

Increasing customer and consumer demand for red meat

MLA works to grow demand for Australian beef, sheepmeat and goatmeat through aggressive marketing and promotions in domestic and global markets, as well as through eating quality, nutrition research and product development programs.

MILESTONE SCORECARD

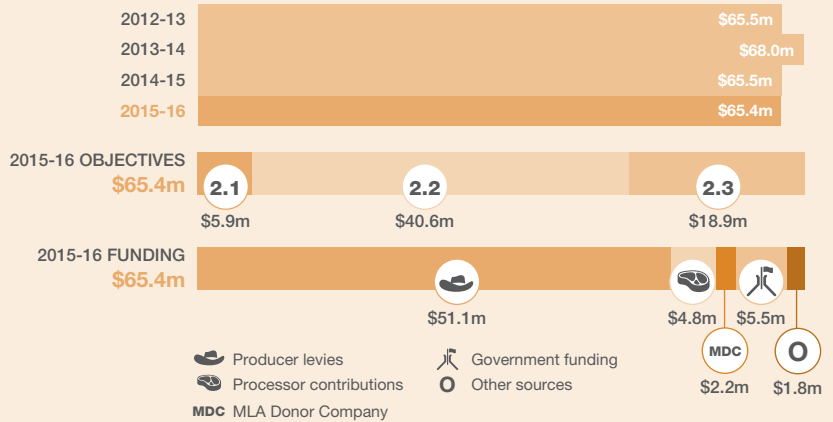
25 milestones

18 achieved
2 partly achieved
5 not achieved

Objectives under this strategic imperative include:

- 2.1 Develop and deliver market and consumer insights for better decisions
- 2.2 Aggressive promotion of beef across global markets
- 2.3 Aggressive promotion of sheepmeat and goatmeat across global markets

INVESTMENT



Meat Industry Strategic Plan 2010-2015 Strategic Themes

Marketing and promotion
Innovation

Australian Government Science and Research Priorities

Food
Health

Australian Government Rural Research and Development Priorities

Productivity and adding value
Supply chain and markets
Supporting the Rural Research and Development Priorities

Agricultural Competitiveness White Paper Priorities

Adoption of research and development
Advanced technology

KEY ACHIEVEMENTS

Greater coverage

MLA's National Livestock Reporting Service reported on an additional five saleyards and provided a new indicator for WA cattle producers.



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 flats, delivering \$5.5 million/year in new profit for the red meat industry.



FACTS AND FIGURES

Time taken for vending machine to heat red meat meal	UAE consumers surveyed aware of 'True Aussie' brand	Lamb sales increase from Australia Day lamb campaign	No. of companies involved with beef CoMarketing	No. of companies involved with lamb CoMarketing	Penetration of 'True Aussie' logo in Japanese supermarkets
2 mins	>50%	↑ 37%	52	21	58%
Farm-gate return of MSA	No. of education brochures distributed to health carers	Beef value share increase from July/Aug 2015 campaign	No. of brands involved with beef CoMarketing	No. of brands involved with lamb CoMarketing	Japanese foodservice chains using the 'True Aussie' logo
\$153m	100,000	↑ \$17m	234	53	27

+ OPPORTUNITIES

- Opportunity exists to position Australian red meat to capitalise on global trends such as food ‘grazing’, premium retail-ready meals and meeting demand from consumer segments such as ‘active ageing’.
- Market insights are being used to understand future consumer attitudes and behaviours and guide the development of innovative products, such as high moisture extrusion cooked products.
- Australian red meat has an opportunity to capitalise on the trend of global fast food and casual dining franchises gaining footholds in the Middle East/North Africa region.
- Marketing activities can position lamb as a versatile, easy-to-cook meat that brings people together.
- Marketing campaigns should continue to focus on removing nutritional barriers to beef consumption and highlighting the iron credentials of beef.

■ CHALLENGES

- It's important red meat is positioned as an affordable and convenient alternative to chicken and pork in supermarkets, and products are developed which add value to secondary cuts and carcasses which don't meet specifications.
- As lamb's heartland consumers age, it's important the industry engages a new, younger audience by showcasing the relevance of lamb to their lives.
- Research shows one in three Australian women are still not getting enough iron from their diet.
- Health risks associated with red meat and cancer were raised in a report from the International Agency for Research on Cancer.
- Health care professionals are not always clear on the role of red meat in the context of chronic disease risk and sustainability concerns.
- Tight supply and improved market access of major competitors in global markets is likely to see Australia lose marketshare.

📌 OUTLOOK 2016-17

- ‘Little Foodies’ baby food range (featuring several red meat products) will be launched in domestic supermarkets to increase the quantity and frequency of red meat consumption by toddlers.
- Ready-to-eat red meat meals will be trialled in vending machines in Melbourne, Europe and the Middle East through a partnership with MDC.
- Through MDC, the value of secondary cuts and trimmings will be increased through high moisture extrusion cooked red meat products which will be trialled in South-East Asia.
- MLA will also create opportunities for MSA brands in international markets.
- The ‘You're Better on Beef’ campaign platform will continue, with phases in July 2016 (winter campaign), October/November (iron campaign) and June/July 2017.
- A new iconic Australia Day lamb campaign will be launched, with a message of sharing lamb with family and friends on 26 January, reaffirming lamb as Australia's national dish.

