

ANNUAL INVESTMENT



2016-17

Contents

Introduction	3
Budget summary	4
Pillar 1: Consumer and community support	6
Continuous improvement of the welfare of animals in our care	8
Stewardship of environmental resources	11
Role of red meat in a healthy diet	15
Pillar 2: Market growth and diversification	18
Efficiency and value in trade and market access	20
Marketing and promoting Australian red meat and livestock	22
Pillar 3: Supply chain efficiency and integrity	26
Optimising product quality and cost efficiency	28
Guaranteeing product quality and systems integrity	31
Pillar 4: Productivity and profitability	34
Production efficiencies in farms and feedlots	36
Processing productivity	41
Live export productivity	43
Pillar 5: Leadership and collaborative culture	46
Building leadership capability	48
Protecting and promoting our industry	51
Pillar 6: Stakeholder engagement	54
Engagement with producers and stakeholders	56
Corporate services, levy collection and AUS-MEAT	60
MLA Donor Company	64
Acronyms	70

Introduction

This Annual Investment Plan (AIP) has been developed to inform levy payers, peak industry councils, the Australian Government and the wider industry about MLA's planned work program in 2016-17.

MLA is a research, development and marketing service provider to the Australian red meat and livestock industry. Funded by levy payers, the Australian Government and value chain partners, MLA's mission is to increase the prosperity, sustainability and global competitiveness within and across the industry's value chain.

AIPs are prepared each financial year to guide the practical delivery of MLA's long-term investment priorities and outcomes, which are set out in MLA's *Strategic Plan 2016-2020*.

These priorities align with those in the Australian Government's Science and Research Priorities and its Rural Research, Development and Extension Priorities. They also centre on the six strategic pillars that the Australian red meat and livestock industry has set itself to achieve by the year 2020 through its *Meat Industry Strategic Plan 2020*.

MLA's strategic pillars, priorities and outcomes are:

Pillar	Outcome	Priority
 1. Consumer and community support	The community continues to support and trust the Australian red meat and livestock industry, with industry practices in step with community expectations.	<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
 2. Market growth and diversification	Improved access to markets, with marketing programs and value creating innovation driving increased consumer and customer preference and premiums for Australian red meat.	<ul style="list-style-type: none"> • Efficiency and value in trade and market access • Marketing and promoting Australian red meat and livestock
 3. Supply chain efficiency and integrity	Increased returns through the value chain, with participants and customers confident in product quality, pricing and integrity systems.	<ul style="list-style-type: none"> • Optimising product quality and cost efficiency • Guaranteeing product quality and systems integrity
 4. Productivity and profitability	Productivity gains through the value chain from the adoption of tools and technologies.	<ul style="list-style-type: none"> • Production efficiencies in farms and feedlots • Processing productivity • Live export productivity
 5. Leadership and collaborative culture	Industry participants are confident in industry leadership capability.	<ul style="list-style-type: none"> • Building leadership capability • Protecting and promoting our industry
 6. Stakeholder engagement	Industry participants are confident that the levy investment is delivering value.	<ul style="list-style-type: none"> • Engagement with producers and stakeholders

This AIP outlines the programs, actions, key performance indicators and budgets that will guide MLA's activities in 2016-17. Successful delivery of this plan will act as a stepping stone towards achieving MLA's *Strategic Plan 2016-2020*.

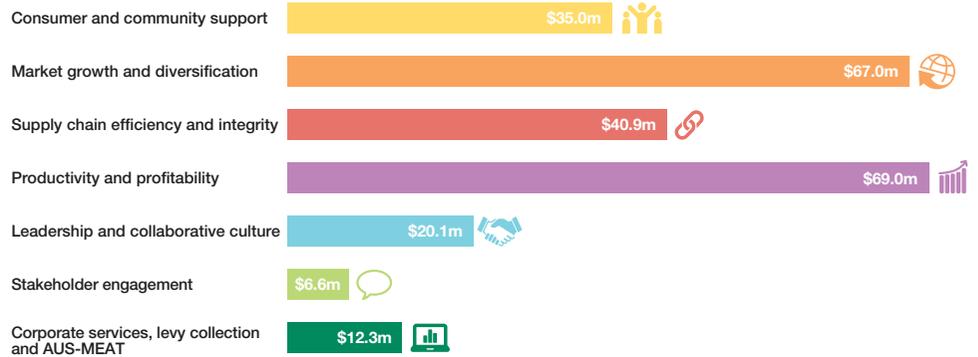
Budget summary

In 2016-17 MLA plans to invest close to \$250.9 million in research, development and marketing activities across the six pillars as well as corporate services, levy collection and AUS-MEAT.





Projected 2016-17 investment by pillar



Total investment \$250.9 million

Includes MLA research, development and marketing levy funding and matched research and development funding from the Australian Government. Also includes an MLA Donor Company (MDC) investment of \$73.8 million.

Projected 2016-17 investment by funding source



Total investment \$250.9 million

Includes MLA research, development and marketing levy funding and matching research and development funding from the Australian Government. Total may not add up due to rounding.

The \$73.8 million projected to be invested through the MDC is captured in the above graph. This includes \$36.9 million in voluntary contributions and \$36.9 million in Australian Government funding.

Pillar



Consumer and community support

The red meat and livestock industry is a responsible and effective custodian of Australia's natural resources and the welfare of the animals in its care.

The community places a high – and growing – expectation on the Australian red meat and livestock industry to look after the environment and the welfare of livestock. Meeting these community expectations is essential for the industry to maintain its social licence to operate.

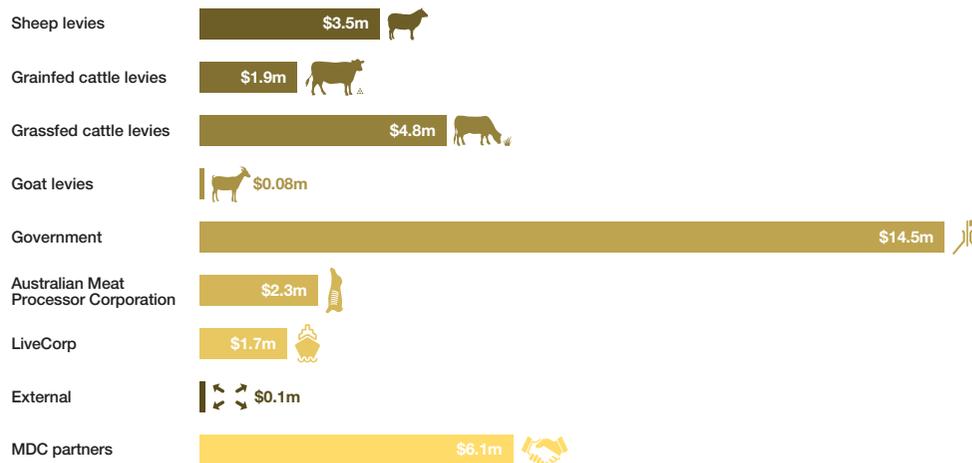
Industry must continue to proactively address and promote the welfare standards for livestock, the environmental impact of livestock practices and the role of red meat in a healthy diet.

This pillar invests in research into the superior nutritional properties of red meat. It also invests in 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.





Projected 2016-17 investment by funding source



Total investment \$35.0 million

Total may not add up due to rounding.

Alignment to industry and government priorities

Meat Industry Strategic Plan (MISP 2020) priorities	Australian Government	
	Science and Research Priorities	Rural Research, Development and Extension 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 	<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

Continuous improvement of the welfare of animals in our care

The community has high expectations about the way livestock are treated and how animal welfare standards are applied in the industry. It is important that 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 that industry clearly communicates these improvements to the Australian and global community to instil confidence and maintain their support for the industry.

The 2016-17 program highlights within this priority include: handing over the Livestock Global Assurance Program (LGAP) to industry; releasing the endemic disease research, development and adoption strategy; commencing five projects to help address some of the economically important diseases of sheep and cattle; and revising the Target 100 program.

Program node	Program description	2015-16 benchmark KPI or milestone	2016-17 benchmark KPI or milestone
1.1.1.1	Consumer sentiment tracking Annual, benchmarked survey of consumer sentiment toward animal welfare in the red meat and livestock industry to identify current issues, concerns and trends	Use consumer research to actively track community sentiment, including % limiting red meat consumption due to perceived animal welfare or environmental reasons	Consumer research conducted annually to benchmark consumer attitudes and track community sentiment, including % limiting red meat consumption due to animal welfare concerns (target 7%)
1.1.1.2	Community engagement: animal welfare A strategic campaign to educate consumers about the production of red meat and livestock in Australia through a trusted source of information and targeted communications that reinforce the industry's commitment to best practice animal welfare	Drive increased engagement with the community engagement program through the Target 100 social platforms by 20% from the 2014-15 baseline	<ul style="list-style-type: none"> • Strategy development and implementation of a new online platform • Average website page views: two; average time spent on website: 1 minute 30 seconds; monthly average social engagements on Facebook: 1,000
1.1.2.1	Animal welfare indicators Review current welfare indicators to establish baseline indicators to underpin the National Welfare Reporting Framework <i>This program includes MDC partnership investment</i>	Livestock producers and industry will have baseline data to address the increasing consumer and community scrutiny of animal wellbeing credentials	Review current welfare indicators to give a 2016 benchmark
1.1.3.1	Animal husbandry a. Benchmark animal husbandry practices through a national survey b. Develop and maintain effective research, development and adoption capability to respond to emerging welfare issues c. Direct research, development and adoption at improving animal husbandry practices and reducing mortality rates, especially perinatal and cull female mortality rates d. Research and adoption directed at improving the management of heat stress and mortality in feedlot and live export operations <i>This program includes MDC partnership investment</i>	<ul style="list-style-type: none"> • Livestock producers and industry will have baseline data to address the increasing consumer and community scrutiny of animal wellbeing credentials • Sustainability benchmarking project implemented to establish baseline data for feedlot animal welfare, animal health and environmental performance. • Review implemented to identify improvements to heat load management and forecasting 	<ul style="list-style-type: none"> • Completion of producer husbandry practices survey to give a 2016 benchmark • Welfare strategic partnership established • Heat load review completed and any recommended research and development implemented
1.1.3.2	Live exports: welfare R&D a. Completion of the Livestock Global Assurance Program (LGAP) pilot and successful handover to industry b. Implementation of the LGAP framework	<ul style="list-style-type: none"> • A fully implementable program, IT system and implementation plan handed over to industry • In principle support by industry to implement LGAP following two caveats of funding support and government recognition of the program in writing 	<ul style="list-style-type: none"> • A fully implementable LGAP program, IT system and implementation plan handed over to industry • In principle support by industry to implement LGAP following two caveats of funding support and government recognition of the program in writing
1.1.3.3	Live exports: continuous improvement Support industry extension and adoption of best practice systems and procedures to achieve continuous improvements in animal welfare and mitigate risk of trade closure	The Live Export Program meets 85% of exporter/importer requests for gap analysis, risk analysis, training and technical advice	High levels of satisfaction (above 85%) by industry stakeholders with MLA's adoption activities

Continuous improvement of the welfare of animals in our care

Program node	Program description	2015-16 benchmark KPI or milestone	2016-17 benchmark KPI or milestone
1.1.4.1	Community events: animal welfare A strategic sponsorship program of capital city and major community events used by MLA to educate consumers regarding red meat and livestock practices, with particular emphasis on animal welfare	Partner with relevant events to engage with thought leaders and the wider public in the food and sustainability space	At least 6,000 consumers provided the opportunity to engage with producers at a public event
1.1.4.2	School education: animal welfare The development of education material and teaching resources on red meat and livestock production that are aligned with the national curriculum and the provision of those to schools and teachers, with particular emphasis on animal welfare	Promote beef and lamb teacher guides and drive an increase in their use as tracked by teacher resource downloads from Target 100 website by 20% from the 2014-15 baseline	<ul style="list-style-type: none"> • At least two teacher-focused events feature MLA educational resources • A minimum of 70 schools engaging with the MLA education materials • A minimum of 750 education resource downloads
1.1.4.3	Professional development: industry advocates Identify and equip industry advocates with the skills, confidence and abilities to promote and defend the industry's credentials and act as spokespeople as required	<ul style="list-style-type: none"> • Three people supported through industry leadership programs in 2015-16 and actively engaged in industry activities • 20 previous industry leadership program participants to be actively engaged in the alumni program, with at least five participating in events and five media trained 	<ul style="list-style-type: none"> • Professional development programs developed and implemented as per plan • 20 producers provided with professional development and/or leadership training
1.2.2.1	Foot & Mouth Disease (FMD) preparedness a. Phase 2 FMD vaccine program completed b. Review of current vaccines and reference strains for FMD completed c. Phase 3 FMD vaccine program undertaken to develop and test new FMD vaccines <i>This program includes MDC partnership investment</i>	<ul style="list-style-type: none"> • The livestock industry will have improved processes to detect and respond to new and exotic diseases and biosecurity threats • Deliver improved diagnostic methods, enhanced understanding and/or improved control measures for external threats • Risk assessment of bluetongue transmission in southern Australia by the identification of endemic <i>Culicoides</i> spp. host feeding preferences and their competence to transmit bluetongue virus completed 	<ul style="list-style-type: none"> • FMD risk management plan underway • Phase 2 FMD vaccine program completed • Phase 3 FMD vaccine program underway through Rural R&D for Profit project
1.3.1.1	Identification: endemic diseases a. Review the 2015 National Endemic Diseases survey and identify diseases with increased economic and wellbeing impact and develop opportunities to address with research, development and adoption b. Implement joint programs with Animal Health Australia to capture data from abattoirs and analyse this over time to identify regionally important disease occurrences across seasons to inform producers and future research, development and adoption	<ul style="list-style-type: none"> • Identified the vector/s of theileriosis and assessed the potential for passive transfer of the organism, for example on contaminated needles used for injection • Developed a quantitative, real-time PCR (qPCR) diagnostic test for theileriosis in multiplex format which is more sensitive and provides faster and more cost-effective results than conventional PCR 	<ul style="list-style-type: none"> • Endemic disease research, development and adoption strategy complete • Methods piloted to allow sheep producers to see health data from cooperating processors
1.3.1.2	R,D&A collaboration: endemic diseases a. Develop and undertake targeted research, development and adoption to reduce the impacts of major endemic diseases in line with national survey results b. Evaluate opportunities to partner with international agencies and research partners to address the major endemic diseases of international importance (e.g. cattle tick and buffalo fly) <i>This program includes MDC partnership investment</i>	<ul style="list-style-type: none"> • Livestock producers will have improved processes and tools to manage and reduce the impact of endemic disease on productivity and market access • Established a new program of sheep animal health research, development and adoption projects based on the priority endemic diseases identified in the endemic disease survey and impact assessment project • Implement development of an animal health management program for the feedlot industry to address antimicrobial resistance • Sustainability benchmarking project implemented to establish baseline data for feedlot animal welfare, animal health and environmental performance 	<ul style="list-style-type: none"> • Five or more new projects that address the economically important diseases of sheep and cattle underway as approved by the stakeholder consultation and expert panel processes • Adoption programs for health such as ParaBoss established • Project implemented in two commercial feedlots to assess the 'remote early disease identification' system of detecting sick animals, and to determine the cost of respiratory disease • Project implemented to scientifically evaluate benefits of bedding for feedlot cattle during winter

Continuous improvement of the welfare of animals in our care

Budget 2016-17 (\$ '000)

Funding source	1.1.1.1	1.1.1.2	1.1.2.1	1.1.3.1	1.1.3.2	1.1.3.3	1.1.4.1	1.1.4.2	1.1.4.3	1.2.2.1	1.3.1.1	1.3.1.2	Grand total
Goat R			38								7		45
Goat M						34							34
Mutton R			2	8	9						18	36	73
Mutton M	2	2				297	9		3				313
Lamb R		13	134	305	26						247	609	1,333
Lamb M	18	71				338	78	56	13				573
Grassfed cattle R		12	89	212	52						151	491	1,007
Grassfed cattle M	30	103				2,067	160	65	75				2,500
Grainfed cattle R			12	518								598	1,128
Grainfed cattle M	16	59					43	7	5				130
AMPC R													
AMPC M													
LiveCorp R			60	250	130								440
LiveCorp M					93	1,175							1,268
MDC partners R			435	22						1,168		974	2,598
Government R		25	770	1,315	217					1,168	423	2,706	6,623
External M											143		143
Sum of R		50	1,539	2,630	433					2,336	845	5,412	13,246
Sum of M	66	235			93	3,911	290	128	96		143		4,961
Sum of AIP 16-17	66	285	1,539	2,630	526	3,911	290	128	96	2,336	988	5,412	18,207

R—research dollars; M—marketing dollars
Totals may not add up due to rounding

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 themes will provide the focus for future research and development, assisting the industry to improve its productivity and sustainability.

