: none"> • Animal health • Animal welfare • Nutrition • Livestock export market activities • Livestock export (research and development) • Sustainability (off-farm) • Sustainability (on-farm) • Beef productivity • Feedbase production and infrastructure • Industry leadership and capacity building • Communication (community)
	Outcomes by 2020	Improved access to markets, with marketing programs and value-creating innovation driving increased consumer and customer preference and premiums for Australian red meat.
	Priorities	<ul style="list-style-type: none"> • Efficiency and value in trade and market access • Marketing and promoting Australian red meat and livestock
Milestone scorecard	Programs	<ul style="list-style-type: none"> • Eating quality • Market access science • Integrity systems • Objective measurement • High Value Food Frontiers • Digital value chain information
	Outcomes by 2020	Increased returns through the value chain, with participants and customers confident in product quality, pricing and integrity systems.
	Priorities	<ul style="list-style-type: none"> • Optimising product quality and cost efficiency • Guaranteeing product quality and systems integrity
Milestone scorecard		 <p>90 KPIs</p> <ul style="list-style-type: none"> • Achieved... 58 • Partly achieved... 7 • Not achieved or not on track... 22 • Not available... 3
Milestone scorecard		 <p>40 KPIs</p> <ul style="list-style-type: none"> • Achieved... 25 • Partly achieved... 1 • Not achieved or not on track... 7 • Not available... 2 • On track to be achieved by 2020... 5
Milestone scorecard		 <p>42 KPIs</p> <ul style="list-style-type: none"> • Achieved... 27 • Partly achieved... 1 • Not achieved or not on track... 12 • On track to be achieved by 2020... 2

MLA is an outcomes-based company and is committed to providing transparency to our stakeholders. For a full report on our key performance indicators, see Appendix A on page 100.

Please note some KPIs from MLA's *Annual Investment Plan 2018–19* could apply across several strategic plan pillars. In these cases, KPIs have been counted more than once.

			Strategic Plan 2016–2020		Annual Investment Plan 2018–19
			Pillars	Outcome by 2020	
 <h3>4. Productivity and profitability</h3> <p>Productivity gains through the value chain from the adoption of tools and technologies.</p> <ul style="list-style-type: none"> Production efficiencies in farms and feedlots Processing productivity Live export productivity 	 <h3>5. Leadership and collaborative culture</h3> <p>Industry participants are confident in industry leadership capability.</p> <ul style="list-style-type: none"> Building leadership capability Protecting and promoting our industry 	 <h3>6. Stakeholder engagement</h3> <p>Industry participants are confident that the levy investment is delivering value.</p> <ul style="list-style-type: none"> Engagement with producers and stakeholders 	Pillars	Outcome by 2020	Priorities
					<ul style="list-style-type: none"> Livestock export market activities Livestock export (research and development) Producer adoption Productivity (off-farm) Beef productivity Feedbase production and infrastructure Goat productivity Livestock genetics Sheep productivity Innovation capability building
 <p>90 KPIs</p> <ul style="list-style-type: none"> Achieved... 58 Partly achieved... 6 Not achieved or not on track... 22 Not available... 3 On track to be achieved by 2020... 1 	 <p>52 KPIs</p> <ul style="list-style-type: none"> Achieved... 40 Partly achieved... 2 Not achieved or not on track... 7 Not available... 1 On track to be achieved by 2020... 2 	 <p>31 KPIs</p> <ul style="list-style-type: none"> Achieved... 20 Partly achieved... 2 Not achieved or not on track... 5 Not available... 1 On track to be achieved by 2020... 3 			Milestone scorecard

Overall summary of MLA's 2018–19 key performance indicators*

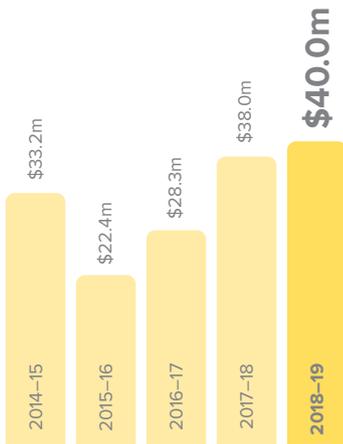
Status	Symbol	2018–19 KPIs in MLA's Strategic Plan 2016–2020	KPIs from MLA's Annual Investment Plan 2018–19	Total result	Percentage
Achieved	●	9	154	163	68.2
Partly achieved	●		11	11	4.6
Not achieved or not on track	●	3	45	48	20.1
Not available	●	1	6	7	2.9
On track to being achieved by 2020	●	10		10	4.2
Total		23	216	239	100.0

* For a detailed overview of MLA's KPIs for 2018–19, see page 100.

Consumer and community support

This pillar invests in research into the superior nutritional properties of red meat. It also includes research and development to enhance the industry's animal welfare, disease control and environmental practices. This includes the communication of these actions and commitments by the industry to the community.

INVESTMENT OVER TIME



2018-19 INVESTMENT BY PRIORITY



- Continuous improvement of the welfare of animals in our care **\$20.4m**
- Stewardship of environmental resources **\$17.7m**
- Role of red meat in a healthy diet **\$1.9m**

2018-19 INVESTMENT BY FUNDING SOURCE



- Producer levies **\$8.0m**
- Government funding **\$14.4m**
- Processor contributions **\$0.9m**
- LiveCorp contributions **\$1.1m**
- Other sources **\$15.6m**

* Total includes \$19.8m invested via MLA Donor Company

KEY PERFORMANCE INDICATORS

90 KPIs

- 58 achieved
- 7 partly achieved
- 22 not achieved or not on track
- 3 not available

See Appendix A for a full list of KPIs. Please note some KPIs may be relevant across several pillars.

ALIGNMENT TO INDUSTRY AND GOVERNMENT PRIORITIES

MEAT INDUSTRY STRATEGIC PLAN (MISP) 2020 PRIORITIES	AUSTRALIAN GOVERNMENT PRIORITIES	
	Science and Research	Rural Research, Development and Extension
<ul style="list-style-type: none"> Continuous improvement of the welfare of animals in our care Stewardship of environmental resources Role of red meat in a healthy diet 	<ul style="list-style-type: none"> Food Soil and water Environmental change Transport Resources Health 	<ul style="list-style-type: none"> Adoption of research and development Soil, water and managing natural resources Advanced technology Biosecurity

HIGHLIGHTS

50,000 visits to the new Good Meat website, which provides open, transparent information to consumers about Australian red meat production (page 16)



>14,700 people experienced MLA's virtual reality Australian Lamb Paddock to Plate Story (page 17)



57.6% reduction in greenhouse gas emissions by the Australian red meat industry between 2005 and 2016 (page 19)



Australian Beef Sustainability Framework

released its second *Annual Update* (the beef industry's sustainability scorecard) (page 18)





11,631 students

were told red meat's story through MLA's Primary School Virtual Excursion program (page 18)



Australian beef

became an official partner of Australia's 2020 Olympic and Paralympic teams (page 21)



\$6/head net benefit

of using woodchip bedding in feedlots, as well as several animal welfare and production benefits (page 17)



'So What's for Dinner?'

campaign launched, allowing GPs and dietitians to educate patients and clients on red meat's nutritional properties (page 20)



The community has high expectations about the way livestock are treated and how animal welfare standards are applied. It is important the red meat industry continues to improve the welfare of livestock by enhancing husbandry practices through adoption of new research.

This priority also seeks to improve welfare by ensuring the continued freedom of herds and flocks from exotic diseases and minimising the impact of endemic diseases.

Equally, it's important to clearly communicate these improvements to the Australian and global community to earn their trust and maintain their support for the industry.

2018–19 INVESTMENT
BY FUNDING SOURCE



- Producer levies \$5.1m
- Government funding \$8.4m
- LiveCorp contributions \$1.1m
- Other sources \$5.8m

* Total includes \$10.8m invested via MLA Donor Company

OVERVIEW

Good Meat website launched

MLA launched a new online platform – goodmeat.com.au – to provide consumers with an open and honest source of information about the production of beef, lamb and goatmeat in Australia.

The site demonstrates how Australian red meat is produced sustainably with animal welfare front of mind, and how it's also an important part of a healthy, balanced diet.

Through Good Meat, producers can highlight their commitment to best practice and continuous improvement in a transparent, factual format – frequently asked questions (FAQs), direct from consumers.

Good Meat is also home to a range of educational resources including study guides, classroom posters, lesson and activity sheets, virtual farm visits, digital lessons and online board games.

The website is a direct response to the increasing interest consumers have in how food is produced. It aligns with MLA's role in promoting the value of environmental stewardship and animal welfare to the community, and aims to build trust in the Australian red meat industry in line with the *Meat Industry Strategic Plan 2020* and MLA's *Strategic Plan 2016–2020*.

Good Meat received about 50,000 visits in the first seven months following launch.

Reducing livestock handling stress

Stress in sheep has implications for both animal welfare and meat eating quality.

A project supported by MLA investigated attitude/behaviour training for stock handlers in the sheep transport and processing sectors.

It found 'attitudes' influence the way animals are handled, and that behavioural training can help to safeguard sheep welfare and meat quality.

While there are various animal welfare training programs and courses already available to sheep handlers, they don't target underlying attitudes that need to be altered to achieve sustained changes in stockperson behaviour. MLA continues to support ongoing work in this area.

Streamlining parasite management

Obtaining faecal worm egg counts to monitor gastrointestinal parasites in livestock can be a time-consuming exercise, both in terms of the manual counting of eggs, and also the time it takes to send a faecal sample to a laboratory and receive results.

An MLA-supported project investigated using 'image recognition' smartphone software to replace the manual process of identifying and counting parasite eggs in a sample, potentially allowing the process to be completed on-farm without involving a laboratory.

Researchers have provided proof of the concept and further development of the software will be assessed in 2019–20.

Pest animal control support

MLA is supporting ongoing work aimed at improving coordination of pest animal control in northern Australia, particularly for beef enterprises, through support of regional coordinators.

The project – 'Adoption of best practice vertebrate pest control in northern Queensland' – is focused on the control of wild dogs for grassfed beef enterprises.

It's been designed to build community and producer capacity and maximise the effectiveness of pest control. The project aligns with the National Wild Dog Action Plan and the Centre for Invasive Species Solutions (CISS) activities, with the data collected providing valuable intelligence for future planning of wild dog control.

MLA also supports a range of other projects with CISS and is investing approximately \$2.3 million from 2018–22 to support cost-effective pest animal management through new and improved tools, and a better understanding of proven management strategies.

Woodchip bedding benefits

A project funded by grainfed levies found providing feedlot cattle with woodchip bedding during wet and muddy conditions results in a range of animal welfare and production benefits that offset the cost of woodchips.

Undertaken by the University of New England Ruminant Research Group in 2018, the project examined the welfare outcomes and performance for 100-day grainfed cattle when woodchip bedding was applied at depths of 15 and 30cm, compared to that of cattle in pens with no bedding.

The research found a provision of woodchip bedding at a depth of 15cm resulted in an increased average daily gain and hot standard carcass weight, as well as animal welfare benefits.

Physiological measurements found the adrenal glands in the woodchip bedded cattle were smaller.

The adrenal gland is linked to production of stress hormones, suggesting woodchip bedding reduces chronic stress in cattle who are in cold, wet conditions.

The greatest impact of the woodchip bedding was improved feed efficiency. The cattle on woodchips increased their carcass weight gain but didn't increase their intake, and had lower maintenance energy requirements. This resulted in an improvement in the grid price and increased carcass value.

Under the small pen research conditions and a 109-day feeding period, there was a \$74 increase in carcass value. This translated into a \$6/head net benefit of woodchip bedding.

The Australian Lamb Paddock to Plate Story



MLA launched the Australian Lamb Paddock to Plate Story at Red Meat 2018 in Canberra in November (page 51), telling the story of lamb production from farm to consumer.

It builds on the success of MLA's Australian Beef Paddock to Plate Story and uses the same immersive 360° virtual reality (VR) technology. The experience takes consumers into the world of Australian sheep farming, transportation, processing and end markets, enabling them to experience the industry through a VR headset.

Following its launch, the Lamb Paddock to Plate Story undertook a three-month roadshow where it visited 34 community events and 29 schools in city centres. More than 14,700 people were digitally immersed in the Australian lamb production chain in 2018–19. Some of the key events visited included AgriFutures evokeAG in Melbourne, Royal Canberra Show, Newcastle Show, Sydney Royal Easter Show and Tocal Field Days. The technology was also taken to four international trade shows, including the Supermarket Trade Show, Japan; Gulfood, UAE; FHA, Singapore; and SIAL, China.

Since the launch of MLA's Paddock to Plate Story campaign, more than 50,000 people have experienced Australia's beef and lamb production systems through this fully immersive resource. In a post-experience survey, 70% of respondents said they felt more positive about Australian lamb production practices.

>14,700 viewers

of the Lamb Paddock
to Plate Story since
launch



34
community
events
visited



29
schools
visited



>50,000
viewers



Stewardship of environmental resources

Livestock production relies on natural resources. Future increases in production will depend on efficiently and effectively managing soil health, weeds, invasive animals, water, methane emissions, biodiversity and climate variability. These aims provide the focus for MLA's research and development work to assist the industry in improving productivity and sustainability.