MSA goes global

Meat Standards Australia (MSA), Australia's red meat eating quality system, embraced a global focus with eight Australian brands adopting the export guidelines to use the MSA eating quality message internationally.



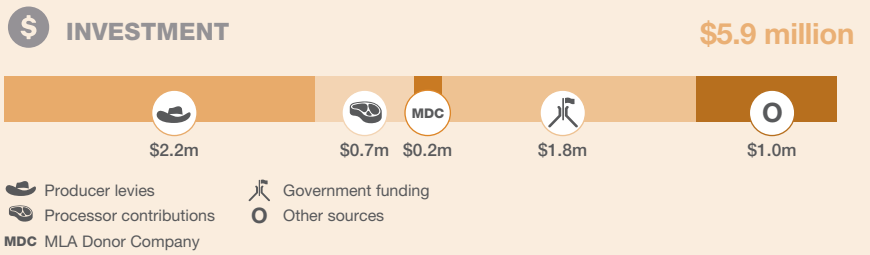
Sales increase

MLA's Australia Day lamb campaign generated 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.



Develop and deliver market and consumer insights for better decisions

MLA delivers market and consumer insights to help red meat producers and other value chain partners make informed business decisions. MLA also works to develop innovation insights to identify growth opportunities in emerging markets and market segments.



STRATEGIES

Collect and disseminate livestock market data and analyses that help producers make informed business decisions

Collect and disseminate international market data and conduct incisive analyses of relevant world meat market developments

Develop consumer and customer insights for decision making and KPI tracking

Develop value chain innovation insights

OBJECTIVE HIGHLIGHTS

New insights to guide innovation

MLA's Insights2Innovation program identified five areas of opportunity for Australian red meat: the export markets of China, South-East Asia and the Middle East, the snack food market and 'active ageing' consumers. An 'attractive cities' profile was developed to map 'hot spots' for Australian red meat by assessing factors such as e-commerce, port infrastructure and government policy in cities in the three overseas regions. These insights will be used to identify and develop innovative products. For example, consumers in South-East Asia and China desire food without fear so MLA has started a project to look at tamper-proof packaging. MLA is also exploring opportunities to collaborate with processing/value-adding companies to develop snack foods to capitalise on the global trend of 'grazing' (smaller meals eaten on-the-go instead of the traditional three square meals a day) and products that meet the demands of baby boomers, such as smaller portion sizes and products that can be easily chewed.

Understanding consumers

MLA conducted a major consumer research project to enhance the industry's understanding of the Australian red meat consumer to ultimately grow domestic red meat

demand. MLA shared data and insights from this 'Usage and Attitude Study' with industry participants. The insights have been adopted by MLA's marketing and trade teams and the creative, media and PR agencies MLA works with. This will guide the development of MLA's marketing activities that are based on a deep understanding of consumers, helping to ensure MLA's investment is targeted and efficient. MLA has also expanded the 'Global Tracker' consumer study to include four more countries and new data points, such as adding questions specific to retail and foodservice channels, to better inform marketing investment decisions by MLA and industry stakeholders.

Improved saleyard reporting

MLA added five new saleyards to the markets covered by the National Livestock Reporting Service (NLRS) in 2015-16. Market reports are now available for the Deniliquin, Cootamundra and Cowra sheep saleyards and the Moss Vale and Charters Towers cattle saleyards. MLA also developed a market indicator for WA cattle producers, which was launched in July 2015. The weekly Western Young Cattle Indicator (WYCI) draws on data from the Muchea, Mt Barker and Boyanup markets, reported by the NLRS. The new indicator provides a direct comparison for WA producers against

the longstanding Eastern Young Cattle Indicator (EYCI). The categories of stock included in the WYCI are the same as the EYCI, including C2 and C3 yearling and vealer steers and heifers.

Improved market communication

The Market Information Statistics Database was launched in September 2015 to give the red meat supply chain better access to export, production and price data. The database, available on the MLA website, averages 100 queries a day with the most searched term being 'Australian cattle prices'.

MLA added a new information platform to its quarterly cattle industry projections in 2015 with the development of three-minute YouTube videos which summarise the key messages from the projections. This approach was refined in 2015-16 to include lamb, alternating with beef each quarter. The beef videos each received more than 3,000 views and the lamb video has been viewed more than 1,000 times.

KEY MILESTONES

MILESTONE	RESULT	COMMENTARY
Over 90% of stakeholders who utilise MLA market and industry insights information believe it is valuable and contributes towards their business decision making process	Achieved	99% of survey respondents rated market information as valuable
Maintain the National Livestock Reporting Service's ISO accreditation by reporting over 80% of livestock market sales	Achieved	NLRS passed its annual ISO certification audit
Establish innovation insights strategies to identify and evaluate new innovation opportunities that will underpin growth in at least three key markets and market segments	Achieved	An e-commerce platform and 'attractive cities' profiling is being evaluated in China and a South-East Asia multi-sector workshop was completed to identify key growth segments and innovation gaps. Through a strategic value chain partner, MLA is facilitating using a 'customer demand accelerator model process' to evaluate new value-added red meat beef products for new and existing retail and export markets. A series of customer segmented workshops in China has been completed with value-added red meat opportunities identified for specific markets
Design and deliver at least three industry workshops and/or communication materials that build industry's capabilities and awareness of emerging trends and opportunities for new growth opportunities in emerging markets and market segments	Achieved	A series of targeted trends and consumer insights workshops was conducted in Brisbane, Melbourne and Sydney with high industry participation and engagement. Customised materials were designed and delivered to specific value chains upon request. At least two new value-added products in the mega-trending areas of snacking and/or active ageing have been identified as a direct result of the facilitated workshops

Market Information Plus

MLA updated its NLRS app in 2015-16. Known as 'Market Information Plus', the app is an interactive tool for producers to compare and analyse sheep and cattle prices from across 70 saleyards to guide marketing decisions.

