

# MLA at a glance

## Our purpose

To foster the long-term prosperity of the Australian red meat and livestock industry.

## Our vision

To be the recognised leader in delivering world-class research, development and marketing outcomes that benefit the Australian red meat and livestock industry.

## Our mission

To collaborate with stakeholders to invest in research, development and marketing initiatives that contribute to producer profitability, sustainability and global competitiveness.

## Our strategic imperatives

1. Trade and market access
2. Increasing customer and consumer demand for red meat
3. Improving productivity and profitability across the supply chain
4. Industry sustainability and integrity
5. Industry leadership, innovation adoption and capability
6. Stakeholder engagement and communication

Additional investment areas, while not considered strategic imperatives, are:

- Corporate services, levy collection and AUS-MEAT

## Our values

- Customer centricity
- Accountability through transparency
- Outcomes that make a difference

## Our history

MLA was established in 1998 as a public company limited by guarantee, following the merging of two industry statutory organisations – the Australian Meat & Livestock Corporation and the Meat Research Corporation. MLA is the declared industry marketing body and the industry research body under sections 60(1) and 60(2) of the *Australian Meat and Live-stock Industry Act 1997* (AMLI Act).

## Our funding

MLA is primarily funded by transaction levies paid on livestock sales by producers.

The Australian Government also contributes a dollar for each levy dollar MLA invests in research and development. Other funding streams come from specific unmatched grants from the Australian Government and cooperative funding contributions from other Research and Development Corporations, individual processors, wholesalers, foodservice operators and retailers.

Processors and live animal exporters also co-invest levies into MLA programs through their service companies: the Australian Meat Processor Corporation and LiveCorp. Individual exporters and importers can also co-invest with MLA on marketing activities.

MLA generates additional income via commercial funding contributions which are matched by the Australian Government. This funding is invested in research and development partnerships that benefit the Australian red meat industry through MLA Donor Company.

## Our members

Membership of MLA is voluntary and free to all levy-paying grassfed cattle, grainfed cattle, sheep, lamb and goat producers. MLA had 49,892 members at 30 June 2016.

## Our stakeholders

MLA works in partnership with industry and government to deliver products and services to the cattle, sheep and goat industries.

Through the Science and Research Priorities and the Rural Research, Development and Extension Priorities, the Australian Government sets high-level priority research and development objectives covering

community, industry and environmental concerns.

Peak industry councils provide policy direction, scrutinise budgets and monitor MLA's performance on behalf of the red meat and livestock industry. These are the Australian Lot Feeders' Association, Cattle Council of Australia, Goat Industry Council of Australia and Sheepmeat Council of Australia.

MLA also works closely with the Australian Meat Processor Corporation, Australian Meat Industry Council, Australian Livestock Export Corporation (LiveCorp) and Australian Livestock Exporters' Council to develop programs that address key industry issues and opportunities through the supply chain, manage projects and communicate outcomes.

## Our decision making processes

MLA doesn't invest levies and make decisions in isolation. This is done in concert with producers, the government, peak industry councils and other industry organisations (see 'Our stakeholders' and page 14 for other consultation mechanisms).

The regional consultation model (see page 58), which commenced in the second half of 2015, is giving producers direct input into MLA's research and development priorities.

## Our subsidiary companies

MLA owns two operating subsidiary companies. MLA Donor Company partners with investors in areas that bring value to the red meat supply chain through innovation and new technologies (see pages 69-70). NLIS Ltd administers the National Livestock Identification System (NLIS) database which records livestock movements. NLIS also provides information, tools, training and technical support to NLIS users (see page 70).

