



Meat & Livestock Australia
Annual operating plan
2012-13

Contents

Introduction	2
MLA strategy map 2010–2015	3
MLA focus areas 2010–2015	5
Maintaining and improving market access	6
1.1 Develop and deliver industry systems that underpin product integrity	6
1.2 Support industry and government to maintain and liberalise world meat markets	8
1.3 Maximise market options for producers and exporters in the livestock export market	10
Growing demand	12
2.1 Develop practices and programs that help industry deliver consistent and optimal eating quality	12
2.2 Enhance the nutritional reputation of red meat	14
2.3 Develop new products	15
2.4 Aggressive promotion of beef in the domestic market	17
2.5 Aggressive promotion of lamb in the domestic market	18
2.6 Aggressive promotion in export markets – beef	19
2.7 Aggressive promotion in export markets – sheepmeat	21
Increasing productivity across the supply chain	23
3.1 Identify and deliver opportunities to increase on-farm productivity	23
3.2 Identify and deliver opportunities to increase off-farm productivity and capability	25
3.3 Deliver valued supply chain and market information	27
3.4 Support industry to improve animal health and biosecurity	29
3.5 Increase producer engagement with MLA tools and information to support productivity	30
Supporting industry integrity and sustainability	32
4.1 Support on-farm environmental sustainability	32
4.2 Support off-farm environmental sustainability	33
4.3 Provide solutions to meet high standards of animal welfare without reducing productivity levels	35
4.4 Support industry's effective engagement with the community	36
4.5 Develop sustainable innovation capability within the industry and its service providers	38
Supporting imperatives	39
5.1 Stakeholder communications and reporting	39
5.2 Corporate services	40
8.0 AUS-MEAT	41
9.0 MLA Donor Company (R&D partnerships)	42

Creating opportunities for Australian cattle, sheep and goat industries

The *Annual operating plan 2012-13* outlines the services to be provided by MLA over the coming financial year.

It is in line with MLA's revised *Corporate plan 2010–2015*, which establishes the long-term goals and direction of MLA's marketing and research and development (R&D) investments to create opportunities for Australia's cattle, sheep and goat producers.

The plan outlines key initiatives for the year under each strategy contained within the *Corporate plan*, with key performance indicators (KPIs) and budgets for these strategies also clearly shown.

MLA's performance against this plan will be reported in our *Annual report 2012-13*, which will detail our corporate and financial performance against the strategies and milestones contained in this plan.

This *Annual operating plan 2012-13* is the first under MLA's new strategic planning model, which was implemented during 2012.

MLA's *Corporate plan 2010–2015* now provides an overview of the strategic direction of the company, and guides a series of detailed five-year business plans that outline our long-term programs across each page of this *Annual operating plan 2012-13*.

As part of this process, we have made two other refinements to our strategic planning. The first better reflects MLA's role as a provider of marketing and R&D services, with the five strategic imperatives previously in place having been consolidated into four.

The second is the introduction of 15 new focus areas for the company towards 2015. These 15 areas have been identified as those that have the most potential to deliver the strongest returns back to cattle, sheep and goat producers.

This new strategic planning model was developed to strengthen program evaluation and long-term planning – both areas recommended for improvement following a three-year review of MLA's performance completed in 2010.

This new planning model will further bring to life MLA's commitment to transparency and accountability. This plan represents an important part in our resolve to maintain these standards in our operations.

MLA's programs and activities outlined in this plan are closely aligned with the *Meat industry strategic plan 2010–2015* (MISP), the industry sector plans and the Australian Government's rural R&D priorities.

MLA's program delivery across these areas would not be possible without the matching R&D funding of the Australian Government and the collaboration of peak industry councils and industry leaders.

I thank them, and our levy payers, for their ongoing support.

Scott Hansen
Managing Director

Priority alignment

MLA's imperatives are aligned with Australian Government research priorities, Australian Government rural research priorities and *Meat industry strategic plan 2010–2015* (MISP) strategic themes.

Imperative 1: Maintaining and improving market access

<i>Guided by:</i>	<i>National research priorities</i>	<i>Rural research priorities</i>	<i>MISP strategic themes</i>
	<ul style="list-style-type: none"> • Promoting and maintaining good health • Safeguarding Australia 	<ul style="list-style-type: none"> • Productivity and adding value • Supply chain and markets • Biosecurity 	<ul style="list-style-type: none"> • Market access • Marketing and promotion • Economics and infrastructure

Imperative 2: Growing demand

<i>Guided by:</i>	<i>National research priorities</i>	<i>Rural research priorities</i>	<i>MISP strategic themes</i>
	<ul style="list-style-type: none"> • Promoting and maintaining good health 	<ul style="list-style-type: none"> • Productivity and adding value • Supply chain and markets • Innovation skills • Technology 	<ul style="list-style-type: none"> • Marketing and promotion • Innovation

Imperative 3: Increasing productivity across the supply chain

<i>Guided by:</i>	<i>National research priorities</i>	<i>Rural research priorities</i>	<i>MISP strategic themes</i>
	<ul style="list-style-type: none"> • Environmentally sustainable Australia • Promoting and maintaining good health • Safeguarding Australia • Frontier technologies for building and transforming Australian industries 	<ul style="list-style-type: none"> • Natural resource management • Productivity and adding value • Supply chain and markets • Biosecurity • Innovation skills • Technology 	<ul style="list-style-type: none"> • Our industry • Our people • Innovation • Economics and infrastructure

Imperative 4: Supporting industry integrity and sustainability

<i>Guided by:</i>	<i>National research priorities</i>	<i>Rural research priorities</i>	<i>MISP strategic themes</i>
	<ul style="list-style-type: none"> • Environmentally sustainable Australia • Promoting and maintaining good health • Frontier technologies for building and transforming Australian industry 	<ul style="list-style-type: none"> • Natural resource management • Climate variability and climate change • Innovation skills • Technology 	<ul style="list-style-type: none"> • Our industry • Our people • Environment and ethics • Innovation • Economics and infrastructure

Australian Government rural research priorities and MISP strategic themes

Meat Industry Strategic Plan 2010–2015 strategic themes	
Environment and ethics	Promote ethical and responsible custodianship of the environment, animal welfare and resources used in the production of red meat
Market access	In partnership with government, maximise effective trade facilitation
Our industry	Promote a single co-ordinated voice for our industry to reshape and reinvigorate relationships within industry and with government
Our people	Develop and retain motivated and appropriately skilled people for our industry
Innovation	Increase competitiveness and profitability through innovation
Marketing and promotion	Focus on the consumer to continue to achieve profitable growth in demand for Australian red meat and livestock products
Economics and infrastructure	Foster economic reform and infrastructure investment to enhance the capabilities of our industry

Australian Government rural research priorities		
Priority	Objective	Focus
Productivity and adding value	Improve the productivity and profitability of existing industries and support the development of viable new industries	Ongoing research is required to improve the productivity and profitability of Australia's existing agriculture, fisheries, forestry and food industries and to support the establishment of viable new industries and products. This must be complemented by research to develop high value products which can better exploit Australia's comparative advantages.
Supply chain and markets	Better understand and respond to domestic and international market and consumer requirements and improve the flow of such information through the whole supply chain, including to consumers	Providing markets and consumers with goods that are safe and meet customer requirements is essential to the long term competitiveness of Australia's agriculture, fisheries, forestry and food industries. High quality information regarding market and consumer requirements should be appropriately distributed through the supply chain to ensure producers can effectively respond to market requirements. Effectively servicing the information needs of consumers is also vital to gain and retain markets.
Natural resource management	Support effective management of Australia's natural resources to ensure primary industries are both economically and environmentally sustainable	Australia's fragile environment and limited natural resources require innovation in primary industries to ensure natural resources are used sustainably. Land degradation, water management and biodiversity losses are significant challenges to current and future productivity.
Climate variability and climate change	Build resilience to climate variability and adapt to and mitigate the effects of climate change	Climate variability and climate change pose significant challenges for Australia's primary industries and regional economies. The National Agriculture and Climate Change Action Plan (2006–09), agreed to by Australian governments, highlights threats posed by increased climate variability and climate change and measures needed to mitigate and build resilience to this threat.
Biosecurity	Protect Australia's community, primary industries and environment from biosecurity threats	Effective prevention, control or eradication of pests and diseases of concern (including vertebrate pests and weeds) is vital to the security and health of the Australian community, the productivity and sustainability of primary industries and Australia's terrestrial, fresh water and marine environments. Pests and diseases also impede the access of Australian products to international markets. A number of countries are tightening their biosecurity requirements and requiring sophisticated technical justification for risk management measures.
Supporting the priorities		
Innovation skills	Improve the skills to undertake research and apply its findings	The skills of Australia's research providers and the ability of producers to innovate and adopt the products of research are fundamental to the profitability, competitiveness and sustainability of Australia's agriculture, fisheries, forestry and food industries. Strong collaboration between all players in the Australian research and innovation system is essential for the sector's effectiveness and efficiency. Improving skills to undertake research and to apply research findings is a critical element of the research and development effort.
Technology	Promote the development and application of new and existing technologies	Advances in existing technologies and adoption of new technologies are important in addressing the challenges faced by agriculture, fisheries, forestry and food industries and regional communities. Continued investment in these areas is essential to the effectiveness of research and innovation for the sector.