The new design includes the ability to compare weekly, monthly and annual saleyard data for specific classes of sheep and cattle and gives producers the option to chart or grid this information.

MLA's digital market service was also enhanced with revamped over-the-hooks reports for Queensland, Victoria and NSW. These weekly market reports now include charts and information about how the indicators can be used to guide individual businesses. *Meat & Livestock Weekly* was emailed twice a week to subscribers, with a downloadable version of the statistical tables and charts attached.



Aggressive promotion of beef across global markets

MLA delivers high-impact beef promotions to strengthen customer loyalty to beef in the domestic market. It also invests in nutrition research and marketing programs. MLA delivers business development and ‘brand Australia’ building programs globally. It also supports the adoption and recognition of the MSA beef grading system through the supply chain.



INVESTMENT

\$40.6 million



STRATEGIES

Strengthen customer loyalty and commitment for beef in the domestic market

Build evidence supporting health benefits and maintain fact-based recommendations

Communicate and promote evidence-based nutrition information on red meat to key influencers

Build the True Aussie brand to differentiate and add value to Australian beef in export markets

Develop novel value-adding options through packaging and product innovation that enhances demand for beef in global markets

Support brand owners in developing their brands to better differentiate them in global markets

Ensure sufficient integrity programs are implemented to build confidence in the MSA program

Support adoption and recognition of the MSA beef grading system through the supply chain



KEY MILESTONES

MILESTONE	RESULT	COMMENTARY
Domestic market		
Maintain beef's value share at 36% or higher of all fresh meat; and penetration in the last four weeks (preceding the survey) at 69% or higher	Partly achieved	The closing value share of beef for 2015-16 was 36.8%, up from 36.3% in 2014-15. Value share peaked at 38.2% in July/August 2015 and only dropped below 36% in summer months in line with the seasonal trend. Four-weekly penetration was 68% as at 9 July 2016
Improve key beef attributes that drive consumer purchase propensity as measured by consumer tracking	Achieved	Key attributes that are important to consumers and the focus of 2015-16 beef communications were: 'Makes healthy meals' (consumer endorsement up from 49.1% to 52%) and 'Contains a wide variety of vitamins, minerals and nutrients' (consumer endorsement up from 50% to 54%)
Strong trade/end user support for, and uptake of, MLA beef marketing programs	Achieved	Retailer support was seen for the beef brand campaign across summer and winter, as well as strong buy-in from independent retail (through the Australian Butchers' Guild). Promotions occurred across the foodservice sector. Further support was received from Spirit Hotels and Rashay's chain of restaurants
International markets		
International business plans are endorsed by industry and at least 80% of KPIs listed are achieved	Achieved	International marketing strategies were endorsed by the peak industry councils in February 2016. MLA delivered more than 80% of the international markets implementation plan KPIs
Business development programs deliver supply chain opportunities and create strong trade and customer links	Achieved	MLA business development activities (such as chef immersions, information seminars, butcher training, trade workshops) received more than an 80% satisfaction rating from industry participants
Over 80% of Australian exporters are satisfied with MLA delivery of key events (trade shows, missions, etc)	Achieved	MLA participated in five key international trade shows. More than 80% of surveyed exporters were satisfied with MLA's delivery of these events

MILESTONE	RESULT	COMMENTARY
Value-adding innovations		
Develop novel value-adding options through packaging and product/process innovation that enhances demand for beef in global markets	Achieved	A suite of beef grab-and-go products successfully launched in the domestic retail market as a result of being developed through a strategic value chain partnership involving a key processor, large retailer and MLA. A dry-aged beef production process was also developed
Work with supply chain partners and end customers to develop at least one new beef product opportunity that encompasses demand-driven technologies that transform and value-add low-value cuts, with the potential to add at least \$5/head in net value and grow demand for producers	Achieved	A range of new product concepts for targeted meal occasions including beef snacks and active ageing are under development after being identified through market and consumer-focused exercises. Examples of projects contributing to the \$5/head increased value include the deli hot box grab-and-go project which has the potential to deliver \$1.13/kg (\$2.39/head) net benefit, while the SmartShape meat shaping technology provides a premium of over \$0.50/kg (\$6.25/head)
Design and deliver at least two industry workshops and/or communications materials that improve beef industry capabilities and awareness to adopt and prosper from new products and value-adding innovations	Achieved	Customised workshops have been delivered to targeted value chains on new product concepts based on latest global trends and consumer insights. These include a global trends workshop in Sydney and Brisbane featuring snacking and ageing population trends, 'On my plate' online community panels and a YouTube video on dry-aged beef protocols
Lead and deliver objectives in the cross-sectoral Rural Research and Development for Profit Insights program	Achieved	The first three milestone reports for the Rural Research and Development for Profit 'Insights2Innovation' project have been successfully submitted to the Department of Agriculture and Water Resources
MSA		
100% of MSA-licensed processors implement the MSA Model V1.8 (MSA Model 2014)	Not achieved	All MSA beef processors used the current MSA optimisation model (V1.7) for 3.1 million cattle MSA graded in 2015-16. Version 1.8 is awaiting endorsement by the MSA Pathways Committee for implementation
Improvement of national eating quality measured by the MSA Index	Partly achieved	The national average MSA Index was 57.52 in 2015-16, just 0.9 points lower nationally than 2014-15. However, the average MSA index increased by 0.19 for grassfed cattle, representing 49% of MSA graded cattle