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

The 2016-17 program highlights within this priority include: releasing biocontrol agents for parthenium at eight sites; commencing the rumen efficiency strategic partnership; establishing baseline data on greenhouse gas (GHG) emissions from feedlots; and developing and releasing the GHG reduction business model.

Program node	Program description	2015-16 benchmark KPI or milestone	2016-17 benchmark KPI or milestone
1.4.1.1	<p>Rumen energy capture</p> <p>Develop a rumen energy capture research and development program that delivers knowledge (forages, supplements and delivery) to maximise the use of high energy yielding rumen biochemical pathways to increase production</p> <p><i>This program includes MDC partnership investment</i></p>	<ul style="list-style-type: none"> Project implemented to assess potential of Asparagopsis algae to reduce methane emissions in feedlot cattle Develop a Rural R&D for Profit proposal with multiple partners submitted to the Department of Agriculture and Water Resources Scope a science plan for an MLA strategic partnership in rumen efficiency 	<ul style="list-style-type: none"> Rumen energy capture strategic partnership developed Asparagopsis algae feedlot feeding trial completed and decision made on whether to proceed with further development of technology
1.4.1.2	<p>Emission abatement productivity</p> <p>Conduct research and development and develop new technologies and business models to reduce GHG emissions along the supply chain</p> <p><i>This program includes MDC partnership investment</i></p>	Three existing business models relate to energy efficiency, energy generation and methane capture from waste to reduce GHG emissions	One additional business model to reduce GHG emissions identified
1.4.1.3	<p>Waste management: supply chain</p> <p>Conduct research and development and develop new technologies and business models to increase efficiency or reduce waste along the supply chain</p>	Provide the tools and resources for industry to achieve a 5% reduction in waste or increase in efficiency relative to 2014 levels	Provide the tools and resources for industry to achieve a 5% reduction in waste or increase in efficiency relative to 2015 levels
1.4.2.1	<p>Emission abatement opportunities</p> <p>a. As permitted by the Carbon Farming Initiative, new methodologies and opportunities scoped for carbon abatement under the Emissions Reduction Fund, based on outcomes from the rumen capture program</p> <p>b. Develop new business models (including aggregation methods) to facilitate the participation in GHG emissions trading throughout the supply chain</p>	<ul style="list-style-type: none"> Project implemented to undertake long-term measurement of GHG emissions from two Australian feedlots Finalise scoping of a sheepmeat method for submission to Department of Environment for consideration Discussion paper on the role of MLA in MISP related carbon research presented to MLA Board 	<ul style="list-style-type: none"> Baseline GHG emissions (2015) from Australian feedlots enumerated Submit a method scope to ALFA for consideration. Scope a feedlot method and submit to the Department of Environment for consideration
1.4.9.1	<p>AMPC-funded and managed initiatives in alignment with strategic direction outlined on this page</p>		
1.5.1.1	<p>Consumer sentiment tracking</p> <p>Annual, benchmarked survey of consumer sentiment toward environmental management in the red meat and livestock industry to identify current issues/concerns and trends</p>	Use consumer research to actively track community sentiment, including % limiting red meat consumption due to perceived animal welfare or environmental reasons	Consumer research conducted annually to benchmark consumer attitudes and track community sentiment, including % limiting red meat consumption due to environmental concerns (target 7%)

Stewardship of environmental resources

Program node	Program description	2015-16 benchmark KPI or milestone	2016-17 benchmark KPI or milestone
1.5.1.2	<p>Community engagement: environment</p> <p>A strategic campaign to educate consumers about the production of red meat and livestock in Australia through a trusted source of information and targeted communications that reinforce the industry's commitment to best practice environmental management</p>	Drive increased engagement with the community engagement program through the Target 100 social platforms by 20% from the 2014-15 baseline	<ul style="list-style-type: none"> • Strategy development and implementation of a new online platform • Average website page views: two; average time spent on website: 1 minute 30 seconds; monthly average social engagements on Facebook: 1,000
1.5.1.4	<p>School education: environment</p> <p>The development of education material and teaching resources on red meat and livestock production that are aligned with the national curriculum and the provision of those to schools and teachers, with particular emphasis on environmental management</p>	Promote beef and lamb teacher guides and drive an increase in their use as tracked by teacher resource downloads from Target 100 by 20% from the 2014-15 baseline	<ul style="list-style-type: none"> • At least two teacher-focused events feature MLA educational resources • A minimum of 70 schools engaging with the MLA education materials • A minimum of 750 education resource downloads
1.5.1.5	<p>Resource use efficiency: supply chain</p> <p>Maintain the security of supply and increase the usage efficiency of water and energy throughout the supply chain <i>This program includes MDC partnership investment</i></p>	Tools or resources that demonstrate at least a 5% reduction in energy or water usage in supply chain partner	Provide the tools and resources for industry to achieve a 5% reduction in water and energy use intensity relative to 2015 levels (Benchmark 2015 Environment Performance Review – Red Meat Processing)
1.5.1.6	<p>Environmental management: on-farm, feedlot and live export</p> <p>Develop technologies and management practices to reduce environmental impacts on-farm and in feedlots and live export depots</p>	<ul style="list-style-type: none"> • Project implemented to produce a fact sheet on dust suppression • Sustainability benchmarking project implemented to establish baseline data for feedlot animal welfare, animal health and environmental performance • Project implemented to undertake an environmental risk assessment in northern live export depots 	<ul style="list-style-type: none"> • Industry fact sheet on dust suppression completed and circulated to industry • Environmental risk assessment of live export depots in the north completed • Completion of analysis of the long-term Wambiana grazing trial; recommendations developed to increase livestock production while preserving the soil and pasture resource • Grazing recommendations developed that concurrently improve wildlife biodiversity and animal production
1.5.2.1	<p>Weed management technologies</p> <p>Improved availability and adoption of weed management technologies through:</p> <ol style="list-style-type: none"> a. New biocontrol agents delivered b. New approaches developed c. On-the-ground community of interest networks established and promotion of effective behaviours in communities d. New partnerships developed to improve weed research, development and adoption <p><i>This program includes MDC partnership investment</i></p>	<ul style="list-style-type: none"> • Cost effective parkinsonia control available from biocontrol agents (looper caterpillar) classified as “established” in >30 target zones across northern Australia (Queensland, NT and WA) • 30,000 ha of silverleaf nightshade infected areas will be under best practice management during the 2015-2016 control season, including at least 150 producer demonstration/trial sites • Completed establishment of the “fastracking weed biocontrol” Rural R&D for Profit project, and supported application for another weed biocontrol Rural R&D for Profit project 	<ul style="list-style-type: none"> • Biocontrol agents for parthenium released at at eight sites in Queensland • Weed biocontrol app piloted with at least 100 land managers • Gorse biocontrol agents released at six sites in Victoria and six sites in Tasmania

Stewardship of environmental resources

Program node	Program description	2015-16 benchmark KPI or milestone	2016-17 benchmark KPI or milestone
1.5.2.2	<p>Pest animal management technologies</p> <p>Improved availability and adoption of pest animal management technologies through:</p> <ol style="list-style-type: none"> Develop, commercialise and promote new pig, wild dog, fox technologies and practices New biocontrol agents delivered On-the-ground community of interest networks established and promotion of effective behaviours in communities Improved capacity and capability by rangelands producers to accommodate total grazing pressure New partnerships developed to improve pest animal research, development and adoption 	<ul style="list-style-type: none"> New tools for managing feral pigs – submission of an Australian Pesticides and Veterinary Medicines Authority (APVMA) registration package for a new pig toxin based on sodium nitrite Two (Rural R&D for Profit) projects established to address management of wild dogs, and spread and monitoring of rabbit haemorrhagic disease virus (RHDV) 	<ul style="list-style-type: none"> New strain of rabbit calicivirus released across Australia pending APVMA registration approval PAPP, a new wild dog and fox toxin, becomes commercially available Direction of MLA investment in future pest animal and pest plant confirmed based on the business case for Centre of Invasive Species Solutions
1.5.2.3	<p>On-farm Natural Resource Management (NRM) practices</p> <p>Catalogue on-farm NRM practices by conducting a baseline survey and establish processes to monitor and demonstrate continuous improvement in practices to address community expectations in environmental management</p>	Methodology developed for a benchmarking study of on-farm practices that relate to environmental outcomes	<ul style="list-style-type: none"> Baseline study completed that describes on-farm practices that relate to environmental outcomes on and off-farm Methods developed to monitor and report on continuous improvement of on-farm practices that relate to on-and off-farm environmental conditions
1.6.1.1	<p>Climate variability: tools</p> <p>Whole farm diagnostic tools and improvements in seasonal forecasts developed to mitigate business risk for livestock production within variable seasons and changed climates</p>	<ul style="list-style-type: none"> Outcomes of the Managing Climate Variability (MCV) phase 4 program summarised in the business case for MCV5 Finalise MCV4 cost benefit studies and AgTrans paper on achievements with diagnostic tools including upgrades to CliMate and Water and the Land (WATL) Complete the business case for MCV5 	MCV5 commences with change from 250km resolution to 60km resolution seasonal forecasting maps completed
1.6.1.2	<p>Climate variability: participatory learning</p> <p>Communication, training, networks and participatory learning approaches developed to increase skill, knowledge and confidence to manage climate variability impacts on production</p>	300 producers actively participate in the southern Producer Research Site network across 25 sites to support the science and inform delivery approaches	<ul style="list-style-type: none"> Delivery and adoption plan for climate adaptation developed and implemented harvesting outputs from MCV4 “Harvest” research output by Producer Research Site producers, technicians and program reviews to define content and future delivery approaches for the Sustainable Feedbase Resources portfolio “Producer tools strategy” completed
1.6.1.3	<p>Climate variability: grazing systems</p> <p>Future grazing systems research, development and adoption provides options for producers to ensure market specifications are met in variable seasons and changing climates</p>	<ul style="list-style-type: none"> Adaptation investment plan outlined Completion of FRG2 – CSIRO national transects study into climate adaptation options across Australia 	<ul style="list-style-type: none"> Contracting at least two climate adaptation projects post annual call project proposals Adaptation research, development and adoption program developed

Stewardship of environmental resources

Budget 2016-17 (\$ '000)

Funding source	1.4.1.1	1.4.1.2	1.4.1.3	1.4.2.1	1.4.9.1	1.5.1.1	1.5.1.2	1.5.1.4	1.5.1.5	1.5.1.6	1.5.2.1	1.5.2.2	1.5.2.3	1.6.1.1	1.6.1.2	1.6.1.3	Grand total
Goat R																	
Goat M																	
Mutton R	21	1		3						5	5	9	2	5	4	10	66
Mutton M						2	9	3									13
Lamb R	219	25		12			8			53	87	95	88	57	47	84	775
Lamb M						23	108	22									152
Grassfed cattle R	219	25		13			8			60	93	106	80	94	53	97	849
Grassfed cattle M						37	192	45									275
Grainfed cattle R	255			168						62							485
Grainfed cattle M						20	68	12									101
AMPC R					1,637												1,637
AMPC M																	
LiveCorp R										30							30
LiveCorp M																	
MDC partners R	1,022	247	240						1,371		584						3,465
Government R	1,736	299	240	196	1,637		16		1,371	210	770	210	169	156	105	192	7,306
External M																	
Sum of R	3,472	598	480	392	3,274		32		2,743	421	1,539	419	338	312	210	383	14,612
Sum of M						82	377	82									542
Sum of AIP 16-17	3,472	598	480	392	3,274	82	410	82	2,743	421	1,539	419	338	312	210	383	15,154

R—research dollars; M—marketing dollars
Totals may not add up due to rounding

Role of red meat in a healthy diet

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

The 2016-17 program highlights within this priority include: completing new studies in key areas of women's health and early childhood; commencing studies on active ageing and chronic disease prevention; developing professional education modules; and enhancing MLA's Healthy Meals website with evidence-based and practical information.

Program node	Program description	2015-16 benchmark KPI or milestone	2016-17 benchmark KPI or milestone
1.7.1.1	Australian Dietary Guidelines alignment Commission research and build evidence to maintain red meat recommendation and inclusion in Australian Dietary Guidelines	Red meat remains recommended 3 – 4 times per week by the Australian Dietary Guidelines	Red meat remains recommended 3 – 4 times per week by the Australian Dietary Guidelines
1.7.1.2	Resources for health care professionals Support adoption of red meat recommendation via creation and promotion of resources and materials for health care professionals	Maintain proportion of health care professionals who recommend red meat 3+ week between 75% – 80%	Maintain proportion of health care professionals who recommend red meat 3+ week between 75% – 80%

Role of red meat in a healthy diet

Budget 2016-17 (\$ '000)

Funding source	1.7.1.1	1.7.1.2	Grand total
Goat R			
Goat M			
Mutton R			
Mutton M			
Lamb R	27	55	82
Lamb M		90	90
Grassfed cattle R	70	37	107
Grassfed cattle M		58	58
Grainfed cattle R			
Grainfed cattle M		40	40
AMPC R	309	114	423
AMPC M		196	196
LiveCorp R			
LiveCorp M			
MDC partners R			
Government R	406	206	612
External M			
Sum of R	812	412	1,224
Sum of M		385	385
Sum of AIP 16-17	812	797	1,609

R—research dollars; M—marketing dollars
Totals may not add up due to rounding

Pillar 1 – Consumer and community support: budget summary

The budget table below shows MLA’s investments, by funding source, across each priority of this pillar. It also details the investments at the underlying “imperative” level. These imperatives align with those in the *Meat Industry Strategic Plan 2020*.