## Our staff

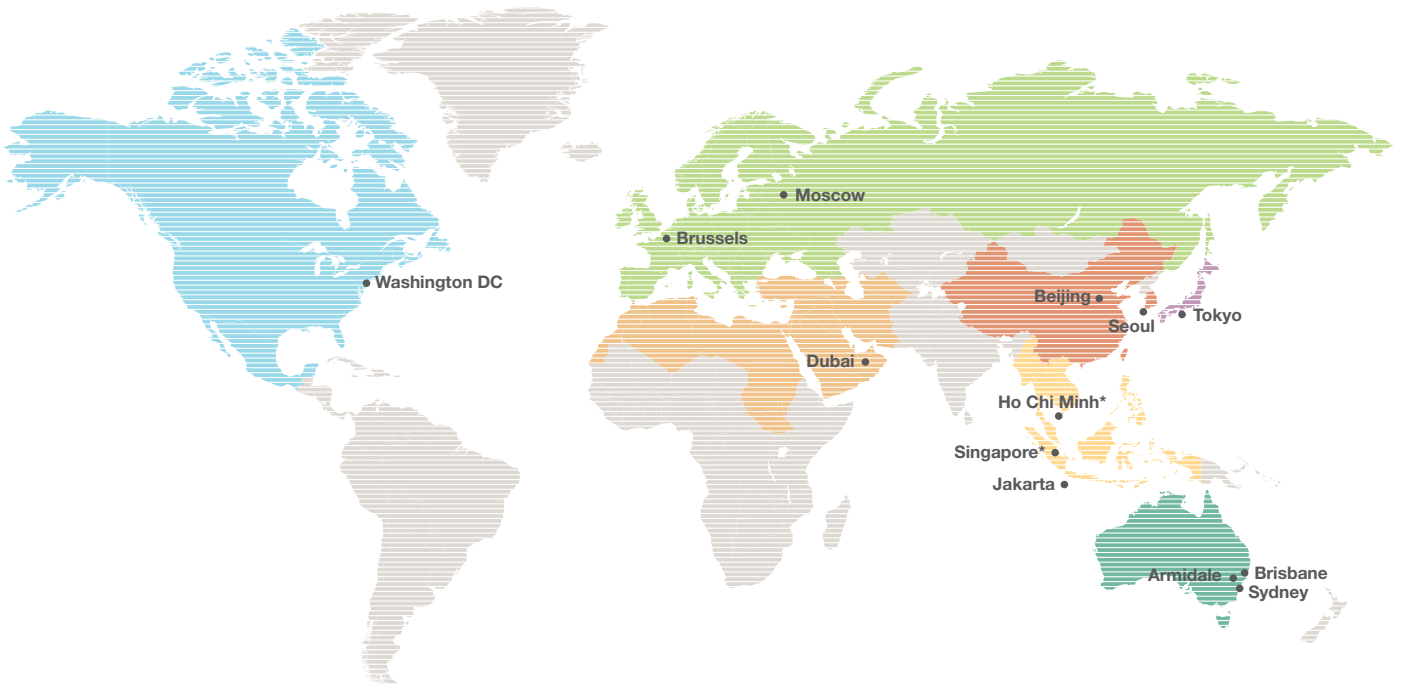
At 30 June 2016 MLA employed 234 staff. More than 45% were from a rural background and more than 31% were under 35 years of age (see page 84).

## Our year



## Our locations

MLA staff are based strategically to leverage the best possible access to all stakeholders and markets.



\* MLA has a presence through local agents in these locations but does not have registered offices

# Chair's report



Dr Michele Allan, Chair

This past year has been a relatively good one for much of the Australian red meat and livestock industry, with most of last year's record high livestock prices being surpassed by new ones.

It's not just the markets that have provided relief for many livestock producers. The season has also brought much needed rain across many production areas – in some cases flooding rains which have presented their own set of challenges. At the conclusion of 2015-16, there were only a handful of isolated pockets of Australia with a 'serious' to 'severe' rainfall deficiency, although we know that a full recovery for many producers will take time.

The total value of the red meat and livestock industry (including domestic and red meat and live export markets) in 2015-16 was estimated at \$22.9 billion, just 0.9% lower than 2014-15. Lamb, beef and goatmeat markets all contributed to this remarkable result.

## Lamb market and outlook

One of the trends in the lamb industry in recent years has been the increase in both lamb slaughter and lamb prices

(see figure 1). Historically, it has been either one or the other – never both. This recent trend really shows the strength of domestic and export demand. The Eastern States Trade Lamb Indicator averaged 544.4¢/kg cwt in 2015-16, just 2% lower than the record in 2010-11 but 5% higher than last year.

Lamb exports are expected to reach 240,000 tonnes swt in 2016, 2.6% higher year-on-year (figure 2), in line with rising production, with the Middle East, the US and Greater China taking increased volumes.

At home, domestic consumers maintained their overall consumption of Australian lamb at 231,000 tonnes cwt despite retail prices rising (figure 3).

Another trend over recent years has been the consistency of national monthly lamb slaughter. Since 2014 there has only been a 4% change in the rolling 12-month average number of lambs slaughtered. This reduced volatility in supply has also helped reduce volatility in average pricing in recent years, along with the softer Australian dollar and lower NZ lamb production.

**Looking ahead**, lamb slaughter is likely to remain below 2015-16 levels due to fewer ewes joined, yet remain at historically high levels. Slaughter is expected to rise again after 2017 with 24 million head expected to be reached by 2020 as producers continue to transition from wool production to prime lamb. The rising production is unlikely to be at the expense of prices, simply because NZ production levels, our largest sheepmeat competitor, are anticipated to remain subdued.

## Cattle and beef market and outlook

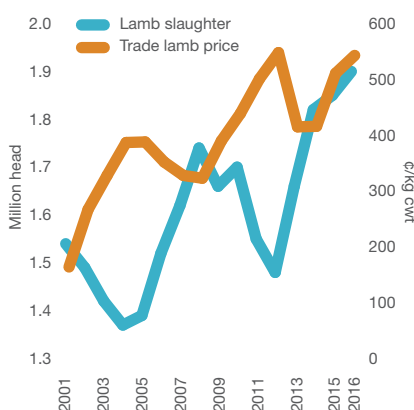
Just a year ago the entire cattle industry was nervously anticipating the Eastern Young Cattle Indicator (EYCI) breaking through the 600¢/kg cwt barrier. Yet in August this year it surpassed 700¢/kg cwt, highlighting what historically low cattle availability combined with widespread rain in most key producing regions can produce. In 2015-16 the EYCI averaged 577¢/kg cwt, 44% higher year-on-year (figure 4).

Another trend in the cattle industry in 2015-16 has been the narrowing in Australian and US cattle prices. In Australian dollar terms, heavy steer prices have been the closest to US prices as they've been in 11 years.