Grab-and-go beef

An MLA Donor Company (MDC) initiative with processor Teys Australia delivered a red meat alternative to 'grab-and-go' roast chickens in supermarkets. After trialling pre-cooked hot beef in selected Woolworths stores in Queensland in April 2016, two products were rolled out to 900 Woolworths stores nationally in July. The 'Cedric Walter' traditional roast beef and hot corned beef products are ready to slice and serve. The products add value to muscles such as the outside flat and use innovative packaging technology. The beef can be cooked in-store in a new high-temperature inner bag before being inserted into the outer carry-home bag.





OBJECTIVE HIGHLIGHTS

Domestic market – consumer and retail activities

MLA's 2015-16 domestic beef campaign responded to research that consumers rate nutrition as the second biggest reason for eating less beef, behind price. Three phases of the 'You're Better on Beef' campaign focused on the nutritional benefits of beef with national television, radio and outdoor advertising, online video and social media campaigns, point-of-sale material and influencer campaigns. An 'inspiration session' hosted by Mamamia, Australia's number one website for mothers, showed women how to use beef to produce simple, delicious mid-week meals. Each campaign phase contributed to an increased volume and value of beef sales. For example, beef's value share increased by \$17 million (compared to the same four-week period the previous year) following the July/August 2015 campaign. After the iron-focused campaign (November 2015) the number of mothers who limited red meat consumption due to health concerns fell from 32% before the campaign to 28% after.

At retail, MLA's biannual new cut concepts presentations to national retailers and their vendors contributed to new products appearing on shelves in 2015-16. Costco Wholesale is piloting *yakiniku* sliced beef and beef brisket in their range while Coles and some IGA networks are selling sub-primaled beef rumps. MLA supported a campaign with a national retailer to gain a greater understanding of shopper behaviour. An email promoting winter beef cuts was sent to 12.3 million customers; it was opened by 38.3% of recipients, 29.8% activated it and 15.6% purchased a promoted cut. This contributed to a 15% year-on-year increase in the retailer's beef sales during the campaign.

MLA launched a newsletter, *Butcher's Paper*, as an insert in *The Australian Butchers' Voice* magazine which is circulated to 2,700 butchers. *Butcher's Paper* includes market information, shopping and consumer trends, a cut masterclass, product innovation tips and details of upcoming MLA campaigns. The first issue featured the breakdown of a whole chuck to demonstrate the versatility of the primal and show butchers how to produce two new steak options for their range, the

Delmonico and Denver. An associated innovation workshop was attended by 55 butchers – 76% found the session extremely valuable, 88% said they would sub-primal the chuck and 94% would break down and value-add lamb legs.

Red meat nutrition – events, research and crisis management

As part of a partnership with the Dietitians Association of Australia, MLA supported the Australian Healthy Weight Week in February 2016 which involved 750 events around the country. More than 1,100 dietitians and 40,000 members of the public took part in activities promoting healthy meals, and 40,000 copies of MLA's *Guide to healthy, balanced meals* brochures were distributed. MLA also supported the Dietitians Association of Australia's National Conference in Melbourne in May 2016, where more than 200 delegates visited MLA's stand.

MLA Donor Company is working with the University of Otago in NZ to trial powdered beef products as a low-cost dietary supplement for young children in Indonesia to overcome iron and zinc deficiencies. The findings from this study will inform global policy about the amount of red meat required from six months of age to prevent iron and zinc deficiencies and support normal growth and development.

In October 2015, MLA reassured consumers on the benefits of Australian red meat in its response to a report on the carcinogenicity of red and processed meat by the International Agency for Research on Cancer, an agency of the World Health Organization. MLA's primary focus was to place the findings in the context of the Australian Dietary Guidelines which recommends Australians eat 455g/week of cooked red meat to meet their iron and zinc requirements. Credible third parties, including healthcare experts and media spokespeople, were briefed on the report's findings to ensure a balanced and consistent message. MLA's strategic response was well understood and supported by the peak industry councils and key industry stakeholders who were also pre-briefed. Despite high media coverage, reporting was largely balanced and the coverage of red meat and health has remained above 75% favourable/neutral since then.

MSA beef

Australia's red meat eating quality grading system, MSA, has gone global with eight Australian brands embracing the MSA export guidelines and using the MSA grading system to underpin their brand message in overseas markets. On the home front MSA brands continued to grow during 2015-16 with a further nine meat brands embracing the system, bringing the total to 140.