Priority	Imperative	Goat		Mutton		Lamb		Total sheep		Grassfed cattle		Grainfed cattle		Total cattle		Total levies		AMPC		LiveCorp		Ext.	MLA total	MDC partners	Govt	MLA consolidated
		R	M	R	M	R	M	R	M	R	M	R	M	R	M	R	M	R	M	R	M	M	R	R	R	R
Continuous improvement of the welfare of animals in our care	1.1 Continuous improvement of animal welfare	38	34	19	313	478	573	497	886	366	2,500	530	130	896	2,630	1,430	3,550			440	1,268		6,688	457	2,326	9,471
	1.2 Minimising risk and impact of emergency disease																							1,168	1,168	2,336
	1.3 Minimising the impact of endemic disease	7		54		856		909		641		598		1,239		2,155						143	2,298	974	3,129	6,400
Stewardship of environmental resources	1.4 Minimising industry impact on the environment			26		255		281		258		423		681		962		1,637					2,598	1,509	4,108	8,215
	1.5 Sustainable management of the natural resource base			20	13	331	152	352	166	347	275	62	101	409	376	761	542			30			1,332	1,956	2,746	6,034
	1.6 Adapting to climate variability			20		188		208		244				244		452							452		452	904
Role of red meat in a healthy diet	1.7 Positioning red meat as a preferred component in a healthy diet					82	90	82	90	107	58		40	107	98	189	188	423	196				997		612	1,609
Total		45	34	139	326	2,190	816	2,329	1,142	1,963	2,833	1,612	271	3,575	3,104	5,948	4,280	2,060	196	470	1,268	143	14,366	6,063	14,541	34,970

R—research dollars; M—marketing dollars
Totals may not add up due to rounding

Pillar

2



Market growth and diversification

Improving market access and demonstrating Australian red meat and livestock's value proposition to consumers and customers are the primary ways for the industry to grow demand and diversify markets.

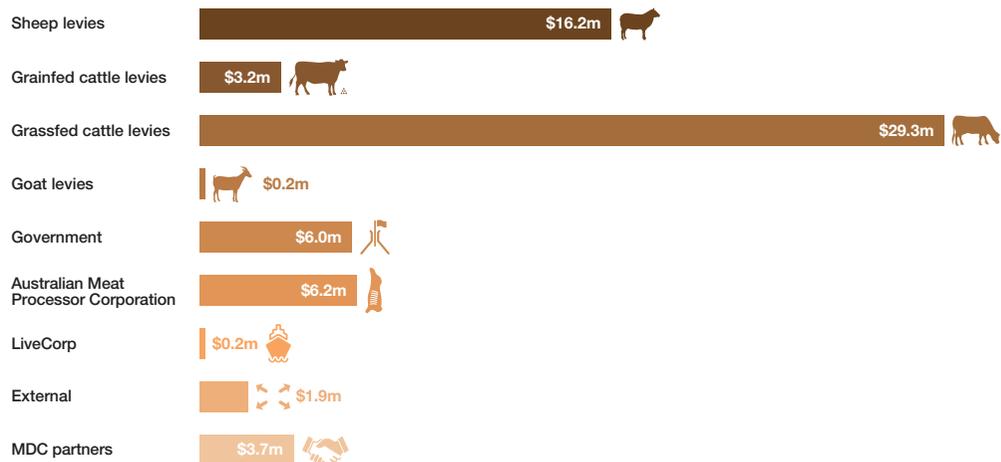
Australia's desirable product attributes and value chain innovation together enables the industry to expand the number of potential customers, be better positioned to command higher premiums and deliver the best return on investment.

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 quality and integrity systems that underpin marketing efforts to differentiate Australian red meat from other red meat competitors and proteins.





Projected 2016-17 investment by funding source



Total investment \$67.0 million

Total may not add up due to rounding.

Alignment to industry and government priorities

Meat Industry Strategic Plan (MISP 2020) priorities	Australian Government	
	Science and Research Priorities	Rural Research, Development and Extension Priorities
<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

Efficiency and value in trade and market access

Australian red meat faces tariffs, quotas and technical barriers to trade across the globe, imposing 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.

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

The 2016-17 program highlights within this priority include: proactively positioning Australia in key global trade negotiations including the Trans-Pacific Partnership Agreement and free trade agreements with the EU, India and Taiwan; advocating in China and the Middle East to reduce technical trade barriers and improve access conditions; and demonstrating the low risk of salmonella in manufactured beef destined for export markets through post slaughter tests.

Program node	Program description	2015-16 benchmark KPI or milestone	2016-17 benchmark KPI or milestone
2.1.1.1	Reduce economic barriers to trade Deliver advocacy plans to support industry to reduce economic barriers and maintain favourable access conditions	Submissions prepared by MLA on market access barriers are endorsed by industry/peak councils	Persuasive and well researched submissions, correspondence and advocacy strategies prepared by MLA are endorsed by industry/peak councils and support delivery of favourable trade outcomes
2.2.1.1	Reduce technical barriers to trade Monitor access barriers and deliver action plans to support industry to reduce technical barriers to trade and mitigate access risks	The Australian Government has clarity on industry access issues and values MLA's input	High levels of satisfaction (above 85%) by industry and government stakeholders with MLA's contribution to implementing agreed industry strategies aimed at reducing non-tariff (technical) barriers (biannual survey)
2.2.1.2	Product quality and systems Conduct research to address key access issues and demonstrate technical quality of product and systems to trading partners and customers	Utilisation of prior research to inform work programs and priorities	Quality research results (three papers per annum) are produced to the satisfaction of government and industry stakeholders
2.2.9.1	AMPC-funded and managed initiatives in alignment with strategic direction outlined on this page		

Efficiency and value in trade and market access

Budget 2016-17 (\$ '000)

Funding source	2.1.1.1	2.2.1.1	2.2.1.2	2.2.9.1	Grand total
Goat R					
Goat M	2				2
Mutton R	1	11	8		20
Mutton M	184	2			186
Lamb R	16	32	141		189
Lamb M	739	224			962
Grassfed cattle R	31	48	178		257
Grassfed cattle M	1,166	319			1,485
Grainfed cattle R			33		33
Grainfed cattle M	180	94			274
AMPC R	52	56	360	451	919
AMPC M	1,835	605			2,440
LiveCorp R		60			60
LiveCorp M	165				165
MDC partners R					
Government R	100	206	721	451	1,477
External M	15				15
Sum of R	199	412	1,442	901	2,954
Sum of M	4,285	1,243			5,528
Sum of AIP 16-17	4,484	1,655	1,442	901	8,482

R—research dollars; M—marketing dollars
Totals may not add up due to rounding

Marketing and promoting Australian red meat and livestock

Export markets

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 customers and consumers. This involves building awareness of the attributes which set Australian product apart – safety, quality and traceability.

MLA will also segment markets based on the size of the opportunity and the risks. This, together with value chain innovation, will allow MLA to prioritise industry investment on those opportunities that provide the greatest impact for every dollar invested.

The 2016-17 program highlights within this priority include: progressing demand building supply chains in the areas of snacking, the ageing population and Asia; using the CoMarketing Program to provide financial support and build capacity of participants; expanding the consumer insights program; and working with retailers on category management and merchandising strategies.

Domestic market

The domestic market remains the single most valuable destination for Australian red meat. It is also the battleground where red meat and other proteins compete fiercely for their place on the dinner plate. With strong export demand drawing product away from Australia, domestic red meat prices are increasing while pork and chicken prices remain low by comparison. As a result, domestic consumers are eating less red meat, a trend mirrored across many large developed countries.

MLA's focus is to counter the historical trend of reducing per capita red meat consumption. This will be achieved by focusing on Australian red meat's value proposition and business development. Nutrition and brand building activities and industry ensuring eating quality meets or exceeds consumer expectations will give consumers compelling reasons to maintain their red meat consumption.

Program node	Program description	2015-16 benchmark KPI or milestone	2016-17 benchmark KPI or milestone
2.3.1.1	Market insights: export markets Provide industry with timely and valuable market intelligence and consumer insights	Included in business development KPI	High levels of satisfaction (above 85%) by industry stakeholders with MLA's international market information
2.3.1.2	Insights2Innovation Implement Insights2Innovation initiatives and investments to deliver global innovation strategies that increase demand and build value chain capability <i>This program includes MDC partnership investment</i>	80% of 2015-16 Rural R&D for Profit Insights2Innovation project outcomes achieved	<ul style="list-style-type: none"> All 2016-17 Rural R&D for Profit Insights2Innovation project outcomes achieved Outstanding 2015-16 outcomes achieved
2.3.2.1	Business development: export markets Conduct business development activities to increase the awareness and penetration of Australia's quality and integrity systems with the in-market industry	<ul style="list-style-type: none"> Business development programs deliver supply chain opportunities and create strong trade and customer links Over 80% of Australian exporters are satisfied with MLA delivery of key events (e.g. tradeshow and missions) Over 75% of importers and trade are satisfied with MLA information and in-market activities 	<ul style="list-style-type: none"> Build or maintain customer awareness of Australia's positive attributes (safety, quality, MSA) within target range Build or maintain customer preference for Australian red meat (relative to core competitive set) within target range
2.3.3.1	Brand building: export markets Conduct brand building activities to grow awareness of Australia's positive points of difference and build consumer loyalty	<ul style="list-style-type: none"> 'True Aussie' brand building activities differentiate Australian beef and increase customer loyalty and preference Increased consumer levels of unprompted awareness in key surveyed markets Increase in 'True Aussie' logo presence at retail and foodservice across key markets 	Build or maintain consumer preference for Australian red meat (relative to core competitive set) within target range
2.3.3.2	CoMarketing: export markets Financial support and capacity building programs to assist brand owners to develop brand proposition(s) in nominated export markets	70% of participants satisfied with CoMarketing program	Minimum 70% of participants satisfied with CoMarketing program

Marketing and promoting Australian red meat and livestock

Program node	Program description	2015-16 benchmark KPI or milestone	2016-17 benchmark KPI or milestone
2.4.1.1	<p>Market insights: domestic market</p> <p>a. Build and maintain an understanding of consumer usage, attitudes and perceptions towards red meat and meals. Share with industry participants in order to position product and brands against consumer needs</p> <p>b. Consumer insights and purchase drivers reflected in brand plans, supporting campaigns and promotional activities</p>	Maintain consumer awareness and endorsement of positive nutritional benefits. Restrict % of main grocery buyers limiting red meat for health reasons to 15% (beef) and 19% (lamb)	Maintain consumer awareness and endorsement of positive nutritional benefits. Restrict % of main grocery buyers limiting red meat for health reasons to 15% (beef) and 19% (lamb)
2.4.2.1	<p>Business development: domestic market</p> <p>a. Ensure promotional activities targeted against consumer purchase drivers and supported by retailer/trade partners</p> <p>b. Evaluate the impacts of marketing activity. Review and share results; take corrective action as required</p>	Increase main grocery buyer endorsement of the statement "Willing to pay more for beef/lamb"	Year-on-year increase in main grocery buyer endorsement of the statement "Willing to pay more for beef/lamb" to 19% (beef) and 21% (lamb)
2.4.3.1	<p>Marketing and promotion: domestic market</p> <p>a. Execute business to consumer activities along entire path to purchase to build awareness and preference for red meat</p> <p>b. Provide strategic partners with support to promote red meat's attributes and benefits</p> <p>c. Set targets for promotional activities and conduct post event evaluations</p>	<ul style="list-style-type: none"> • Maintain brand awareness • Maintain mean number of serves per week; 1.5 – 1.7 for beef and 0.7 – 0.9 for lamb 	<ul style="list-style-type: none"> • Maintain brand awareness • Maintain mean number of serves per week; 1.5 – 1.7 for beef and 0.7 – 0.9 for lamb
2.4.3.2	<p>CoMarketing: domestic market</p> <p>Financial support and capacity building programs to assist brand owners to develop their brand proposition(s) in the domestic market</p>	70% of participants satisfied with CoMarketing program	Minimum 70% of participants satisfied with CoMarketing program

Marketing and promoting Australian red meat and livestock

Budget 2016-17 (\$ '000)

Funding source	2.3.1.1	2.3.1.2	2.3.2.1	2.3.3.1	2.3.3.2	2.4.1.1	2.4.2.1	2.4.3.1	2.4.3.2	Grand total
Goat R		12								12
Goat M	2		115	25	25	2	10	10	20	210
Mutton R		15								15
Mutton M			93	31	171		32	62	20	409
Lamb R		184								184
Lamb M	355		2,828	3,401	247	206	898	6,260	27	14,222
Grassfed cattle R		167								167
Grassfed cattle M	730		5,554	10,633	1,378	412	1,718	6,689	307	27,420
Grainfed cattle R										
Grainfed cattle M	70		425	692	758	56	159	553	173	2,886
AMPC R		284				165				448
AMPC M			739	270			237	1,190		2,436
LiveCorp R										
LiveCorp M										
MDC partners R		3,673								3,673
Government R		4,334				165				4,499
External M		1,425	175	245			65			1,910
Sum of R		8,669				329				8,998
Sum of M	1,157	1,425	9,928	15,297	2,579	677	3,119	14,764	547	49,493
Sum of AIP 16-17	1,157	10,094	9,928	15,297	2,579	1,006	3,119	14,764	547	58,491

R—research dollars; M—marketing dollars
Totals may not add up due to rounding

Pillar 2 – Market growth and diversification: budget summary

The budget table below shows MLA’s investments, by funding source, across each priority of this pillar. It also details the investments at the underlying “imperative” level. These imperatives align with those in the *Meat Industry Strategic Plan 2020*.