MLA focus areas 2010–2015

Imperative	Focus areas
1. Maintaining and improving market access	<ul style="list-style-type: none"> • Assist industry to better integrate and sustainably deliver its on-farm risk management systems (Livestock Production Assurance/National Vendor Declarations, National Livestock Identification System)¹ • Assist government and peak councils to secure free trade agreements that eliminate the current tariffs on red meat exports to Korea (currently 40%) and Japan (currently 38.5%) • Identify high priority technical trade barriers that are impeding red meat export sales, and assist government to alleviate their impact through the provision of science and technology • Maintain access to livestock export markets by assisting supply chains to implement and comply with Exporter Supply Chain Assurance System regulations through the provision of gap analysis, risk analysis, training and technical advice
2. Growing demand	<ul style="list-style-type: none"> • Increase Australian consumers' demand for beef through compelling marketing campaigns encompassing eating quality, enjoyment and nutrition² • Create new business for Australian beef in emerging global markets by working with exporters to win at least 20 new major accounts and at least 20 large new product opportunities for branded beef³ • Create incremental business for Australian lamb in domestic and global markets by increasing consumer perceptions in key markets and working with exporters to win 20 new major accounts for Australian lamb⁴
3. Increasing productivity across the supply chain	<ul style="list-style-type: none"> • Create opportunities through research and extension to improve reproduction efficiency in northern beef (by five percentage points) and maternal sheep breeds (by two percentage points)⁵ • Create opportunities through genetic research and management practices to improve pasture and forage crop productivity, quality and persistence⁶ • Create opportunities with new practices or technologies to improve labour efficiency by 5%, encompassing occupational health and safety, labour resource need and yield • Create opportunities to improve compliance to market specifications by 3% by providing information and tools that encourage practice change on farm, such as Livestock Data Link and BeefSpecs⁷ • Create opportunities through research to minimise the threat and impact of exotic, emerging and endemic diseases on Australian livestock enterprises⁸
4. Supporting industry integrity and sustainability	<ul style="list-style-type: none"> • Create opportunities through research that will deliver a 10% improvement in production efficiency through new tools and management that will decrease greenhouse gas emissions from livestock systems by up to 30%⁹ • Create cost effective opportunities to replace, relieve, refine animal husbandry practices to continuously improve animal welfare • Create opportunities through media, social media and events for producers and industry to engage with the community and maintain current high levels of trust (over 80%)

¹ achieved through the delivery of the SAFEMEAT Initiatives Review outcomes

² consumer penetration remains above 96% and value share remains above 38.3%; consumer awareness of MSA from 26% to 60%; "well liked in my household" remains above 70%; "essential part of a healthy diet" remains above 50%

³ major accounts to be either >25 retail stores or >50 food service outlets and must be new to Australian beef; opportunities are new products or new ranging of products that delivers incremental sales volume per activity of at least 20 tonnes per annum

⁴ key markets are Australia (72% of consumers believe lamb is loved by Australians in 2012 with 2015 target 75%; 53% of consumers have a very positive disposition towards lamb in 2012 with 2015 target 54%; 28% of consumers are willing to pay a bit more for lamb in 2012 with 2015 target 29%), United States (from current awareness of 36% to 41%) and UAE (from current awareness of 65% to 70%)

⁵ current benchmark levels are 71% for northern beef and 82% for maternal sheep breeds

⁶ five new forage varieties commercialised; 30% less P-fertiliser required in new P-efficient temperature pasture legumes; boost production of "run-down" sown northern pastures by 30%

⁷ current benchmark ~75% with a firm baseline to be established during the LDL pilots in 2012-13

⁸ improved disease management and diagnostic techniques for internal parasites, Johne's disease and foot and mouth disease

⁹ research to demonstrate relationship between feed conversion and greenhouse gas emissions

1. Maintaining and improving market access

1.1 Develop and deliver industry systems that underpin product integrity

Australia has enjoyed unparalleled access to world meat markets over many years due to its favourable disease status and world class food safety and integrity systems. Continued work in these areas to ensure ongoing leadership involves both R&D activities to keep Australia at the forefront of developments and investment in maintaining existing systems. In 2012-13, MLA will continue to invest in maintaining the NLIS database and LPA systems; develop tools and systems for managing food safety based on innovative science; and support the development of integrity systems that respond to customers' ever changing needs.

Strategy	Key initiatives	BU	10-11 Actual	11-12 Budget	12-13 Budget
1. Conduct scientific research to ensure food safety systems are at the leading edge of knowledge and practice	1. Maintenance of safety and integrity aspects of product	TES	939	1,000	1,000
	2. Development of new techniques for delivering safe and wholesome product		433	522	522
	3. Monitor developments/develop initiatives in biotechnology		42	50	50
	4. Develop risk-based post mortem inspection systems for animal health surveillance, and assessment of product safety and suitability		225	500	500
	5. Respond to market expectations for scientific information on the safety of red meat products		161	200	200
2. Develop and implement appropriate meat and livestock traceability systems	1. Ensure that NLIS Ltd has the capability to deliver database and support services to enable industry to meet the national traceability standards	IS	4,123	4,800	4,980
3. Support the development and uptake of food safety and quality assurance systems by all sectors of the red meat supply chain	1. Deliver programs that underpin the integrity of the Australian red meat and livestock industry, including supporting the LPA program, producer education and communication strategies	IS	934	1,350	1,310
	2. Provide secretariat services to SAFEMEAT and develop effective industry safety/issues management strategies		280	440	302
	3. Contribute to the development and implementation of new food safety systems	TES	116	174	176
TOTAL			7,253	9,036	9,040

Key milestones

- Satisfaction rating of MLA's food safety activities by industry (processors and AMIC) rated more than 85%
- Five peer reviewed scientific publications on red meat safety delivered
- Develop and evaluate new approaches to process control in beef processing establishments
- Independent biennial audit undertaken to ensure NLIS database delivers against national performance standards for livestock traceability
- Technology roadmap for the NLIS database developed to ensure sustainable delivery into the future
- Pilot established to allow producers to enter NVD information on a central web-based database, enabling the electronic transfer of food safety information along the supply chain
- Implement the LPA accreditation recommitment program to enhance on-farm food safety assurance

Budget 2012-13

Sector		2011-12 budget	2012-13 budget			Totals
			1	2	3	
Mutton	R	82	14	30	4	48
	M	206		60	18	78
Lamb	R	407	133	270	31	434
	M	516		434	267	701
Grassfed cattle	R	455	376		70	446
	M	1,263		915	447	1,362
Grainfed cattle	R	72	52		15	67
	M	414		304	143	447
Processor	R	1,163	561	500	80	1,141
	M	555		144	389	533
Goat	R	8			6	6
	M	79		23	56	79
Livestock export	R	16			6	6
	M	97			18	18
External	R					
	M	1,500		1,500	26	1,526
Government	R	2,203	1,136	800	212	2,148
Subtotal	R	4,406	2,272	1,600	424	4,296
Subtotal	M	4,630		3,380	1,364	4,744
TOTAL		9,036	2,272	4,980	1,788	9,040

1. Maintaining and improving market access

1.2 Support industry and government to maintain and liberalise world meat markets

Australia's red meat exports face market access restrictions in many overseas markets. Global trade liberalisation and improvements in technical market access conditions are a key focus of industry efforts to create opportunities for growth, development and diversification. Industry invests in research, consultation, assisting diplomatic activities and advocacy – in pursuit of the commercial and economic gains from removing or reducing impediments to trade. In 2012-13, MLA will collaborate with government and industry to assist in defending existing favourable access conditions; undertake a multilateral, regional, bilateral trade advocacy program; and enhance/leverage international trade reform networks. Priorities in 2012-13 include assisting government in securing a free trade agreement (FTA) with Korea, embodying phase out of tariffs on Australian beef; progressing industry priorities under the Trans-Pacific Partnership trade talks; ongoing advocacy on a Japan FTA; and directing additional efforts towards tackling the increasing number of technical trade barriers imposed by a number of Australia's trading partners.

Strategy	Key initiatives	BU	10-11 Actual	11-12 Budget	12-13 Budget
1. Support industry and Government to defend existing favourable market access conditions in overseas markets	1. Monitor developments in overseas markets; develop networks of industry and government contacts in Australia and overseas; and provide a response capability when impediments arise	TES	2,046	2,553	2,630
2. Assist in positioning the Australian meat and livestock industry for the WTO Doha round	1. Monitor and respond to WTO developments; represent to government on industry priorities; coalition building in key overseas markets and missions to Geneva		149	194	154
3. Assist in positioning the Australian meat and livestock industry for FTA negotiations	1. FTA work particularly directed at advancing industry priorities in FTAs with Korea, Japan and the Trans Pacific Partnership		776	1,013	973
4. Develop strategies to remove access barriers	1. Research to support trade reform advocacy in WTO and FTA negotiations – particularly in-market advocacy research in Japan		152	684	684
	2. Research on technical barriers to trade, including a stocktake of technical barriers facing the Australian industry, ranking these barriers in terms of trade impediment and prioritising removal of these barriers		55	76	76
5. Provide issues management capability to assist in avoiding loss of market access due to meat safety concerns	1. Communicate the integrity of Australian red meat products internationally and provide a response capability (1.1.4.3)		3,280	3,523	3,524
			6,458	8,043	8,041

Key milestones

- Prepare persuasive and well-researched submissions on market access issues to the satisfaction of industry
- Assist in improving market access to at least one market
- Trade perception of the safety of Australian red meat held above current levels in key markets

Budget 2012-13

Sector		2011-12 budget	2012-13 budget								Totals	
			Global	North America	Japan	Korea	South Asia	Europe	Middle East	South Africa / India		
Mutton	R	12									6	6
	M	129	10	24	11	6	13	27	38			129
Lamb	R	49								10	45	55
	M	1,153	95	245	147	56	182	79	309	40		1,153
Grassfed cattle	R	112									112	112
	M	1,996	158	269	793	428	198	137	13			1,996
Grainfed cattle	R	17									17	17
	M	302	21	44	129	70	33	3	2			302
Processor	R	190									190	190
	M	3,580	284	582	1,080	560	426	246	362	40		3,580
Goat	M	11	11									11
External	M	112			110							110
Government	R	380								10	370	380
Subtotal	R	760								20	740	760
Subtotal	M	7,283	579	1,164	2,270	1,120	852	492	724	80		7,281
TOTAL		8,043	579	1,164	2,270	1,120	852	492	724	100	740	8,041

1. Maintaining and improving market access

1.3 Maximise market options for producers and exporters in the livestock export market

Australia's livestock export industry employs thousands of Australians and contributes significantly to the national economy each year. It is particularly important for cattle, sheep and goat producers in some regions of Australia that it continues to flourish. Operated by MLA in partnership with LiveCorp, the Livestock Export Program works to achieve this by assisting Australian livestock exporters and supply chains on meeting regulatory requirements, on improving performance and on market access issues. The greatest threat to Australia's livestock export trade is from instances of poor standards of animal welfare in some customer countries. Over the past year heightened publicity has been afforded to this issue and, as a result, new regulations have been introduced by the Australian Government to assure acceptable animal welfare standards to the point of slaughter. For 2012-13, a major aim is to assist supply chains in meeting (and exceeding) these new standards. The introduction of new regulations will also require greater interaction with foreign governments to convey an understanding of the new regulations – and emphasise that the new regulations apply international standards to which these governments are signatories.