MSA adoption continued with another 3,244 producers becoming MSA registered with 74% eligible to supply cattle to the 43 MSA-licensed beef processors. This resulted in 3.1 million cattle being MSA graded with average compliance to MSA requirements maintained at 93%. Cattle producers with carcasses compliant to MSA and company specifications were rewarded with an additional \$0.24/kg for young, non-feedlot cattle and \$0.15/kg for cattle that met grainfed criteria. This resulted in an additional farm-gate return of \$153 million.

Producer uptake of the MyMSA feedback system continues to grow with more than 10,000 visits throughout the year and now 67% of all new producer registrations occur online. The online MSA e-learning module for producers, released and now accessed by more than 1,200 producers during 2015-16, won a gold medal in the Australia-wide Training Industry Awards.

True Aussie

MLA international marketing activities strengthened the positioning of the 'True Aussie' brand in Australia's two largest Asian beef markets in 2015-16.

Consumer brand awareness of 'True Aussie' increased in Japan from 18% in 2014-15 to 25% in 2015-16 and in Korea from 36% awareness to 46%.

Japan – Aussie-style barbecue

Australian steak sales in Japan increased by an average 197% at major supermarkets during the 'Let's Barbie' campaign in July and August 2015. Campaign events included a commercial broadcast on television, huge digital billboards in Tokyo and public barbecues. At an event at the Australian Embassy in Japan, 2 August was officially named annual 'Barbie Day', receiving significant national media coverage. Market research by Kantar

showed the 'Let's Barbie' television commercial was one of highest performing in their client database, in the top 2% for consumer engagement and the top 1% for purchase persuasion. The value of barbecue-type cuts exported from Australia to Japan between May and July 2015 increased 29.4% year on year, compared to an average increase of 17.1% across all beef cuts.

Middle East/North Africa (MENA) – LuLu

MLA ran a collaborative Ramadan program with the largest retailer in the MENA region, LuLu. 'True Aussie' co-branded Ramadan point-of-sale material featured in 19 hypermarkets across the United Arab Emirates (UAE), Kuwait, Qatar, the Kingdom of Saudi Arabia and Oman. In-store activities were supported by radio and print media advertising in Saudi Arabia and the UAE. Social media activities included videos of MLA's Chef Tarek giving live in-store recipe demonstrations, with supporting recipes uploaded weekly to the LuLu website. Sales of Australian beef and lamb increased by 18% in volume and 10% in value compared to 2015 levels.

South-East Asia – trade events

More than 30 Australian beef and lamb exporters attended the biennial Food Hotel Asia tradeshow in Singapore. MLA's co-funded stand generated up to 15 new leads from companies in Singapore and surrounding countries. Networking events hosted by MLA introduced trade sector exhibitors to 55 leading chefs from Singapore and Malaysia. More than 60 importers also attended red meat forums hosted by MLA in Hanoi and Ho Chi Minh City in Vietnam to learn more about importing Australian red meat. Some relaxation to tight regulatory cut restrictions in Indonesia in November 2015 saw the reintroduction of the rump as an additional export option. MLA provided six training forums across Indonesia to provide importers with information on loin alternatives.

EU – trade promotion

MLA assisted two major Australian beef importers to grow their online businesses into Europe with promotional merchandise and social media support. These distributors ran

successful campaigns over Christmas 2015 and achieved a 300% increase in sales compared to the same period in 2014. MLA partnered with another importer to host chef workshops with large German wholesalers and, as a result, a regular supply of grassfed and grainfed Australian cuts was established into foodservice and wholesale sectors. MLA also hosted 16 Australian exporters at the 2015 ANUGA trade show in Germany – the largest food show in Europe, with more than 155,000 visitors from 200 countries attending the event.

North America – culinary immersion

MLA ran two Australian grassfed beef and lamb culinary immersion events at Palm Springs and Chicago in May 2016. The 36 participants included chefs from large national and regional restaurant chains, hotels, independent restaurants and restaurant groups, universities and culinary consultants. These education events were positive for business development, with seven new leads – representing 1,100 restaurants across the US – requesting samples, additional menu ideas, supplier pricing and new Aussie grassfed beef menu placements. Four existing accounts – representing 126 restaurants – are considering additional beef or lamb products to their existing menu. The events also generated strong social engagement within the large US foodservice community, with 11,455 likes on the blog post about the events and 1.41 million impressions on Facebook and Instagram activity during the events.

Korea – digital marketing

MLA's red meat marketing activities in Korea in 2015-16 included a strong digital strategy. MLA engaged consumers with daily content on Facebook, such as facts about Australian red meat, recipes and events, including four key seasonal promotions. MLA's Korean Facebook page has 38,038 followers, and received 85,682 likes, 68,695 comments and 21,539 shares in 2015-16. 'Country of origin' is a key driver of consumer trends in Korea, and Australia has a high perception, even though 'True Aussie' is in its infancy. MLA rolled out 'True Aussie' branding in 2015-16 and distributed 12.6 million 'True Aussie Beef' stickers to 2,334 stores. MLA also

supported 8,515 days of in-store sampling promotions in 2015-16, and 35,303 sampling days by industry.