Maintaining the industry's environmental impact in line with community expectations is also a primary goal. This is achieved by the red meat and livestock industry engaging with consumers to demonstrate it is an ethical and responsible custodian of livestock, land and natural resources.

2018–19 INVESTMENT BY FUNDING SOURCE



- Producer levies \$1.9m
- Government funding \$5.3m
- Processor contributions \$0.8m
- Other sources \$9.8m

* Total includes \$9.0m invested via MLA Donor Company

56% reduction
in beef
industry's carbon
accounts



OVERVIEW

Australian Beef Sustainability Framework update

The Australian Beef Sustainability Framework released its second *Annual Update* in June, highlighting significant progress in how the red meat and livestock industry is further improving how it cares for natural resources, animals and people.

MLA is the Secretariat for the Red Meat Advisory Council (RMAC)-led Framework, which acts as a sustainability scorecard for the Australian beef industry from paddock-to-plate.

The 2019 *Annual Update* demonstrates how cattle producers are sustainably managing almost half of the Australian landscape, as well as the significant contribution they've made to rural communities and reducing national carbon emissions.

The report also shows how improvements in productivity have driven efficiencies and profitability for the beef sector. For example, carcass weights and growth rates in young cattle have increased 10% and 19% respectively over the past five years, allowing producers to generate more beef per animal.

Over the past year, the Framework's Sustainability Steering Group has worked with the first multi-disciplinary Expert Working Group and other key stakeholders to develop practical and evidence-based measures for the 'balance of tree and grass cover' priority. These are the first national indicators and measures of changes in landscape for the beef industry.

School resources

MLA has developed a range of Australian curriculum-aligned materials for kindergarten to year 10 teachers to support them in teaching students about:

- sustainable farming practices
- red meat nutrition
- Australian beef, lamb and goatmeat production.

Resources also cover the important role modern science and technologies play in agriculture to tackle the challenge of feeding a growing population.

The resources are housed on MLA's Good Meat website's education page (goodmeat.com.au/education), which generated almost 4,000 views from August 2018 to June 2019.



Beef producer Tim Eyes from Wyong Creek, NSW, with teacher Emily, during a Virtual Excursion session.

One of the most valuable resources available is the Primary School Virtual Excursion program, which is free, interactive and curriculum-linked.

It enables students to engage with Australian red meat producers live on video stream, see and hear what they do on-farm while taking part in educational activities, quizzes and even interact with other schools.

In 2018–19, 11,631 students from 276 primary schools from all Australian states and territories participated in MLA's Virtual Excursion program.

Annual Update highlights include:

- 56% reduction in beef's carbon accounts, demonstrating the industry target to be carbon neutral by 2030 is on-track (see 'CN30' on next page)
- forest and woodlands on beef-producing land are increasing and removal of primary forests has declined more than 90% since 1990
- use of pain relief increased to 15% of the herd, up from 4% the previous year, with the industry focused on driving rapid uptake
- 86% poll gene prevalence, removing the need for producers to dehorn cattle.

Pastures' resilience put through their PACEs

Pastures are being planted in modified 'atmosphere chambers' to simulate climate conditions predicted for the future.

Based at the University of Western Sydney's Hawkesbury Campus, the Pastures and Climate Extremes (PACE) project is supported by funding from MLA Donor Company.

A range of pasture grasses and legumes have been planted in six large polytunnels, where the climate is controlled with infra-red heat lamps used to increase air temperature and rainfall.

This enables researchers to assess the plants' response to (and recovery from) drought and heat stress scenarios, and to determine which pastures are resilient to higher temperatures.

The two main climate treatments – warming (+3°C) and (winter/spring) drought – were initiated in 2018.

Datasets from the November 2018 harvest show that:

- fescue productivity in late spring was particularly reduced under drought, with an 80% decrease compared to control plots
- biserrula was the most strongly affected legume, with a 50% reduction in productivity in drought plots, compared to a decrease of only 33% for lucerne
- the tropical C4 grasses maintained higher yields under drought than their temperate counterparts, although yield reductions of up to about 50% were still observed at the end of spring.

Recovery after drought is one of the most important aspects of a species' resilience, so will be carefully monitored as the PACE project continues.

Red meat is one of only two industries

in Australia to reduce emissions between 2005 and 2016



57.6% reduction in emissions

across the red meat industry since 2005

Carbon neutral by 2030 (CN30)



The Australian red meat industry continues to make progress in its ambitious target to be carbon neutral by 2030 (CN30).

According to data released by CSIRO in June, the industry has achieved a 57.6% reduction in greenhouse gas (GHG) emissions across the beef, sheepmeat and goatmeat production sectors since the baseline year of 2005. In fact, emissions reduced from 129.3 million tonnes of CO₂ equivalent (Mt CO₂-e) in 2005 to 54.8 Mt CO₂-e in 2016.

The reduction represents a halving of the red meat industry's proportion of national GHG emissions, from 21.4% to 10.4% between 2005 and 2016. The red meat and manufacturing industries are the only two industries to have reduced emissions over this period, with carbon account reductions from red meat by far the largest. The significant decline in the industry's carbon accounts reflects the impact of enhanced productivity, as well as land management practices like reforestation, afforestation and reduced deforestation.

Under the CN30 initiative announced in November 2017, MLA is leading a collaborative research, development and adoption (RD&A) program to develop and commercialise technologies and practices that promote the role of carbon farming in building a more sustainable, profitable industry. CN30 is not only an emissions-based target – the aim is to unlock a \$300 million/year opportunity by optimising the carbon cycle to improve drought resilience and farm gate profitability, and reduce GHG.

There are many pathways available today which can boost productivity. Several of these pathways are already well-known – such as improved pastures, adding legumes to the system, improved animal genetics and land management – while others require more R&D.

MLA is focused on working with partners, including the Federal Government, to leverage resources and address RD&A gaps, such as commercialisation for promising technologies and practices, as well as continued investment into suppressing methane.

As the program evolves, MLA continues to work with industry partners to trial and implement new practices for the dual benefit of increasing productivity and reducing greenhouse gases.

CN30 | Carbon Neutral 2030

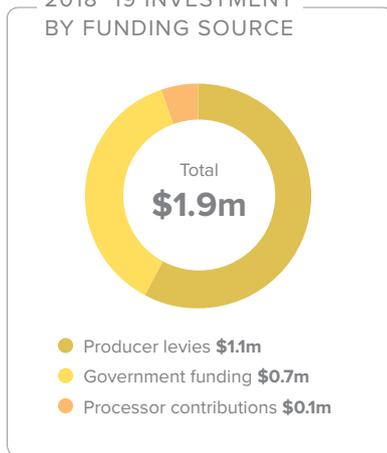
Pictured above: Dunkeld Pastoral Company's Group General Manager, Glenn White, outlined pathways his team has taken to become carbon neutral in a video released by MLA in May (YouTube: meatandlivestock).

Role of red meat in a healthy diet

Red meat faces strong competition from protein sources like pork and chicken. Securing red meat's place in a healthy, balanced diet and giving consumers a compelling reason to purchase requires consistent messages to be delivered about the nutritional benefits of red meat.

Defending the role of red meat in a healthy diet also requires informing domestic and global nutrition policy and key opinion leaders with evidence on the amount and frequency of red meat consumption to achieve healthy living.

2018–19 INVESTMENT
BY FUNDING SOURCE



$\frac{2}{3}$ of Australian
GP survey
respondents

used 'So What's for Dinner?'
materials to educate patients
on healthy eating



OVERVIEW

'So What's for Dinner?' campaign

MLA launched the 'So What's for Dinner?' campaign in September 2018 in response to insights generated from research about consumers' nutrition needs.

'So What's for Dinner?' is a meal-planning tool that provides guidance on how to eat recommended amounts of red meat in line with the Australian Dietary Guidelines.

It comprises a set of resources designed for general practitioners (GPs) and dietitians to use with their patients and clients to help them eat a healthy diet.

Red meat's credential as a good protein source of iron and zinc is widely recognised, but some consumers are confused about how much is good for their health.

Australian Dietary Guidelines recommend 130g of lean and cooked red meat every second day and limiting consumption to 455g/week as part of a healthy, balanced diet.

MLA research found Australians think about red meat consumption within the context of dinner because it's a popular protein choice and typically a home-prepared meal. As a result, they're looking for ideas and practical tips that fit easily into their meal planning.

GPs and dietitians are trusted sources of information and, according to an MLA survey, 7/10 GPs report providing nutrition education material to their patients.

MLA's 'So What's for Dinner?' campaign materials were distributed to GPs and dietitians through a range of platforms, including professional and medical media publications, and sampling and brochure services.

The campaign reached 25% of GPs in Australia and information was sent to all members of the Dietitians Association of Australia.

Approximately 350,000 nutrition education brochures were distributed to healthcare professionals in 2018–19.

These promotions referred health professionals to the MLA Healthy Meals website for further information about red meat and healthy eating, generating an average of 2,500 page views/month.

Evaluation of the campaign material suggests it's well-received by GPs, with 62% of GPs agreeing that 'So What's for Dinner?' is a relevant resource for their patients. In fact, two-thirds of GPs surveyed used the resource to advise their patients on healthy eating.

The material has also been well-received by consumers because it provides them with a new way of thinking about how to eat healthily, provides guidance on how to choose best cuts and informs them how much meat to use in their meal preparation.

MLA's response to EAT-Lancet report

A report released by the EAT-Lancet Commission outlined what a diet that's good for the planet may look like.

The EAT-Lancet Commission, a global team of 37 experts, published the *Healthy diets from sustainable food systems* report in January.

To address the need to sustain a growing population, the Commission recommended changes to diet, production and food waste – all of which could have implications for the Australian red meat industry.

The report, which aimed to describe a 'universal healthy reference diet', endorsed an increase in vegetables, fruits, wholegrains, legumes and nuts, and suggested limiting red meat to a maximum of 28g/day in an effort to reduce consumption by half.

It's estimated that universal adoption of this guideline by 2050 would reduce global meat production by 70%.

In response to the report, MLA met with the authors of *Healthy diets from*

sustainable food systems to determine what the EAT-Lancet Commission would mean in an Australian context. MLA also attended the Commission's Australian launch, participating in its Food Systems Dialogue along with retailers, public health professionals and academics.

A subsequent teleconference was held with the EAT chief executive officer and one of the authors, Mario Herrero from the CSIRO, to explore how the EAT-Lancet approach could be localised with Australian consumption data and production systems.

MLA does not support the report's findings. MLA promotes eating in line with the Australian Dietary Guidelines, which recommends 130g of lean and cooked red meat every second day because it's an important protein source of iron and zinc.

However, initial discussions indicate that when applied locally, EAT-Lancet recommendations would not mean a reduction in production, given Australia's export profile and limited arable land.

MLA views the report as an opportunity for the Australian red meat industry to promote its nutrition and sustainability credentials. This is already being done in a number of ways, including:

- MLA's Healthy Meals website, which promotes the 'So What's for Dinner?' program (see previous page), offers nutrition education materials that meet consumer demands for variety, enjoyment and ease of preparation, and 'how to' ideas, including protein and vegetable portion size guides and flexible recipes.
- The Australian Good Meat platform (page 16) ensures the community has access to credible information about red meat production to help them make informed choices.
- Through the Australian Beef Sustainability Framework (page 18), the beef industry is working proactively to ensure it continues to meet community expectations. One example is the industry's target to be carbon neutral by 2030 (page 19), while at the same time preserving and enhancing the natural environment that the industry operates in.

Australian beef sponsorship of Olympic and Paralympic teams



Australian beef is now an official partner of Australia's 2020 Olympic and Paralympic teams under new sponsorship deals delivered by MLA in 2018–19.

The partnerships, which will run throughout the 2020 Olympic Games and Paralympic Games in Tokyo, Japan, provide far-reaching platforms over an extended period to promote Australian beef's nutritional benefits and its ability to fuel Australian athletes.

The partnerships will build on all MLA's marketing and communications initiatives in the domestic market and will also include cross-promotional opportunities in Japan – two of the Australian beef industry's largest customers.

Marketing activities will extend from television and social media right through to point-of-purchase material.

Sports dietitians, nutritionists and national sporting federations – with a reach that extends not only to elite athletes but to community participation sports – will be the focus of MLA's nutrition communications and education program throughout the partnerships.

Australian beef will feature on the menu at all official Australian Olympic and Paralympic events in both Australia and Japan.



Market growth and diversification

Improving market access is the primary way for the Australian red meat industry to grow demand and diversify markets.

This pillar strives to reduce economic and technical barriers to trade, defend existing gains in trade and proactively identify and develop new business opportunities. It also recognises the integrity systems that underpin marketing efforts to differentiate Australian red meat from other red meat competitors and proteins.