Strategies	Key initiatives	BU	10-11 Actual	11-12 Budget	12-13 Budget
1. Assist supply chains to deliver continuous improvement in animal health and welfare	1. Develop industry monitoring systems and innovations that will assist supply chains improve animal health and welfare	LE	1,293	1,700	1,700
	2. Support industry to review supply chains and implement ESCAS in Asia Pacific markets		823	3,660	2,310
	3. Support industry to review supply chains and implement ESCAS in Middle East markets		1,055	2,000	1,650
2. Provide research and support to enable improvements in supply chain efficiency and performance	1. Deliver programs to support improvements in efficiencies through the supply chain		183	0	150
	2. Conduct R&D to develop tools to improve livestock performance throughout the supply chain		695	500	500
	3. Deliver programs in Asia-Pacific markets aimed at improving livestock performance		557	100	200
	4. Deliver programs in Middle East markets aimed at improving feedlot performance		103	0	200
3. Support industry bodies to effectively contribute to community debate	1. Monitor and analyse media coverage and community attitudes, and provide information and training to assist industry representative bodies		1,192	585	430
4. Assist the industry and Government to defend and improve market access conditions and build demand for livestock	1. Conduct R&D that delivers improved market access conditions		294	200	200
	2. Assist in the defence of existing favourable market access conditions in the Asia-Pacific market		418	325	375
	3. Assist in the defence of existing favourable market access conditions in Middle East markets and support development of new markets in the region		407	300	310
TOTAL			7,020	9,370	8,025

Key milestones

- High levels of satisfaction by Australian livestock exporters and importers of Australian livestock that the technical support and training provided by MLA benefits the supply chain, particularly with the implementation of ESCAS in tranche 2 and 3 markets

Budget 2012-13

Sector		2011-12	2012-13 Budget				Totals
		budget	1	2	3	4	
Mutton	R	140	65	20		15	100
	M	825	200	50	95	90	435
Lamb	R	135	65	45		15	125
	M	625	400	50	90	85	625
Grassfed cattle	R	500	270	60		20	350
	M	5,450	2,900	410	165	400	3,875
Goat	R	25	25				25
	M	30	60				60
Livestock export	R	400	425	125		50	600
	M	40	400	40	80	110	630
External Government	M R						
	R	1,200	850	250		100	1,200
Subtotal	R	2,400	1,700	500		200	2,400
Subtotal	M	6,970	3,960	550	430	685	5,625
TOTAL		9,370	5,660	1,050	430	885	8,025

2. Growing demand

2.1 Develop practices and drive programs that help industry deliver consistent and optimal eating quality

Australian industry has the tools to provide customers with beef and sheepmeat of consistent and predictable eating quality via adoption of the Meat Standards Australia (MSA) system. MSA has focussed on increasing grading numbers to date. Now that a 'critical mass' of product is flowing through the system, the focus is shifting to initiatives that extract greater value from the MSA system. MLA will focus on three key initiatives: decreasing eating quality variation within brands; increasing the volume of MSA-graded product per carcass; and strengthening MSA's integrity. Ongoing investment in eating quality R&D will increase the predictive power of the MSA grading model and equip the Australian industry with the latest eating quality innovations. Some key MLA R&D projects for 2012-13 include long distance transport of cattle, MSA four- and five-star beef, the development of a cuts-based system for sheepmeat and advanced electrical stimulation in processing plants.

Strategy	Key initiatives	BU	10-11 Actual	11-12 Budget	12-13 Budget
1. Develop and prove practices that deliver quantified, improved, consistent and optimal eating quality	1. Develop, prove and where appropriate implement off-farm technologies and processes to optimise eating quality	CIS	626	880	880
	2. Identify pre-slaughter practices (genetic selection and management) that impact positively on eating quality while also achieving nutritional content and productivity objectives	LPI	951	1,094	792
	3. Continue to refine the MSA grading model with relevant R&D activities, including targeted sensory testing (2.1.1.3 and 2.1.1.4)	IS	1,377	1,300	1,300
2. Ensure sufficient integrity programs are implemented so accurate price signals drive eating quality improvement	1. Maintain robust standards and effective licencing systems for MSA	IS	221	250	250
	2. Ensure the integrity of all eating quality trademarks and adherence to MSA quality standards via a thorough audit program (2.1.2.3)		541	600	600
3. Support adoption and build recognition of the MSA system through the value chain	1. Increase the adoption of the MSA system to improve eating quality consistency and build value across the supply chain (2.1.3.2)	IS	2,445	2,750	2,850
	2. Actively promote and educate consumers about the MSA system (2.1.3.3)	GMKT	551	700	1300
TOTAL			6,712	7,574	7,972

Key milestones

- Increase MSA cattle grading numbers to 2.1 million head
- Increase MSA sheep grading numbers to 3.5 million head
- One technology is further developed/validated to improve the overall eating quality of meat
- Provide scientific recommendations to industry on the development and pathway for implementation of a higher order grading system for MSA lamb (two to five star) including the potential for a yearling sheep meat category
- Four and five star MSA product identified through to end users in 10% of MSA brands
- Increase consumer awareness of the MSA trademark to 50%
- Increase consumer quality ratings of beef above 7.3 out of 10

Budget 2012-13

Sector		2011-12 budget	2012-13 budget			Totals
			1	2	3	
Mutton	R	152	87		12	99
	M	163		24	64	88
Lamb	R	683	494		38	532
	M	532		93	535	628
Grassfed cattle	R	761	549		265	814
	M	2,037		371	2,337	2,708
Grainfed cattle	R	196	136		60	196
	M	568		112	464	576
Processor	R	220	220			220
External	M	250		250		250
Government	R	2,012	1,486		375	1,861
Subtotal	R	4,024	2,972		750	3,722
Subtotal	M	3,550		850	3,400	4,250
TOTAL		7,574	2,972	850	4,150	7,972

2. Growing demand

2.2 Enhance the nutritional reputation of beef and lamb

The goal of the nutrition program is to defend and enhance the nutritional reputation of red meat in the policy, healthcare and general communities. Key initiatives in 2012-13 include the launch of a new consumer campaign positioning beef and lamb meals three to four times a week as part of a simple, achievable approach to healthy eating. Our healthcare professional campaign will support our consumer communications with practical information and resources required to support healthy eating with beef and lamb at key life stages. We will continue to invest in research to ensure beef and lamb are appropriately represented in food policy and nutrition recommendations. Major changes this year include redirecting the consumer campaign from *Red Meat Ready for Anything* to the promotion of red meat's benefits to community-based initiatives which helps Australians embrace healthy eating by equipping them with resources for enjoying beef and lamb as part of a healthy diet.

Strategy	Key initiatives	BU	10-11 Actual	11-12 Budget	12-13 Budget
1. Increase our knowledge of the health benefits of red meat	1. Continue investment and communication of evidence on the benefit of healthy beef and lamb diets for meeting nutrient requirements and preventing obesity and chronic disease at key life stages	GMKT	864	895	890
2. Maintain consistent and fact-based dietary recommendations for red meat	1. Support the management of industry issues by gaining support from key influencers via partnerships (e.g. Dietitians Association of Australia) and communicating the role of Australian beef and lamb in a healthy and sustainable diet (2.2.2.1, 2.2.2.2 and 2.2.2.3)		332	393	359
3. Communicate and promote evidence-based nutrition information on red meat to health professionals and the broader community	1. Deliver our key health messages to GPs, child health nurses, and dietitians through advertising, direct mail, publications, conferences, seminars, on-line and events		680	681	627
	2. Launch a new consumer campaign supporting the nutritional benefits of beef (2.2.3.2 beef) 3. Launch a new consumer campaign supporting the nutritional benefits of lamb (2.2.3.2 sheep)		5,987	5,846	3,297 1,042
TOTAL			7,863	7,815	6,215

Key milestones

- Core target of mothers with children in household strongly agree 'red meat is an essential part of a healthy diet' remains above 50%
- Percentage of mothers limiting consumption of red meat for health reasons does not exceed 32%
- Maintain the proportion of healthcare professionals who recommend lean red meat at least three times a week at 86% for GPs, 94% for dietitians, and 82% for practice nurses
- Maintain a watching brief and response capability on emerging health issues

Budget 2012-13

Sector		2011-12 budget	2012-13 budget			Totals
			1	2	3	
Mutton	M	5			5	5
Lamb	R	150	150			150
Grassfed cattle	M	1,559		78	1,058	1,136
	R	102	102			102
Grainfed cattle	M	4,034		205	2,860	3,065
	R	17	17			17
Processor	M	656		38	515	553
	R	176	176			176
Government	M	671		38	528	566
	R	445	445			445
Subtotal	R	890	890			890
Subtotal	M	6,925		359	4,966	5,325
TOTAL		7,815	890	359	4,966	6,215

2. Growing demand

2.3 Develop new products

Increasing the profitability of the red meat industry depends on deriving extra value from lower-value meat cuts and from the non-meat parts of the animal such as skins, offal and blood products. To achieve this, value to consumers must be added across the continuum of products – from consumer meals at one end to high value pharmaceutical ingredients at the other. In 2012-13, MLA aims to assist industry to identify market opportunities for lower-value meat cuts and co-products; develop the capability to access novel markets and value chains; and develop advanced technologies, which can provide the industry with a competitive advantage and increase revenue per carcass.