CoMarketing

The Collaborative Marketing Program (CoMarketing) continues to support Australian red meat brand owners to develop marketing strategies for their beef, veal, lamb and goatmeat brands. The number of beef companies involved in CoMarketing programs with MLA increased from 50 to 52 in 2015-16. These companies collectively have 234 brands, of which 81 are MSA certified and 14 are underpinned by the Pasturefed Cattle Assurance System (PCAS) or third-party verified grassfed brands.

Value-adding innovations – dry-aged beef

In response to renewed interest in dry-aged beef in the foodservice sector, a food manufacturer developed a best practice guide for this process via an MLA Donor Company project. The guide, which is targeted at butchers and chefs to ensure consistent product, is supported by a YouTube video featuring MLA's Corporate Chef, Sam Burke. In another dry-aged project, Meat Standards Australia has commenced running consumer sensory research to develop consistent eating quality standards for dry-aged beef, which did not previously exist.

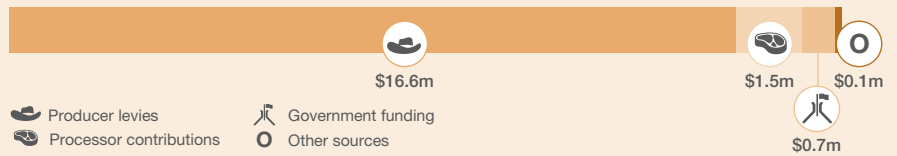
Aggressive promotion of sheepmeat and goatmeat across global markets

MLA delivers high-impact seasonal lamb campaigns to maintain the market share of lamb in the domestic market. MLA also invests in nutrition research and marketing programs to ensure key influencers continue to recommend red meat consumption three to four times a week. MLA delivers business development and ‘brand Australia’ building programs for sheepmeat and goatmeat globally. It also identifies and evaluates opportunities for new lamb products and develops new technologies to transform and value-add low-value cuts.



INVESTMENT

\$18.9 million



STRATEGIES

Strengthen consumer loyalty and customer commitment for sheepmeat in the domestic market

Build evidence supporting health benefits and maintain fact-based recommendations

Communicate and promote evidence-based nutrition information on red meat to key influencers

Build the True Aussie brand to differentiate and add value to Australian sheepmeat in export markets

Develop novel value-adding options through packaging and product innovation that enhances demand for sheepmeat and goatmeat in global markets

Support brand owners in developing their brands and products that better differentiate them in global markets

Ensure sufficient integrity programs are implemented to build confidence in the MSA program

Support adoption and recognition of the MSA sheep grading system through the supply chain

Red meat from vending machines

MLA Donor Company supported an innovation by Australian lamb processor Frew Group to value-add lamb by developing ready-to-eat meals from vending machines. The vending machines can heat single-serve meals such as lamb meatballs in Massaman curry in just two minutes.

The vending machines were on show at IFFA, a global meat processing exhibition in Germany, in May and are looking to be trialled at railway stations and universities in Melbourne, Europe and the Middle East.

The vending machines not only value-add secondary cuts and provide convenient meals to time-poor consumers, they also create a new opportunity for Australian lamb in the face of volume restrictions into the EU (which apply to frozen but not cooked product).

The vending machines also collect point-of-sale information and will potentially gather consumer feedback.



KEY MILESTONES

MILESTONE	RESULT	COMMENTARY
Domestic market		
Maintain lamb's market share of fresh meat at retail at 13.5%	Not achieved	The closing value share of lamb was 13.3% in 2015-16, slightly below 13.4% in 2014-15
Improvement in key lamb attributes as measured by consumer tracking: 'Top of mind awareness' and 'Is loved by Australians'	Not achieved	'Top of mind awareness' averaged 14% in 2015-16 compared to 14.3% in 2014-15. The measure 'Is loved by Australians' was discontinued as a tracking measure in February 2016, at which point endorsement was at 68% for FY16, down from 71% in FY14. MLA is now measuring attributes that are most important to Australian consumers (e.g. purchase drivers) and has reflected these in strategy development and future target setting
International markets		
International business plans are endorsed by industry and at least 80% of KPIs listed are achieved	Achieved	International marketing strategies were endorsed by the peak industry councils in February 2016. MLA delivered more than 80% of the international markets implementation plan KPIs
Business development programs deliver supply chain opportunities and create strong trade and customer links	Achieved	MLA business development activities (such as chef immersions, information seminars, butcher training, trade workshops) received more than 80% satisfaction rating from industry participants
Over 80% of Australian exporters are satisfied with MLA delivery of key events (trade shows, missions, etc)	Achieved	MLA participated in five key international trade shows. More than 80% of surveyed exporters were satisfied with MLA's delivery of these events
Value-adding innovations		
Work with supply chain partners and end customers to develop at least one new smallstock product opportunity that encompasses demand-driven technologies that transform and value-add low-value cuts, with the potential to add at least \$1/head in net value and grow demand for producers	Achieved	Several smallstock product opportunities were developed, including dry-aged sheepmeat (achieving a premium of \$3-\$4.39/head), and recovered lamb meat from the aitch bone after leg boning, as well as deboned forequarter and leg meat to prepare cooked meals that will be sold directly to the end consumer via vending machines. The value-adding opportunity for the meat preparation and cooking supply chain phase is estimated at \$6.36/head
Design and deliver at least one industry workshop and/or communications resource that improves industry capabilities and awareness to adopt and prosper from new products and value-adding innovations	Achieved	A new 'web-scraping process' to gather market insights for lamb was delivered to a large processor and is now being adopted as a routine, cost-effective market insights method within its sales and marketing team
MSA		
Two supply chains trialling MSA cuts-based sheepmeat	Not achieved	Under the Sheep CRC, a cuts-based MSA prediction model for sheepmeat has been developed. Three supply chains engaged with the Lamb Supply Chain Group have been briefed on the model. Application will depend on the development of real-time intramuscular fat measurement, which is a priority for a value chain Rural Research and Development for Profit project
MSA Index implemented for sheep	Not achieved	An MSA Index for sheep will be implemented once a cuts-based model is developed. Eating quality indices have been integrated into Australian Sheep Breeding Values (ASBVs), within the Sheep Genetics program