Priority	Imperative	Goat		Mutton		Lamb		Total sheep		Grassfed cattle		Grainfed cattle		Total cattle		Total levies		AMPC		LiveCorp		Ext.	MLA total	MDC partners	Govt	MLA consolidated
		R	M	R	M	R	M	R	M	R	M	R	M	R	M	R	M	R	M	R	M	M		R	R	
Efficiency and value in trade and market access	2.1 Reducing economic barriers to trade		2	1	184	16	739	17	923	31	1,166		180	31	1,346	48	2,270	52	1,835		165	15	4,385		100	4,484
	2.2 Reducing technical barriers to trade			19	2	173	224	192	226	226	319	33	94	259	413	451	638	867	605	60			2,620		1,377	3,998
Marketing and promoting Australian red meat and livestock	2.3 Marketing and promotion – developing and developed export markets	12	167	15	295	184	6,831	199	7,126	167	18,295		1,945	167	20,239	378	27,532	284	1,009			1,845	31,047	3,673	4,334	39,054
	2.4 Marketing and promotion – domestic market		43		114		7,392		7,506		9,126		941		10,067		17,616	165	1,428			65	19,272		165	19,437
Total		12	212	35	595	373	15,184	407	15,779	424	28,905	33	3,159	457	32,064	876	48,055	1,367	4,876	60	165	1,925	57,324	3,673	5,976	66,973

R–research dollars; M–marketing dollars
Totals may not add up due to rounding

Pillar

3



Supply chain efficiency and integrity

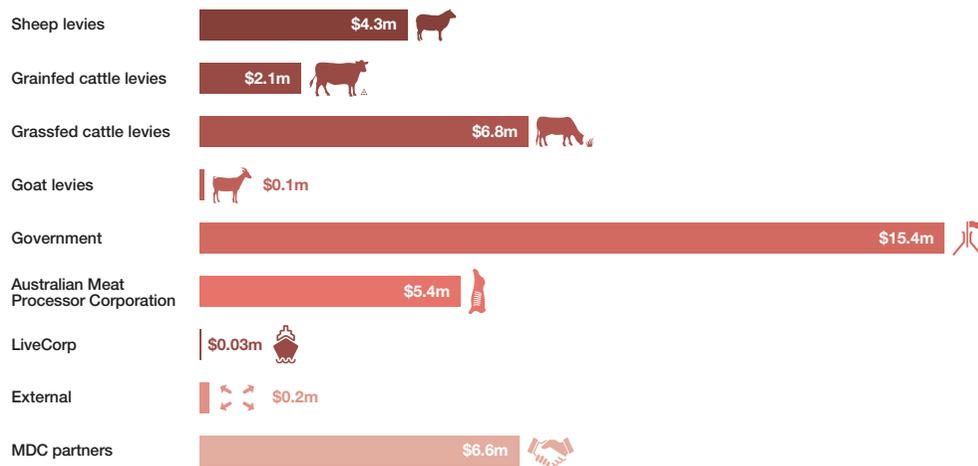
Satisfied customers and industry partners are signs of a well-functioning value chain. The red meat and livestock industry strives to achieve this through Meat Standards Australia, which guarantees consumers a minimum eating quality in their red meat purchases, and also through integrity systems that 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 new 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 carcase.





Projected 2016-17 investment by funding source



Total investment \$40.9 million

Total may not add up due to rounding.

Alignment to industry and government priorities

Meat Industry Strategic Plan (MISP 2020) priorities	Australian Government	
	Science and Research Priorities	Rural Research, Development and Extension Priorities
<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

Optimising product quality and cost efficiency

Since its inception in 1999, 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 will also work 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 carcase through value based pricing, underpinned by accurate and transparent objective measurements.

The 2016-17 program highlights within this priority include: enhancing the myMSA feedback system to include a benchmarking tool; rolling out industry information platforms in at least three supply chains; piloting at least one objective carcase measurement technology on a commercial basis; and facilitating industry discussions about value-based pricing and its linkage to objective measurement, feedback systems and processor trials.

Program node	Program description	2015-16 benchmark KPI or milestone	2016-17 benchmark KPI or milestone
3.1.1.1	MSA: R&D and business development a. Utilisation of MSA science to describe all cattle and sheep types and fitness for purpose for all cuts. Support an alternate eating quality cipher in the language b. Increase the adoption of MSA through business development programs	<ul style="list-style-type: none"> • 3.2 million beef cattle graded (37% of adult cattle slaughter) • 3.5 million lambs trademarked • Release meat colour and packaging trial results 	<ul style="list-style-type: none"> • 3.3 million cattle MSA graded (42% of national adult cattle slaughter) • 3.8 million lambs MSA trademarked (19% of lamb slaughter) • Commercialise the latest MSA research and development through the release of a new version of the MSA model • Yearling sheepmeat category testing completed
3.1.1.2	MSA: producer education Develop and implement producer education programs to support understanding of customer specifications within 10 supply chains	Deliver 20 'Beefing Up Performance' workshops	<ul style="list-style-type: none"> • Deliver 20 'Beefing Up Performance' workshops • Produce four producer case studies
3.1.1.3	MSA: brands Utilise MSA to identify eating quality segregation opportunities to reduce variability of product within brands by engaging and influencing brand owner/processor decision makers	Increase MSA licensed brands to 135	Increase MSA licensed brands to 140
3.1.2.1	Decision making tools: supply chain Implement initiatives to improve decisions and actions throughout the value chain and analyse the impact <i>This program includes MDC partnership investment</i>	Commencing in 2016-17	Methodology developed and tested on one beef and one lamb value chain
3.1.2.2	MSA: producer tools Create tools to assist producers to predict grading outcomes and how to increase the MSA index in both beef and sheep ensuring supply chains are engaged to incentivise positive change. These tools involve on-farm objective measurement technology to predict grading outcomes	<ul style="list-style-type: none"> • Increase the MSA beef index to 58.01 • Release MSA benchmarking program within myMSA 	<ul style="list-style-type: none"> • Increase the MSA beef index to 58.41
3.1.2.3	Objective measurement technologies Objective measurement technologies are identified, developed and commercialised <i>This program includes MDC partnership investment</i>	One technology used on a trial basis for lamb	<ul style="list-style-type: none"> • Lamb technology providing producer feedback in one location • Two beef technologies developed and ready for value chain trials • All 2016-17 Rural R&D for Profit objective measurement project outcomes achieved

Optimising product quality and cost efficiency

Program node	Program description	2015-16 benchmark KPI or milestone	2016-17 benchmark KPI or milestone
3.1.2.4	Market compliance: producers Conduct research and deliver outcomes that increase producers' ability to improve compliance	Commence mixing and stress trial	Deliver outcomes of the mixing and stress trial
3.1.3.1	Global eating quality Lead the development of global eating quality standards, language and a research database. Where deemed appropriate by industry, commercialise the MSA model <i>This program includes MDC partnership investment</i>	International Eating Quality working group formed as part of the United Nations Economic Commission for Europe (UNECE) Standardisation of Meat	<ul style="list-style-type: none"> • Australian industry endorsement of the MSA International strategy • UNECE working group endorse the inclusion of eating quality language into the UNECE language
3.1.3.2	MSA: global expansion Initiate a strategy to support brand driven implementation of MSA in export markets and support educational opportunities of international customers of MSA brands	10 brands promoting MSA into international markets	15 brands promoting MSA into international markets
3.1.4.2	MSA: benchmarking Annual MSA benchmarking analyses are conducted to inform the supply chain of seasonal and regional statistics	MSA beef compliance above 93.5%	MSA beef compliance above 93.9%
3.1.4.3	Infrastructure and business models Develop new infrastructure and business model(s) based on the exchange of supply chain information to underpin value based pricing and marketing including enhancements to myMSA and objective measurement technology <i>This program includes MDC partnership investment</i>	<ul style="list-style-type: none"> • 6,000 producer visits to the myMSA website • Develop two integrated information collaborative programs 	<ul style="list-style-type: none"> • Three supply chains trialling objective carcase measurement technology for MSA grading • Three supply chains trialling integrated information systems • 8,000 producer visits to the myMSA website
3.1.4.5	Information systems: supply chain Facilitate the development and adoption of information exchange systems and tools to inform decisions throughout the supply chain	<ul style="list-style-type: none"> • 7% of producers in one supply chain accessing Livestock Data Link (LDL) • Identify the industry needs for integrating information systems 	<ul style="list-style-type: none"> • 5% of producers in three additional supply chains accessing LDL • Integrated industry information platform agreed and being implemented
3.1.5.1	Value-based pricing (VBP) models Develop and trial new business model(s) that assist price differentials under VBP <i>This program includes MDC partnership investment</i>	One under development	Complete strategic review and implementation plan of VBP options, benefit scenarios, enablers and barriers
3.1.6.1	MSA: integrity and compliance Ensure the integrity of the MSA program through a risk based approach to third party auditing and compliance. Actively engage with key end user stakeholders delivering training and support services	<ul style="list-style-type: none"> • 900 end users complete MSA training • Maintain ISO and USDA Processed Verified Program certifications 	<ul style="list-style-type: none"> • 900 end users complete MSA training • Achieve ISO 9001/2015 certification • Maintain USDA Processed Verified Program certification
3.1.9.1	AMPC-funded and managed initiatives in alignment with strategic direction outlined on this page		

Optimising product quality and cost efficiency

Budget 2016-17 (\$ '000)

Funding source	3.1.1.1	3.1.1.2	3.1.1.3	3.1.2.1	3.1.2.2	3.1.2.3	3.1.2.4	3.1.3.1	3.1.3.2	3.1.4.2	3.1.4.3	3.1.4.5	3.1.5.1	3.1.6.1	3.1.9.1	Grand total
Goat R																
Goat M																
Mutton R	39			4	2	16					4	11				75
Mutton M	103	48	41				21	28	14	6				42		302
Lamb R	488			49	36	110					41	118				843
Lamb M	286	176	151				76	101	50	23				152		1,015
Grassfed cattle R	649			64	194	154					139	521				1,721
Grassfed cattle M	738	344	295				148	197	98	44				297		2,161
Grainfed cattle R	216				61	30					49					356
Grainfed cattle M	246	115	98				49	66	33	15				99		720
AMPC R						300									3,641	3,941
AMPC M																
LiveCorp R																
LiveCorp M																
MDC partners R				879		4,688		281			39		125			6,012
Government R	1,392			996	293	5,299		281			272	650	125		3,641	12,949
External M														146		146
Sum of R	2,783			1,992	586	10,598		562			544	1,300	250		7,283	25,899
Sum of M	1,373	684	586				293	391	195	88				736		4,346
Sum of AIP 16-17	4,157	684	586	1,992	586	10,598	293	952	195	88	544	1,300	250	736	7,283	30,244

R—research dollars; M—marketing dollars
Totals may not add up due to rounding

Guaranteeing product quality and systems integrity

For years Australian red meat has been 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 capture price premiums from discerning consumers and customers who are willing to pay more for higher levels of product assurance.

The 2016-17 program highlights within this priority include: implementing eNVDs; identifying improvements and alternatives for animal identification; developing a more efficient testing protocol for hygiene monitoring of carcasses; and implementing a new integrity systems company.

Program node	Program description	2015-16 benchmark KPI or milestone	2016-17 benchmark KPI or milestone
3.3.1.1	Next horizon technologies Identify next horizon product and system integrity attributes and new technologies that address customer and consumer assurance issues <i>This program includes MDC partnership investment</i>	Current levels of tag retention as reported	Options for new animal identification and in-market traceability technologies identified
3.3.1.2	Livestock and product integrity Deliver through-chain technologies and systems that underpin livestock and product integrity (National Livestock Identification System Ltd (NLIS))	<ul style="list-style-type: none"> NLIS database refresh project underway 95% of property to property movements recorded in NLIS 	<ul style="list-style-type: none"> NLIS database refresh completed and is delivering services that meet industry and trading partner requirements 95.25% of property to property movements recorded in NLIS
3.3.1.3	Integrity systems: food safety Ensure integrity systems are underpinned by rigorous food safety research and development and science-based evidence <i>This program includes MDC partnership investment</i>	Satisfaction of MLA's food safety activities by industry (processors and the Australian Meat Industry Council) rated at more than 85%	<ul style="list-style-type: none"> Maintain 85% stakeholder satisfaction level Maintain global recognition of research quality evidenced by at least three papers accepted by international peer reviewed journals
3.3.2.1	Integrity systems: SAFEMEAT Support development and delivery of consolidated industry integrity systems and SAFEMEAT policy structures	<ul style="list-style-type: none"> Transition plan to integrated integrity systems company completed Livestock Production Assurance (LPA) e-learning modules available 75% baseline producer awareness of LPA Number of corrective actions raised in audit is 16.85% 	<ul style="list-style-type: none"> Integrated integrity systems company fully operational and delivering services that meet industry and trading partner requirements Improvement in LPA awareness to increase to 79% Corrective actions raised in audit to be less than 16.2%
3.3.2.2	Electronic technologies Drive the uptake of electronic technologies to enhance red meat and livestock integrity through the supply chain <i>This program includes MDC partnership investment</i>	eNVD trials underway and MLA infrastructure completed	eNVD trials completed and rollout commenced with 10% of consignments to be eNVD only

Guaranteeing product quality and systems integrity

Budget 2016-17 (\$ '000)

Funding source	3.3.1.1	3.3.1.2	3.3.1.3	3.3.2.1	3.3.2.2	Grand total
Goat R				8	6	15
Goat M		28		39	34	101
Mutton R		8	7	3	2	21
Mutton M		75		13	12	100
Lamb R		52	89	61	51	252
Lamb M		1,148		316	274	1,738
Grassfed cattle R		329	161	51	42	583
Grassfed cattle M		1,894		263	226	2,382
Grainfed cattle R			28	35	23	86
Grainfed cattle M		755		93	77	925
AMPC R		500	285	80	42	908
AMPC M		150		270	114	534
LiveCorp R				16		16
LiveCorp M				17		17
MDC partners R	335		179		32	546
Government R	335	889	749	253	198	2,426
External M				26		26
Sum of R	671	1,778	1,499	507	396	4,851
Sum of M		4,049		1,038	736	5,824
Sum of AIP 16-17	671	5,828	1,499	1,545	1,132	10,675

R—research dollars; M—marketing dollars
Totals may not add up due to rounding

Pillar 3 – Supply chain efficiency and integrity: budget summary

The budget table below shows MLA’s investments, by funding source, across each priority of this pillar. It also details the investments at the underlying “imperative” level. These imperatives align with those in the *Meat Industry Strategic Plan 2020*.