Strategy	Key initiatives	BU	10-11 Actual	11-12 Budget	12-13 Budget
1. Identify and evaluate emerging opportunities for new products	1. Maintain and develop improved resources to facilitate the commercial evaluation of new product and technology opportunities	CIS	98	34	34
	2. Raise industry awareness of emerging trends, opportunities in new products and value-adding technologies		35	42	32
	3. Cost benefit analyses and evaluation of value adding opportunities and performance		58	0	0
	4. Implement open innovation process to identify and develop novel value propositions			132	150
2. Develop technologies to improve the range of applications of co-products as commercial ingredients	1. Improve the functionality of the top five bioactives in order to differentiate the products in the world market		445	360	350
	2. Develop more cost effective purification technologies for Australian bioactives		355	470	400
3. Develop new technologies to enable transformation and value-adding of low value cuts	1. Develop significantly innovative red meat products via the development and application of new processes and technologies		404	602	614
	2. Develop products and protocols for high connective tissue cuts		121	156	306
4. Improve industry capability to adopt and prosper from value adding innovations	1. Facilitate development of enterprise level ability to evaluate and adopt new value adding opportunities (2.3.4.1 and 5.1.2.2 – 10%)		113	116	60
	2. Support enterprises and supply chains implementing value adding strategies with research and technical advice (2.3.4.2)		58	28	26
	3. Value added products for international markets (2.3.4.3 + 5.1.1.2 – 20%)			124	50
	4. Develop and maintain IP protection to secure competitive advantage (5.1.2.1 10%, 5.1.3.2 10%) (new)			63	50
TOTAL			1,687	2,126	2,072

Key milestones

- Launch two high pressure processing value-added meat products capable of adding at least \$2 net value per head
- First Smartshape products are launched and shown to deliver net added value of at least \$2 per head
- A novel bioactive process is developed for one of the top five bioactive products, capable of generating net value add of at least \$2 per head at processor level

Budget 2012-13

Sector		2011-12	2012-13 budget				Totals
		budget	1	2	3	4	
Mutton	R	28	7	7	10	6	30
Lamb	R	177	21	47	96	19	183
Grassfed cattle	R	322	27	144	128	30	329
Grainfed cattle	R	54	7	19	20	9	55
Processor	R	482	46	158	196	29	429
Goat	R				10		10
Government	R	1,063	108	375	460	93	1,036
TOTAL	R	2,126	216	750	920	186	2,072

2. Growing demand

2.4 Aggressive promotion of beef in the domestic market

The domestic market remains the largest and most loyal for Australian beef. MLA's beef marketing program aims to defend market share and seek opportunities to build demand by stimulating consumer desire for specific beef meals; educating consumers to get the right outcome every time; encouraging further improvement in meat retailing standards; supporting foodservice menu development; and fostering innovation via co-operative marketing programs (ICAs). The beef consumer promotion program for 2012-13 will focus on beef's superior desirability and satisfaction, with increased emphasis on seasonal associations (summer barbecues and hearty winter meals), a wider range of beef cuts and meals, social and digital media (including a relaunched mainmeal.com website), and targeting emerging demographic groups (Asian born, empty nester, 'foodies'). MLA will continue partnering with retailers and foodservice operators as they are integral to building demand. In 2012-13 increased emphasis will be on channel-specific marketing to enhance differentiation between retail outlets, building appeal for secondary cuts on menus, and increased focus on the fast growing institutional and catering sectors.

Strategy	Key initiatives	BU	10-11 Actual	11-12 Budget	12-13 Budget
1. Strengthen Australian consumers' emotional bond with beef, create desire and educate consumers to cook a range of seasonal beef meals/cuts	1. Beef promotional campaigns focused on 'summer barbecues' and 'winter meals' (2.4.2.1)	GMKT	7,247	6,428	6,258
2. Work with retailers and foodservice operators to raise standards of presentation, quality, merchandising and promotion	1. Retailer-specific promotional activities supporting MLA campaigns and/or red meat in retailer campaigns (2.4.3.1)		2,090	2,181	1,795
	2. Foodservice promotional program including publications, promotions and education activities (2.4.3.2)		1,112	1,102	956
	3. Support retailer and foodservice initiatives on new products, new merchandising developments and new promotional techniques (2.4.3.3)		597	592	508
	4. Under co-operative (ICA) programs support the growth of branded supply chains (2.1.3.1)		542	600	600
			11,589	10,903	10,117

Key milestones

- Grow beef market share of fresh meat at retail to more than 38.4%
- Improvement in key beef attributes as measured by consumer tracking – 'is the most superior meat' to more than 38% and 'my favourite meat' to more than 20%
- Strong retailer support for MLA programs evidenced by retail butchers highly rating their sales impact at more than 63% good/very good/excellent

Budget 2012-13

Sector		2011-12 budget	2012-13 budget		Totals
			1	2	
Grassfed cattle	M	9,363	5,210	3,198	8,408
Grainfed cattle	M	759	432	252	684
Processor	M	711	616	334	950
External	M	70		75	75
TOTAL	M	10,903	6,258	3,859	10,117

2. Growing demand

2.5 Aggressive promotion of lamb in the domestic market

The domestic market is also the largest and most loyal for Australian lamb. The goal of MLA's lamb marketing program is to defend market share and seek opportunities to build demand by keeping lamb top of mind throughout the year by leveraging calendar events; educating consumers to cook a wider range of lamb cuts/meals; encouraging further improvement in meat retailing standards; supporting foodservice menu development; and fostering innovation via co-operative marketing programs (ICAs). The lamb consumer promotion program for 2012-13 will focus on building the brand association 'Australia bonds over lamb', with increased emphasis on more overtly leveraging lamb's traditional association with Springtime; refining and evolving the Australia Day lamb campaign to ensure its continued success; building a successful roast lamb campaign for the Autumn/Easter/Mother's Day period; promoting more economical lamb cuts; social and digital media (including a relaunched mainmeal.com website); and targeting emerging demographic groups (Asian born, empty nester, 'foodies'). MLA will continue partnering with retailers and foodservice operators with the emphasis on increased channel-specific marketing to enhance differentiation between retail outlets, building appeal for secondary cuts on menus, and increased focus on the fast growing institutional and catering sectors.

Strategy	Key initiatives	BU	10-11 Actual	11-12 Budget	12-13 Budget
1. Maintain lamb as a routine habitual purchase by building national pride in lamb and encouraging consumers to buy and cook a wider range of lamb cuts/meals via consumer promotional efforts around specific community occasions throughout the year	1. Lamb promotional campaigns for spring, Australia Day and lamb roast (Autumn) (2.4.1.1)	GMKT	6,036	6,606	6,735
2. Work with retailers and foodservice operators to raise standards of presentation, quality, merchandising and promotion	1. Retailer-specific promotional activities supporting MLA campaigns and/or red meat in retailer campaigns (2.4.3.1) 2. Foodservice promotional program including publications, promotions and education activities (2.4.3.2) 3. Support retailer and foodservice initiatives on new products, new merchandising developments and new promotional techniques (2.4.3.3) 4. Under co-operative (ICA) programs support the growth of branded supply chains (2.1.3.1)		596	919	705
			359	398	430
			171	198	215
			179	200	200
TOTAL			7,341	8,321	8,285

Key milestones

- Grow lamb market share of fresh meat at retail to more than 13.5%
- Improvement in key lamb attributes as measured by consumer tracking – 'top of mind awareness' to more than 17% and is loved by Australians' to more than 75%
- Strong retailer support for MLA programs as evidenced by retail butchers rating their sales impact highly at more than 63% good/very good/excellent

Budget 2012-13

Sector		2011-12	2012-13 budget		Totals
		budget	1	2	
Mutton	M	11		11	11
Lamb	M	7,797	6,466	1,434	7,900
Processor	M	452	269	49	318
Goat	M	31		31	31
External	M	30		25	25
TOTAL	M	8,321	6735	1,550	8285

2. Growing demand

2.6 Aggressive promotion in export markets – beef

Two major challenges faces the Australian beef industry in international markets – to retain sales and customers in the Japanese and Korean markets in the face of the aggressive promotion of US beef; and to maximise growth opportunities in developing markets in South-East Asia/China, Middle East/North Africa (MENA), the former Soviet Union and the US for chilled beef. In Japan and Korea, MLA will implement key account 'maintain and defend' strategies to consolidate commitment and there will be continued emphasis in using our strong country-of-origin logos to communicate messages regarding the safety and nutritional attributes of Australian beef. In Japan there will be increased focus on tailored promotional activities with key accounts and in Korea a continued emphasis on maintaining awareness of the Australian beef logo with altering tactics. In developing markets, programs will focus on business development activities and creating awareness of Australian beef, including securing new retail and food service accounts, providing training and base merchandising support. In all markets, MLA will work co-operatively with Australian exporters (and their importer/wholesaler/end-user customers) to develop and grow sales of individual Australian beef brands. Compared to 2010-11, the Japan and Korea budget has been reduced to allow for increases in emerging markets, particularly in South-East Asia/China and MENA.