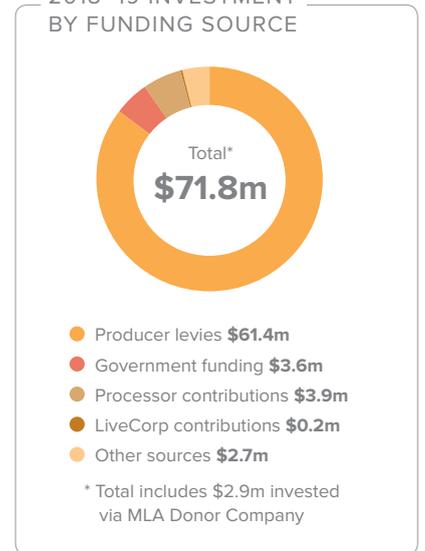
INVESTMENT OVER TIME



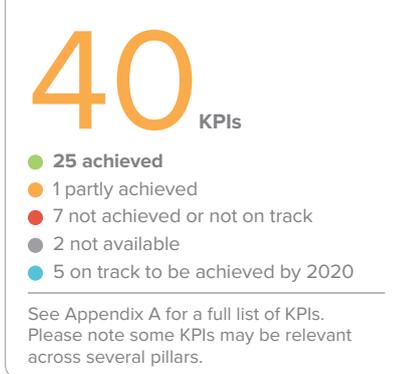
2018-19 INVESTMENT BY PRIORITY



2018-19 INVESTMENT BY FUNDING SOURCE



KEY PERFORMANCE INDICATORS



ALIGNMENT TO INDUSTRY AND GOVERNMENT PRIORITIES

MEAT INDUSTRY STRATEGIC PLAN (MISP) 2020 PRIORITIES	AUSTRALIAN GOVERNMENT PRIORITIES	
	Science and Research	Rural Research, Development and Extension
<ul style="list-style-type: none"> Efficiency and value in trade and market access Marketing and promoting Australian red meat and livestock 	<ul style="list-style-type: none"> Food 	<ul style="list-style-type: none"> Advanced technology Adoption of research and development

HIGHLIGHTS

Partnership agreement with Indonesia signed (page 24)



650 Europeans introduced to True Aussie beef and lamb at MLA's annual Brussels BBQ (page 25)



Trans-Pacific agreement entered into force bringing new benefits to Australian red meat (page 25)



>300 beef, lamb and goat brands supported by CoMarketing program (page 26)





**25% increase
in retail
lamb sales**

following the summer
lamb campaign
(page 26)

**9% increase
in number of
beef serves
per week**

for domestic
consumers
(page 26)

**60 million
Japanese
consumers**
reached in MLA's
'Let's Barbie!' campaign
(page 27)

**Almost 100,000
Australian
lamb meals
served**

in new airline partnership
(page 27)





PILLAR

2

Efficiency and value in trade and market access

Australian red meat faces tariffs, quotas and technical barriers to trade across the globe, which impose billions of dollars in additional costs across the value chain. These barriers also prevent or restrict trade, which limits the diversity of markets and, consequently, reduces the number of potential customers for Australian red meat.

In response, MLA collaborates with industry stakeholders including the Australian Government, Australian Meat Processor Corporation (AMPC) and Australian Livestock Export Corporation (LiveCorp) to drive growth in exports. MLA does this by prioritising and taking action to reduce economic and technical barriers to trade in global markets.

2018–19 INVESTMENT BY FUNDING SOURCE



- Producer levies \$3.4m
- Government funding \$1.2m
- Processor contributions \$2.9m
- LiveCorp contributions \$0.2m
- Other sources \$0.3m

* Total includes \$0.2m invested via MLA Donor Company

Indonesia-Australia trade deal secured in March 2019



OVERVIEW

Indonesian trade deal

The Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) was signed in March 2019, providing a framework for mutual trade benefits into the future. Negotiations between Indonesia and Australia lasted eight years.

Once implemented, the agreement will bring tariff elimination and more trade certainty for products not previously liberalised under the existing ASEAN-Australia-New Zealand free trade agreement.

The IA-CEPA will deliver a range of benefits to the Australian red meat industry:

- a quota (0% in-quota tariff) for 575,000 head of live male cattle, which will grow by 4%/year over five years to 700,000 head
- import permits automatically issued annually (without seasonal restrictions)
- liberalised access for female live cattle exported to Indonesia, with 0% tariff on entry into force of the agreement
- tariff elimination for beef and sheepmeat exports over five years
- elimination of the 5% tariff on frozen offal on entry into force of the agreement.

Market access opportunity in the EU

The Australia-EU free trade agreement (A-EU FTA) negotiations in 2018–19 provided the first opportunity in more than 40 years to potentially secure additional preferential access for Australian beef, sheepmeat and goatmeat.

While negotiations remain challenging given the EU's sensitivity around agricultural imports, Australia is well-placed to help meet the EU's supply deficit of high quality red meat products.

Currently, Australia only has access to a 7,150 tonne country-specific High Quality Beef quota and shared access to a 45,000 tonne global grainfed beef quota (although more restrictive amendments to the latter quota are imminent). For sheepmeat and goatmeat there are similar quantitative restrictions, with Australia's current access to the EU comprising a 19,186 tonne (combined) country-specific quota.

Transforming Australia's access to the EU falls under the remit of the A-EU FTA Red Meat Industry Taskforce, of which MLA is a member. The Taskforce is collaborating with the Australian Government to seek to position the sector for substantial improvements to the EU's existing import regime.

A great deal of work remains and the A-EU FTA will remain a key focus of the market access program over the next 12 months and beyond.

Navigating Brexit

Brexit has both short and long-term implications for Australian beef and sheepmeat given the United Kingdom (UK) is Australia's largest red meat market within the EU.

A key short-term issue with the UK's departure from the EU could include a split of the existing country-specific tariff rate quotas between the EU and UK. This would see Australia's existing 7,150 tonne High Quality Beef quota split 65% and 35% between the UK and the remaining EU respectively, and the 19,186 tonne sheepmeat quota split 80% and 20%.

This would erode Australia's existing access by reducing exporters' ability to target the most attractive consumer market in either region. Currently, Australian beef and sheepmeat are able to shift between the UK and the EU seamlessly under the single quota arrangements.

The Australian industry has voiced strong opposition to this proposal and MLA

will continue to work closely with the Australian Government and like-minded trading partners in the World Trade Organization in defence of Australia's (albeit limited) access.

CPTPP tariff cuts

Significant progress made on the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP, formerly known as TPP-11).

Although the CPTPP was signed in March 2018, it couldn't enter into force until six of the 11 members completed their domestic ratification processes. On behalf of industry, MLA worked with the Australian Government and international alliances to advocate that all members expedite these procedures.

The CPTPP entered into force on 30 December 2018, resulting in two tariff

cuts in quick succession – the first on 30 December and the second on 1 January (1 April for Japan).

As a consequence, the Australian red meat industry will benefit from improved competitiveness in CPTPP member countries. Two of the main opportunities are:

- **Further reduction of tariffs for Australian beef entering Japan**

The CPTPP tariff on both frozen and chilled beef has fallen to 9% over 15 years – as opposed to the end point of 19.5% for frozen beef and 23.5% for chilled beef secured under the Japan-Australia Economic Partnership Agreement. This offers Australian beef a substantial tariff advantage compared to US beef, which will continue to face a 38.5% tariff (following President Trump's withdrawal of the US from the TPP-11).

- **Free trade arrangements with Canada and Mexico**

In Canada, the current 35,000 tonne beef quota (0% in-quota tariff) will remain; however, the above-quota tariff of 26.5% will be phased out within five years. Additionally, the 2.5% tariff on Australian sheepmeat will be eliminated on entry into force.

For Australia's exports to Mexico, the current 20–25% tariffs on beef will be eliminated within 10 years; the 10% sheepmeat and goatmeat tariffs will be eliminated within eight years; and the majority of offal tariffs will be eliminated on entry into force.

Positioning the industry for improved access to China

An August 2018 survey of MLA's industry and government stakeholders revealed some frustration around the slow alleviation of non-tariff barriers, but positive sentiment towards MLA's involvement in trade access.

This frustration was predominantly driven by the slow progress in improving trade access in China. The development of the China Trade Strategy by the Australian Meat Industry Council over the past 12 months has had strong MLA support and input, and implementation remains an ongoing focus.

Other trade initiatives

MLA's market access activities in 2018–19 also included:

- engagement with the Federal Government, aimed at:
 - defending Australia's access under the EU's grainfed beef quota
 - providing input in pursuit of outcomes from the Regional Comprehensive Economic Partnership, Peru-Australia Free Trade Agreement and Pacific Alliance Free Trade Agreement negotiations
 - providing numerous briefings and maintaining close rapport in Canberra, as well as in key export markets with Australia's team of agriculture counsellors
- liaising closely with peak industry councils, the Australian Meat Processor Corporation (as joint funder of the market access program), commercial entities and Australian and international alliances to continuously improve the trade portfolio.

Annual barbecue in Brussels



MLA hosted an Australian 'backyard barbecue' in Brussels, Belgium in July 2018 to celebrate the long-awaited launch of Australia-EU free trade agreement negotiations.

Almost 650 Europeans gathered to mark the occasion and enjoy premium quality True Aussie beef and lamb, which was inspired by Mediterranean and Spanish tapas flavours, brasserie-style cooking and the traditional English roast. This was MLA Europe's fourth annual barbecue, providing a key opportunity to engage influential policymakers and emphasise the need for strong trade relations.

The event attracted members of the European Parliament and their advisors, key trade and agriculture contacts, European Commission trade officials, associates of the Australian embassy, European agricultural industry bodies and EU meat importers.



PILLAR

2

Marketing and promoting Australian red meat and livestock

With Australian red meat facing increasing competition from other red meat suppliers and protein products in global markets, the industry must aggressively promote its superior points of difference to global customers and consumers – safety, quality and traceability. MLA also segments markets based on the size of the opportunity and the risks.

MLA's focus in the domestic market is to ensure beef and lamb remain popular meal choices by focusing on Australian red meat's value proposition and business development.

2018–19 INVESTMENT BY FUNDING SOURCE



- Producer levies \$58.1m
- Government funding \$2.3m
- Processor contributions \$0.9m
- Other sources \$2.4m

* Total includes \$2.7m invested via MLA Donor Company

MLA's summer lamb campaign resulted in:

11% increase in overall lamb sales

25% increase in retailer lamb sales



MLA's winter beef campaign resulted in:



Australian consumers' mean number of serves of beef per week:
pre-campaign: 1.56
post-campaign: 1.70

OVERVIEW

Lamb bridges 'the ditch'

MLA's 2019 summer lamb campaign, 'New Australia-Land', called for Trans-Tasman unity by using lamb to mend the light-hearted rivalry between Australia and New Zealand.

The highly-anticipated annual campaign – which resulted in an 11% increase in overall lamb sales and a 25% increase in retailer lamb sales – built on the new brand platform 'Share the Lamb' and continued lamb's long-term strategy to bring people together.

It generated strong national and international interest, with a social media coverage and reach of 144.8 million. There were 31.1 million TV impressions and the campaign reach across all media platforms was 297 million. It was also Snapchat's campaign of the month in February.

Telling beef's great story

Brian the Butcher returned in 2019 for the second chapter of MLA's popular 'Australian Beef. The Greatest' campaign, which reinforces the provenance and high quality of Australian beef.

The eight-week campaign was rolled out across metro and regional TV, radio, print, digital and social media in February and March. Following the campaign, Australian consumers' mean number of serves of beef per week increased by 9% to 1.70.

In the new ad, Brian takes a customer through the story of how cattle are raised in Australia, responding to MLA consumer

insights that many shoppers aren't sure where beef comes from. It ranked as one of MLA's top three most engaging beef commercials, with strong brand distinction and message take-out well above advertising industry benchmarks.

CoMarketing

MLA continued to support the development and marketing of Australian red meat brands through the CoMarketing initiative.

CoMarketing assists producers, processors and licensed meat exporters with beef, veal, lamb and goat brands to develop superior marketing strategies, create customer loyalty and build sustainable brand growth. This investment delivers added value back down the supply chain to producers.

Beef:

- MLA worked with 64 beef brand owners promoting 262 beef brands, covering 764 individual activities across 27 countries/regions, with a total MLA contribution of \$2.77 million.
- 83% of beef CoMarketing participants rated their overall satisfaction with their outcomes as 7/10 or higher.

Lamb:

- MLA collaborated with 23 lamb brand owners promoting 51 brands, covering 121 individual activities across 17 regions/ countries, with a total MLA contribution of \$555,716.
- 81% of lamb CoMarketing participants rated their overall satisfaction with their outcomes as 7/10 or higher.

How have brand owners benefited from CoMarketing?

The program has contributed to brand owners developing new business and building brand awareness including:

- "The brand now has a strong identity thanks to this program, which is starting to be recognised in different areas of the globe."
- "Very effective so far, as it's our first foray into branded products. We've received a lot of positive feedback from customers."
- "We're excited about the opportunities that have been opened up to us in the market this year and appreciate the support of the MLA CoMarketing program."

Goatmeat:

- MLA contributed approximately \$16,000 to seven goatmeat activities in three countries.