In line with lower cattle supplies, Australian beef production is forecast to fall to 2,169 million tonnes cwt in 2016, 15% lower year-on-year. The reduction was propped up by heavier average carcase weights due to a higher proportion of cattle on feed, lower stocking rates when a widespread seasonal break occurred and a higher proportion of male cattle being slaughtered. Beef exports fell in line with production, but chilled export volumes fell by a lesser extent than frozen volumes.

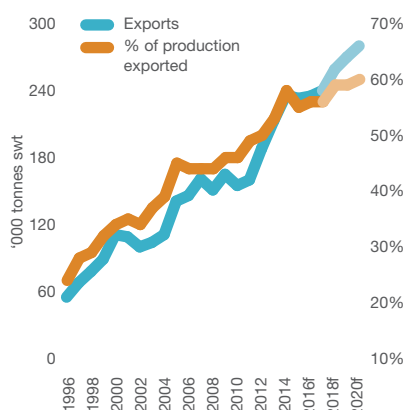
In the domestic market, the rising price of beef has presented a challenge to the household budget. Although domestic consumption has dropped, the value of this consumption has been maintained (figure 5). The price increase is the simple result of supply and demand. The long-term drought across much

Figure 1 – Average monthly lamb slaughter\* vs prices



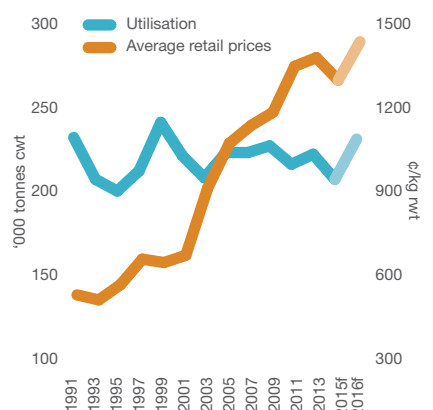
\* rolling 12 month average  
Sources: ABS, MLA estimates

Figure 2 – Lamb export rising with production



Sources: DAWR, MLA forecasts

Figure 3 – Domestic lamb utilisation and retail prices



Sources: ABS, MLA estimates

of Australia's production areas led to record turn-off by beef producers and the herd is now at a 20 year low. At the same time, there's been strong demand for Australian beef in export markets.

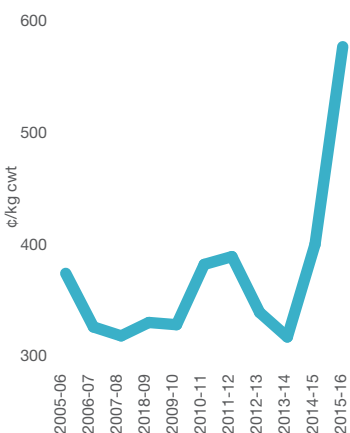
**Looking ahead,** Australian cattle prices will remain wedged between two extreme forces. On the one hand, extremely tight cattle availability will continue to underpin the market during 2017. However, on the other hand, downward pressure will continue to build as production builds in the US especially, while at the same time, some of our major competitors, like Brazil, benefit from improved market access. In the end, the market will be determined by just how long the tight supplies remain, and when higher Australian beef production levels are realised.

Now, more than ever, Australia will need to reinforce its position as a safe provider of high quality beef, with integrity systems to back up claims, given the potential implications of Indian buffalo entering Indonesia. Similarly, Britain's vote to leave the EU will potentially result in the opportunity for Australia to negotiate yet another free trade agreement, providing further market opportunities for Australian beef producers. Nevertheless the work involved for each of these scenarios will mean another busy year for MLA and the industry in 2017.

**Goat market and outlook**

Demand for goatmeat is showing no signs of waning. Eastern states over-the-hooks prices in 2015-16 surpassed last year's record by 33% (figure 6)

**Figure 4 – Eastern Young Cattle Indicator (EYCI)**



Source: MLA

while production reached 33,330 tonnes cwt in 2015-16, just 300 tonnes shy of the record in 2013-14.

**Looking ahead,** the goat market is expected to continue benefiting from demand outstripping supply. Australia has been able to grow exports significantly over the past 10 years, to an increasingly diverse range of customers. This, combined with Australia positioned as the largest goat meat exporter in the world, and an Australian dollar that sits in the mid-to-low US70¢ mark, will continue to assist the Australian goat market throughout 2017.

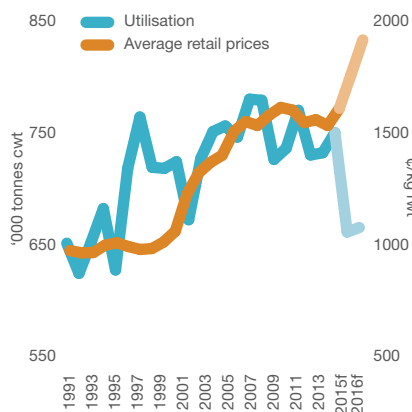
**Board business**

After many difficult years, it has been very pleasing to see livestock producers reaping the rewards from the markets this year. The MLA Board has continued to focus on ensuring that the levies received are invested in research, development and marketing that contributes to the long-term prosperity of the red meat and livestock industry.