OBJECTIVE HIGHLIGHTS

Domestic market – spring and Australia Day campaigns and Masterpieces

MLA's spring lamb campaign contributed to a 2.5% growth in lamb sales at a time when lamb retail prices were 9% higher. The campaign used a television commercial and billboards to position lamb as the seasonal meal of choice with a wide range of versatile, easy-to-cook cuts. A social media campaign, DisasterChef, was fronted by well-known chef George Calombaris. It was designed to place lamb as an easy, versatile meal option for less confident, younger consumers.

The 2016 Australia Day lamb campaign centred on the idea that no Australian should lamb alone on Australia Day. The video component of 'Operation Boomerang' featured a well-known cast of Australians and was supported by social media and PR campaigns. Sales results for the period (average sales figure of the third and fourth week of January) finished the highest on record at 36.9%, despite Australia Day falling on a Tuesday. (The last time Australia Day fell on a Tuesday sales increased by 10.1%.) During the campaign period, lamb's overall category value was 13.8%, up from 12.6% in 2015. The advertisement was also awarded 'TV Ad of the Year' at a prestigious media event, for the second year running. In addition to this the campaign received three golds at The Effie Awards (Effectiveness in Advertising Awards), along with the coveted Grand Effie, in recognition of the effectiveness of the campaign.

The autumn lamb campaign expanded from a historical focus on roasts and highlighted the versatility of the whole carcass. Lamb was positioned as the easy go-to solution in any situation, regardless of the unpredictability of autumn weather or spontaneous guests. Activities including television ads, billboards, social media, mobile ads and PR were aimed at engaging consumers when they were in the meal planning process with content that responded to the current weather forecast. The campaign resulted in a sales growth of 4.5% over the campaign period.

The Masterpieces whole-of-carcass series for beef, lamb and goatmeat was launched to engage the foodservice

sector with information about non-loin cuts, including beef chuck, lamb leg and goat forequarter. In the first three months of the program, Masterpieces content achieved 300,000 views across Facebook and YouTube and increased Facebook page audience numbers by 27% and YouTube channel subscribers by 176%.

Nutrition

General practitioners (GPs) are a trusted source of information but most are not trained in nutrition. MLA is providing doctors with practical tips on healthy eating so they can help their patients follow a healthy, balanced diet which includes red meat three to four times a week as per the Australian Dietary Guidelines.

MLA continued to work with ThinkGP, one of the leading online GP educators in Australia, to develop a second accredited learning module, this time on infant nutrition. The module was launched in September 2015 and 1,800 GPs have enrolled in both modules (the first was on weight management). MLA's partnership with GP publication, *Australian Doctor*, included developing a digital newsletter and supporting factsheets dedicated to nutrition. More than 2,000 GPs subscribed to the newsletter in 2015-16, with around half reading the content. The best-performing article, 'Four steps to healthy balanced meals', received 30,000 impressions on Facebook and the associated factsheet was downloaded almost 300 times.

MLA launched a new website www.mlahealthymeals.com.au in February to provide nutrition professionals with a central point of nutrition information, including scientific and behavioural evidence, about the role of red meat as part of a healthy balanced diet.

MSA sheepmeat

MSA continues to gain momentum in the sheepmeat industry with 5.2 million sheep processed using the MSA pathways during 2015-16, with 63% trade marked as MSA, up from 51% for 2014-15. Victoria represented the largest percentage of MSA lambs with 48% of the total MSA production. South Australia had the largest increase in MSA lambs being

presented for grading (an increase of 21%) and Tasmania had the largest growth in MSA trade marked lambs (an increase of 62%).

Of the 3,244 new MSA producer registrations, 60% were eligible to supply sheep to the MSA program to the 19 MSA-licensed sheep processors.