Key activities supported over the year included:

- Strategy and brand development: engaging consultants and agencies to develop brand marketing strategies.
- Business development: participation at trade shows; seminars for chefs educating on range of product specifications and cuts to meet their customer and consumer requirements; sponsoring trade delegations to inspect paddock-to-plate supply chains.
- Brand building: social media campaigns to raise awareness of brands; advertising in magazines and billboards; in-store sampling to raise awareness and sales of branded Australian beef and lamb; sponsorship of customer and consumer-facing events to build brand awareness.

True Aussie campaigns in international markets

MLA's True Aussie brand continues to promote Australian beef, lamb and goatmeat in 35 export markets. It's designed to create awareness of Australian red meat attributes, build preference, and enable Australia to differentiate itself from competitors.

International marketing highlights in 2018–19 include:

Japan

A key activity was the annual 'Let's Barbie!' campaign in Japan, which played a vital role in 'taking up the slack' in demand for barbecue beef cuts during Australia's winter.

The campaign reached more than 60 million people and sales of True Aussie beef increased 5% year-on-year.

China

Global tradeshows provide a strong platform for the Australian red meat industry to promote its credentials. One of the more prominent opportunities is SIAL China, the world's third largest (and Asia's largest) food and drink trade show. More than 117,000 visitors attended the event in May.

A True Aussie-branded industry stand hosted 26 Australian red meat exporter participants and showcased red meat export brands, product demonstrations, butchery, kitchen and chiller displays.

According to a post-event survey, all participants at MLA's True Aussie stand stated they built preference for their products among target consumers at the trade show.

Innovative recipes for foodservice

MLA teamed up with Australia's largest foodservice provider, Compass Group, to develop and launch 11 new beef and lamb recipes for Compass clients.

Compass serves up 65 million meals a year for a range of industries, purchasing up to three million kilos of beef and sheepmeat annually.

MLA's Corporate Chef Sam Burke began working with Compass in July 2018 to help create new red meat dishes for the group.

Sam and MSA retail training facilitator Kelly Payne also hosted a training session with the Compass food team on cut-for-cook utilisation of secondary, non-loin cuts.

Another successful foodservice campaign was with Rashays, who operate more than 28 casual dining restaurants and two food court locations.

MLA worked with Rashays to develop recipes using Australian beef for their Meat Lovers Campaign, which ran in March and April 2019, during which time Rashays sold more than 23,000 beef meals – or a 5.2% increase on the previous month's sales.

The slow-cooked BBQ Texan brisket burger was the most popular, selling 13,909 meals, followed by the slow-cooked sticky BBQ ribs (5,324) and Wagyu scotch fillet (3,858).

From paddock to plane



MLA's chefs Sam Burke and Julie Ballard (centre), pictured with the Gate Gourmet team led by Executive Chef Asia Pacific Jeremy Steele (second from left).

As part of ongoing work with the foodservice sector, MLA collaborated with airline catering company, Gate Gourmet, to expand the presence of Australian red meat on in-flight menus. Gate Gourmet is part of the global Gate Group, which services end-to-end airline catering from 200 facilities in 60 countries for a range of different airlines.

MLA's Sam Burke, Julie Ballard and Kelly Payne ran workshops for Gate Gourmet staff to showcase how secondary cuts like lamb shoulder, beef brisket and rump cap could provide tasty, affordable airline dishes. Following the workshops, Gate Gourmet incorporated Australian red meat on a number of menus, including a range of new lamb dishes for a domestic airline.

A Moroccan lamb dish using diced Australian lamb shank will now be offered in economy class on selected flights across Australia, with 98,829 portions of the dish expected to be served by the airline annually, using 15 tonnes of Australian lamb. This will be in addition to the 150 tonnes of Australian beef and lamb already used each year by Gate Gourmet.

The collaboration between MLA and Gate Gourmet also saw the introduction of seven dishes featuring Australian beef and lamb on an international airline's new menu on flights from Sydney and Los Angeles earlier this year.

Supply chain efficiency and integrity

Satisfied customers and industry partners working in collaboration are signs of a well-functioning value chain. The red meat and livestock industry strives to achieve this through Meat Standards Australia, which guarantees consumers a minimum eating quality in their red meat purchases, and also through integrity systems that underpin clean, safe, natural and traceability claims. The red meat and livestock industry has an opportunity to enhance this win-win for customers and value chain partners through objective measurement technologies, information exchange and value-based pricing, where consumers pay the true value of the products they purchase and industry is able to increase the value of each carcass.

INVESTMENT OVER TIME



2018-19 INVESTMENT BY PRIORITY



2018-19 INVESTMENT BY FUNDING SOURCE



KEY PERFORMANCE INDICATORS



ALIGNMENT TO INDUSTRY AND GOVERNMENT PRIORITIES

MEAT INDUSTRY STRATEGIC PLAN (MISP) 2020 PRIORITIES	AUSTRALIAN GOVERNMENT PRIORITIES	
	Science and Research	Rural Research, Development and Extension
<ul style="list-style-type: none"> Optimising product quality and cost efficiency Guaranteeing product quality and systems integrity 	<ul style="list-style-type: none"> Food Transport 	<ul style="list-style-type: none"> Advanced technology Adoption of research and development Biosecurity

HIGHLIGHTS

Lamb definition updated

giving producers greater certainty when sending lambs to market (page 30)

Changes to MSA set to deliver benefits

along entire value chain (page 30)

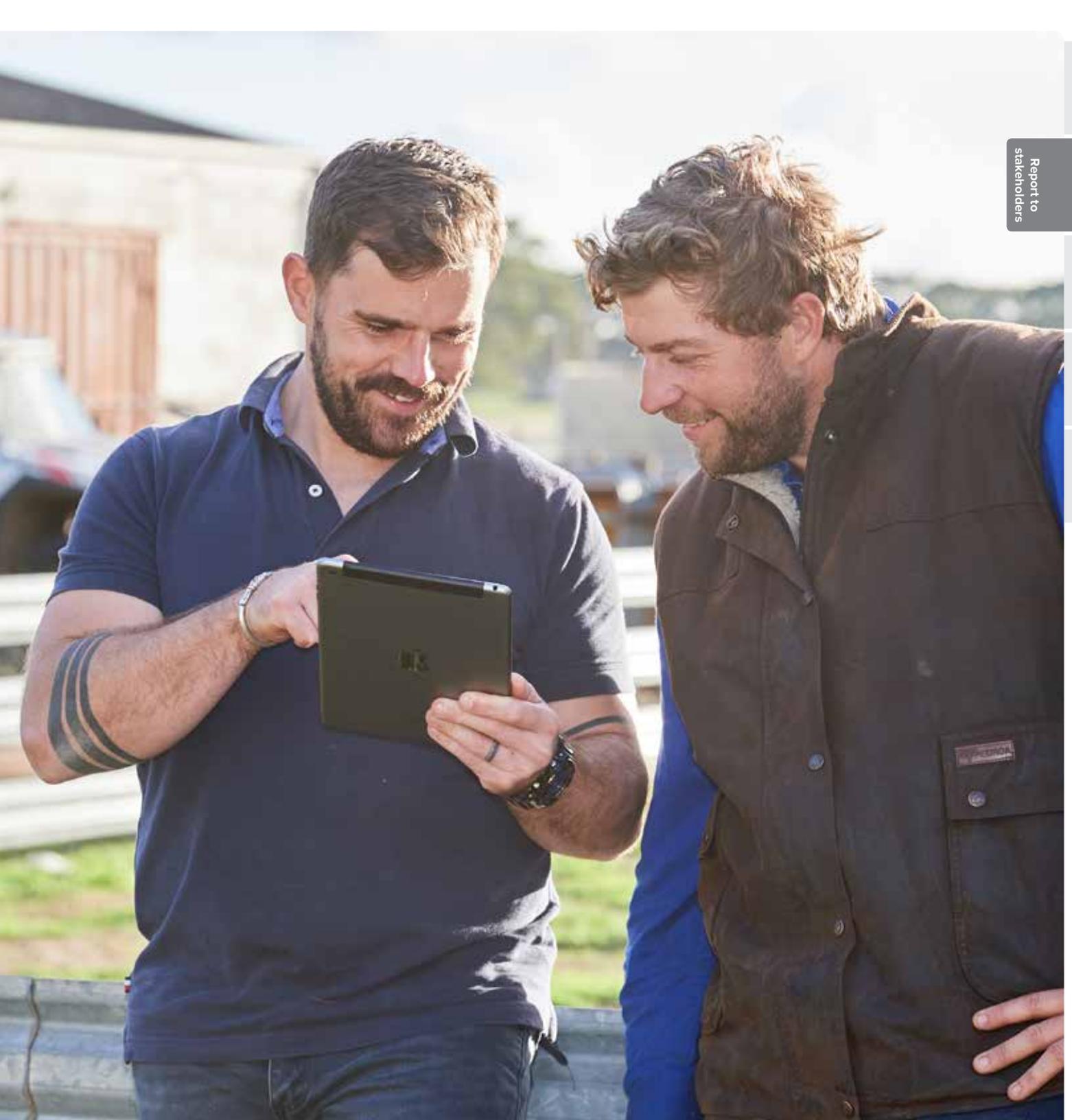
\$198 million in additional farm gate returns

through MSA program (page 31)

96% of lambs following MSA pathways

met program requirements (page 31)





The Integrity System 2025 and beyond strategy

was endorsed by industry (page 32)



94,285 producers completed accreditation

under the enhanced LPA program (page 33)



1,635 producers now have access to

valuable carcase feedback through Livestock Data Link (page 33)



eNVDs comprised 21.6%

of total supply chain movements, following a range of improvements to the system (page 33)





Optimising product quality and cost efficiency

Since its inception in 1998, the industry’s uptake of Meat Standards Australia (MSA) has helped lift the eating quality of red meat in the domestic market. The opportunity now exists to broaden the reach of MSA to export markets by providing marketers with a tool to sell Australian beef and lamb with eating quality claims.

This priority also works with individual supply chains to reduce the eating quality variation within a production run and segregate and extract higher premiums for product with higher eating quality. There is also opportunity to improve the value of the carcass through value-based pricing, underpinned by accurate and transparent objective measurements.

2018–19 INVESTMENT BY FUNDING SOURCE



- Producer levies \$6.0m
- Government funding \$12.8m
- Processor contributions \$1.3m
- Other sources \$8.6m

* Total includes \$16.2m invested via MLA Donor Company

OVERVIEW

Resources to support lamb definition change

Following the amendment of various pieces of federal and state legislation and regulations in 2018–19, Australia’s new definition of lamb came into effect on 1 July 2019, giving producers greater certainty and a definitive signal to make moves to market their lambs.

MLA, Sheep Producers Australia and the Australian Meat Industry Council developed a new series of resources to provide guidance to the industry on what the change means in practice and how to apply the new definition. The resources are available at sheepproducers.com.au/lamb-definition.

The new definition of lamb is ‘an ovine animal that is under 12 months of age or does not have any permanent incisor teeth in wear’. This means a lamb is able to cut one or both of its permanent central incisor teeth, as long as they are not in wear. A permanent incisor is considered ‘in wear’ if it touches the upper pad when the sheep’s mouth is closed or is above the height of the lamb’s milk teeth either side of the permanent incisors.

While lambs under the new definition can be slightly older than they previously were, the length of time a lamb is considered a lamb could be extended by less than a month.

Lamb was previously defined as ‘a female, castrate or entire male that has zero permanent incisor teeth’, meaning the moment a permanent incisor erupted, the lamb was downgraded to hogget.

The new definition is also consistent with New Zealand’s definition, Australia’s biggest lamb competitor in export markets, and serves to even the playing field between the two countries.

Importantly, research has shown that lamb under the new definition produced no discernible difference in eating quality compared with lambs with only milk teeth.

Meat Standards Australia update

Changes to MSA

Meat Standards Australia (MSA) rolled out several changes to its beef model, the MSA Vendor Declaration Form and myMSA from June 2019, to deliver more benefits throughout the value chain, particularly to consumers.

The beef model updates incorporate findings from seven years of research, reviewed by the independent scientists on the MSA R&D Pathways Committee.

Key changes include:

- Hump height is now used as a direct predictor of eating quality rather than an estimate of tropical breed content.
- The number of ‘cut by cook’ combinations have increased from 169 to 275 to give new secondary cut options to the foodservice industry and provide increasingly popular consumer cooking methods such as sous vide and kombi-oven roasting.
- The MSA Vendor Declaration Form has been revised to simplify how producers record tropical breed content. It also



provides an option for owners who use agistment or custom feeding to receive direct carcass feedback through the myMSA feedback portal.

- New myMSA features enable producers to access an Opportunity Index on cattle that did not meet minimum MSA grading requirements, giving producers an indication of the potential value of those carcasses if they addressed the reasons for non-compliance. The myMSA online portal has also been refreshed to be more user-friendly.

The changes received unanimous support from the MSA Pathways R&D Committee, MSA Beef Taskforce and the Australian Meat Industry Language and Standards Committee.