At MLA's 2015 Annual General Meeting MLA members elected an additional grassfed cattle representative, Mick Hewitt, to the Board Selection Committee. Mick joined cattle producer representative Ian McCamley, sheep producer representative Jane Kellock, lotfeeder representative Therese Herbert, three representatives appointed by peak industry councils, and two non-voting MLA Directors, on the Selection Committee.

MLA members also voted on the election of three new Directors to MLA's skills based Board: West

**Figure 5 – Domestic beef utilisation and prices**



Sources: ABS, MLA estimates

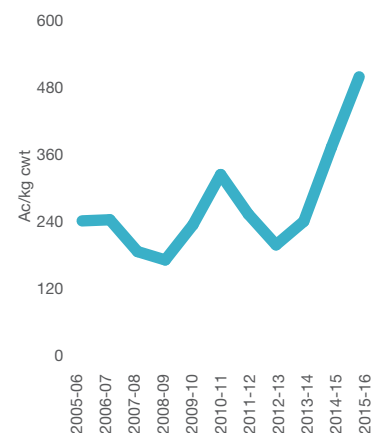
Australian livestock producer, business management adviser and events planner Erin Gorter; industry business builder, technology specialist and post farm-gate value-add expert Rob Fitzpatrick and global brand marketing expert and strategist Steven Chaur. These Directors have integrated well into the MLA Board and bring a complementary skillset to make sound decisions for the long-term benefit of the livestock industry.

The Board continues to look for opportunities to enhance the operational efficiency of MLA and its subsidiary companies, including the Integrity and Information Systems Company headed by Dr Jane Weatherley. Jane will lead the evolution of an expanded NLIS Limited into the newly named company to streamline the management of Australia's traceability and quality assurance programs for beef, sheep and goatmeat.

MLA's other subsidiary, MLA Donor Company, is in a unique position to attract new investment in research and development across the value chain at a time when levy revenue is decreasing. In recent years, MDC's program of work has been worth about \$30 million a year. With the extra funding available from the Australian Government in coming years, MDC can potentially more than double that investment. The MLA Board has made changes including the appointment of a fulltime Chief Executive Officer, Dr Christine Pitt, to capture this opportunity.

During the year the MLA Board also approved of a new model of collaboration in genetics and genomics

**Figure 6 – Goat prices**



Source: MLA

research, development and adoption with the establishment of the National Livestock Genetics Consortium. The aim of the consortium is to double the annual rate of improvement in industry genetic value by 2022. The Board views this as an important way to deliver affordable, accurate and easy-to-use technologies for genetic improvement in beef cattle and sheep.

In June the MLA Board approved MLA's *Strategic Plan 2016-2020* which focuses on the commercial outcomes the company will pursue to increase the profitability, sustainability and global competitiveness of Australia's red meat and livestock industry. Importantly, the Plan is fully aligned with the *Meat Industry Strategic Plan 2020* and the Australian Government's Rural Research, Development and Extension Priorities as well as its Science and Research Priorities.

Six strategic pillars form the foundation of the Plan with each accompanied by an outcome statement, indicating what will be achieved when the strategic pillar is delivered successfully. MLA has 13 strategic priorities to help achieve these outcomes (table 1).

### Outlook

In the year ahead, the MLA Board will be setting its subsidiary companies up for success, bedding down the transition to the expanded Integrity and Information Systems Company and overseeing the implementation of the

rest of the SAFEMEAT Initiatives Review findings. The expanded company will also incorporate the management of big data through the Value Chain Digital Strategy MLA recently initiated in conjunction with industry.

Another exciting opportunity is implementing objective carcase measurement technologies to measure saleable meat yield, including fat and bone in the first stage, and progressing its adoption by industry. This will pave the way for value-based pricing which has the potential to transform the industry and enhance its competitiveness.

A continuing high priority for the MLA Board is the provision of support to MLA Donor Company as it seeks new investors to accelerate innovation across the value chain. Contributing further to the innovation momentum was the confirmation in June of the Northern Beef Collaborative Partnership between MDC and the University of Queensland. This collaboration will inject up to \$8 million/year for up to three years to deliver productivity gains for northern producers.

Another continued focus for the Board is the improvement of farm productivity and profits while also enhancing sustainability. MLA funded and managed research and development has already proven the linkage of reducing methane emissions while increasing productivity through management techniques

and new innovations, such as the psyllid-resistant leucaena, 'Redlands', that was funded by MLA and is now being commercialised. As an added benefit, some producers are now receiving an extra income stream through the Australian Government's Emissions Reduction Fund. The Board sees this as an important area of work and will look for further opportunities to progress it on behalf of the industry.

The Board is also refining MLA's role in international markets as the acknowledged thought leader assisting Australian brands in global markets through account management and consumer insights. MLA's on-the-ground presence in export markets, combined with its carefully researched market insights, places it in a unique position to assist Australian companies to grow demand for Australian red meat.

In closing I would like to thank the Board and the staff of MLA who have worked hard to deliver research, development and marketing which contribute to the prosperity of the red meat and livestock industry.