Strategy	Key initiatives	BU	12-13 Budget#
1. Disseminate comprehensive export marketing information	1. Monitor and report on consumer trends (global and local), channel trends and requirements, and competitive positioning	GMKT	2,151
2. Develop new trade and consumer opportunities for Australian beef internationally	1. Identify and generate leads via business development activities 2. Conduct contact profiling in conjunction with education and awareness work in emerging markets		5,377
3. Position Australian beef as safe, consistent, versatile and nutritious via trade and consumer educational activities	1. Through country of origin marks (Aussie Beef, HCW, etc) positively position Australian beef in terms of product attributes (i.e. safety, consistency and nutrition) 2. Profile Australian product specification systems (AUS-MEAT and MSA) 3. Highlight the ability of Australian exporters to meet special requirements, such as Halal 4. Communicate the nutritional and health benefits of consuming Australian beef		10,080
4 Assist in the creation and promotion of strong brand identities through implementation of individual co-operative programs (ICAs)	1. Support individual beef brands through the Industry Collaborative Agreement (ICA) program 2. Through ICAs support the voluntary introduction of brands in export markets underpinned by MSA 3. Build supply chain capability in positioning and marketing Australian beef 4. Strengthen supply chain networks between Australian beef suppliers and end users to boost sales and create loyalty		3,306
TOTAL			20,914

This imperative has undergone significant changes within the program and strategies hence direct comparisons by previous years' strategies could not be provided

Key milestones

- Achieve at least 80% of KPIs listed in regional beef implementation plans
- An additional eight major customers are recruited globally for Australian beef
- Over 80% of Australian exporters and importers satisfied with MLA business development activities
- Achieve an increase in ICA participation and uptake on planned activity, from 2011-12 baseline

Budget 2012-13

Sector		2011-12 budget	2012-13 budget						Totals	
			North America	Japan	Korea	South Asia	Europe	Middle East		Global
Grassfed cattle	M	20,565	940	7,150	4,200	3,500	684	600	1,331	18,405
Grainfed cattle	M	2,298	64	235	380	250	210	50	919	2,108
External	M	568		260			91	50		401
TOTAL	M	23,431	1,004	7,645	4,580	3,750	985	700	2,250	20,914

2. Growing demand

2.7 Aggressive promotion in export markets – sheepmeat

Despite tight Australian and global supply currently, Australian lamb production is expected to increase by 25% over the next five years. The short term challenge is to keep lamb on retail shelves and restaurant menus – a significant challenge given that lamb forms only a very minor part of consumer diets in most regions of the world. Over the longer term, if lamb prices do not fall dramatically, the challenge will be to expand demand for lamb. Given tight supply, the short-term focus will be on supporting existing supply chains and accounts. A range of promotional activities will be put in place to achieve this, partnering with Australian exporters to build loyalty. As lamb supplies increase, greater focus will be placed on increasing awareness of Australian lamb and encouraging purchase. For most consumers their first experience trialling lamb will be in food service. The focus this year will be to continue to broaden lamb's menu range, involving work with the quick service, mid-scale and casual dining sectors particularly in North America and also securing greater penetration in South East Asia/Chinas. An analysis of market growth to 2015 has revealed that the best prospects lie in the Middle East, South East Asia/Chinas and North America. The budget for North America is already large, however to further reflect these growth prospects, the budget for MENA was slightly increased for 2011-12. No changes to budgets have been planned for 2012-13.

Strategy	Key initiatives	BU	12-13 Budget #
1. Disseminate comprehensive export marketing information	1. Monitor and report on consumer trends (global and local), channel trends and requirements, and competitive positioning	GMKT	475
2. Grow awareness, trial and purchase of Australian lamb in overseas markets through various promotional activities	1. Generate awareness of Australian lamb through consumer and trade advertising, e-marketing and PR 2. Increase trial of Australian lamb through product sampling, cooking demonstrations and menu positioning 3. Convert trial to purchase by positioning easy-to-use products at relevant price points 4. Demonstrate lamb's relevance to contemporary food trends		1,746
3. Position Australian lamb in overseas markets by leveraging its generic positive attributes (product integrity, Halal integrity, consistent quality, delicious, nutritious and easy to prepare)	1. Through country of origin marks and general communication materials, positively position Australian sheepmeat in terms of product safety 2. Highlight the product specification (AUS-MEAT), range and versatility of Australian sheepmeat, and the ability of Australian exporters to meet special requirements such as Halal 3. Communicate the nutritional and health benefits of consuming Australian lamb, through working with other supply countries where appropriate		1,233
4. Under co-operative programs support the growth of branded lamb supply chains to develop trade and consumer loyalty	1. Develop new opportunities for Australian lamb through lead identification and generation activities 2. Work alongside supply chains to encourage innovation 3. Develop new products that enable lamb usage in new market segments 4. Support supply chains through co-operative brand activities (ICAs)		3,560
			7,014

This imperative has undergone significant changes within the program and strategies hence direct comparisons by previous years' strategies could not be provided

Key milestones

- Achieve at least 80% of KPIs listed in regional sheepmeat implementation plans
- An additional eight major customers are recruited globally for Australian lamb
- Over 80% of Australian exporters and importers are satisfied with MLA business development activities
- Achieve an increase in ICA participation and update on planned activity off baseline 2011-12

Budget 2012-13

Sector		2011-12 budget	2012-13 budget						Totals	
			North America	Japan	Korea	South Asia	Europe	Middle East		Global
Lamb	M	6,844	3,655	779	25	460	250	1,175	400	6,744
Goat	M	220	100						70	170
External	M	258		20			30	50		100
TOTAL	M	7,322	3,755	799	25	460	280	1,225	470	7,014

3. Increasing productivity across the supply chain

3.1 Create opportunities to increase on-farm productivity

Producers operate complex businesses in an environment characterised by highly variable seasons and markets. MLA's R&D programs seek to deliver new tools and technologies that support producers to become more productive in this challenging environment. Major investments in 2012-13 include the implementation of the feedbase investment plan (cattle and sheep), lamb and weaner survival program (sheep), individual animal management program (sheep) and southern beef compliance program (cattle) and priority activities within the *RD&E Priorities Prospectus for the Northern Australia Beef Industry*. The budget also includes support for the Future Farm Industries Cooperative Research Centre (CRC) and continuation of the Sheep Information Nucleus flock after the cessation of Sheep CRC funding.

Strategy	Key initiatives	BU	10-11 Actual	11-12 Budget	12-13 Budget
1. Enhance rates of genetic improvement in livestock and feedbase performance	1. Provide genetic and genomic evaluation tools and information for cattle, sheep and goat breeding enterprises (3.1.1.1)	LPI	4,943	3,590	4,362
	2. Accelerate both discovery and delivery of new breeding methods to improve pasture and forage crop productivity, quality and persistence (3.1.1.2)		55	304	594
2. Improve productivity in grazing and feedlot systems	1. Develop new technologies and management programs to increase growth, feed efficiency, grazing performance, reproduction and reduce mortality rates in grazing and feedlot systems (3.1.2.1) (3.1.4.1)		3,690	5,206	6,568
	2. Develop new cultivars and/or agronomic practices to improve persistence and/or quality attributes of forage plants (3.1.2.2) (3.1.4.2)		1,164	3,378	2,834
3. Develop and implement new information technologies	1. Evaluate, develop and implement technologies, tools and strategies to increase labour efficiency and reduce cost of production (3.1.5.1)		381	526	198
	2. Increase producer capacity to make management decisions from more precise information leading to improved market compliance (3.1.3.1)		438	364	545
4. Utilise producer participatory R&D to maximise rate and effectiveness of development and evaluation of new technologies	1. Develop, demonstrate and evaluate technologies, tools and management strategies in conjunction with producers and key intermediaries (new)				1,265
TOTAL			10,671	13,368	16,366

Key milestones

- Implement projects for lamb and weaner survival strategy that lead to a 2% per annum increase in net reproduction rate for sheep
- Implement projects that lead to 5% improvement in beef compliance to market specifications in southern beef
- Identify psyllid-resistant leucaena commercialisation partner/s and elite line/s undergoing seed increase and commercialisation
- Complete the Cash Cow project, document regional reproductive benchmarks and key risk factors, and communicate findings to the northern beef industry
- Complete pre-commercialisation R&D, develop and have commercialisation plan for genomic tests in sheep endorsed by stakeholders (including SCA, Sheep CRC and Sheep Genetics clients), and deliver tests on a commercial basis
- Trial across-breed estimated breeding values delivered to industry for British and European beef breeds
- Establish a pasture variety trial testing network to increase producer confidence in pasture performance data by 2015

Budget 2012-13

Sector		2011-12 budget	2012-13 budget				Totals
			1	2	3	4	
Mutton	R	372	19	208	53	6	286
Lamb	R	2,351	1,234	1,479	98	112	2,923
Grassfed cattle	R	3,149	839	2,008	217	195	3,259
Grainfed cattle	R	420		674		182	856
Goat	R	24		134		137	271
External	M	736	772	396	6		1,174
Government	R	6,316	2,092	4,503	369	633	7,597
Subtotal	R	12,632	4,184	9,006	737	1,265	15,192
Subtotal	M	736	772	396	6		1,174
TOTAL		13,368	4,956	9,403	743	1,265	16,366

3. Increasing productivity across the supply chain

3.2 Identify and deliver opportunities to increase off-farm productivity and capability

The global competitive environment requires a whole-of-chain response to ensure the industry improves productivity and retains a competitive advantage. The key drivers and opportunities for improving processing efficiencies are maximising yield and optimising product mix, addressing labour availability and OH&S issues and implementing broader business efficiencies. In 2012-13, MLA will continue to collaborate with meat processors and the Australian Meat Processor Corporation with a primary focus on the development of cost effective automation technologies and manual assist technologies to improve efficiencies and OH&S as well as the feasibility, evaluation and preliminary development work of novel objective measurement systems. To ensure benefits to processors are realised, there will be an increased focus on adoption and extension of R&D outcomes and building innovation capability.