Beef

Cattle processed through the MSA program in 2018–19 comprised 43% of the total national adult cattle slaughter, the same rate as the previous year. However, an additional 350,000 cattle were processed through the MSA program in 2018–19, the highest number of cattle graded in a year since MSA's inception.

In the face of challenging conditions throughout Australia, MSA compliance rates decreased slightly to 93.8%, down on the previous year's record high of 94.3%.

The MSA Index is a score between 30 and 80, assigned to beef carcasses to represent the eating quality potential of a whole carcass. It's a tool that producers and lot feeders can use to benchmark the impact of genetic and management interventions on eating quality, across time periods. In 2018–19, the national average MSA Index decreased to 57.48, down slightly from 57.78 in 2017–18.

Sheepmeat

The number of sheep following MSA pathways in 2018–19 represented 19% of the national lamb slaughter, with 73% of these going on into MSA-trademarked brands.

MSA compliance rates reached a new high, with 96% of all lambs graded meeting MSA requirements, up from 95% in 2017–18.

Brands

Growth in MSA beef and sheep brands continues, with an additional 23 brands in 2018–19, lifting the total number of MSA-licensed brands to 195.

In export markets, the US Department of Agriculture again approved MSA as a Process Verified Program, with more

MSA delivers record farm gate returns



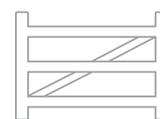
Meat Standards Australia delivered an additional \$198 million in farm gate returns in 2018–19, a record high for the program since it was first launched in 1998. This represents a 30% increase on the \$152 million in additional farm gate returns delivered in 2017–18.

brand owners taking up the opportunity to use the program's shield on their MSA products in the US.

myMSA

Producers continue to engage with the online digital platform, myMSA, with 4,300 producers using myMSA more than 16,000 times in 2018–19. Additionally, more than 3,100 beef and/or sheepmeat producers attended one of the 47 MSA producer information sessions or workshops held throughout the year.

\$198 million in additional farm gate returns from MSA



23 additional MSA-licensed brands





Guaranteeing product quality and systems integrity

Australian red meat is marketed as clean, safe and natural, underpinned by its disease-free status and advanced food safety and integrity systems. As our competitors build their own capabilities to deliver a similar product claim, it is essential for Australia to enhance our systems and technologies to keep ahead of our competitors and maintain our point of difference.

Raising the bar of our integrity systems also helps Australia continue to access markets which demand higher levels of product assurance. With the development of the *Integrity System 2025 and beyond* strategy, investments will be made into sourcing the best technology and data systems available, which will strengthen the systems even further, while also reducing the complexity and demands of the system on the supply chain.

2018–19 INVESTMENT BY FUNDING SOURCE



- Producer levies \$2.4m
- Government funding \$2.2m
- Processor contributions \$1.5m
- LiveCorp contributions \$0.1m
- Other sources \$6.6m

* Total includes \$2.2m invested via MLA Donor Company

OVERVIEW

Integrity System 2025 Strategic Plan

Integrity Systems Company (ISC) released the *Integrity System 2025 and beyond* strategy (IS2025 Plan) in 2018–19 to prepare industry for the future and guide valuable investment into the integrity system and its programs.

The IS2025 Plan was developed through extensive consultation with industry and government and informed by a comprehensive analysis of the current system and global trends.

The Plan aims to ensure Australia’s integrity system remains recognised and trusted globally as underpinning a quality product, produced to rigorous standards and embedded in Australian livestock management.

The integrity system of the future must be simple to use, valued by industry and trusted by consumers.

The IS2025 Plan outlines key priorities that will achieve this, including:

- automated identification of livestock and locations
- real-time monitoring and tracking of livestock

- National Vendor Declarations replaced by automated verification systems
- automated verification of market suitability
- data-driven decision making and data sharing
- implicit compliance.

Initiatives will be delivered over three time horizons – one to two years, two to five years, and over five years.

ISC will be accountable for the overall delivery of the IS2025 Plan and will work collaboratively with industry and government.

Digital value chain information

Digital value chain information helps to foster the prosperity of the Australian red meat and livestock industry by enabling increased productivity and value along the supply chain.

This occurs by capturing, integrating and interpreting the vast and increasing range of data that is being generated through existing and new technologies. Providing producers and industry supply chains with decision support tools and services that optimise and predict the quality of their product, enables market access and supports biosecurity.

In 2018–19, a total of 19,335 Livestock Production Assurance (LPA) and National Livestock Identification System (NLIS) accounts were linked to myMLA, comprising 9,384 NLIS accounts and 9,951 LPA accounts.

Data sharing and security principles were established and endorsed, along with a data platform strategy implementation plan.

The digital value chain program was further enhanced through the Growing Digital project, a collaboration between 11 Research and Development Corporations to ensure program alignment with and value from whole-of-industry digital strategy, capability and benchmarking.

Digital value chain and supply chain extension officers

To enhance digital capability within individual companies or supply chains and support producers, eight digital value chain and supply chain extension officers have been co-funded through the MLA Donor Company (MDC).

The role of digital value chain officers is to enhance digital capability, specifically through the provision of advanced analytics of data sets to generate new insights for the business.

The role of supply chain extension officers is to support producers in utilising existing and new data and feedback as it becomes available through objective measurement technology and other sources. This will improve decision making and management practices, so on-farm productivity and profitability is enhanced.

Demand for the co-funded positions has exceeded expectations, with a waitlist in place to fulfil positions as funding becomes available. A workshop for the new digital value chain and supply chain extension officers was held in March.

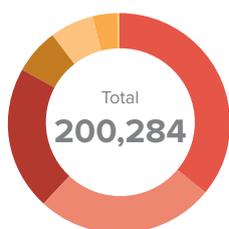
LPA update

The Livestock Production Assurance (LPA) program is the Australian livestock industry's on-farm assurance program covering food safety, animal welfare and biosecurity. It provides evidence of livestock history and on-farm practices when transferring livestock through the value chain.

More than 94,000 producers have now completed the accreditation process under the Integrity Systems Company's (ISC) enhanced program since it was launched on 1 October 2017.

Of these producers, 17,070 were new accreditations; 16,730 were voluntary renewals; and 57,460 were requested renewals.

2018–19 LPA-ACCREDITED PRODUCERS



- New South Wales 71,797
- Victoria 52,444
- Queensland 42,657
- South Australia 13,262
- Western Australia 12,566
- Tasmania 7,216
- Northern Territory 342

While LPA is a voluntary program, it is recognised both domestically and internationally, and demanded by supply chains around the globe.

As part of the program, ISC oversees close to 2,000 random audits and 1,000 targeted audits of LPA-accredited producers each year.

NLIS update

Australia's reputation for producing safe, high quality livestock products for both domestic and export markets is underpinned by the National Livestock Identification System (NLIS).

NLIS movement recording compliance was 96.04% in 2018–19. This was above the published key performance indicator of 95.75%.

NLIS data showed cattle movements increased by 9% to 23.4 million.

NLIS sheep (mob) movements decreased by 8% to 38.3 million and goat (mob)

movements decreased by 22% to 2.5 million.

Individual NLIS sheep movements increased 175% to 11 million and individual goat movements increased 40% to 7,751. This substantial increase was a result of the implementation of mandatory electronic identification and individual movement recording for sheep and goats in Victoria.

Livestock Data Link

A range of enhancements to the online carcass feedback resource, Livestock Data Link (LDL), were rolled out in 2018–19.

As at 30 June 2019, LDL was used by 1,635 producers, an increase of 378 year-on-year. To showcase how LDL benefits producers, three new on-farm case study videos were released and have been viewed more than 1,070 times.

LDL has expanded its accessibility beyond producers and processors, with several service-kill operators and brand owners now able to access data via LDL.

The Beef Breeder report has been improved to include Meat Standards Australia (MSA) information for graded carcasses. Producers who have bred but not directly consigned cattle to a processor will be able to access feedback on any MSA-graded carcasses. If the carcasses weren't graded, the original breeder will still see basic carcass feedback.

Through its link with LDL, the National Sheep Health Monitoring Project has been able to supply 2018–19 animal health feedback for over 8 million sheep.

Producers switching to eNVDs



The electronic National Vendor Declaration (eNVD) system aims to streamline data transfer along the value chain, reducing costs and improving information accuracy. Following steady uptake of the system after it launched in August 2017, eNVDs now capture 21.6% of total livestock movements through the supply chain and adoption continues to increase.

The system underwent a range of improvements in 2018–19, including an enhanced property identification code search function. A phased approach is underway for further enhancements to the eNVD system, including incorporating user testing and feedback, to improve user functionality across web and mobile applications. Improvements planned for 2019–20 will look to develop offline creation of all forms and leveraging modern technologies for all supply chain participants to integrate with.

Productivity and profitability

Increasing productivity and profitability across the red meat and livestock industry will assist all supply chain participants to raise their competitiveness, improve long-term sustainability and help offset the long running cost-price squeeze.

Encouraging the red meat supply chain to increase its productivity requires a new approach to research adoption. Providing producers, lot feeders, live exporters and processors with compelling commercial benefits to implement research and development is another priority. Also critical is the supply of timely, accurate and relevant tools, technologies and information.

INVESTMENT OVER TIME



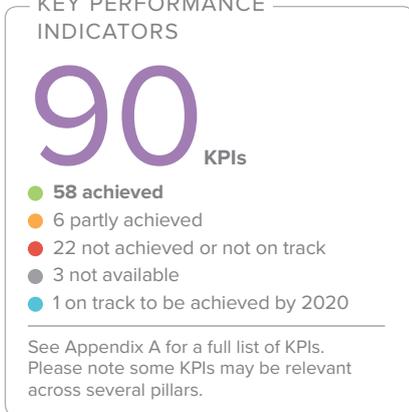
2018-19 INVESTMENT BY PRIORITY



2018-19 INVESTMENT BY FUNDING SOURCE



KEY PERFORMANCE INDICATORS



ALIGNMENT TO INDUSTRY AND GOVERNMENT PRIORITIES

MEAT INDUSTRY STRATEGIC PLAN (MISP) 2020 PRIORITIES	AUSTRALIAN GOVERNMENT PRIORITIES	
	Science and Research	Rural Research, Development and Extension
<ul style="list-style-type: none"> Production efficiencies in farms and feedlots Processing productivity Live export productivity 	<ul style="list-style-type: none"> Soil and water Food Transport Environmental change Advanced manufacturing Energy 	<ul style="list-style-type: none"> Advanced technology Adoption of research and development Soil, water and managing natural resources

HIGHLIGHTS

>\$6 million worth of R&D investments influenced via direct producer consultation (page 36)

Psyllid-resistant leucaena variety released (page 36)

Feedlot bunk scanner commercialised (page 36)

A new tool to fight parkinsonia became commercially available (page 37)





>50 projects established

to improve breeding selection accuracy for producers (page 37)

Launch of new genetics hub

to provide tips and tools for using breeding values (page 37)

\$30/head benefit estimated

following development of world's first automated beef boning room (page 39)

Five lamb processors and one beef abattoir

adopted DEXA technology (page 39)



For producers and lot feeders to remain competitive and sustainable in the long term, MLA's research, development and adoption programs need to deliver outcomes that improve their bottom line. This priority is focused on providing producers and lot feeders with options to improve the efficiency of their operations through programs including genetics and genomics, feedbase, reproduction, animal nutrition, compliance to market specifications and feed efficiency. MLA will support the uptake of new practices through outcomes focused on producer education, training and coaching.

2018–19 INVESTMENT BY FUNDING SOURCE



- Producer levies \$12.8m
- Government funding \$25.6m
- Other sources \$14.6m

* Total includes \$25.8m invested via MLA Donor Company



BunkBot

OVERVIEW

Feedlot technology

MLA and the Australian Lot Feeders' Association are investing grainfed levies to deliver technologies, developed by automation and robotics solution company Manabotix, to add value to feedlots by improving bunk management, feed delivery and labour efficiency.

An Australian patent was granted in April 2019 for a feed bunk scanner – 'BunkBot' – which objectively determines the quantity of feed remaining in cattle feed bunks. The technology was commercially launched at BeefEx in Brisbane in October 2018 and is now available to industry.

Evaluations of the BunkBot technology in three feedlots were completed this year. It proved to be more precise and accurate than human callers, with feedlot managers reporting it offers potential productivity and profitability benefits by ensuring feed allocation is as accurate as possible to optimise cattle performance and prevent feed wastage.

In another project between MLA and Bindaree Beef Group, a prototype feed truck auto-delivery system was developed to ensure more consistent and efficient delivery of feed into bunks.

Manabotix designed the technology for retrofitting on existing feed trucks in feedlots to address productivity, staff training and safety issues. Initial testing to date has indicated feed time efficiency savings of up to 20%, as drivers can accomplish single-pass feeding.

The system is in the second phase of testing on a Roto-Mix feed truck at Bindaree Beef Group's Myola Feedlot at North Star, NSW.

Regional Consultation for RD&A

Livestock productivity, feedbase and management of pests and weeds were among the priorities for livestock producers who influenced the investment of more than \$6 million of levy funds for new projects in MLA's Regional Consultation annual call.