Priority	Imperative	Goat		Mutton		Lamb		Total sheep		Grassfed cattle		Grainfed cattle		Total cattle		Total levies		AMPC		LiveCorp		Ext.	MLA total	MDC partners	Govt	MLA consolidated	
		R	M	R	M	R	M	R	M	R	M	R	M	R	M	R	M	R	M	R	M	M		R	R		
Optimising product quality and cost efficiency	3.1 Improving quality and compliance via enhanced supply chain information			75	302	843	1,015	918	1,318	1,721	2,161	356	720	2,077	2,882	2,995	4,199	3,941					146	11,283	6,012	12,949	30,244
Guaranteeing product quality and systems integrity	3.3 Livestock and product assurance through integrated integrity systems	15	101	21	100	252	1,738	273	1,837	583	2,382	86	925	669	3,307	956	5,246	908	534	16	17	26	7,703	546	2,426	10,675	
Total		15	101	96	402	1,095	2,753	1,191	3,155	2,304	4,543	442	1,646	2,746	6,189	3,952	9,446	4,849	534	16	17	172	18,985	6,559	15,375	40,919	

R—research dollars; M—marketing dollars
Totals may not add up due to rounding

Pillar



Productivity and profitability

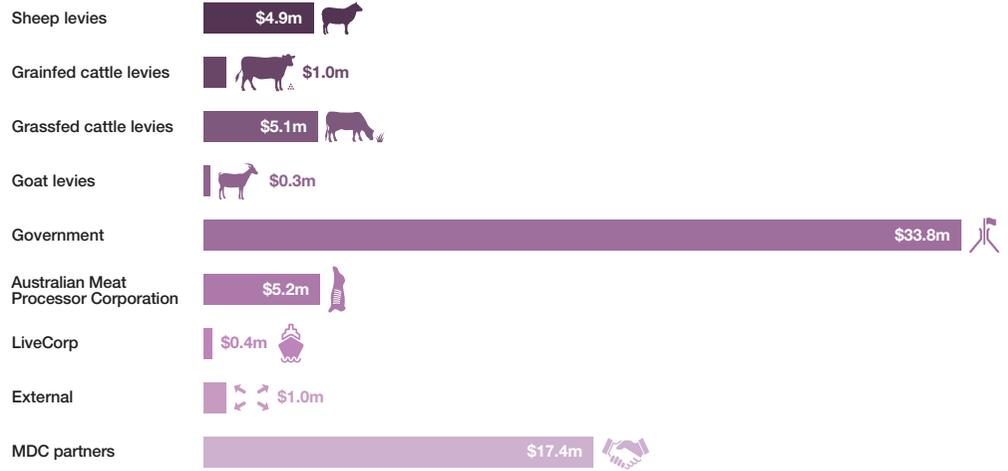
Increasing productivity and profitability across the industry will assist red meat and livestock participants to raise their competitiveness and long-term sustainability and help offset the long running cost-price squeeze.

Encouraging the value chain to increase its productivity requires a new approach to adoption. Providing producers, lotfeeders, 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.





Projected 2016-17 investment by funding source



Total investment \$69.0 million
 Total may not add up due to rounding.

Alignment to industry and government priorities

Meat Industry Strategic Plan (MISP 2020) priorities	Australian Government	
	Science and Research Priorities	Rural Research, Development and Extension Priorities
<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



Production efficiencies in farms and feedlots

For producers and lotfeeders 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 lotfeeders with options to improve the efficiency of their operation 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.

The 2016-17 program highlights within this priority include: completing the Profitable Grazing Systems pilot; holding consultation in all regional committee locations; scoping the potential to automate the feedlot induction process; and releasing the first results of the Pasture Variety Trial Network to industry.

Program node	Program description	2015-16 benchmark KPI or milestone	2016-17 benchmark KPI or milestone
4.1.1.1	Producer adoption: beef Integrated, outcome focused, MLA-driven producer education, training and coaching to improve whole business performance established and underpinned by robust monitoring, evaluation and reporting	The new MLA adoption program, Profitable Grazing Systems pilot project implemented	<ul style="list-style-type: none"> The Profitable Grazing Systems pilot completed and decision made by MLA to proceed or not with full rollout
4.1.1.2	Producer adoption: sheepmeat Integrated, outcome focused producer education, training and coaching to improve whole business performance established and underpinned by robust monitoring, evaluation and reporting for sheepmeat	Pilot program initiated and business plan commenced	<ul style="list-style-type: none"> Program established Baseline monitoring and evaluation measures established
4.1.1.3	Regional performance benchmarking Implement a strategy for regional business performance benchmarking and effectively measuring enterprise performance	Commencing in 2016-17	Complete consultation and strategy development
4.1.1.4	Demonstration and participatory R&D Ensure impact from research and development investments are delivered by implementing targeted demonstration and participatory research and development around all major research initiatives	Producer Demonstration Site (PDS) program approved by the MLA Board	350 sheep producers engaged in PDS sites
4.1.1.5	Regional consultation model Investment in and promotion of the regional consultation model to drive support for solutions	Consultation model established and implemented by October 2015	<ul style="list-style-type: none"> Regional consultation events held in all regional committee locations Red Meat Panel approval of MLA recommended project investments
4.1.1.6	Professional and scientific on-farm expertise Build professional capability and scientific knowledge of research, development and adoption providers in the on-farm discipline	Six PhD scholarships funded in key research and development capability areas	Five PhD scholarships funded in key research and development capability areas
4.2.1.1	Pasture productivity: northern Australia a. Pasture options developed and delivered that increase pasture productivity and persistence b. Guidelines packaged to increase utilisation of northern pastures <i>This program includes MDC partnership investment</i>	<ul style="list-style-type: none"> Completion of assessment of methods to assess pasture biomass to support grazing decisions by remote sensing in combination with pasture growth models and grazing decision tools Guidelines and "rules of thumb" developed from analysis of the long-term Wambiana grazing trial Producers devise the products and delivery approaches to support improved grazing management based on the recommendations of the long-term grazing trial 	<ul style="list-style-type: none"> Two new research and development projects that improve northern feedbase productivity based on legume production underway Northern feedbase and sustainability research, development and adoption plan developed Feed demand calculator tool for northern Australia scoped Management products developed for improved grazing management outcomes in Queensland's reef catchments



Production efficiencies in farms and feedlots

Program node	Program description	2015-16 benchmark KPI or milestone	2016-17 benchmark KPI or milestone
4.2.1.2	<p>Production efficiency: northern Australia</p> <p>a. Through application of research, education and adoption, reduce calf mortality and improve reproductive efficiency to increase weaning rates, identify seasonal constraints to productivity and target timely interventions (e.g. improved supplements, leucaena cultivation and use)</p> <p>b. Customise BeefSpecs to improve meeting market specifications for the northern beef industry</p> <p><i>This program includes MDC partnership investment</i></p>	<ul style="list-style-type: none"> • Research programs to improve reproductive rates, and improve beef herd productivity in support of the Grow North initiative • Deliver adoption tools to support skills development and practice change 	<ul style="list-style-type: none"> • Two research and development projects underway to improve weaning rates through improving calf mortality by 1% • Two research and development projects underway to improve growth and market compliance through use of supplements and objective measures • Two industry adoption projects on the planting and management of leucaena • Redraft northern adoption programs and delivery of courses to develop business skills • Oversight and management of the Northern Business Mentoring Program through the MDC
4.2.1.3	<p>Genetics and genomics: northern Australia</p> <p>Accelerate the development and adoption of beef genetics and genomic technologies for the northern beef industry</p> <p><i>This program includes MDC partnership investment</i></p>	<ul style="list-style-type: none"> • Facilitate the development of the National Livestock Genetics Consortium and longer term genetics/genomics investment plan • Develop an industry accepted metric to describe genetic value 	Implement the National Livestock Genetics Consortium and genetics/genomics investment plan by December 2016
4.2.2.1	<p>Pasture productivity: southern Australia</p> <p>Pasture management options developed and delivered that increase pasture productivity and persistence</p> <p>a. Cost of production reduced by developing and delivering guidelines for increasing efficiency of input resources</p> <p>b. Guidelines packaged to increase utilisation of southern pastures</p>	<ul style="list-style-type: none"> • Completed benchmarking of the phosphorus-efficiency of a number of key pasture legume and grass species to identify those which have 30% better phosphorus-use efficiency • Improved strategies and tools developed allowing for selection of sub-clover varieties which have resistance to fungal root diseases • Hand held biomass sensor and mobile device app piloted with at least 20 producers across southern Australia 	<ul style="list-style-type: none"> • First results from the Pasture Variety Trial Network released to industry with results from over 100 varieties of six key pasture species evaluated in five environments • “Southern feedbase investment RD&E plan 2” developed with research and industry partners • Delivery messages and format from three research themes in the southern feedbase plan identified
4.2.2.2	<p>Production efficiency: southern Australia</p> <p>a. Through application of research, education and adoption, improve feed efficiency and growth rates to meet market weights sooner</p> <p>b. Promote use of management strategies such as nutritional supplements, objective measures and tools such as BeefSpecs to enhance growth rates and to meet market requirements</p>	<ul style="list-style-type: none"> • Research and development projects to improve growth and market compliance • Deliver adoption tools to support skill development and practice change 	<ul style="list-style-type: none"> • Two new research and development projects to improve growth and market compliance through use of supplements and objective measures in live cattle • Implementation of BusinessEDGE courses for southern producers • ‘Farm Innovation Network’ strategy of multi-modal PDS sites implemented across regional research committees
4.2.2.3	<p>Genetics and genomics: southern Australia</p> <p>Accelerate the development and adoption of beef genetics and genomic technologies for the southern beef industry</p>	<ul style="list-style-type: none"> • Facilitate the development of the National Livestock Genetics Consortium and longer term genetics/genomics investment plan • Develop an industry accepted metric to describe genetic value 	Implement the National Livestock Genetics Consortium and genetics/genomics investment plan by December 2016

Production efficiencies in farms and feedlots

Program node	Program description	2015-16 benchmark KPI or milestone	2016-17 benchmark KPI or milestone
4.2.3.1	<p>Genetics and genomics: sheepmeat Accelerate the development and adoption of sheep genetics and genomic technologies for the sheepmeat and lamb industry</p>	<ul style="list-style-type: none"> Facilitate the development of the National Livestock Genetics Consortium and longer term genetics/genomics investment plan Sheep Genetics business plan is evaluated, developed and implemented by 2016 Increase the annual rate of genetic value by 2% pa by 2020 SheepCRC Annual Operating Plan approved and milestones achieved SheepCRC outputs embedded in adoption programs 	<ul style="list-style-type: none"> Implement the National Livestock Genetics Consortium and genetics/genomics investment plan by December 2016 Sheep Genetics business plan and management agreement finalised and implemented SheepCRC Annual Operating Plan approved and milestones achieved SheepCRC outputs embedded in adoption programs The rate of genetic gain across the national flock is 2% per annum Genetic improvement in 'number of lambs weaned' (NLW) of at least 0.15 percentage points pa across maternal and Merino breeds Decreasing ewe mortality by maintaining genetic trends for the related traits of BWR, WEC, DAG and FAT and investigating a survival/longevity breeding value Maintaining or improving lean meat yield by supporting the adoption of the eating quality index for terminal sheep breeds
4.2.3.2	<p>Mixed farming systems: sheepmeat Mixed farming systems research, development and adoption program initiated to optimise sheepmeat production in the wheat/sheep zone <i>This program includes MDC partnership investment</i></p>	Commencing in 2016-17	Scoping study completed
4.2.3.3	<p>Ewe and lamb survival Implement R&D to improve ewe and lamb survival</p>	National average marking rate – 89%	1% on baseline
4.2.3.4	<p>Adoption campaigns and events: sheepmeat Support education and adoption uptake through targeted and integrated communication campaigns including events</p>	Commencing in 2016-17	<ul style="list-style-type: none"> Market research and scoping study completed Two producer capability building activities piloted and evaluated
4.2.4.1	<p>Genetics and genomics: feedlots Accelerate the development and adoption of beef genetics and genomic technologies for the feedlot sector</p>	<ul style="list-style-type: none"> Facilitate the development of the National Livestock Genetics Consortium and longer term genetics/genomics investment plan Develop an industry accepted metric to describe genetic value 	Implement the National Livestock Genetics Consortium and genetics/genomics investment plan by December 2016
4.2.4.2	<p>Feedlot productivity Improve feedlot sector productivity through research and development investment in:</p> <ol style="list-style-type: none"> Development of feeding strategies to optimise feed intake, rumen efficiency and energetics Live animal predictive measurement technologies for yield and quality Automation technologies that improve feedlot efficiency Strategies, including international collaboration, to address feedlot dags 	<p>Two scoping studies completed to identify technologies that can autonomously and remotely detect sick animals in feedlot pens</p> <p>Projects implemented to:</p> <ul style="list-style-type: none"> examine dag degradation utilising enzymes review efficiency of protein use 	<ul style="list-style-type: none"> Project implemented to examine potential to automate the feedlot induction process Enzyme dag treatment project completed and decision made on whether to further progress development, with a view to commercialisation



Production efficiencies in farms and feedlots

Program node	Program description	2015-16 benchmark KPI or milestone	2016-17 benchmark KPI or milestone
4.2.4.3	<p>Education and adoption: feedlots</p> <p>a. Support education and adoption uptake through targeted and integrated communication campaigns including events</p> <p>b. Develop and deploy tools to measure productivity</p>	<ul style="list-style-type: none"> • Feedlot Design Manual, Manure Handbook, Bovine Respiratory Disease Best Practice Manual and Euthanasia Manual completed and made available to industry • Three rounds of workshops completed to deliver nutrition and milling, heat load, and animal welfare officer training to industry 	<ul style="list-style-type: none"> • Feedlot productivity benchmarking project implemented • Monitoring, evaluation and reporting framework established for all feedlot projects • Three rounds of workshops delivered in conjunction with ALFA
4.2.5.1	<p>Tools and benchmarking: goats</p> <ul style="list-style-type: none"> • Develop tools to grow managed mixed production systems and the known supply base • Collation of industry data for benchmarking 	<ul style="list-style-type: none"> • Project implemented to collect data on goat numbers to support industry forecasts • Goat growth rate trial implemented 	<ul style="list-style-type: none"> • First forecast of goat herd numbers completed and made available to industry • Preliminary data from goat growth rate trial made available to industry
4.2.5.2	<p>Education and adoption: goats</p> <p>a. Accelerate adoption of goat management best practice and innovations to improve cost efficiency</p> <p>b. Support education and adoption uptake through targeted and integrated communication campaigns including events</p> <p>c. Develop and deploy tools for measuring productivity</p>	<p>Project implemented to update WormBoss content and site to incorporate goat content</p>	<ul style="list-style-type: none"> • WormBoss content updated and made available to goat industry • Updated Nutrition, Depot Management and Parasite Management modules of Going Into Goats made available to industry



Production efficiencies in farms and feedlots

Budget 2016-17 (\$ '000)

Funding source	4.1.1.1	4.1.1.2	4.1.1.3	4.1.1.4	4.1.1.5	4.1.1.6	4.2.1.1	4.2.1.2	4.2.1.3	4.2.2.1	4.2.2.2	4.2.2.3	4.2.3.1	4.2.3.2	4.2.3.3	4.2.3.4	4.2.4.1	4.2.4.2	4.2.4.3	4.2.5.1	4.2.5.2	Grand total	
Goat R	15			10																218	80	323	
Goat M																							
Mutton R	15	4	1	4	18	4	10			14	3		459	15	17	15							578
Mutton M																							
Lamb R		482	108	363	177	81	118			493	118		1,403	274	339	258							4,213
Lamb M																							
Grassfed cattle R	322			42	393	75	495	1,030	611	465	700	611											4,745
Grassfed cattle M																							
Grainfed cattle R					28	39											112	554	217				951
Grainfed cattle M																							
AMPC R																							
AMPC M																							
LiveCorp R																							
LiveCorp M																							
MDC partners R							2,323	974	7,205					460									10,962
Government R	352	485	109	419	615	199	2,946	2,004	7,816	972	821	611	1,861	749	356	273	112	554	217	218	80	21,772	
External M		254											700										954
Sum of R	703	971	218	839	1,231	399	5,892	4,008	15,633	1,945	1,641	1,222	3,723	1,498	712	546	224	1,109	434	437	160	43,544	
Sum of M		254											700										954
Sum of AIP 16-17	703	1,225	218	839	1,231	399	5,892	4,008	15,633	1,945	1,641	1,222	4,423	1,498	712	546	224	1,109	434	437	160	44,498	

R—research dollars; M—marketing dollars
Totals may not add up due to rounding

Processing productivity

With Australian red meat facing intense price competition from other red meat suppliers and proteins, every cent counts during processing. To help processors increase their efficiency and minimise production costs, this priority is focused on maximising meat yield, and addressing labour availability and workplace health and safety issues. Automation technologies and objective measurement will be the primary avenues to achieve this.