Strategies	Key Initiatives	BU	10-11 Actual	11-12 Budget	12-13 Budget
1. Develop new technologies and systems that improve productivity and processing efficiencies	1. Develop and implement automation technologies that increase efficiency and maximise carcase yield and value	CIS	1,021	2,402	980
	2. Develop and validate alternative stunning technologies		-	MDC	50
	3. Identify and develop new systems to automate or semi-automate picking, packing and loading tasks		-		1,020
2. Assist processing sector to improve work health and safety	1. Develop and implement technologies to improve working conditions and reduce work-related injuries		199	60	100
	2. Develop and communicate new processes and systems that assist the processing sector to manage OH&S risks		161	336	300
3. Develop new systems to support processing decision-making	1. Develop and validate objective measurement technologies (3.2.3.2 MDC)		132	100	200
4. Improving industry capability, knowledge and adoption of new technologies to increase productivity	1. Deliver the Collaborative Innovation Strategies program (5.3.1.1 – 100%)			MDC only	MDC only
	2. Support processing sector innovation networks (5.3.2.1 – 50%)		253	267	250
	3. Increase processor awareness of commercial opportunities from recent R&D (5.1.1.2 – 40%)		214	114	120
	4. Processor R&D adoption and technical services (5.1.1.3 – 100%; 5.1.2.2 – MDC)		482	532	532
	5. IP management, monitoring, evaluation, and reporting of off-farm R&D (5.1.2.1 - 45%; 5.1.3.2 – 45%)		21	284	226
TOTAL			2,483	4,095	3,778

Key milestones

- Realise net benefits of \$0.6 million per annum from processing technologies developed under this program and for which installation is completed in 2012-2013
- Total aggregated net benefit of technologies installed both in 2012-13 and previous years reaches \$4.5 million per annum
- Demonstrate in production a new technology capable of eliminating and/or reducing occupational health and safety risks
- Five off-farm pre-commercial innovations have achieved at least 80% of their annual adoption strategy targets, including associated cost benefit analyses
- At least two fully commercial technologies have met their anticipated adoption targets
- Re-establish engineering network
- All collaborative innovation partners meet at least 80% of their documented innovation strategy KPIs

Budget 2012-13

Sector		2011-12 budget	2012-13 budget				Totals
			1	2	3	4	
Processor	R	2,048	1,025	200	100	564	1,889
Government	R	2,048	1,025	200	100	564	1,889
TOTAL	R	4,095	2,050	400	200	1,128	3,778

3. Increasing productivity across the supply chain

3.3 Deliver valued supply chain and market information

In 2012-13, MLA will continue to deliver market information services that monitor, analyse and report on the fundamentals facing the Australian livestock and red meat industries, with a focus on maintaining its role as the primary source for accurate market information and forecasts. Providing and developing tools to enhance business decisions for the entire industry will continue – from enhanced forecasting for beef and lamb to fostering a risk management culture. The Livestock Data Link program will continue to improve information flows, while the supply chain capability program will provide tools and methodology to better enable industry to use all information. In consultation with government, peak councils and other representative organisations, MLA will coordinate industry issues research focussing on current and emerging issues that have the potential to impact businesses across the red meat supply chain. The focus of market information activities in 2012-13 includes delivery of more tailored market information services that better meet the needs of key stakeholders including increased use of data detailing Australia's red meat trade flows, along with providing more 'forward looking' analyses for livestock and red meat markets. It also includes in-depth analysis and documentation of the key seasonal factors underpinning meat demand globally, including increased focus on competitor proteins; and updating the website to ensure that the market information pages are frequently used.

Strategy	Key initiatives	BU	10-11 Actual	11-12 Budget	12-13 Budget
1. Collect and maintain domestic and international meat market data of relevance to the Australian meat and livestock industries	1. Operate a National Livestock Reporting Service in accordance with its ISO QMS	TES	1,966	1,730	1,982
	2. Conduct surveys on each segment of the supply chain		614	655	693
	3. Maintain a warehouse of domestic and global meat market data and improve the dissemination of this data via the internet		632	662	717
2. Disseminate incisive analyses of relevant world meat market developments	1. Provide high quality analytical reports including the bi-annual Industry Projections, monthly Industry Overview, red meat market reports, sectoral briefs, Statistical Review and Fast Facts	TES	350	396	396
	2. Provide a comprehensive daily and weekly red meat news service, available on the internet and by email (including Meat & Livestock Weekly)		456	486	406
3. Gather and analyse data on competitors	1. Monitor and report on developments in competitor proteins and countries	TES	218	266	266
4. Facilitate improved information flows and risk management within supply chains	1. Conduct introductory cattle marketing courses incorporating tools to strengthen supply relationships	TES	64	0	0
	2. Support uptake of the forward cattle trading standard	TES	54	60	0
	3. Implement the Livestock Data Link program to improve information flows to add value and enable benchmarking	IS	551	800	800
	4. Foster the development of new tools and capabilities to enable effective supply and price management by industry	TES	147	246	190
	5. Develop and deliver targeted supply chain capability building programs (5.3.1.2)	CIS		150	150

5. Work closely with peak councils and government and seek opportunities with like-minded organisations to identify priority industry issues and commission research to support these issues.	1. Undertake policy research and analysis on priority policy issues identified by peak councils and government (5.4.1.1)	TES	216	400	400
	2. Support peak council advocacy efforts on priority policy issues (5.4.2.1)		35	50	50
	3. Where appropriate, work with like-minded organisations, eg coalition with Five Nations Beef Association and Tri Lamb members, to support international advocacy on climate change and animal welfare issues (5.4.2.2)		17	33	33
	4. Engage with other like-minded organisations on priority policy issues (eg RIRDC, Australian Livestock Transporters' Association, NFF) to identify opportunities to jointly pursue policy research (5.4.3.1)		0	17	17
TOTAL			5,320	5,951	6,100

Key milestones

- Over 90% of clients find MLA market information valuable to their business, with over 60% finding it highly or extremely valuable
- Increase electronic distribution of MLA market information by 5%
- 12 processing plants uploading data to Livestock Data Link
- NLRS maintains its ISO QMS accreditation
- Completion of industry issues research as requested by RMAC and peak councils

Budget 2012-13

Sector		2011-12	2012-13 budget					Totals
		budget	1	2	3	4	5	
Mutton	R	74	8	7	2	32	5	54
	M	93	39	20			3	62
Lamb	R	393	204	50	17	102	40	413
	M	528	475	100			27	602
Grassfed Cattle	R	1,014	351	129	104	416	89	1,089
	M	1,326	1,142	223		8	60	1,433
Grainfed Cattle	R	155	27	12	10	15	16	80
	M	120	74	33		2	10	119
Processor	R	50					50	50
Goat	R	5	5					5
	M	7	7					7
External	M	495	465	30				495
Government	R	1,691	595	198	133	565	200	1,691
Subtotal	R	3,382	1,190	396	266	1,130	400	3,382
Subtotal	M	2,569	2,202	406		10	100	2,718
TOTAL		5,951	3,392	802	266	1,140	500	6,100

3. Increasing productivity across the supply chain

3.4 Support industry to improve animal health and biosecurity

Australia remains free of key animal diseases which would severely impact on trade, our ability to produce high quality meat, and animal health and welfare. Significant investments in 2012-13 address topics such as rapid diagnosis of blue-tongue viruses and vectors; controlling sheep measles and worms; development of a vaccine for barbers pole worms; theileriosis control in cattle; and developing practical emergency disease management at processing establishments. Specific feedlot investment will address the management of respiratory disease.

Strategy	Key initiatives	BU	10-11 Actual	11-12 Budget	12-13 Budget
1. Improve animal health and biosecurity	1. Deliver improved diagnostic methods, enhanced understanding and/or improved control methods for external threats such as FMD, bluetongue capripox and screw worm fly (3.4.1.1. and 3.4.1.2)	LPI	598	942	1981
	2. Improved biosecurity measures adopted that minimise risks on farm and disruption to trade from endemic (Johnes disease, footrot), emerging (Theileria) and exotic diseases (3.4.2.1.)		630	1,056	1,380
	3. Investigate and improve the management of key feedlot animal health problems (3.4.2.3)		818	802	602
	4. Make investments in priority endemic diseases to reduce the cost of endemic diseases compared with 2005 (3.4.2.2)		1,047	2,033	2,126
2. Improved biosecurity measures at processing establishments that minimise risks to trade from exotic diseases	1. Manage risks at processing establishments	TES		140	140
TOTAL			3,093	4,973	6,229

Key milestones

- Better understanding of the epidemiology of bluetongue in Australia
- New diagnostic capability for the tick-borne disease theileriosis assessed in industry and the disease status better defined and understood
- Deliver improved diagnostic methods and control strategies for high priority, production limiting diseases, leading to reduced costs associated with endemic diseases
- Outcomes of the feedlot bovine respiratory disease epidemiological study delivered to industry
- Deliver R&D outcomes that will contribute to improved lamb survival and reduce ewe mortality by 1%

Budget 2012-13

Sector		2011-12	2012-13 budget		Totals
		budget	1	2	
Mutton	R	162	249		249
Lamb	R	1,121	1,661		1,661
Grassfed cattle	R	707	670		670
Grainfed cattle	R	385	301		301
Processor	R	70		70	70
Goat	R	3	1		1
External	M	77	325		325
Government	R	2,448	2,882	70	2,952
Subtotal	R	4,896	5,764	140	5,904
Subtotal	M	77	325		325
TOTAL	R	4,973	6,089	140	6,229

3. Increasing productivity across the supply chain

3.5 Increase producer engagement with MLA information and tools to build capability

MLA's core business is to create opportunities for Australian livestock producers from their collective investment in R&D and marketing activities. An important part of this remit is developing and delivering information, tools and services that assist producers to make sound business decisions, manage challenges and capture opportunities to boost productivity and profitability. Building producer capability through effective engagement with MLA information and tools ensures receptive producers benefit from a return on their investment in MLA. It is fundamental that MLA maximises engagement with producers to ensure they are *informed* of valuable and relevant information; that we motivate and *influence* their enquiry and experimentation; and *involve* producers and stakeholders to allow them to influence future activity targeted to industry's needs. In 2012-13, our investments will include the continued roll-out of MLA's three major extension programs (Making More from Sheep, More Beef from Pastures and FutureBeef); the development and release of new producer resources such as the Cash Cow tool box and online learning tools; and partnering with extension providers to maximise producers' access to the outcomes of their investment in industry research and development. A thorough evaluation program will underpin the continuous improvement of all initiatives to achieve effective producer engagement.