Priority areas were determined by producers via the Southern Australia Livestock Research Council (SALRC), North Australia Beef Research Council (NABRC), and Western Australian Livestock Research Council (WALRC).

The new projects addressed:

- optimising reproduction efficiency in sheep production systems
- improved methodologies for objective measures that can predict carcass characteristics; and crush-side or remote data collection technologies for animal health, welfare and productivity
- implementation of novel grazing systems
- biological controls for weeds
- quantifying regional impacts of competitive grazing pressure
- short-term reviews to address:
 - calf loss in southern Australia
 - on-farm actions to impact legume nodulation and rhizobia
 - tree-grass balance
- development of a Calf Loss Consortium for northern Australia.

The Regional Consultation process is moving to a 'programs approach' to ensure projects are addressing larger industry issues, enabling a bigger impact in producers' priority areas.

The Calf Loss Consortium has been conceived as a program approach to address the significant calf survival issues in northern Australia. Expressions of interest have been received from six organisations, representing 38 researchers, to participate. The first meeting of this consortium was held in August 2019 to discuss the program of work required and funding sources.

An MLA report, *Research and development stocktake*, was compiled in February 2019 to inform the regional councils on current research to help identify research gaps and ensure duplication is avoided. This report is set to be published in 2019–20.

Redlands leucaena launch

MLA investment has paved the way for leucaena-based grazing systems in the north's high-rainfall zones, with the launch of the psyllid-resistant variety, Redlands.

Nearly 15 years in the making, Redlands was bred by researchers at the University of Queensland and developed with MLA funding. It was described as a game changer by MLA Managing Director Jason Strong, who performed the official launch in May at 'Pinnarendi Station', Mount Surprise, Queensland, the site of a large-scale grazing trial comparing Redlands to the Wondergraze variety.

Cattle grazing Redlands to date have demonstrated an average gain of 0.69kg/day – no different to those grazing Wondergraze, but double what would be expected from animals grazing native pasture only, in the same environment. In the trial, Redlands proved both palatable and psyllid-free, lifting potential for better rangeland management by reducing stocking rate pressure on native pastures and reducing methane emission intensities.

Of the \$7 million invested in leucaena research and development across 26 projects to date, using both MLA Donor Company funds and levies, almost 12% has been dedicated to the development and assessment of psyllid-resistant leucaena.

Redlands seed is now available from two exclusive growers and suppliers – Peter Larsen of Leucseeds, Banana, Queensland and Bruce Mayne, Calliope, Queensland.

Dirt turned on dung beetle project

MLA is working with 10 partner organisations to rear existing and introduce new strains of dung beetles across southern Australia.

The five-year project, funded by MLA Donor Company, is in its second year and aims to fill seasonal and geographic gaps in the distribution of beetles.

At completion, the ecosystem benefits for primary producers will be quantified and shared with landholders.

Project outcomes in 2018–19 include:

- Monitoring has begun to better understand current beetle populations, identify specific regional needs and incorporate these into beetle distribution/establishment activities.
- CSIRO entomologists in France assessed North African and European dung beetles for their suitability for exporting to Australia.
- The first of the new beetle egg importations (of the Moroccan strain of *Onthophagus vacca*) have successfully been reared out of quarantine.
- Importation applications have been submitted for *Euonthophagus crocatus* and *Gymnopleurus sturmi* strains.
- A facility has been built at Wagga Wagga, NSW, where beetles will be

reared before heading out to 'farmer nurseries' to help engage farmers with the project and protect the beetles to ensure successful distribution.

Direct hit on parkinsonia

A safer, cheaper and more environmentally-friendly new tool to fight the noxious woody weed parkinsonia was launched in May 2019 with support from MLA.

Di-Bak Parkinsonia – a biological herbicide

containing naturally-occurring fungal pathogens – has allowed industry to take a major step forward in boosting feedbase management for graziers. The product introduces pathogens that induce dieback disease, which stresses and can kill the weed. After years of collaborative research and trials by the University of Queensland, BioHerbicides Australia, cattle producers, government departments and natural resource management groups, it's now commercially available through BioHerbicides Australia.

Genetics program



Andrew Carruthers is one of the producer advocates introduced in MLA's Livestock Genetics campaign. Read or watch his story at genetics.mla.com.au/prime-lambs

In 2016, the red meat industry's National Livestock Genetics Consortium (NLGC) set a target of doubling the rate of genetic gain in the commercial livestock sector by 2022. Through its Genetics strategy, MLA is working towards achieving this objective via R&D investment, as well as the Genetics Adoption Plan and the management of Sheep Genetics. The NLGC Taskforce has established more than 50 projects to improve selection accuracy for red meat producers by responding to R&D priorities. These priorities include boosting adoption of genetic tools, linking genetics to consumer outcomes and innovation in genetics R&D.

Genetics Adoption Plan

A key outcome from the MLA's Genetics Adoption Plan in 2018–19 was the launch of MLA's livestock genetics marketing campaign and genetics hub – genetics.mla.com.au – which gives producers a clear look at how better breeding values can help accelerate their herd or flock's productivity. The ongoing campaign includes advertisements, producer case studies, how-to videos and written collateral for rural press and MLA's *Feedback* magazine. Eight workshops were delivered for key industry stakeholders who provide advice to producers on genetics (such as technical specialists, consultants, government departments and livestock agencies). These workshops generated keen interest to continue high levels of engagement and genetics education.

Sheep Genetics

Sheep Genetics aims to improve the quality, scope and utilisation of flock and breed genetic information for the Australian sheep industry. In March 2019, Sheep Genetics ran a major event – Leading Breeder – which was attended by more than 180 stud owners/managers. The event promoted the extension and adoption of Australian Sheep Breeding Values (ASBVs) and genomic technologies, and coincided with the 30th anniversary celebrations for genetic evaluation in the Australian sheep industry. Participants evaluated the event as 8/10 for content and value to their breeding business.

Processing productivity

With Australian red meat facing intense price competition from other proteins and exporting nations, every cent counts during processing.

To help processors increase their efficiency and minimise production costs, this priority is focused on maximising value, addressing labour availability and workplace health and safety issues. Automation technologies and objective measurement will be the primary avenues to achieve this.

2018–19 INVESTMENT
BY FUNDING SOURCE



- Government funding **\$5.6m**
- Processor contributions **\$2.0m**
- Other sources **\$3.6m**

* Total includes \$8.8m invested via MLA Donor Company

OVERVIEW

New X-ray technologies: what's on the horizon?

MLA is investing in new X-ray technology to advance the objective measurement of eating quality.

Contracts have been signed this year for a range of projects, including:

- development of innovative 3D X-ray CT technology, adapted from airline baggage scanning, which features leading edge multi-energy X-ray (MEXA). This technology will measure intramuscular fat on pre-chilled carcasses to predict lean meat yield and eating quality, and will also enable automated chine bone removal.
- evaluation of the potential of highly innovative cone beam X-ray technology, adapted from equine medicine, to measure beef eating quality attributes on feedlot livestock as well as carcase, and generate beef automation cut lines to integrate with cutting technology.
- development of sensing systems for beef carcasses, which are thicker than lamb carcasses and therefore require more powerful imaging equipment and specific computer algorithms.

The research is co-funded through MLA Donor Company with matching contributions from commercial operators and the Australian Government.

Innovative ideas

Ink jet printing technologies could be used in beef processing plants to guide more precise cutting.

It's just one of the concepts put forward by automation companies to the Beef Boning Automation Industry Advisory Group, convened by MLA to bring processors and global technology providers together to develop innovative solutions.

Two automation companies – Frontmatec and Scott Technology – have now been contracted to develop beef boning concepts for industry to review.

Frontmatec has undertaken preliminary designs for automated beef chine bone removal and to evaluate the potential of applying food-grade ink to beef carcasses (directed by X-ray or CT sensing) to mark cut lines as a guide for automated or manual cutting to maximise carcase value.

Scott Technology has committed an investment to drive beef automation developments and has developed detailed concept designs for chine bone removal, a key step in fabricating saleable meat primals.



This graphically-modified image shows how scanning technology could be used in future to objectively measure live animals.

DEXA roll-out continues

The roll-out of DEXA (dual-energy X-ray absorptiometry) technology continues, with processing plants coming on board to adopt the innovations.

DEXA technology provides timely, accurate and objective information on the lean meat, bone and fat composition of carcasses, paving the way for scientific measurement of saleable meat yield and a shift to a value-based marketing system.

MLA supported the introduction of new DEXA systems at five lamb processing facilities (Bordertown, Brooklyn, Gundagai, Frewstal, Wammco) and one beef abattoir (Teys Lakes Creek) in 2018–19.

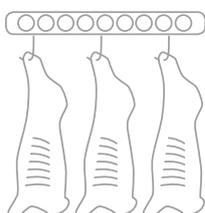
Additional DEXA modules for lamb loin and tenderloin have also been developed and installed in a major lamb processing plant for evaluation.

MLA facilitated trials of two spectral imaging devices from Frontmatec and E+V for objective assessment of traits contributing to eating quality. Both are progressing towards AUS-MEAT accreditation.

MLA continues to support the adoption of tools, such as the lamb cuts calculator and the boning room optimisation tool, to enable industry to implement value-based pricing models.

The lamb cuts calculator has now been implemented by five supply chains, while a beef cuts calculator has been developed and calibrated with manual bone-out data, but soon to be calibrated for DEXA lean meat yield input. A boning room optimisation tool for lamb has been developed and is being trialled by industry.

\$12/head
predicted to return
to producers’
pockets
from beef boning
automation



LEAP forward for beef



A revolutionary, global and scalable design for beef boning automation is set to become a reality through a \$32.4 million investment over five years.

Announced in June 2019, funding from MLA Donor Company will enable MLA, in collaboration with beef processor Teys-Cargill Australia and solution providers including Scott Technology, to establish the world’s first beef boning automation research and development (R&D) room.

Building on current lamb boning automation technology known as ‘LEAP™’, the beef boning automation R&D room will be enabled by 3D X-ray computed tomography and DEXA (dual-energy X-ray absorptiometry) objective carcass measurement technology, and referred to as ‘Leap4Beef’.

Beyond movements in livestock prices, the single biggest impact on processing efficiency is the accurate segmentation and deboning of carcasses into the highest primal value possible. This is where the most significant improvements in processing industry efficiency can be made, with beef boning automation estimated to deliver at least a \$30/head benefit, with an estimated 40% of this benefit to return to producers.

The developments will also provide a platform for other value-adding outcomes, such as increasing producer feedback on primal performance through DEXA X-ray and CT installations.

The program won’t use any producer or processor levies, with Teys-Cargill Australia co-funding the beef boning automation R&D room at its facility in Rockhampton, Queensland, with matching R&D contributions to come from the Federal Government.

MLA undertook industry consultation with more than 20 processors on beef boning automation and will continue to work with other Australian processors through holding regular technical updates.

Leap4Beef builds on other work underway by MLA in the automation space to lead the industry towards adopting more efficient and globally competitive processing technologies.

Live export productivity

One of the significant challenges for the Australian livestock export industry is to remain internationally competitive while working within existing regulatory frameworks.

This priority addresses this by identifying cost savings, particularly in regulatory compliance and transport. This area also aims to improve animal health and welfare and productivity through the supply chain.

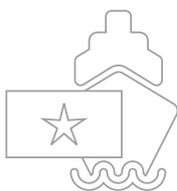
2018–19 INVESTMENT BY FUNDING SOURCE



● Producer levies \$0.5m
● Government funding \$0.4m
● LiveCorp contributions \$0.3m

Vietnam has become Australia's second largest live cattle market

in just five years



OVERVIEW

Developing sustainable supply chains in Vietnam

By understanding the nature of local supply chains, responding to consumer trends and evolving to meet new market opportunities, MLA works with foreign governments and companies throughout the supply chain to maintain the Australian industry's longevity in key live export markets.

Vietnam is one market where MLA has implemented activities to achieve clear outcomes for the Australian live export supply chain.

Vietnam has evolved from a fragmented market to become Australia's second largest live cattle market in just five years. However, the traditional Vietnamese supply chain still doesn't fully capitalise on the potential to value-add beef during processing, which limits abattoir and supply chain profitability.

Vietnamese consumers are also evolving and if the Australian livestock export industry isn't positioned to capture their demand for quality (rated more highly than food safety), there is the threat that Australian beef could be replaced by cheaper or less regulated products from competing nations.

MLA's strategy in Vietnam is unique, as it aims to 'disrupt' these traditional supply chain models by addressing consumers' economic, technical and social barriers to change.

In 2018–19, MLA continued to focus on an interlinked program of activities in Vietnam – predominantly in feedlots and abattoirs – which:

- capitalise on the emergence of young, connected Vietnamese consumers who are willing to pay more for a higher quality Australian product
- maintain Australia's competitiveness in the face of increasing global competitors by supporting partners to transition to modern slaughter practices, regulation and distribution.

Minimum viable product trials

MLA ran several programs to demonstrate how a collaborative approach could benefit both Australia and Vietnam. The main one was the assisted and controlled delivery of value-added red meat products in three Vietnamese supply chains, including consumer trials of these products.