The 2016-17 program highlights within this priority include: commencing the first module of beef automation with a processor; and initiating the first stage of an integrated lamb automation system with a major processor incorporating producer feedback.

Program node	Program description	2015-16 benchmark KPI or milestone	2016-17 benchmark KPI or milestone
4.3.1.1	Processing efficiency technologies Development and adoption of processing efficiency technologies <i>This program includes MDC partnership investment</i>	<ul style="list-style-type: none"> 80% of expected program outcomes from processing efficiency technologies were achieved Productivity benefit of technologies adopted in 2015-16 and previous years delivered impact of \$21.9m per annum 	<ul style="list-style-type: none"> Maintain at least 80% of expected program outcomes from processing efficiency technologies achieved Annual productivity benefit of technologies adopted in 2016-17 and previous years reaches \$30m per annum
4.3.9.1	AMPC-funded and managed initiatives in alignment with strategic direction outlined on this page		



Processing productivity

Budget 2016-17 (\$ '000)

Funding source	4.3.1.1	4.3.9.1	Grand total
Goat R			
Goat M			
Mutton R			
Mutton M			
Lamb R			
Lamb M			
Grassfed cattle R			
Grassfed cattle M			
Grainfed cattle R			
Grainfed cattle M			
AMPC R		5,236	5,236
AMPC M			
LiveCorp R			
LiveCorp M			
MDC partners R	6,452		6,452
Government R	6,452	5,236	11,688
External M			
Sum of R	12,904	10,471	23,375
Sum of M			
Sum of AIP 16-17	12,904	10,471	23,375

R—research dollars; M—marketing dollars
Totals may not add up due to rounding

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.

The 2016-17 program highlights within this priority include: defining a global index for the live export industry to measure and benchmark the costs of delivery; commencing research on heat stress and mortality throughout the Middle East summer; and developing management systems and procedures to improve livestock performance.

Program node	Program description	2015-16 benchmark KPI or milestone	2016-17 benchmark KPI or milestone
4.4.1.1	Global index: benchmarking (R&D) Develop and implement a global index to measure and benchmark livestock export costs of delivery	Draft terms of reference considered by Live Export Research & Development Advisory Committee that will be the first step towards developing a global index to measure livestock export cost-of-delivery indices	A desktop study is undertaken that is the first stage of a more comprehensive project to develop and define a global index for the livestock export industry
4.4.1.2	Supply chain cost reductions (R&D) Identify areas to improve cost of delivery performance through the livestock export supply chain and conduct research and development to address key areas including: a. Ongoing improvements to existing regulatory regimes b. Livestock productivity through the supply chain c. Improved livestock health and welfare d. Monitor and evaluate key productivity indices including mortality e. Refine and implement animal performance management tools such as heat load predictors	<ul style="list-style-type: none"> Identify further research in heat stress to be undertaken in August/September 2016 in the Middle East Drafting of a monitoring data collection framework for approval by Live Export Research & Development Advisory Committee 	<ul style="list-style-type: none"> Further research is undertaken with the aim of improving the management of heat stress and mortality in live export feedlots throughout the Middle East summer Develop and trial a monitoring and reporting framework to identify problems, enable corrective actions and capture improvements; all will contribute to improved animal health and welfare through the supply chain
4.4.1.3	Improved performance in-market Deliver training and education on improving livestock performance through the supply chain to improve the productivity and profitability of the industry	For each of the supply chain efficiency key initiatives, deliver four programs to support improvements in supply chain efficiency and performance	High levels of satisfaction (above 85%) by industry stakeholders with MLA's training and education activities



Live export productivity

Budget 2016-17 (\$ '000)

Funding source	4.4.1.1	4.4.1.2	4.4.1.3	Grand total
Goat R				
Goat M				
Mutton R		8		8
Mutton M			40	40
Lamb R		24		24
Lamb M			37	37
Grassfed cattle R		48		48
Grassfed cattle M			297	297
Grainfed cattle R				
Grainfed cattle M				
AMPC R				
AMPC M				
LiveCorp R	100	120		220
LiveCorp M			165	165
MDC partners R				
Government R	100	200		300
External M				
Sum of R	200	400		600
Sum of M			539	539
Sum of AIP 16-17	200	400	539	1,139

R—research dollars; M—marketing dollars
 Totals may not add up due to rounding

Pillar 4 – Productivity and profitability: budget summary

The budget table below shows MLA’s investments, by funding source, across each priority of this pillar. It also details the investments at the underlying “imperative” level. These imperatives align with those in the *Meat Industry Strategic Plan 2020*.

Priority	Imperative	Goat		Mutton		Lamb		Total sheep		Grassfed cattle		Grainfed cattle		Total cattle		Total levies		AMPC		LiveCorp		Ext.	MLA total	MDC partners	Govt	MLA consolidated	
		R	M	R	M	R	M	R	M	R	M	R	M	R	M	R	M	R	M	R	M	M		R	R		
Production efficiencies in farms and feedlots	4.1 Decision support to improve farming businesses	25		46		1,210		1,256		832		67		899		2,180							254	2,434		2,180	4,614
	4.2 Increasing livestock productivity through new research	298		532		3,003		3,535		3,913		883		4,797		8,630							700	9,330	10,962	19,592	39,883
Processing productivity	4.3 Processing Productivity																	5,236					5,236	6,452	11,688	23,375	
Live export productivity	4.4 Improving livestock performance in export operations			8	40	24	37	32	77	48	297			48	297	80	374				220	165		839		300	1,139
Total		323		586	40	4,237	37	4,823	77	4,793	297	951		5,744	297	10,890	374	5,236		220	165	954	17,838	17,414	33,760	69,012	

R—research dollars; M—marketing dollars
Totals may not add up due to rounding

Pillar

5



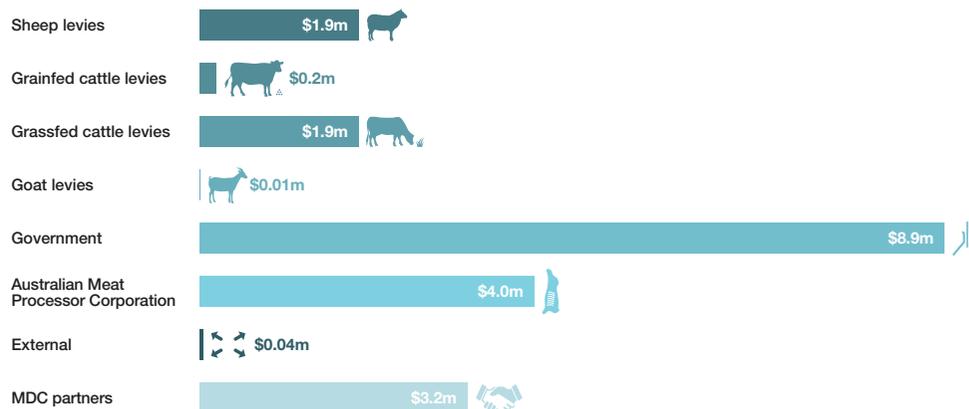
Leadership and collaborative culture

Securing the potential of the Australian red meat and livestock industry and delivering on the ambitions of the Meat Industry Strategic Plan 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.





Projected 2016-17 investment by funding source



Total investment \$20.1 million

There is no LiveCorp investment in this pillar.

Total may not add up due to rounding.

Alignment to industry and government priorities

Meat Industry Strategic Plan (MISP 2020) priorities	Australian Government	
	Science and Research Priorities	Rural Research, Development and Extension Priorities
<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



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 will work with the peak industry councils and other value chain participants to build the industry's capability and invest in industry people through a range of professional development, graduate training, mentoring and scholarship opportunities.

As well as developing the skills base of the current generation, MLA will develop emerging leaders for succession planning and strategic contributions to industry and the community into the future.

Within MLA, the company is investing in the continued development of its own team, driving a customer-centric culture and recruiting leading scientists, marketers, entrepreneurial innovators and service providers to further bolster its capability and thought leadership.

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. MLA will communicate through personal communication, targeted publications, online tools, media, social media and events.

The 2016-17 program highlights within this priority include: launching the 'Single Sign On' for producers to access multiple digital sites; building capability with five small to medium enterprises within the Collaborative Innovation Strategies program (CISp); focusing on empowering authentic advocates for the industry; and engaging with more than 140 undergraduate students through the Intercollegiate Meat Judging program.

Program node	Program description	2015-16 benchmark KPI or milestone	2016-17 benchmark KPI or milestone
5.1.1.1	Scholarships Sponsorship of scholarships and professional development opportunities for current and emerging industry leaders and advocates e.g. Nuffield, Australian Rural Leadership Program (ARLP), Horizon and university/college scholarships	Support industry leadership programs such as the Australian Rural Leadership Program and the Nuffield and Horizon scholarships	Development and application of criteria so that scholarships are aligned with MISP2020 objectives
5.1.1.2	Professional development: PICs and SFOs Building skills and leadership capacity within the Peak Industry Councils (PICs) and State Farming Organisations (SFOs) through professional development, mentoring and training	Develop a network for industry participants in industry leadership programs to encourage and continue advocacy within the industry and to the broader community, through workshops, governance and training	<ul style="list-style-type: none"> Professional development programs developed and implemented as per plan 20 producers provided with professional development and/or leadership training
5.1.1.3	Professional development: industry advocates Identify and equip industry advocates with the skills, confidence and abilities to promote and defend the industry's credentials and act as spokespeople when required	<ul style="list-style-type: none"> Three people supported through industry leadership programs in 2015-16 and actively engaged in industry activities 20 previous industry leadership program participants to be actively engaged in the alumni program, with at least five participating in events and five media trained 	<ul style="list-style-type: none"> Professional development programs developed and implemented as per plan 20 producers provided with professional development and/or leadership training
5.1.1.4	Professional development: feedlot industry Support feedlot industry skill requirements and capability building through leadership, professional development and training opportunities	<ul style="list-style-type: none"> One ARLP scholarship awarded to a lotfeeding industry representative Two lotfeeding industry representatives successfully complete the ARLF TRAIL program Workshop held with the Australian Lot Feeders' Association (ALFA) and industry to identify outstanding industry training requirements 	<ul style="list-style-type: none"> One ARLP Scholarship awarded to a lotfeeding industry representative Two lotfeeding industry representatives successfully complete the ARLF TRAIL program Project implemented to develop a training strategy for the feedlot sector
5.1.1.5	Intercollegiate Meat Judging Program Delivery of an annual secondary and tertiary student program, including three competitions, industry workshop, Australian and international industry tours focused on attracting graduates into industry to increase future capacity and competitiveness	Delivery of annual Intercollegiate Meat Judging Program (ICMJ) program	<ul style="list-style-type: none"> Delivery of annual ICMJ program Delivery of economic analysis Establish an additional overseas tour to a key export market Establish a framework for work experience scholarships



Building leadership capability

Program node	Program description	2015-16 benchmark KPI or milestone	2016-17 benchmark KPI or milestone
5.1.2.1	<p>Professional development: industry experts</p> <p>Professional development of industry and MLA experts and the sharing of their skills and knowledge with industry, stakeholders and the community</p>	Develop a network for industry participants in industry leadership programs to encourage and continue advocacy within the industry and to the broader community, through workshops, governance and training	Development and implementation of a professional development program for MLA senior managers and regular speakers
5.1.2.2	<p>Innovation leadership</p> <p>Implement capability building initiatives to enhance innovation leadership and skills that deliver quantifiable benefits along the value chain</p> <p><i>This program includes MDC partnership investment</i></p>	<ul style="list-style-type: none"> • Currently working with 12 CISP partners • Young Food Innovators program implementation plan developed and participants recruited 	<ul style="list-style-type: none"> • Expanded CISP model developed and trialed. • CISP partner survey and reviews demonstrate significant benefits • Equal or greater than 80% of Young Food Innovator participants/host companies demonstrate medium to high satisfaction • Value chain capability initiatives achieve targets according to Insights2Innovation evaluation framework
5.1.3.1	<p>Print and media communications</p> <p>A targeted and creative suite of MLA communications and content utilising publications, advertising and the media to effectively inform and advise members, empower on-farm decision makers, meet the needs of MLA stakeholders and promote the industry's interests to the Australian community. Ensure robust media monitoring and, where appropriate, coordinate the industry media response</p>	Year-on-year improvement in member satisfaction with MLA communications; target 7.6 (out of 10)	Year-on-year improvement in member satisfaction with MLA communications; target 7.8 (out of 10)
5.1.3.2	<p>Digital engagement</p> <p>The strategy, maintenance and enhancement of MLA's digital engagement, including online tools, websites, apps, email, e-newsletters and social media to inform and empower on-farm decision makers, MLA members, stakeholders and the community with timely and relevant information and insights</p>	<ul style="list-style-type: none"> • 10 percent increase in usage of the website from 2014-15 baseline • 5% increase in open rates of Friday Feedback from 2014-15 baseline 	<ul style="list-style-type: none"> • Score 7.8 (out of 10) in annual MLA member survey • Development and application of a strategy to increase engagement across MLA's digital platforms • 'myMLA' dashboard with Single Sign On and Data Capture and Reporting Service (DCRS) integration launched and fully operational
5.1.9.1	<p>AMPC-funded and managed initiatives in alignment with strategic direction outlined on this page</p>		



Building leadership capability

Budget 2016-17 (\$ '000)

Funding source	5.1.1.1	5.1.1.2	5.1.1.3	5.1.1.4	5.1.1.5	5.1.2.1	5.1.2.2	5.1.3.1	5.1.3.2	5.1.9.1	Grand total
Goat R								7	3		9
Goat M								3			3
Mutton R	1				2		2	11	5		21
Mutton M								9	5		14
Lamb R	26	289	4		14	5	10	379	56		782
Lamb M		545	22			27		223	133		949
Grassfed cattle R	56	228	5		17	7	10	319	58		699
Grassfed cattle M		484	33					340	90		990
Grainfed cattle R				39	3		14	25			81
Grainfed cattle M			14					44	21		98
AMPC R					35					3,987	4,022
AMPC M											
LiveCorp R											
LiveCorp M											
MDC partners R							3,192				3,192
Government R	83	516	9	39	70	11	3,228	741	121	3,987	8,806
External M											
Sum of R	165	1,032	18	78	140	23	6,456	1,481	242	7,974	17,611
Sum of M		1,029	69			87		619	249		2,054
Sum of AIP 16-17	165	2,062	88	78	140	110	6,456	2,100	491	7,974	19,666

R—research dollars; M—marketing dollars
 Totals may not add up due to rounding



Protecting and promoting our industry

Within this priority MLA is supporting the creation of frameworks and collecting evidence to measure the progress of the industry's development. This includes the economic benefits generated by the industry for the Australian community, its contribution to the social fabric and local economies of regional Australia, and the contribution of Australian red meat to the dietary requirements of domestic and international consumers.