Dr Michele Allan  
Chair

**Table 1 – MLA's strategic pillars, outcomes and priorities 2016-2020**

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"> <li>Continuous improvement of the welfare of animals in our care</li> <li>Stewardship of environmental resources</li> <li>Role of red meat in a healthy diet</li> </ul>
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"> <li>Efficiency and value in trade and market access</li> <li>Marketing and promoting Australian red meat and livestock</li> </ul>
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"> <li>Optimising product quality and cost efficiency</li> <li>Guaranteeing product quality and systems integrity</li> </ul>
4. Productivity and profitability	Productivity gains through the value chain from the adoption of tools and technologies.	<ul style="list-style-type: none"> <li>Production efficiencies in farms and feedlots</li> <li>Processing productivity</li> <li>Live export productivity</li> </ul>
5. Leadership and collaborative culture	Industry participants are confident in industry leadership capability.	<ul style="list-style-type: none"> <li>Building leadership capability</li> <li>Protecting and promoting our industry</li> </ul>
6. Stakeholder engagement	Industry participants are confident that the levy investment is delivering value.	<ul style="list-style-type: none"> <li>Engagement with producers and stakeholders</li> </ul>

# Managing Director's report



Richard Norton, Managing Director

Over the past 12 months MLA sharpened its focus and made fundamental changes to foster the long-term prosperity of the Australian red meat and livestock industry.

This involved pursuing four areas:

- consultation and collaboration
- performance monitoring
- strategic direction
- new frontiers.

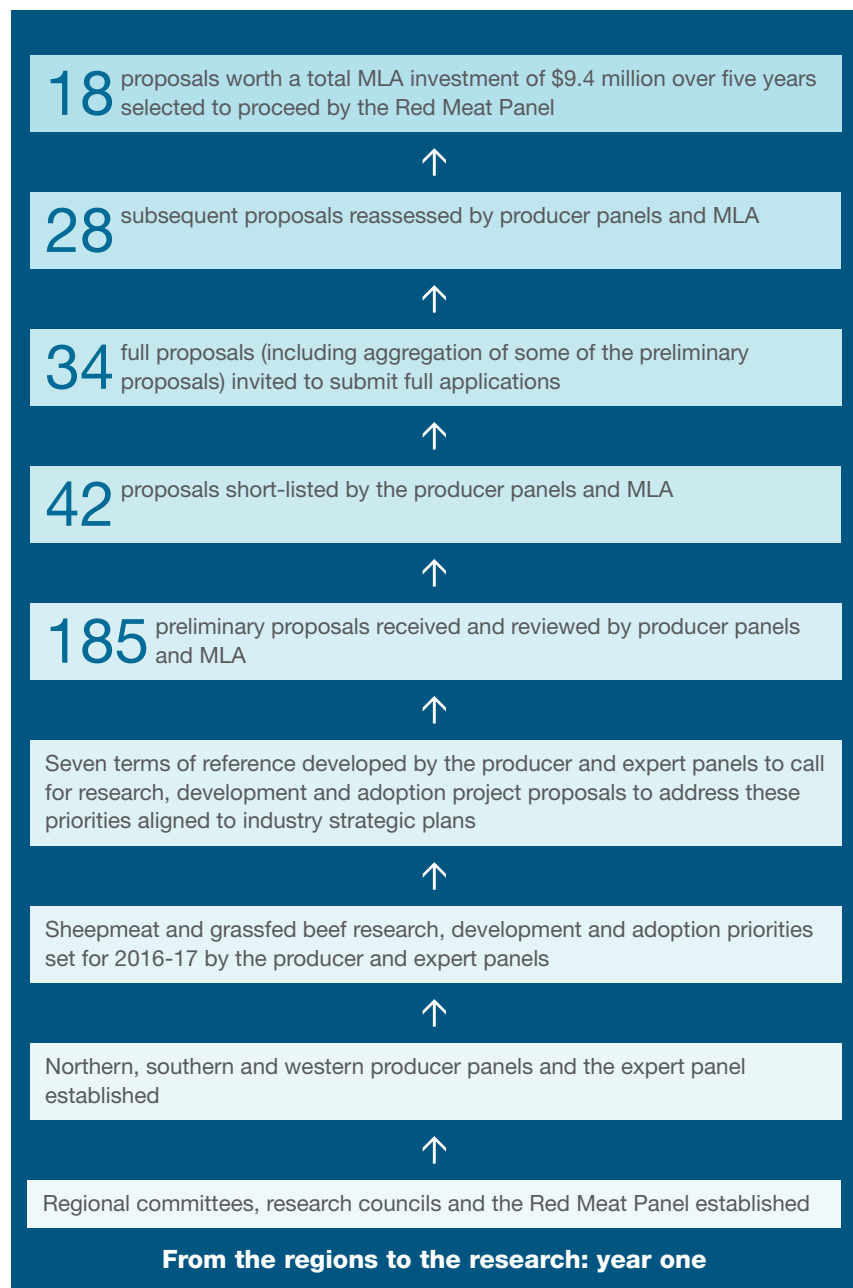
## We consulted and collaborated

MLA has a long history of consulting and collaborating with research providers, producer groups and other research and development corporations (RDCs). Not only does it help share knowledge and inform future research but any co-investment enables the levy dollar to be stretched further. Highlights in 2015-16 were the progress of the regional consultation model, continued face-to-face engagement with levy payers and new collaborations.