Japan – Lambassadors and Genghis Khan promotions

MLA's 'Lambassador' program created buzz among Tokyo's chefs about the versatility and quality of Australian lamb. Nine Lambassadors, including chefs, a butcher, a food stylist, a representative from the Sheepmeat Eating Association, a restaurant owner and a food consultant, travelled to Australia to learn more about Australian lamb production and how lamb is used creatively by chefs. Follow-up activities in Japan included creating a new lamb dish for 20 restaurant chefs; demonstrations for 20 influential food journalists and 170 bloggers/social influencers; and a lamb cutting demonstration for 30 culinary school teachers. Lambassadors cooked 1,500 lamb chops in two days for 10,000 visitors to the 2015 Hitsuji (sheepmeat) Festival, which received 60 media reports. The launch of *The Lambassadors* recipe booklet was attended by 90 media, and 30,000 copies of the booklet have been distributed to chefs in Tokyo.

The Hokkaido region has the highest sheepmeat consumption in Japan. This market is dominated by the 'Genghis Khan' dish (barbecue lamb). MLA worked to entrench Genghis Khan cuisine as a cultural icon in Hokkaido, in conjunction with the Genghis Khan Association. Through the Association, 2,000 copies of a multilingual *How to Genghis Khan* guide were distributed to restaurants to help independent restaurateurs target more than five million foreign tourists and compete for new customers in a flat economy. MLA continued to help manage the Genghis Khan Supporters Club, which it established in 2013 to encourage Hokkaido consumers to be proud of the local lamb dish. Activities included managing the club's social media profile, school events and the annual Genghis Khan festival in Sapporo.

Middle East/North Africa (MENA) – butcher training

MLA trained 423 retail butchers at 20 sessions across the MENA region in 2015-16. The events educated butchers about different cuts, the attributes of Australian lamb and beef, and demonstrated how to set up point-of-sale displays. The training emphasised the 'True Aussie' attributes of quality, consistency, halal and trust, and led to the placement of 'True Aussie' cut charts, pack stickers, caps and aprons into three large retailers in the region. MENA celebrity, Chef Tarek Ibrahim, also trained more than 3,000 chefs in 48 sessions across the region, including at culinary schools in the United Arab Emirates, Jordan and Egypt.

South-East Asia – chefs' tour

A tour to Australia inspired 10 Malaysian chefs to add new lamb products to the menus of their restaurant chains. MLA and the Victorian government hosted 10 of Malaysia's top chefs who participate in MLA's Red Majesty Chefs program (designed to promote and showcase how Australian beef and sheepmeat can be used in modern Chinese cuisine). The tour through Victoria, which included visits to exporters and producers, was designed to give the chefs a better understanding of lamb supply chains and discover alternate ways of using lamb in Chinese cuisine menus.

EU – retail promotions

MLA co-sponsored in-store promotions with a major UK retail chain with a strong focus on lamb around peak times of the year such as Easter. Selected in-store promotions contributed to sales increasing by more than 100% year on year. MLA put lamb on the menu in Germany to celebrate Australia's national sail training ship, *Young Endeavour*. The event was hosted by Australia's Ambassador to Germany, His Excellency David Ritchie AO and *Young Endeavour's* captain, Lieutenant Commander Gavin Dawe OAM. German dignitaries, businesses and media were treated to dishes such as braised lamb in prosciutto blankets which were prepared onboard by the *Young Endeavour's* Navy chefs.

US – retail and foodservice promotions

Thousands of Australian lamb and grassfed beef samples were provided to consumers in partnership with the Stop & Shop retail chain in Massachusetts as part of a 'True Aussie' lamb and grassfed beef 'tailgating' promotion. (Tailgating is the custom of barbecuing on the back of utes outside sporting events.) Other lamb retailers also conducted increased sampling during the winter and Easter periods. Sales increased between 30% and 100% at participating stores during the period.

'True Aussie' goat was a featured partner in New Orleans, Louisiana, during the year at the Rising Star Chefs Gala event. Rising Stars recognises up-and-coming independent chefs. More than 450 local chefs, restaurateurs, local media and consumer food enthusiasts attended, and foodservice leads from the event were provided to an importer partner. Australian goatmeat also featured at Rising Stars events in Miami and San Francisco – excellent target markets for Aussie goatmeat due to their consumers' love of ethnic flavours and preparedness to experiment.

China – cold chain integrity

MLA's promotional activities in China in 2015-16 focused on improving market access conditions and assisting industry increase plant listings and chilled access. MLA also supported business development through the education and training of Chinese customers on Australia's integrity systems and how to handle and present beef products. MLA ran a workshop on cold chain integrity for Australian chilled red meat for AQSIQ (China Administration of Quality Supervision, Inspection and Quarantine) in August 2015, with presentations on the Australian red meat export system, industry supply chain systems, cold chain management system and red meat knowledge. It was attended by 68 Chinese government officials from more than 40 red meat import entry ports in China. MLA also held training for 45 customs officials from the pricing departments in 33 ports in China.

Value-adding innovations

MLA carried out a project to assess how different fat scores impact the dry-ageing process for lamb. The research outcome was that fatter lambs produce a richer-flavoured product with less yield loss. Chef-designed menu ideas have been developed and the value to the industry is being evaluated, based on the potential for new markets (including hoggets and mutton) and premiums for lambs which fall outside current weight or dentition grids in the premium artisan trend of dry-ageing.

CoMarketing

In 2015-16, 21 lamb companies had collaborative marketing (CoMarketing) programs with MLA. These companies collectively have 53 lamb brands, including seven MSA brands. The goatmeat component of CoMarketing was formalised, with two goatmeat companies receiving support for their two brands.