These MLA-led trials showed importers and abattoir owners they had the capability to produce higher quality products that were competitive with imported beef products.

Before the trials, abattoirs only had aspirations to improve product hygiene without increasing any eating quality attributes. The trial provided new evidence (based on consumer taste tests and surveys) that a premium price could be attracted for value-added products, such as chilled and aged beef.

While the trials have not yet resulted in abattoir owners and importers making permanent changes to their operations, they demonstrated the value of improving beef quality and paved the way for MLA's continued business development activities in Vietnam.

Business development

In January 2019, MLA supported the appointment of three supply chain business development managers to work within Vietnamese commercial supply chains for 12 months.

These consultants have worked in different sectors of the Australian beef industry including processing, butchery and retail, to facilitate knowledge transfer into the Vietnamese supply chain.

The managers are assisting companies to deal with commercial obstacles to market development throughout the supply chain, such as by addressing technical issues with staff capability and infrastructure needed to produce a consistent product.

The managers are also assisting supply chains to transition a percentage of the live export trade out of the reliance on unregulated traditional models, by testing

Quality control



MLA supports Vietnam to implement best practice quality assurance and control systems.

Another part of MLA's integrated work in Vietnam is to support the development of quality assurance and control systems, especially for beef hygiene which impacts the consistency of product quality.

MLA previously led a program to teach core slaughter skills to Vietnamese workers. Managing Abattoirs, Training and Exchange of Skills (MATES) was run under the Australian Department of Foreign Affairs and Trade's Aus4Skills program in 2018 and was supported by MLA and LiveCorp's joint Livestock Export Program (LEP). The program was modified to develop hygiene systems in select supply chains in Vietnam, with 'MATES Plus' launched in January to support Vietnamese supply chains to develop and implement hygiene quality assurance and quality control systems for chilled beef.

MLA market insights reveal that Vietnamese consumers are becoming more conscious of the food they consume (in light of recent food incidents such as pork or buffalo meat being passed off as beef), which is driving demand for good quality beef products with proven safety credentials. This program responds to the challenge of reassuring Vietnamese consumers about the integrity and safety of Australian beef processed in Vietnam.

MATES Plus is not directly funded by MLA, however MLA provided technical advice to design MATES Plus and is leveraging off the program as part of its wider Livestock Export Program strategy in Vietnam. MATES Plus has been rolled out in three Vietnamese abattoirs this year.

products with customers and consumers to capture the greatest value from the carcass.

While the initial phase of this program focused on understanding consumers and producing specific products, the supply chain business development managers program is now having impact on productivity in feedlots, such as through improved nutrition which has improved beef quality.

Leadership and collaborative culture

Securing the potential of the Australian red meat and livestock industry and delivering on the ambitions of the *Meat Industry Strategic Plan 2020* requires strong industry leadership, a capable workforce and the ability to attract the best and brightest minds to the industry.

For MLA, the delivery of its own Strategic Plan will rely on the strength of our team and the expertise of our people. Our progress will be continually monitored, objectively measured, and transparently communicated to all stakeholders.

INVESTMENT OVER TIME



2018-19 INVESTMENT BY PRIORITY



2018-19 INVESTMENT BY FUNDING SOURCE



KEY PERFORMANCE INDICATORS



ALIGNMENT TO INDUSTRY AND GOVERNMENT PRIORITIES

MEAT INDUSTRY STRATEGIC PLAN (MISP) 2020 PRIORITIES	AUSTRALIAN GOVERNMENT PRIORITIES	
	Science and Research	Rural Research, Development and Extension
<ul style="list-style-type: none"> Building leadership capability Protecting and promoting our industry 	<ul style="list-style-type: none"> Food Environmental change 	<ul style="list-style-type: none"> Adoption of research and development Biosecurity

HIGHLIGHTS

>45 producer advocates engaged in MLA workshops (page 44)

35% of applicants for Nuffield Scholarships from the red meat industry (page 44)

10 interns graduated from MLA's Livestock Consulting Internship program (page 44)

469 red meat producers engaged by Livestock Consulting Interns over two years (page 44)





Intercollegiate Meat Judging Competition

(ICMJ) celebrated 30 years, with 150 Australian students participating in the 2019 event (page 45)



Five students from five different institutions

comprised 2019 Australian ICMJ team (page 45)



Suite of drought and flood resources compiled

to assist producers facing extreme climatic events (page 47)



MLA successfully challenged

ABC's Catalyst program regarding its representation of the Australian beef industry (page 46)





PILLAR

5

Building leadership capability

The red meat and livestock industry depends on leaders who are capable, skilled and experienced to deliver on its strategic plans.

In this priority, MLA works with the peak industry councils and other value chain participants to build the industry's capability and invest in current and emerging industry leaders through a range of professional development, graduate training, mentoring and scholarship opportunities.

Building capability extends to communicating with all industry stakeholders about the value of collaborative investment in marketing, research and development and ways for producers and other value chain participants to develop more productive and profitable businesses.

2018-19 INVESTMENT BY FUNDING SOURCE



- Producer levies \$3.9m
- Government funding \$12.4m
- Processor contributions \$3.1m
- Other sources \$7.6m

* Total includes \$18.3m invested via MLA Donor Company

>45 producer advocates

engaged in MLA workshops



OVERVIEW

Producer advocate program

According to MLA's consumer insights, red meat producers are considered a trusted, genuine voice in discussions around livestock production. To upskill producers to speak to their communities and 'curious consumers' around red meat production and its sustainability, MLA developed the producer advocate program.

The program includes a range of activities and initiatives to equip producers with the skills, knowledge and confidence to be effective communicators and leaders.

Advocate workshops are designed to enable producers to promote and defend the industry's credentials through:

- training and development, giving producers the information and tools they need to engage with consumers at community events, schools or through the media
- a communication network for information sharing and peer support.

More than 45 producer advocates were engaged in workshops run by MLA during 2018-19, and more than 30 stakeholders also attended the information sessions.

One of the workshops was held as part of MLA's Red Meat 2018 (page 51) event in Canberra in November.

Investing in rural leaders

MLA continues to invest in building leadership capacity in the red meat industry, supporting programs such as the Nuffield Australia Farming Scholarships.

Nuffield Australia Farming Scholarships support participants to study farming practices around the world to develop their practical knowledge and management skills. Scholars study a topic of interest and share learnings with peers to build industry capability.

MLA's 2019 Scholar is Clare Peltzer from Evandale, Tasmania.

Outside her work as a livestock manager, Clare is also a part-time secondary agriculture teacher and has recognised the need for industry to have a stronger interface with schools to demonstrate a clear career path in the agricultural sector.

Clare will utilise her Nuffield Scholarship to investigate how the sector can attract and retain the appropriate talent through better alignment with schools and ag-education programs.

Nuffield Scholarship study topics are chosen with the aim of investigating new and innovative aspects of red meat production, and scholars endure a vigorous selection process for their appropriateness for development and leadership potential.

35% of the applications for Nuffield Scholarships in 2019 were from the red meat industry.



Clare Peltzer, MLA's 2019 Nuffield Scholar

Future livestock consultants

The second class of interns to complete MLA's Livestock Consulting Internship program officially graduated from the program in June 2019, with 10 interns completing two-year internships with participating livestock consulting businesses throughout Australia.

The Livestock Consulting Internship program is a partnership between

MLA Donor Company and participating consulting firms, and managed by Meridian Agriculture. It's designed to ensure the continued development of livestock consultants for the private sector, with a focus on supporting producer decision making, delivering industry extension programs and providing skilled one-on-one advice.

The program was established to address the decline in extension services offered by public agencies by supporting private consulting businesses meet the substantial financial costs and time required to upskill graduates and, as a result, boost the number of new entrants to the field.

The 2019 graduates included Georgia Reid, AgPro Management, WA; Jackson Adams, University of Adelaide; Bec Clapperton, RCS, Queensland; Michael Wellington,

Bush AgriBusiness, Queensland; Hilary Beech, Holmes Sackett, NSW; Georgia McCarthy, Macquarie Franklin, Tasmania; Will Clark-Dickson, Moses & Son, NSW; Tara Graetz, Rural Directions, SA; James Macfarlane, Southern Dirt, WA; and Jess Brogden, Southern Farming Systems, Victoria.

As part of the program, interns are required to undertake professional hours and major industry research projects, giving them a real-world understanding of the implementation of research and development.

Overall, 469 red meat producers were engaged by the interns over the past two years.

Industry project topics included addressing barriers to producers benchmarking their businesses, comparing the difference

between long and short-acting worm control in sheep flocks, and the impact of body condition score and genetics in northern beef herds.

MLA has committed to support round three of the program.

Farmers2Founders

Following the success of MLA Donor Company's Producer Innovation Fast-Track pilot program in involving producers in driving innovation, the program has been expanded beyond the red meat industry and transitioned to a new model in 2018–19.

Producer Innovation Fast-Track was initially developed to identify producer 'trailblazers' and provide the support and knowledge required to build their capabilities.

This year, the program model evolved to Farmers2Founders (F2F), administered and delivered externally with support from MLA and four other Australian Rural Research and Development Corporations (RDCs) – AgriFutures Australia, Australian Wool Innovation, Grains Research and Development Corporation, and Wine Australia.

The F2F program continues the work of Producer Innovation Fast-Track in providing all the necessary tools, resources, training, coaching and support to deliver solutions to genuine industry problems.

Across two streams, F2F supports innovators to accelerate the creation and scaling of ag-tech, food and food-tech business ventures, engage with new value chains, and solve industry problems.

State of the Industry report

Drawing on its Australian red meat and livestock industry insights, MLA compiled and published the *State of the Industry 2018: the Australian red meat and livestock industry in 2018*.

The report was launched in September 2018 by the Red Meat Advisory Council at its Red Meat Nation event, Parliament House, Canberra.

It was the second year the report has been produced, but the first time MLA compiled and published it on behalf of the industry.

State of the Industry is an informative reference document on Australia's red meat and livestock industry, including consumption, production and export data and analysis.

The 2018 report highlighted the industry's strong economic credentials and value to Australian consumers.

ICMJ turns 30



The Intercollegiate Meat Judging (ICMJ) Competition celebrated its 30th anniversary in 2019. In a demonstration of its ongoing success, the Australian ICMJ team once again proved its skills at a global level.

At the National Western ICMJ contest in January 2019 at Greeley, Colorado, the Australian team won the lamb grading competition for the fourth consecutive year and claimed third place Overall High Team.

The competition was part of the annual month-long tour of the US meat industry, sponsored via MLA's industry capability building program and the Australian Meat Processor Corporation.

The tour marked the first time the five students represented five different institutions, with the team comprising Nikita Ellison, University of Queensland; Lauren Smith, Murdoch University; Jessie Phillips, Charles Sturt University; Jess Davis, Sydney University; and Felicity Brumpton, University of New England (pictured).

The 2019 Australian ICMJ workshop and competition at Charles Sturt University, Wagga Wagga, NSW, in July was the biggest gathering in the event's history, with 150 students from 12 Australian institutions and four international teams attending.



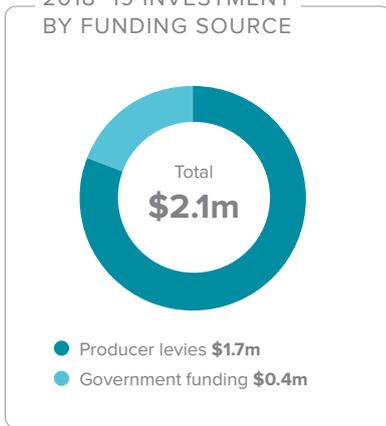
PILLAR
5

Protecting and promoting our industry

Within this priority, MLA is supporting the creation of frameworks and collecting evidence to measure the progress of the red meat and livestock industry's development. MLA is also supporting the development and implementation of a framework for efficiently reporting on its sustainability credentials.

The red meat and livestock industry's ability to respond quickly to a sudden or unexpected threat or risk can minimise the impact of a crisis. This priority addresses this need by reviewing and updating the industry's detailed Crisis Response Plan to prepare individual sectors to avoid or mitigate the impact of any crisis and to be ready and able to manage industry issues in a coordinated manner.

2018-19 INVESTMENT BY FUNDING SOURCE



OVERVIEW

Issues and crisis management

MLA has been working with peak industry councils and other red meat and livestock Rural Research and Development Corporations to establish an industry corporate affairs function.

The move to establish a function focused on whole-of-supply-chain issues responds to a review MLA conducted in late 2018 to better understand sociopolitical risks and the management of these within MLA and the red meat industry more broadly. The review assessed issues management and crisis management plans, capability, capacity, processes and governance.

An opportunity was identified for industry to strengthen its approach to issues management through systematic monitoring of peer-reviewed literature, public policy discourse and developments, Australian parliamentary discourse, and the activities of environment and animal welfare non-governmental organisations and advocacy activists, covering three key areas:

- food and nutrition
- animal welfare in the red meat supply chain
- red meat production and environmental impact.