## Regional consultation

It was immensely satisfying to see the regional consultation model come full circle in 2015-16. The model was created in 2014-15 to encourage more grassfed cattle and sheep producers to have their say on the direction of MLA's research and development investment. During 2015-16 regional committees, councils and the Red Meat Panel meetings were held, nine sheepmeat and grassfed beef research, development and adoption priorities were shortlisted, 185 preliminary project proposals were received which were narrowed down to 18 final proposals to be funded by MLA (figure 7). This process has taken a mammoth effort by the producers, researchers and MLA staff involved. I'm confident it's the right approach for MLA to continue taking to ensure the research being funded by producer levies and the Australian Government is most relevant and impactful.

Figure 7 – Regional consultation process in year one



## Events attended by Managing Director Richard Norton in 2015-16

<b>July</b>	University WA Agriculture Forum (Crawley, WA), Producer forum (Esperance, WA), MLA Producer Forum and BeefUp Forum (Esk, Qld), BCG Sheep Management Showcase (Birchip, Vic), Red Meat Updates (Launceston, Tas)
<b>August</b>	CEDA Australia's Agribusiness Future (Sydney, NSW), peak industry council meetings (Canberra, ACT), ministerial delegation (China), RD&E Collaboration Workshop (Canberra, ACT)
<b>September</b>	<i>Meat Industry Strategic Plan 2020</i> launch (Canberra, ACT), Royal Agricultural Society Victoria lunch (Melbourne, Vic)
<b>October</b>	Ministerial delegation (Indonesia), Banana Shire Beef Industry Summit (Biloela, Qld), Charters Towers Sustainable Grazing Forum (Charters Towers, Qld), MLA producer forums (Henty, Wagga Wagga, Cootamundra, Jugiong, NSW)
<b>November</b>	The Label Conversation conference (Roma, Qld), Producer meeting (Roma, Qld), MLA Producer forum and MLA annual general meeting (Brisbane, Qld), peak industry council meetings (Brisbane), The CEO Outback Business Summit (Brisbane, Qld), AgForce Central Queensland tour (St Lawrence, Nebo, Middlesmunt, Clermont and Alpha, Qld)
<b>December</b>	Barraba Producer Forum (Barraba, NSW)
<b>February</b>	West Australian Livestock Research Council meeting (Northampton, WA), peak industry council meetings (Sydney, NSW), West Australian Goat Meat Industry Council (Perth, WA), Producer meeting (Freemantle, WA), Australia – US Business Week delegation (Chicago, San Francisco, New York, USA), Cuba Delegation (Havana, Cuba)
<b>March</b>	ABARES conference (Canberra, ACT), Northern Territory Cattleman's Association conference (Alice Springs, NT), Royal Agricultural Society NSW cattle dinner (Sydney, NSW), MSA Producer Awards (Toowoomba, Qld), Producer meeting (Warwick, Qld), Producer meeting (Smithlea, Qld), Producer meeting (Moree, NSW), MSA Producer Awards (Dubbo, NSW)
<b>April</b>	MSA Producer Awards (Bendigo, Vic; Launceston, Tas; Adelaide Hills, SA), Boorowa Beef Forum (Boorowa, NSW), Genetics Forum (Armidale, NSW), Producer meetings (Launceston, Tas; Adelaide, SA; Loxton, SA; Chowilla, SA; Harden, NSW; Boorowa, NSW; Springfield, NSW)
<b>May</b>	Australian Wagyu Conference (Hunter Valley, NSW), LMO conference (Sydney, NSW), World Brahman Congress (Rockhampton, Qld), Miles Show Breakfast (Miles, Qld), Angus National Conference (Albury, NSW), peak industry council meetings (Canberra, ACT), Australian Beef Association Beef Forum (Casino, NSW), Producer meetings (Molong, Orange, Canowindra, Cowra, NSW)
<b>June</b>	AuctionsPlus Sale Day (Sydney, NSW)

### Face-to-face engagement

MLA continued engaging with industry stakeholders around the country. My senior staff and I crossed paths with more than 6,000 producers during the year. At these times I have taken the opportunity to reiterate MLA's role as the provider of research, development and marketing services to the red meat industry. I've also been able to share the outcomes of MLA's Performance Review and Impact Assessment, our new *Strategic Plan 2016-2020* and outcomes from research and marketing campaigns. I will continue to travel far and wide across Australia to share how MLA is investing producer levies and listen to concerns and new ideas.

### Collaboration

During the year MLA worked with other RDCs on applications for the Australian Department of Agriculture and Water Resources Rural R&D for Profit program. This provides funding to RDCs for nationally coordinated, strategic research that delivers outcomes for producers. Of the 29 approved projects, it was very pleasing to hear that MLA will be involved in 10 – and manage half of these.

MLA is also involved in seven research consortiums, spanning from genetics

to climate variability. Our partnership with cooperative research centres also continues, including with the Sheep CRC, CRC for Spatial Information and Invasive Animals CRC.