Within this priority, MLA is also supporting the industry's development and implementation of a framework for efficiently reporting on its sustainability credentials.

Responding quickly to a sudden or unexpected threat or risk can minimise the impact of a crisis on the industry. This priority addresses this need by reviewing and updating the industry's detailed crisis management plan to prepare industry and individual sectors to avoid or mitigate the impact of any crisis.

The 2016-17 program highlights within this priority include: ensuring efficient and coordinated responses during crises through the increased clarity of roles and responsibilities across industry.

Program node	Program description	2015-16 benchmark KPI or milestone	2016-17 benchmark KPI or milestone
5.3.1.1	Beef Industry Sustainability Framework MLA's provision of secretariat support to the Red Meat Advisory Council's Beef Industry Steering Group	Expenditure acquitted to budget	Expenditure acquitted to budget
5.4.1.1	Industry crisis planning Annual review of the Australian red meat and livestock industry's issues management plan, including crisis simulation training at least once a year, to improve industry's preparedness and issues management capability	Simulation conducted	Annual simulation conducted and assessed with RMAC and PICs
5.4.1.2	Crisis portal Maintain crisis portal as source of information on key issues	Updated portal scoped and established	Portal maintained and reflects the latest risk management plan
5.4.1.3	Risk management Ensure MLA risk management plan is maintained in accordance with the Board's risk appetite and reflects industry context	Quarterly review of plan	Quarterly review of plan



Protecting and promoting our industry

Budget 2016-17 (\$ '000)

Funding source	5.3.1.1	5.4.1.1	5.4.1.2	5.4.1.3	Grand total
Goat R					1
Goat M					
Mutton R				1	2
Mutton M	3		1	1	4
Lamb R	4	7	4	7	21
Lamb M	34	28	9	17	88
Grassfed cattle R	5	7	4	9	25
Grassfed cattle M	109	33	17	34	194
Grainfed cattle R			1	2	3
Grainfed cattle M	19	23	2	4	48
AMPC R					
AMPC M					
LiveCorp R					
LiveCorp M					
MDC partners R					
Government R	9	14	10	19	52
External M			12	25	37
Sum of R	19	28	19	38	104
Sum of M	166	83	41	82	372
Sum of AIP 16-17	184	112	60	120	476

R—research dollars; M—marketing dollars
Totals may not add up due to rounding



Pillar 5 – Leadership and collaborative culture: budget summary

The budget table below shows MLA’s investments, by funding source, across each priority of this pillar. It also details the investments at the underlying “imperative” level. These imperatives align with those in the *Meat Industry Strategic Plan 2020*.

Priority	Imperative	Goat		Mutton		Lamb		Total sheep		Grassfed cattle		Grainfed cattle		Total cattle		Total levies		AMPC		LiveCorp		Ext.	MLA total	MDC partners	Govt	MLA consolidated	
		R	M	R	M	R	M	R	M	R	M	R	M	R	M	R	M	R	M	R	M	M		R	R		
Building leadership capability	5.1 Developing skills and leaders to support the industry	9	3	21	14	782	949	803	963	699	990	81	98	780	1,088	1,592	2,054	4,022						7,669	3,192	8,806	19,666
Protecting and promoting our industry	5.3 Monitoring and communicating industry performance to stakeholders				3	4	34	4	37	5	109		19	5	129	9	166							175		9	184
	5.4 Issues management and crisis preparedness through planning and communication protocols	1		1	2	18	54	19	55	20	84	3	29	23	113	43	169					37	249		43	292	
Total		10	3	22	18	803	1,038	826	1,056	724	1,184	84	146	809	1,330	1,644	2,389	4,022				37	8,093	3,192	8,858	20,142	

R—research dollars; M—marketing dollars

Totals may not add up due to rounding

Pillar

6

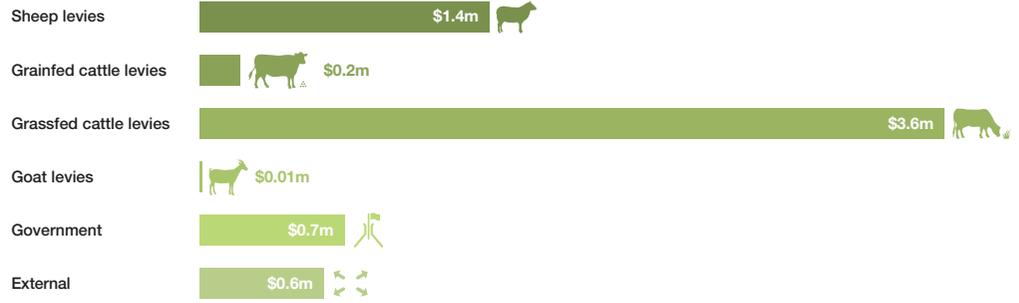
Stakeholder engagement

The successful delivery of MLA's Strategic Plan will require an enhanced level of collaboration between MLA and its many stakeholders. This pillar focuses on extending the breadth and depth of stakeholder engagement across MLA. Genuine two-way consultation and collaboration will provide 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.





Projected 2016-17 investment by funding source



Total investment \$6.6 million

There is no AMPC, LiveCorp or MDC investment in this pillar.
Total may not add up due to rounding.

Alignment to industry and government priorities

Meat Industry Strategic Plan (MISP 2020) priorities	Australian Government	
	Science and Research Priorities	Rural Research, Development and Extension Priorities
n/a	<ul style="list-style-type: none"> Food 	<ul style="list-style-type: none"> Adoption of research and development

Engagement with producers and stakeholders

Building genuine partnerships

MLA's mission is to deliver research, development and marketing initiatives that contribute to producer prosperity, sustainability and global competitiveness. To fully achieve this requires MLA to embrace a process of stakeholder engagement across all aspects of its business, involving every member of the MLA team.

This priority relies on gathering and using the views and needs of stakeholders to inform MLA's decision making, strategy and organisational behaviour. Forums include MLA's regional and sector specific consultation councils and the annual setting of MLA's marketing priorities.

Stakeholder engagement in and endorsement of MLA's strategy and priorities will generate industry-wide ownership and faster uptake of productivity, sustainability and competitive improvements.

The 2016-17 program highlights within this priority include: launching the first customised market information reporting tool; launching the customer relationship management tool to enhance stakeholder engagement; adopting the annual consultation, planning and reporting framework with the Peak Industry Councils; and being recognised by stakeholders and third parties as setting the new standard in Research and Development Corporation reporting.

Tailored communication for better decision making

Australia's red meat and livestock industry has a diversity of production systems and farm businesses that have an equally diverse range of marketing and research and development needs.

Understanding these business types and their needs is critical for MLA to tailor its communications and ensure that producers are getting the information they need, when they need it, through the channels they prefer. Better information means better decision making and greater adoption of productivity-enhancing marketing, research and development.

A culture of continuous improvement

MLA has a wide range of stakeholders and reporting responsibilities; to the Australian Government, the Peak Industry Councils (PICs), MLA's research and development partners, the levy payers and taxpayers who fund its activities, MLA staff, the Australian community and our industry's customers here and abroad.

It is crucial for MLA to measure and routinely assess the impacts of its research and development and marketing programs. Continuous improvement requires an accurate and cost effective monitoring and evaluation framework, enhanced to meet the expectations of the *Meat Industry Strategic Plan* and other red meat and livestock industry plans, the Australian Government and MLA's own Strategic Plan.

Engagement with producers and stakeholders

Program node	Program description	2015-16 benchmark KPI or milestone	2016-17 benchmark KPI or milestone
6.1.1.1	Corporate reporting Fulfilment of MLA's reporting requirements under the Corporations Act 2001 and the Australian Meat and Live-stock Industry Act 1997 as per the provisions in MLA's Statutory Funding Agreement with the Australian Government	All reporting requirements under corporations law and MLA's Statutory Funding Agreement with the Australian Government are met	Annual Report and Annual Investment Plan supplied on time, endorsed by PICs and Australian Government and Annual Report qualifies for an Australasian Reporting Award
6.1.2.1	Stakeholder consultation MLA's consultation framework for gathering and using stakeholder views to inform MLA decision-making, strategy and organisational behaviour including the delivery of programs, initiatives and MLA's strategic plan	Ensure appropriate consultation mechanisms exist with all stakeholders to provide strategic insights to MLA and ensure MLA program plans focus on industry priorities and are implemented effectively	<ul style="list-style-type: none"> Quarterly reporting to each PIC on <i>Annual Investment Plan 2016-17</i> progress Consultation in development of <i>Annual Investment Plan 2017-18</i>
6.1.2.2	Peak Industry Council support Provision of support to PICs to ensure effective consultative processes within their industries	PIC expenditure acquitted to budget	PIC expenditure acquitted to budget and audited
6.1.2.3	Industry issues research Annual program of MLA-commissioned issues research and analysis to assist PICs in policy development	Three projects completed and used by peak industry councils to progress priority policy issues on behalf of the red meat industry	<ul style="list-style-type: none"> Projects delivered on time and to specification Overall PIC satisfaction with the usefulness of reports generated; target 8 (out of 10)
6.1.2.4	Membership services Information services for MLA members, the enlistment of new MLA members and the development, maintenance and improvement of MLA's customer relationship management system to ensure delivery of tailored communication that meets member needs	Year-on-year improvement in member satisfaction with MLA membership services; target 7 (out of 10)	Year-on-year improvement in member satisfaction with MLA membership services; target 7.2 (out of 10)
6.1.3.1	Events Delivery of a strategic program of MLA events and sponsored industry events aligned with the priorities of MLA's Strategic Plan	<ul style="list-style-type: none"> Year-on-year improvement in attendee rating of events; target 7 (out of 10) Annual call for sponsorships implemented 	<ul style="list-style-type: none"> Year-on-year improvement in attendee rating of events; target 7.2 (out of 10) MLA events delivered to budget Revised process implemented for sponsorship rounds
6.2.1.1	Market information Collection, analysis and provision of global market information including supply and demand side drivers for use by levy payers and industry stakeholders (including National Livestock Reporting Service)	70% of industry survey respondents satisfied with MLA's market information services	Minimum 70% of industry survey respondents satisfied with MLA's market information services

Engagement with producers and stakeholders

Budget 2016-17 (\$ '000)

Funding source	6.1.1.1	6.1.2.1	6.1.2.2	6.1.2.3	6.1.2.4	6.1.3.1	6.2.1.1	Grand total
Goat R	1				2	6		9
Goat M	1				2			4
Mutton R				3		9	12	24
Mutton M	14				21			36
Lamb R		20	20	60		155		256
Lamb M	144	38	38		203	86	548	1,056
Grassfed cattle R		16	16	134		118		284
Grassfed cattle M	281	24	24		378	133	2,508	3,348
Grainfed cattle R				26		38	88	152
Grainfed cattle M	13				37	1		51
AMPC R								
AMPC M								
LiveCorp R								
LiveCorp M								
MDC partners R								
Government R	1	36	36	224	2	326	100	725
External M							644	644
Sum of R	3	72	72	448	5	651	200	1,450
Sum of M	454	61	61		641	220	3,700	5,138
Sum of AIP 16-17	456	133	133	448	645	871	3,900	6,587

R—research dollars; M—marketing dollars
Totals may not add up due to rounding

Pillar 6 – Stakeholder engagement: budget summary

The budget table below shows MLA’s investments, by funding source, across each priority of this pillar. It also details the investments at the underlying “imperative” level. These imperatives align with those in the *Meat Industry Strategic Plan 2020*.

Priority	Imperative	Goat		Mutton		Lamb		Total sheep		Grassfed cattle		Grainfed cattle		Total cattle		Total levies		AMPC		LiveCorp		Ext.	MLA total	MDC partners	Govt	MLA consolidated
		R	M	R	M	R	M	R	M	R	M	R	M	R	M	R	M	R	M	R	M	M		R	R	
Engagement with producers and stakeholders	6.1 Stakeholder	9	4	11	36	256	508	267	544	284	839	64	51	348	890	625	1,437						2,062		625	2,687
	6.2 Market Information			12			548	12	548		2,508	88		88	2,508	100	3,056					644	3,800		100	3,900
Total		9	4	24	36	256	1,056	280	1,092	284	3,348	152	51	436	3,398	725	4,493					644	5,862		725	6,587

R—research dollars; M—marketing dollars
Totals may not add up due to rounding



Corporate services, levy management and AUS-MEAT

Levy payers and other stakeholders have a clear expectation that levy dollars are invested wisely and that MLA has strict governance processes in place to ensure this.

This area covers all the costs associated with services essential to effective management of the levy investments including financial accounting, management accounting, contracting, project management, foreign exchange management, evaluation and reports. This area also covers headcount costs associated with the strategy development and maintenance of MLA's global information technology systems and its inclusive business continuity strategy across more than 10 international locations. The key functions of audit, risk and legal are included in this area and are responsible for the preparation, Board submission and management of approved key work programs, ensuring MLA meets all statutory reporting requirements and is compliant with Australian and all local relevant legislation (including areas such as intellectual property management, trademarks, anti-competitive conduct, advertising standards, work health and safety).

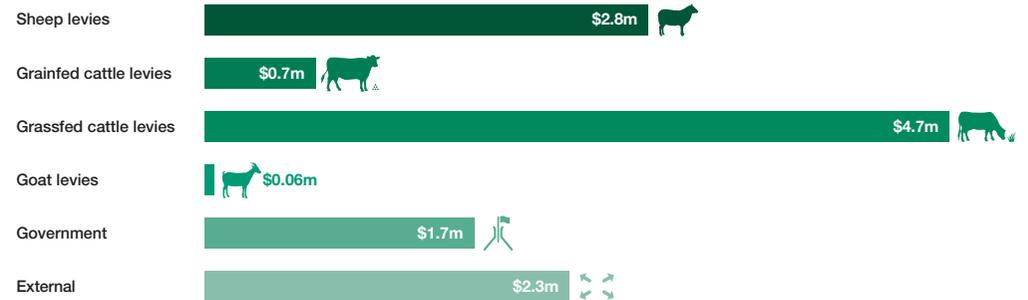
Cost associated with MLA's share of AUS-MEAT management costs and levy administration (including third party verification of voting entitlements) are also included in this area.