Strategy	Key initiatives	BU	10-11 Actual	11-12 Budget	12-13 Budget
1. INFORM: Keep producers informed about the activities and opportunities created by their levy investment in R&D and marketing	1. Produce MLA's member magazine <i>feedback</i> , deliver dynamic online content and generate effective coverage through rural media to deliver valuable, relevant information and opportunities to support producers	ICE	3,124	2,982	2,256
	2. Deliver a series of MLA events and sponsor targeted industry events to deliver valuable, relevant MLA information and tools to producers across Australia		1,622	1,720	849
2. INFLUENCE: Facilitate the uptake of MLA information, tools and learning opportunities to influence positive practice change	1. Continue to roll out integrated programs to engage receptive livestock producers with R&D outcomes		3,451	3,399	3,298
	2. Develop educational materials and tools that put the outcomes of MLA R&D in the hands of producers, including online learning resources, publications and video tutorials		740	910	940
3. INVOLVE: Partner with producers and stakeholders who use and value MLA tools and information to help influence their peers as well as inform future MLA programs and activities	1. Build producer capability by facilitating group learning (including Producer Demonstration Sites), advice and mentoring		793	980	920
	2. Establish joint activities with extension delivery partners to extend the reach of MLA information, tools and learning opportunities		0	0	550
	3. Conduct regular program evaluation and levy payer market research to determine the quantitative and qualitative benefits of MLA producer engagement activities and help demonstrate the returns from implementing R&D and other initiatives on farm	920	1,120	913	
TOTAL			10,650	11,111	9,726

Key milestones

- Members rate satisfaction with MLA communications activities at 3.6 out of 5 or above
- At least 50% of commercial sheep and cattle producers engage with MLA information or tools
- At least 50% of those producers engaged with MLA information, tools and learning opportunities, improve their knowledge, skills and/or capacity to change practice as a result of this engagement
- At least 20 producer demonstration sites completed to deliver localised R&D information to producers
- Extension delivery partnership program established and producer engagement targets met with at least two extension providers

Budget 2012-13

Sector		2011-12 budget	2012-13 budget			Totals
			1	2	3	
Mutton	R	268	31	90	87	208
	M	47	16		13	29
Lamb	R	1,851	511	992	415	1,918
	M	504	191		191	382
Grassfed cattle	R	2,033	516	1,037	419	1,972
	M	1,340	365		337	702
Grainfed cattle	R	168	130			130
	M	53	33			33
Goat	R	204	9			9
	M	7	6			6
External	M	111	100			100
Government	R	4,525	1,197	2,119	921	4,237
Subtotal	R	9,049	2,394	4,238	1,842	8,474
Subtotal	M	2,062	711		541	1,252
TOTAL		11,111	3,105	4,238	2,383	9,726

4. Supporting industry integrity and sustainability

4.1 Support on-farm environmental sustainability

The ongoing success and reputation of the livestock industry will depend on the way in which natural resources are managed. Major on-farm investments in 2012-13 will focus on refinement and localisation of existing knowledge to enhance our natural resources; new techniques for controlling major weed species; continued funding to the Invasive Animals CRC for commercial testing and roll-out of new controls for feral pigs, rabbits and wild dogs; trialling and refining a self-assessment tool for environmental management; and strategies to enhance the environmental management of feedlots. The integrated nature of the challenges presented by climate change means a strategic and multi-faceted response strategy must be adopted across the entire supply chain. Major on-farm investments in 2012-13 include continuing projects funded jointly with the Australian Government examining opportunities to reduce greenhouse gas emissions and adapt to increasingly variable climates.

Strategies	Key initiatives	BU	10-11 Actual	11-12 Budget	12-13 Budget
1. Natural resource management	1. Develop new pasture and animal management systems to enhance natural resources and reduce off-farm impacts (4.1.1.1; 4.1.2.1)	LPI	2,694	3,508	4,058
	2. Develop strategies to minimise off-site impacts of manure and effluent in feedlots (4.1.1.2)	LPI	306	188	186
2. Responding to climate change	1. Develop adaptation strategies to climate change to improve resilience of production systems (4.2.1.1)	LPI	2,541	2,002	432
	2. Develop mitigation strategies to reduce greenhouse gas emissions (GHG) (4.2.2.1; 4.2.2.2; 4.2.3.1)	LPI	5,999	6,638	3,881
TOTAL			11,540	12,336	8,557

Key milestones

- Publish reports highlighting productivity, economic and natural resource management benefits of new plant combinations
- Determine feasibility of use of biological controls for two weed species – parkinsonia and prickly acacia
- Produce publications for improved environmental management of feedlots, including feedlot design and effluent management
- Improve climate forecasting from multi-week to seasonal to assist livestock producers facilitate key management decisions and activities
- Commence a group of high quality projects that will deliver technologies and management practices to reduce methane emissions and improve production efficiency in livestock

Budget 2012-13

Sector		2011-12	2012-13 budget		Totals
		budget	1	2	
Mutton	R	172	54	44	98
Lamb	R	1,301	707	377	1,084
Grassfed cattle	R	2,156	1,268	617	1,885
Grainfed cattle	R	509	93	605	698
Processor	R				
External	M	4,060		1,027	1,027
Government	R	4,138	2,122	1,643	3,765
Subtotal	R	8,276	4,244	3,286	7,530
Subtotal	M	4,060		1,027	1,027
TOTAL		12,336	4,244	4,313	8,557

4. Supporting industry integrity and sustainability

4.2 Support off-farm environmental sustainability

MLA and AMPC collaborate in environmental RD&E in order to improve understanding of the natural resource base; apply strategies to identify, mitigate and manage the impact of manufacturing on the natural environment; and to identify, capture and implement beneficial effects and practices. Major off-farm investments in 2012-13 will focus on the identification and development of opportunities to reduce energy consumption and generate clean energies on site. More efficient waste treatment technologies with value adding potential will also be a priority. Mitigation strategies to reduce greenhouse emissions will be embedded in all initiatives and also a priority on their own, and will help the industry adapt to the carbon economy. Dissemination of R&D outcomes and a strong emphasis on adoption and extension will also be a fundamental part of the sustainability strategy.

Strategies	Key initiatives	BU	10-11 Actual	11-12 Budget	12-13 Budget
1. Research to improve resource use efficiency	1. Identify and validate energy efficiency opportunities (4.1.1.5 100%)	CIS		156	50
	2. Develop waste to energy opportunities for meat processors (4.2.2.3 100%)		368	138	200
	3. Identify opportunities for minimizing water use and increase water reuse and recycling in the processing sector (4.1.1.3 30%)		55	198	200
2. Develop technologies, tools and procedures that contribute to improved waste management systems and value add to waste products	1. Identify and develop alternative wastewater treatment technologies with a reduced environmental footprint (4.1.1.3 40%)		--	265	250
	2. Review opportunities for value adding from waste, as well as recycling waste material (4.1.1.3 30%)			198	200
3. Develop mitigation strategies to reduce greenhouse gas emissions	1. Assess and improve methods to measure GHG emissions (new)		--	--	100
	2. Develop industry tools and document best practice to monitor GHG emissions (new)				100
	3. Identify and develop new approaches to reduce GHG emissions and study and disseminate the optimisation of processes to minimise the industry carbon footprint (4.2.2.4 100%)		230	326	200
4. Engage industry stakeholders to demonstrate environmental stewardship and to respond to emerging regulatory and market requirements	1. Engage in regular industry wide environmental benchmarks to demonstrate commitment to continuous improvement (4.1.2.2 100% and 4.1.1.4 100%)		190	115	100
5. Improving industry capability, knowledge and adoption of new technologies and processes to achieve sustainable resource management and adaptation to climate change	1. Increase processor awareness of commercial opportunities from recent R&D (5.1.1.2 40%)		214	117	120
	2. Create and develop vehicles to provide industry with the information, guidelines and tools to implement processes and technologies to manage waste more efficiently, with emphasis on waste water and related fugitive GHG emissions (e.g. ALKC) (new)		36	0	100
	3. IP management, monitoring, evaluation, and reporting of off-farm R&D (5.1.2.1 – 45%, 5.1.2.2 45% & 5.1.3.2 45%)		21	281	226
	4. Support processing sector innovation networks (5.3.2.1 50%)		253	267	250
TOTAL			1,367	2,061	2,096

Key milestones

- Define and/or validate new technologies or processes capable of reducing the total cost of electricity for meat plants by 2%
- Demonstrate and/or validate new technologies or processes capable of reducing abattoir water consumption by 2%
- Pilot system of new technology developments to reduce wastewater-related environmental footprint in the processing sector are designed, built and in operation (subject to 2011-12 results)
- Complete new environmental benchmark and ready for publishing
- A dissemination and custodian vehicle is identified and agreed to host an anaerobic lagoon knowledge centre
- At least two off-farm pre commercial innovations have achieved at least 80% of their annual adoption strategy targets, including associated cost benefit analyses

Budget 2012-13

Sector		2011-12 budget	2012-13 budget					Totals
			1	2	3	4	5	
Processor	R	1031	225	225	200	50	348	1,048
Government	R	1031	225	225	200	50	348	1,048
TOTAL	R	2061	450	450	400	100	696	2,096

4. Support industry integrity and sustainability

4.3 Support industry to make continued improvement in animal welfare without reducing productivity levels

Community expectations around animal welfare standards for food producing animals have increased both within Australia and in overseas markets. Under this objective, MLA's R&D will focus on creating cost effective opportunities to industry to support continuous improvements in the welfare of livestock raised, handled, transported and processed in Australia; minimise the potential for trade and market access being interrupted; address consumer and regulatory concerns with science that will facilitate informed policy decisions; and assist the red meat industry to respond quickly to emerging issues. In 2012-13, projects will be initiated to address priorities arising from a new five-year plan, including to investigate needleless injectors for applying analgesics. Furthermore, animal welfare standards will continue to be promoted and measured on farm and at processing establishments.