### We monitored our performance

Monitoring and evaluating our performance forms part of normal business for MLA. We use results to learn from the past and inform what we do in the future. In 2015-16 key highlights in this area were MLA's performance review and impact assessment. Here, I also touch on our program and financial performance.

### Performance review and impact assessment

Every five years MLA is required to fund an independent performance review on its operations, governance and service delivery to industry. The review completed in 2015-16 concluded that MLA is delivering a return of \$6.20 on every dollar invested by its levy payers, research partners and the Australian Government.

Despite the strong result, the review includes a series of recommendations for improvement that will assist MLA to further enhance the red meat industry's profitability and sustainability by 2020.

These recommendations are detailed on pages 60-61.

### Program performance

Across MLA's seven strategic imperatives in 2015-16 were 115 program milestones. Of these, 75% were achieved, 10% were partly achieved, 13% were not achieved and 2% were no longer applicable or not available. I commend MLA employees for their hard work in producing such strong results. Of course, there is still room for improvement, particularly those milestones which didn't quite get over the line, and we will aim for an even stronger result in 2016-17.

### Financial performance

MLA's revenue fell 3.8% in 2015-16 to \$197.8 million, above expectations. Most of this was attributed to a reduction in grassfed cattle levies as producers retained stock and rebuilt their herds.

MLA's total expenditure fell 4% to \$172.4 million, including \$88 million on research and development and \$84.4 million in marketing activities. MLA's actual expenditure during the year was lower than budgeted as the company reviewed its spending in light of the MLA *Strategic Plan 2016-2020*,

investing only in programs which were aligned to the Plan.

MLA's surplus for the year was \$25.4 million, taking the retained earnings as at 30 June 2016 to \$100.7 million. These levy reserves are held by the levy stream in which they are generated. Retained earnings have been building over recent years to allow for reduced levy revenue over coming years as producers rebuild their herds and flocks while at the same time still enabling the company to deliver the priorities and programs outlined in MLA's *Strategic Plan 2016-2020*.

### We chartered our strategic direction

As MLA Chair Michele Allan referred to in her report, MLA developed its *Strategic Plan 2016-2020* during the year. This document is MLA's roadmap, outlining the priorities which will produce outcomes and impacts to contribute to the industry's prosperity. It also informs our annual work plan and where we will devote our funding, resources and energy to in 2016-17.

### We pursued new frontiers

As a company investing in research, development and marketing, MLA must remain at the forefront of innovation. In 2015-16 MLA developed an innovative adoption pilot program, launched its Digital Value Chain Strategy and reinvigorated its subsidiary, MLA Donor Company.

### Adoption pilots

MLA launched the Profitable Grazing Systems pilot in early 2016 as part of a shift in the way it has traditionally delivered research, development and adoption. The program builds on MLA's best practice packages of information, tools and events, with a renewed focus on encouraging producers to try new ideas on-farm and using specialist coaches providing longer-term support and guidance. The ultimate aim is to support producers to make on-farm changes which will drive productivity and profitability and have measurable and tangible impacts.

### Value Chain Digital Strategy

In July 2016 MLA unveiled a visionary plan to accelerate the digital future of Australia's red meat and livestock industry. The 'Value Chain Digital Strategy' – an industry first – will be designed to empower every participant at every point in the value chain through data-driven commercial decision making. It will harness the multitude of new digital technologies right across the value chain to ensure they work together to build prosperity throughout the red meat industry.

MLA will lead the development of the strategy with industry to deliver seamless capture, integration and interpretation of the vast and increasing range of data being generated through new technology.

### MLA Donor Company

MLA's subsidiary company, MLA Donor Company, is in the early stages of being revamped with a quest to source more investors, entrepreneurs and venture capitalists to co-fund research and development that benefits the red meat value chain. With levy funding in decline and the value of the red meat industry increasing, MLA has access to more Australian Government funding than it can match with levies alone. This increasing importance of MDC was reflected in the appointment of Dr Christine Pitt as the MDC's first Chief Executive Officer.

At MLA we have an expert team of people who combine their skills and work together to foster the prosperity of the Australian red meat and livestock industry. Once again our *Annual Report* showcases six of our staff who reflect the diversity of the company and its passion for the industry. I hope you enjoy reading their profiles on page 12.



Richard Norton  
Managing Director





# 2015-16 highlights

Highlights from major projects MLA has led, contributed to or managed include:

## Awarding performance

The top-performing MSA cattle producers in each state were recognised at the inaugural MSA Excellence in Eating Quality Awards (page 59).



## Free trade progress

The Trans-Pacific Partnership negotiations, which concluded in October 2015, will deliver significant new tariff reductions for Australia's beef, sheepmeat, goat and offal exports to several trading partner nations (page 20).

## True Aussie awareness

MLA international marketing activities strengthened the positioning of the 'True Aussie' brand in Australia's two largest Asian beef markets. Consumer brand awareness increased in Japan from 18% in 2014-15 to 25% in 2015-16 and in Korea from 36% awareness to 46% (page 30).



Image courtesy of NZ Department of Foreign Affairs and Trade

## Sales increase

MLA's Australia Day lamb ad won 'TV ad of the year' for the second year running, generating a 36.9% sales increase across the two-week campaign period. The three phases of the 'You're Better on Beef' campaign contributed to increased volume and value of beef sales. For example, beef's value share increased by \$17 million following the July/August 2015 campaign (pages 30 and 34).