MLA will achieve its plan through its people. The ability to attract, develop and retain a diverse and talented workforce is essential. Robust performance management systems, coupled with a focus on development and succession planning are a focus for MLA's HR team (also included within this area).





Projected 2016-17 investment by funding source



Total investment \$12.3 million

There is no AMPC, LiveCorp or MDC investment in this pillar.

7.1.1.1 Corporate services

Encompassing the board, executive, finance, legal, human resources, information technology and other MLA-funded initiatives, the corporate services business unit provides support services, risk management, governance, budget and planning and reporting functions to MLA management and stakeholders as well as ensuring compliance with statutory and other corporate obligations.

7.2.1.1 Levy management

This includes costs associated with MLA's share of levy administration (including third party verification of voting entitlements).

7.3.1.1 AUS-MEAT

AUS-MEAT is an independent company limited by guarantee and jointly owned by the Australian Meat Processor Corporation (AMPC) and MLA. The board is made up of two members from each of the owner organisations and an independent chairman. The funding reflected below is only that injected by MLA, with AMPC making its equal contribution directly to AUS-MEAT. AUS-MEAT operations are split into two areas: the standards division (AUS-MEAT) and the services division (AUS-QUAL). Industry levies are only provided to fund the standards division. All costs incurred by the services division are met from revenues and from previous industry transition capitalisation. The services division is budgeted to be self-funding, as per the original business plan.

Corporate services, levy management and AUS-MEAT

Budget 2016-17 (\$ '000)

Funding source	7.1.1.1	7.2.1.1	7.3.1.1	Grand total
Goat R	36			36
Goat M	22	3	2	28
Mutton R	82			82
Mutton M	92	13	10	115
Lamb R	647			647
Lamb M	1,585	221	174	1,980
Grassfed cattle R	786			786
Grassfed cattle M	3,128	436	344	3,908
Grainfed cattle R	194			194
Grainfed cattle M	399	56	44	498
AMPC R				
AMPC M				
LiveCorp R				
LiveCorp M				
MDC partners R				
Government R	1,745			1,745
External M	2,263			2,263
Sum of R	3,490			3,490
Sum of M	7,489	729	575	8,793
Sum of AIP 16-17	10,978	729	575	12,282

R—research dollars; M—marketing dollars
Totals may not add up due to rounding

Corporate services, levy management and AUS-MEAT: budget summary

	Goat		Mutton		Lamb		Total sheep		Grassfed cattle		Grainfed cattle		Total cattle		Total levies		AMPC		LiveCorp		Ext.	MLA total	MDC partners	Govt	MLA consolidated
	R	M	R	M	R	M	R	M	R	M	R	M	R	M	R	M	R	M	R	M	M		R	R	
7.1 Corporate services	36	22	82	92	647	1,585	729	1,677	786	3,128	194	399	980	3,526	1,745	5,226					2,263	9,234		1,745	10,978
7.2 Levy management		3		13		221		234		436		56		492		729						729			729
7.3 AUS-MEAT		2		10		174		185		344		44		388		575						575			575
Total	36	28	82	115	647	1,980	729	2,096	786	3,908	194	498	980	4,406	1,745	6,530					2,263	10,538		1,745	12,282

R—research dollars; M—marketing dollars
Totals may not add up due to rounding

MLA Donor Company

A fully-owned MLA subsidiary, MLA Donor Company Limited provides a vehicle for attracting voluntary contributions from individual enterprises that share a mutual interest with MLA to co-invest in innovation initiatives that will deliver benefit to the Australian red meat industry.

Since inception in 1999, the MDC (R&D partnership) program has engaged enterprises from all parts of the industry supply chain including processors, value-adders, breed societies, large pastoral companies and technology providers. A specific component of MDC activity relates to the Plant Initiated Partnership (PIP) projects which are co-funded with AMPC and processors. In addition, MDC has also formed international alliances which have assisted in accelerating Australia's access to valuable intellectual property at a much lower cost than would otherwise have been possible. The value of projects in progress within the R&D partnership portfolio as at 30 June 2016 was \$130 million with an anticipated total expenditure in 2016-17 of approximately \$73.8 million.

MDC initiatives are clearly integrated with the overall objectives of MLA's *Strategic Plan 2016-2020*. In broad terms, the objectives of MDC initiatives include:

- Attract new entrepreneurial partners and investors that fast-tracks the delivery of commercial solutions in order to create competitive advantage and high value growth for the industry
- Significantly increase the level of enterprise investment in innovation in the Australian red meat industry
- Enhance the outcomes of commercially focused innovation thereby ensuring quantifiable benefit to individual enterprises and ultimately to the industry overall
- Accelerate the commercialisation of R&D adding to the quantum of innovations available to the industry
- Assist the Australian red meat industry to develop an innovative and entrepreneurial culture and capability.

As MDC partnership projects are directly aligned to deliver against MLA's overall strategic plan, key program deliverables have been included in the relevant sections of this Annual Investment Plan. A key outcome of the MDC programs will be to ensure dissemination and adoption of project outcomes to the broader industry. In 2016-17, quantified measurement of this will be undertaken.



From left to right, examples of MDC-funded projects are covered anaerobic lagoons; lamb processing automation; and building capability of value chains through market tours.

MLA Donor Company

Budget 2016-17 (\$ '000)

Funding source	1.1.2.1	1.1.3.1	1.2.2.1	1.3.1.2	1.4.1.1	1.4.1.2	1.4.1.3	1.5.1.5	1.5.2.1	2.3.1.2	3.1.2.1	3.1.2.3	3.1.3.1	3.1.4.3	3.3.1.1	3.3.1.3	3.3.2.2	4.2.1.1	4.2.1.2	4.2.1.3	4.2.3.2	4.3.1.1	5.1.2.2	Grand total
MDC partners	435	22	1,168	974	1,022	247	240	1,371	584	3,673	1,004	4,688	281	39	335	179	32	2,323	974	7,205	460	6,452	3,192	36,900
Government R	435	22	1,168	974	1,022	247	240	1,371	584	3,673	1,004	4,688	281	39	335	179	32	2,323	974	7,205	460	6,452	3,192	36,900
MDC total investment	870	44	2,336	1,948	2,044	494	480	2,742	1,168	7,346	2,008	9,376	562	78	670	358	64	4,647	1,948	14,410	920	12,904	6,384	73,800

R—research dollars; M—marketing dollars
 Totals may not add up due to rounding

Income and expenditure by funding source 2016-17 (\$ '000)

Pillar	Priority	Imperative	Goat		Mutton		Lamb	
			R	M	R	M	R	M
 1. Consumer and community support	Continuous improvement of the welfare of animals in our care	1.1 Continuous improvement of animal welfare	38	34	19	313	478	573
		1.2 Minimising risk and impact of emergency disease						
		1.3 Minimising the impact of endemic disease	7		54		856	
	Stewardship of environmental resources	1.4 Minimising industry impact on the environment			26		255	
		1.5 Sustainable management of the natural resource base			20	13	331	152
		1.6 Adapting to climate variability			20		188	
	Role of red meat in a healthy diet	1.7 Positioning red meat as a preferred component in a healthy diet					82	90
 2. Market growth and diversification	Efficiency and value in trade and market access	2.1 Reducing economic barriers to trade		2	1	184	16	739
		2.2 Reducing technical barriers to trade			19	2	173	224
	Marketing and promoting Australian red meat and livestock	2.3 Marketing and promotion – developing and developed export markets	12	167	15	295	184	6,831
		2.4 Marketing and promotion – domestic market		43		114		7,392
 3. Supply chain efficiency and integrity	Optimising product quality and cost efficiency	3.1 Improving quality and compliance via enhanced supply chain information			75	302	843	1,015
	Guaranteeing product quality and systems integrity	3.3 Livestock and product assurance through integrated integrity systems	15	101	21	100	252	1,738
 4. Productivity and profitability	Production efficiencies in farms and feedlots	4.1 Decision support to improve farming businesses	25		46		1,210	
		4.2 Increasing livestock productivity through new research	298		532		3,003	
	Processing productivity	4.3 Processing productivity						
	Live export productivity	4.4 Improving livestock performance in export operations			8	40	24	37

Total sheep		Grassfed cattle		Grainfed cattle		Total cattle		Total levies		AMPC		LiveCorp		External	MLA total	MDC partners	Govt	MLA consolidated
R	M	R	M	R	M	R	M	R	M	R	M	R	M	M		R	R	
497	886	366	2,500	530	130	896	2,630	1,430	3,550			440	1,268		6,688	457	2,326	9,471
																1,168	1,168	2,336
909		641		598		1,239		2,155						143	2,298	974	3,129	6,400
281		258		423		681		962		1,637					2,598	1,509	4,108	8,215
352	166	347	275	62	101	409	376	761	542			30			1,332	1,956	2,746	6,034
208		244				244		452							452		452	904
82	90	107	58		40	107	98	189	188	423	196				997		612	1,609
17	923	31	1,166		180	31	1,346	48	2,270	52	1,835		165	15	4,385		100	4,484
192	226	226	319	33	94	259	413	451	638	867	605	60			2,620		1,377	3,998
199	7,126	167	18,295		1,945	167	20,239	378	27,532	284	1,009			1,845	31,047	3,673	4,334	39,054
	7,506		9,126		941		10,067		17,616	165	1,428			65	19,272		165	19,437
918	1,318	1,721	2,161	356	720	2,077	2,882	2,995	4,199	3,941				146	11,283	6,012	12,949	30,244
273	1,837	583	2,382	86	925	669	3,307	956	5,246	908	534	16	17	26	7,703	546	2,426	10,675
1,256		832		67		899		2,180						254	2,434		2,180	4,614
3,535		3,913		883		4,797		8,630						700	9,330	10,962	19,592	39,883
										5,236					5,236	6,452	11,688	23,375
32	77	48	297			48	297	80	374			220	165		839		300	1,139

Income and expenditure by funding source 2016-17 (\$ '000)

Pillar	Priority	Imperative	Goat		Mutton		Lamb	
			R	M	R	M	R	M
 5. Leadership and collaborative culture	Building leadership capability	5.1 Developing skills and leaders to support the industry	9	3	21	14	782	949
	Protecting and promoting our industry	5.3 Monitoring and communicating industry performance to stakeholders				3	4	34
		5.4 Issues management and crisis preparedness through planning and communication protocols	1		1	2	18	54
 6. Stakeholder engagement	Engagement with producers and stakeholders	6.1 Stakeholder	9	4	11	36	256	508
		6.2 Market information			12			548

7.3 AUS-MEAT		2		10		174
Total expenditure pre corporate services	413	357	901	1,428	8,954	21,058
7.1 Corporate services	36	22	82	92	647	1,585
7.2 Levy management		3		13		221
Total expenditure	449	382	982	1,533	9,601	22,864

Income Available:						
– Levies (revised)	450	283	1,042	1,177	8,341	20,428
– Government						
– AMPC						
– LiveCorp						
– MDC partners						
– External						
Total income	450	283	1,042	1,177	8,341	20,428
Difference (to/(from) reserves)	1	(99)	60	(355)	(1,260)	(2,436)
Opening reserves	772	545	322	1,272	6,481	15,151
Closing reserves 2016-17	773	446	382	917	5,222	12,715
% of revenue	172%	158%	37%	78%	63%	62%

R–research dollars; M–marketing dollars
 Totals may not add up due to rounding

Total sheep		Grassfed cattle		Grainfed cattle		Total cattle		Total levies		AMPC		LiveCorp		External	MLA total	MDC partners	Govt	MLA consolidated
R	M	R	M	R	M	R	M	R	M	R	M	R	M	M		R	R	
803	963	699	990	81	98	780	1,088	1,592	2,054	4,022					7,669	3,192	8,806	19,666
4	37	5	109		19	5	129	9	166						175		9	184
19	55	20	84	3	29	23	113	43	169					37	249		43	292
267	544	284	839	64	51	348	890	625	1,437						2,062		625	2,687
12	548		2,508	88		88	2,508	100	3,056					644	3,800		100	3,900
	185		344		44		388		575						575			575
9,855	22,486	10,492	41,454	3,275	5,316	13,767	46,770	24,035	69,613	17,534	5,607	766	1,616	3,875	123,044	36,900	79,234	239,178
729	1,677	786	3,128	194	399	980	3,526	1,745	5,226					2,263	9,234		1,745	10,978
	234		436		56		492		729						729			729
10,583	24,397	11,278	45,018	3,469	5,770	14,747	50,788	25,780	75,568	17,534	5,607	766	1,616	6,138	133,006	36,900	80,979	250,885
9,383	21,605	9,947	39,573	2,457	5,045	12,404	44,617	22,237	66,506						88,743			88,743
																	80,979	80,979
										17,534	5,607				23,140			23,140
												766	1,616		2,381			2,381
																36,900		36,900
														6,138	6,138			6,138
9,383	21,605	9,947	39,573	2,457	5,045	12,404	44,617	22,237	66,506	17,534	5,607	766	1,616	6,138	120,402	36,900	80,979	238,281
(1,200)	(2,792)	(1,331)	(5,445)	(1,012)	(726)	(2,343)	(6,171)	(3,542)	(9,062)						(12,604)			(12,604)
6,803	16,423	5,007	31,214	2,561	5,547	7,568	36,761	15,144	53,729									
5,603	13,632	3,676	25,768	1,549	4,821	5,225	30,590	11,601	44,667									
60%	63%	37%	65%	63%	96%	42%	69%	52%	67%									

Acronyms

Annual Investment Plan	AIP
Australian Lot Feeders' Association	ALFA
Australian Meat Processor Corporation	AMPC
Australian Pesticides and Veterinary Medicines Authority	APVMA
Australian Rural Leadership Program	ARLP
Collaborative Innovation Strategies program	CISp
Department of Agriculture and Water Resources	DAWR
Foot and Mouth Disease	FMD
Greenhouse gas emissions	GHG
Intercollegiate Meat Judging	ICMJ
Livestock Global Assurance Program	LGAP
Managing Climate Variability	MCV
Marketing dollars	M
Meat Industry Strategic Plan	MISP
Meat Standards Australia	MSA
MLA Donor Company	MDC
National Livestock Identification System	NLIS
Peak Industry Councils	PICs
Producer Demonstration Site	PDS
Research and development	R&D
Research, development and adoption dollars	R
State Farming Organisations	SFOs
United Nations Economic Commission for Europe	UNECE
United States Department of Agriculture	USDA



Meat & Livestock Australia

Level 1, 40 Mount Street
North Sydney NSW 2060

Phone: 02 9463 9333

Fax: 02 9463 9393

www.mla.com.au