The review also recommended the importance of developing agreed industry positions for key areas and enhanced coordination of communication and advocacy activities. The work programs of the industry corporate affairs function are presently directed by the Red Meat Advisory Council (RMAC), with an Industry Corporate Affairs Steering Group to be established in the second half of 2019.

MLA already maintains a Crisis Response Plan, and regularly conducts simulation activities to ensure the organisation is prepared to support the industry's issues responses and crisis management.

MLA challenges ABC's Catalyst program

MLA pursued a complaint with the fair journalism watchdog, the Australian Communications and Media Authority (ACMA), on behalf of red meat producers, following the airing of a story on ABC's Catalyst program titled 'Feeding Australia: Foods of Tomorrow', in August 2018.

The program was focused on more sustainable ways to produce food, including fish, green leafy vegetables, tomatoes, avocados and protein, with a focus on beef.

MLA made an initial complaint to the ABC that the commentary and reported facts presented by Catalyst were misleading and inaccurate regarding the Australian beef industry's water use and impact on the environment.

One of the central complaints from MLA about the program was that it was not a fair representation of Australia's beef production system.

The ABC dismissed the complaint after an internal review, and so MLA pursued the complaint with the ACMA.

MLA'S CRISIS MANAGEMENT PROCESS



In May 2019, the ACMA investigation found the Catalyst program had breached the impartiality provisions of its own Code of Practice, and “failed to present the production of beef with due impartiality, as it did for other foods”.

The ACMA also found Catalyst “used dramatic visual displays, emotive language and moral arguments in the segments that referred to beef. In aggregate, these caused the program to demonstrate a lack of fair treatment and open-mindedness”.

MLA welcomed the outcome of the ACMA’s investigation and is proactively working with media outlets to provide accurate and up-to-date information about red meat production in Australia.

Counteracting animal activists

Following the launch of an online interactive map earlier this year by animal rights organisation, Aussie Farms, as well as ongoing occurrences and threats of animal activist intrusions, MLA, in partnership with the red meat industry and the National Farmers’ Federation (NFF), continues to provide information and support to red meat producers.

The Aussie Farms map claims to contain the exact locations of thousands of farms and abattoirs and includes photos, videos and documents. The locations mapped are not limited to red meat and cover all types of agricultural industries, as well as the pet industry.

Trespassing on farms or entry without prior permission presents a substantial biosecurity risk that could be detrimental to the health and wellbeing of livestock. It also presents a safety risk for farming families and their employees.

MLA has shared advice from NFF across all its communications platforms about what producers should do if they encounter a trespasser on their property.

MLA has also used its consumer insights to offer the red meat industry updates on consumer and community trends related to red meat production to help address activism.

MLA research shows 93% of consumers perceive producers to be responsible custodians of the land, and there’s been a strong show of community support for producers affected by vegan extremists’ illegal and invasive actions.

Support for flood-affected producers



Photo courtesy of Rural Aid Australia

Following unprecedented flooding in north-west Queensland in February, MLA established a page on its website listing a comprehensive range of resources for flood-affected red meat producers to access. The page has a wide range of information and advice including links to emergency and financial assistance, farm and livestock management resources, and contacts for personal support.

MLA maintains regular contact with industry organisations including AgForce and provides ongoing assistance to the North Queensland Livestock Industry Recovery Agency, an initiative of the Department of Prime Minister and Cabinet.

MLA is investing in managing climate-related events through a major initiative known as ‘Forewarned is forearmed: managing the impacts of extreme climate events’. This Rural R&D4Profit project provides improved forecasting for climate extremes such as heatwaves, frost, floods and drought, beyond the seven-day weather forecast out to seasonal timescales (6–12 months), providing options and tools for producers to proactively plan and manage for extreme events.

R&D investment continues across a range of projects identifying on-farm technologies for the monitoring of livestock and infrastructure, with applications to not only locate and count stock, but also identify safe areas, predict flood patterns and track missing livestock.

Drought management resources

With drought continuing to impact many livestock production regions of Australia in 2018–19, MLA has collated and regularly updates a range of guides and information to assist red meat producers manage through and plan to recover from drought.

The resources cover all facets of drought management including pastures; feeding, management and transportation of livestock; mental health support services; and financial assistance available from federal and state and territory government departments.

Risk management

MLA’s Risk Management Plan outlines the process of identifying, assessing and managing risks, which is in line with AS/NZS ISO 31000:2018 Risk Management Standard. MLA reviews its Risk Management Plan and updates its risk profile annually.

In 2019, the Risk Management Plan was reviewed by the MLA Board, during which time the Board revised its risk appetite and endorsed a number of changes to the plan. These changes included the incorporation of the Three Lines of Defence Model to further enhance the understanding of risk management across the business by clarifying roles and responsibilities related to governance, risk and control. Other amendments were made to the descriptions of risk subcategories and the interconnectivity of risks were identified to foster a more coordinated and effective use of resources. Mitigation strategies are also monitored regularly by both the Audit and Risk Committee and the Board.

Stakeholder engagement

The successful delivery of MLA's *Strategic Plan 2016–2020* requires an enhanced level of collaboration between MLA and its many stakeholders. This pillar focuses on extending the breadth and depth of stakeholder engagement and communications across MLA.

Genuine two-way consultation and collaboration provides mutual benefit in the delivery of MLA's marketing, research and development services to industry. This pillar also includes the delivery of MLA's corporate reporting responsibilities within a culture of continuous improvement.

INVESTMENT OVER TIME



2018–19 INVESTMENT BY PRIORITY



- Engagement with producers and stakeholders' priority **\$12.4m**

2018–19 INVESTMENT BY FUNDING SOURCE



- Producer levies **\$9.5m**
 - Government funding **\$2.1m**
 - Processor contributions **\$0.2m**
 - Other sources **\$0.6m**
- * Total includes \$0.1m invested via MLA Donor Company

KEY PERFORMANCE INDICATORS

31 KPIs

- 20 achieved
- 2 partly achieved
- 5 not achieved or not on track
- 1 not available
- 3 on track to be achieved by 2020

See Appendix A for a full list of KPIs. Please note some KPIs may be relevant across several pillars.

ALIGNMENT TO INDUSTRY AND GOVERNMENT PRIORITIES

AUSTRALIAN GOVERNMENT PRIORITIES	
Science and Research	Rural Research, Development and Extension
• Food	• Adoption of research and development

HIGHLIGHTS

42,000 users registered

for myMLA (page 50)



805,000 user-generated reports

created in Prices & Markets tool (page 50)



Importance of being an MLA member

rated 7.6/10 in annual survey (page 50)



83 events across Australia

sponsored by MLA (page 51)





47 MLA
speakers
at events
nationally
(page 51)



>800
stakeholders
registered
for Red Meat 2018
(page 51)



MLA's 20 years'
service
to industry
celebrated
at Red Meat 2018 dinner
(page 51)



97% of
participants
very/extremely
satisfied
with MLA's 'Global Markets
Forum – Sheepmeat'
at LambEx 2018 (page 51)





PILLAR

6

Engagement with producers and stakeholders

MLA engages with a wide range of producers and stakeholders, ensuring all levy payers are given the opportunity to provide feedback on its research, development and marketing activities.

This priority centres on stakeholder engagement and communication initiatives to build awareness of MLA's programs and demonstrate the value of these investments.

2018–19 INVESTMENT BY FUNDING SOURCE



- Producer levies \$9.5m
- Government funding \$2.1m
- Processor contributions \$2.0m
- Other sources \$0.6m

* Total includes \$0.1m invested via MLA Donor Company

42,000 users registered for myMLA



OVERVIEW

myMLA and MLA website

Red meat producers continue to utilise the convenience of MLA's personalised online dashboard, myMLA, with more than 42,000 users now registered for the service. Around 12,000 new users came onboard in 2018–19.

myMLA is a component of the MLA website offering personalised, relevant content delivered straight to an online dashboard unique to each user, based on predetermined preferences such as location and species type.

It provides a single sign-on portal using one username and password for key red meat industry systems: National Livestock Identification System, Livestock Production Assurance, National Vendor Declarations, Meat Standards Australia and Livestock Data Link.

As the Australian industry embraces data-driven decision making, MLA has positioned myMLA to become the portal to access national, state and regional price and market information. There were more than 184,000 page views in 2018–19.

myMLA helps producers with their livestock selling/buying decisions by driving them straight to the information and analysis that best suits their unique profile.

The interactive market information widgets have proven to be the most popular content on the dashboard, with many users visiting the reports more than three times a week.

The interactive Prices & Markets tool, which launched at the same time as myMLA, allows users to dive deeper into the data and view information specific to their requirements by selecting pre-set terms such as 'skin prices' for 'sheep'.

There were 805,000 custom user-generated reports created this financial year, which users can save to the myMLA dashboard for repeat viewing.

In future, myMLA users will be able to access improved saleyard markets reports, over-the-hook quote summaries, production and slaughter numbers, sheep

and beef projections, self-service analytical tools and much more.

The main update to myMLA in 2018–19 was the dashboard's weather feature, in tandem with a redesign of weather.mla.com.au.

The weather tools account for about a third of MLA's total web traffic, and these enhancements improve user experience by:

- giving producers the ability to track multiple weather locations on their dashboard
- giving myMLA users access to additional features such as historical weather data
- connecting myMLA with weather.mla.com.au to create an improved user experience to ensure the delivery of synchronised information across both online platforms.

Other website enhancements launched this year on mla.com.au include a redesigned homepage, updated News & Events, and a refreshed About MLA section, delivering greater clarity for levy payers on the organisation's role and governance.

Member satisfaction

MLA runs an annual member survey to measure member satisfaction with activities including communications, events and programs across MLA's research, marketing, market information and consumer insights portfolio.

This year's survey was completed in May 2019 and revealed overall member satisfaction with MLA remained stable:

- overall satisfaction with MLA communications remained at 6.9 out of 10
- satisfaction with printed communications lifted to 7.5 (+0.2) and digital communications 7.2 (-0.1)
- satisfaction with MLA's marketing activities increased to 7.2 (+0.3)
- satisfaction with MLA's research and development work lifted to 6.9 (+0.2) and MLA's market reporting lifted to 7.5 (+0.1)
- importance of being an MLA member was up to 7.6 (+0.2).

Smorgasbord of events

MLA ran a range of events and workshops in 2018–19, designed to deliver the practical outcomes of R&D activities and inform producers about key marketing activities.

Sponsorship and speakers

MLA sponsored 63 events in 2018–19 as part of a biannual call for sponsorships of up to \$10,000, and also contributed to 20 major sponsorships.

Events included the Red Meat Updates Tasmania, BEEFEX 2018, Australian Sheep & Wool Show, East Gippsland Beef Conference, Growing SA, Northern Territory Cattlemen's Association Annual Industry Conference, Young Beef Producers' Forum, Bendigo All Breeds Goat Expo, and the WAFarmers Annual Conference.

MLA also filled 47 speaker requests across Australia.

Lambition

MLA sponsored the Lambition Gala Dinner in Bendigo in July 2018, which was attended by 240 people.

Hosted by Fairfax Agricultural Media, Lambition is an industry event which celebrates the outstanding meat and fibre produced by Australia's sheep industry.

The celebration coincided with the Australian Sheep & Wool Show and included a live cooking demonstration by MLA's Corporate Chef Sam Burke, with guests dining on an impressive four-course, breed-specific menu.

Red Meat 2018



Former MLA Chair David Crombie (pictured with current Chair Dr Michele Allan) was a guest speaker at the Red Meat 2018 Welcome Function, a celebration of MLA's 20 years' service to the Australian red meat and livestock industry.

MLA's flagship event Red Meat 2018 was held in Canberra from 20–23 November, with more than 800 red meat producers and stakeholders registering – nearly double the numbers at the inaugural forum in 2017.

The action-packed event featured the latest research, innovation and marketing insights, a red meat showcase, digital forum, producer tours and MLA's Annual General Meeting (AGM). Networking opportunities included a Business Breakfast and a dinner marking MLA's 20 years' service to the Australian red meat and livestock industry.

The Red Meat event concept was launched in 2017 to bring a new, engaging format to MLA's AGM. The 2019 event will be held in Tamworth, NSW, from 18–20 November.



MLA's Corporate Chef Sam Burke designed the three-course menu at LambEx 2018's GrandsLAMB Dinner.

LambEx 2018

MLA was a major partner of LambEx 2018, a biennial event celebrating all that is great about Australia's sheep and lamb industries.

The event, from 5–7 August 2018 at the Perth Convention and Exhibition Centre, was attended by 1,020 people from all sectors of the lamb value chain.

MLA's Chief Marketing and Communications Officer, Lisa Sharp, spoke at LambEx and gave an insight into the new generation of meat-eaters and how Australian lamb producers can meet their demands.

Sam Burke, MLA's Corporate Chef, designed the menu for the LambEx Australian Wool Innovation GrandsLAMB Dinner.

MLA organised the 'Global Markets Forum – Sheepmeat' as part of LambEx 2018, which was attended by 90 people. A survey revealed 97% of attendees rating their overall satisfaction with the Global Markets Forum as very satisfied/extremely satisfied.