## Grab-and-go beef

Through a partnership with MLA Donor Company, hot, cooked beef products were rolled out to 900 Woolworths stores nationally, providing an opportunity to use 800 tonnes of outside flat cuts, delivering \$5.5 million/year in new profit for the red meat industry (page 29).



## World-first multi-trait sheep genetics

Eating quality breeding values were produced for a wide range of animals. A new eating quality index was also developed, enabling producers to achieve further gains for growth and lean meat yield in their animals while maintaining eating quality (page 38).



## Pain relief breakthrough

Through MLA Donor Company, the first producer-administered pain relief product for cattle, ILIUM® Buccalgesic OTM, became commercially available.

A similar product for sheep is expected to be available for use during 2016-17 (page 48).



## World-leading automation

World-leading cutting and objective measurement tools for lamb and beef processing advanced to working prototypes through MLA Donor Company (pages 40-41).



## New adoption pilots

MLA is piloting a program to support improved business performance with more than 95 participants (page 54).



## Strategic direction

MLA released its *Strategic Plan 2016-2020*, which is closely aligned to the *Meat Industry Strategic Plan 2020* and the Australian Government's priorities (page 6).



## Research priorities

The first annual round of MLA's new regional consultation process was completed with nine priorities identified for research, development and adoption, 185 preliminary proposals for future research, development and adoption projects and the endorsement of 18 full proposals, representing \$9.4 million in MLA funding over five years (pages 7 and 58).

## Comprehensive review

MLA's independent Performance Review and Impact Assessment showed that MLA delivered exceptional results to industry through many of its programs, but some areas could be improved. For every \$1 invested in MLA's programs, the industry is recouping \$6.20 in current and future benefits (pages 60-61).

# Industry insiders

## Jack O'Connor

Assistant Meat and Livestock Market Analyst, Sydney

I'm from a property at Harden, NSW, where my family has run an extensive mixed farming enterprise since 1926. Today it primarily includes Merino wool and prime lamb production, and grows wheat and canola.

I joined MLA's market information team in 2015 while completing a Bachelor of Agricultural Economics at the University of Sydney.

Outside of MLA, I help run a small mixed farm in Uganda, Africa. We aim to empower the community through a range of agricultural developments that provide a sustainable food and revenue source for a local school.



## Daniel Lee

Trade Development and Analysis Assistant Manager, Korea

I have been working in MLA's Korea office for three years, working in trade development and more recently in lamb foodservice marketing. In my role here I work closely with various importers in Korea to maintain our strong relationships and also to find new opportunities within the market for Australian beef and lamb.

Previously to MLA I worked for one of the largest meat importers in Korea. I migrated to Sydney at the age of five and graduated from the University of Sydney with a Bachelor of Agricultural Economics. I have lived in Korea for the last four years.



## Joy Tang

Country Manager, China

I am based in Beijing and lead MLA's China team. During the seven years I've worked at MLA, I have witnessed China going from a 5,000 tonne market to become Australia's second largest sheepmeat market and fourth largest beef market.

Before joining MLA, I worked for Austrade for nine years and I lived in Melbourne for six years, working for Top Cut and helped set up Tender Plus China in Shanghai with other partners in 1999.

Understanding both the Australian red meat industry and Chinese market is critical in my role to capture the opportunities and lead the team to maximise the market access and market the products effectively for our industry.



## Dr Helen Fadma

Livestock Services Manager, Indonesia

I was born and raised in Bogor, Indonesia. I'm a veterinarian graduate from Bogor Agriculture University. I started working for MLA five years ago when the 2011 ban was imposed on Australian live cattle to Indonesia.

As a veterinarian, my background in animal welfare and health has contributed significantly to my role as Livestock Services Manager where I manage the joint MLA/LiveCorp Livestock Export Program in Indonesia.

The part that I love most from my job is that I can be the 'bridge' between Indonesian and Australian cultures. Being an Indonesian helps me to understand the Indonesian market and then transfer this knowledge to the program.



## Rebecca Austin

Program Manager Digital Platform, Trangie, NSW

I've worked at MLA since the end of 1999. I started work with the Meat Standards Australia team, and have since worked in a number of different teams. My current role is to work with the red meat and livestock industry to develop the industry's value chain digital strategy. This strategy is about helping industry to better use the current data that exists in the supply chain and also helping it benefit from all the new technology that is becoming more accessible.

I've always been really passionate about the red meat industry. I grew up on my family's cattle station in the NT and I now live with my husband and three children on a property in the central-west of NSW.



## Tim Ryan

Meat and Livestock Market Analyst, Sydney

Along with my three siblings, I grew up at Baynton, central Victoria, on my family's sheep property. While studying economics in Melbourne, and working on the farm and at a local abattoir during my holiday breaks, I competed at an Intercollegiate Meat Judging competition. Subsequently, I joined the Australian Meat Judging Team and toured the US, and have since become the assistant coach of the current Australian team.

I have been an analyst with MLA's market information team for two years, delivering important data and insights across the supply chain. Working at MLA unites my passion for the livestock industry with my background in economics.