Strategy	Key initiatives	BU	10-11	11-12	12-13
			Actual	Budget	Budget
1. Manage and improve livestock welfare to meet community expectations	1. Increase uptake and demonstration of welfare best practices on farms (4.3.1.1)	LPI	232	428	110
	2. Reduce mortality rates on farms (new)		0	0	400
	3. Investigate and improve the management of key feedlot welfare issues (4.3.1.3)		158	614	238
	4. Develop replacements for aversive procedures (4.3.1.2 50%)		84	282	203
	5. Develop ways to minimise the pain of aversive procedures (4.3.1.2 50%)		84	282	440
2. Manage and improve livestock welfare at processing establishments to meet community expectations	1. Promote adoption of new processor animal welfare standard and measure implementation (4.3.2.1)	TES	18	54	54
TOTAL			576	1,660	1,443

Key milestones

- Develop a nationally-agreed standard to score the body condition of beef cattle
- The polled gene test developed in Beef CRC III commercially delivered for Brahman and other breeds
- Demonstrate practical use of non-surgical alternatives to spaying
- Develop practical procedures that facilitate improved surgical husbandry practices in beef herds
- Innovative tools and products available to control predators on farm to decrease mortality

Budget 2012-13

Sector		2011-12	2012-13 budget		Totals
		budget	1	2	
Mutton	R	27	16		16
Lamb	R	185	389		389
Grassfed cattle	R	280	171		171
Grainfed cattle	R	307	119		119
Processor	R	27		27	27
Goat	R	4			
Government	R	830	695	27	722
TOTAL	R	1,660	1,390	54	1,443

4. Supporting industry integrity and sustainability

4.4 Support industry's effective engagement with the community

The Australian public are generally supportive and have a high level of trust in the red meat industry and particularly in Australian livestock producers, however increased media focus on animal welfare and the environmental impact of red meat production threatens consumer confidence in our industry. To reinforce the existing community trust, the community engagement program will support industry representative bodies and individual producers to authentically communicate the integrity of livestock production practices in Australia and the commitment of the industry to improvements underpinned by solid science.

Strategy	Key initiatives	BU	11-12 Budget#	12-13 Budget
Support the industry to maintain the community's trust and confidence in the integrity and ethics of the Australian red meat industry by building knowledge and providing experience.	1. Build knowledge of the red meat industry through participation at the Royal Shows with the creation of a 'Target 100' destination to communicate the industry's sustainability credentials	ICE		533
	2. Provide materials and resources to school students including Virtual Farm online tool, Picasso cows and work via the Primary Industries Education Foundation to get food production information embedded within the school curriculum			296
	3. Build community awareness of the industry's sustainable farming practices throughout the year with 'Target 100' communications, advertising, events and farm experiences.			965
	4. Facilitate the opportunities for industry to develop relationships with NGOs and key influencers to ensure they are aware of the industry's sustainability goals and initiatives			40
	5. Conduct consumer research to identify emerging community concerns and benchmark community attitudes on the red meat industry across the areas of sustainability			90
To equip and empower producers and their representatives to build our industry's reputation through facts and engagement	1. Prepare research-based print and online materials to ensure the industry is aware of the key sustainability issues, and has prepared industry representative bodies to proactively position and respond on ethical production issues including environment and animal welfare			260
	2. Conduct social media workshops, events and provide online tools to enable producers to up skill and actively engage in social media			180
TOTAL			2,363	2,364

This imperative has undergone significant changes within the program and strategies hence direct comparisons by previous years' strategies could not be provided

Key milestones

- Increase engagement in Target 100 by 10% through the key platforms of the website, social media channels and events
- 100 producers actively engage with industry advocacy activities utilising MLA-developed resources
- The percentage of consumers stating they are reducing red meat consumption due to environmental reasons maintained below 5%

Budget 2012-13

Sector		2011-12 budget	2012-13 budget		Totals
			1	2	
Mutton	R	2		2	2
	M	89	35	8	43
Lamb	R	7	6	2	8
	M	336	331	52	383
Grassfed Cattle	R	30	20	10	30
	M	1,484	1,227	255	1,482
Grainfed Cattle	R	4	2	2	4
	M	222	165	57	222
Processor	R	24	15	9	24
	M	98	80	18	98
Government	R	67	43	25	68
Subtotal	R	134	86	50	136
Subtotal	M	2,229	1,838	390	2,228
TOTAL		2,363	1,924	440	2,364

4. Supporting industry integrity and sustainability

4.5 Develop sustainable innovation capability within the industry and its service providers

For the red meat industry to be sustainable, a culture of innovation at all levels is critical. This will only occur if people within organisations have the necessary capabilities to grow, sustain and measure innovation. Therefore MLA's primary focus within this broad area is to specifically address the need for appropriately skilled people to support the industry's innovation and R&D strategies, both at the enterprise level and within the research provider community. MLA will continue to work with key stakeholders and providers to implement long term plans to address these identified and agreed capability gaps. Specifically this strategy will focus on enhancing science and technical skills within enterprises/supply chains, to support the development and adoption of new knowledge and technology innovations; increasing general innovation skills within enterprises/supply chains; and ensuring long-term R&D capability is available in required disciplines within the R&D provider community. In 2012-13 investments include undergraduate, graduate, postgraduate and postdocs funding support, industry network and leadership training and providing early career opportunities for young scientists.

Strategy	Key initiatives	BU	10-11 Actual	11-12 Budget	12-13 Budget
1. Work with stakeholders to promote opportunities for innovative people across the industry	1. Attract and retain professionals to address agreed industry capability gaps	CIS	35	116	120
	2. Develop programs to showcase industry opportunities and career paths to attract required disciplines from tertiary institutions and other industries	CIS	98		120
	3. Explore indigenous engagement and employment opportunities (5.2.1.4)	CIS	52	52	52
2. Collaborate with industry to implement professional and skills development programs	1. Industry skills development programs	CIS	40	190	100
	2. Processor scholarship and network programs	CIS	303	432	350
	3. Producer leadership training, scholarships and placement programs	LPI	332	240	56
3. Support the development of essential science, research, technical and extension capabilities (5.2.4)	1. Build professional capability and scientific knowledge of RD&E providers in key on farm discipline (5.2.4.1)	LPI	876	1048	860
	2. Build capability and knowledge of science and technology service providers in key off-farm disciplines (5.2.4.2)	CIS			100
TOTAL			1,736	2,078	1,758

Key milestones

- Provide a minimum of two scholarship opportunities in each of the (on-farm) categories of industry leadership; graduate and post-doctoral scientific capability; and undergraduate training and placement
- Provide delivery of a minimum of three scholarship (off farm) programs
- Deliver at least two programs to attract agreed skills into industry (off farm)

Budget 2012-13

Sector		2011-12	2012-13 budget			Totals
		budget	1	2	3	
Mutton	R	30			22	22
Lamb	R	214			174	174
Grassfed cattle	R	274			157	157
Grainfed cattle	R	170		28	74	102
Processor	R	349	146	225	50	421
Goat	R				3	3
Government	R	1,039	146	253	480	879
TOTAL	R	2,078	292	506	960	1,758

Supporting imperatives

5.1 Stakeholder communication and reporting

As the industry service company, MLA is the recipient of significant funds derived from livestock transaction levies and government contributions. As such MLA is accountable to a range of stakeholders and must be diligent and transparent in its corporate reporting activities and member services to facilitate easy access to information about the return on investment in MLA R&D and marketing programs. The company also has a range of corporate reporting requirements under MLA's Deed of Agreement with the Australian Government, the *Corporations Act*, and agreements with the peak industry councils. Reporting activities include the Annual General Meeting, *Annual report*, *Corporate plan* and *Annual operating plan*.

Strategy	Key initiatives	BU	10-11 Actual	11-12 Budget	12-13 Budget
1. Delivering best practice corporate reporting	1. Develop a set of corporate publications and an annual general meeting that communicate opportunities for members and meet MLA governance requirements	ICE	429	419	472
2. Member services and stakeholder engagement	1. Grow membership and improve their responsiveness by providing targeted services and stakeholder engagement (50% moved to 3.5) (old 6.1.3.2)		456	419	448
TOTAL			885	917	920

Key milestones

- MLA *Annual report* achieves a gold award from Australasian Reporting Awards
- Increase MLA membership to 49,000 producers (currently 48,000)
- Increase member rating for the statement "MLA is easily contactable" from 3.6 to 3.7 out of 5

Budget 2012-13

Sector		2011-12 budget	2012-13 budget		Totals
			1	2	
Mutton	R	12	5	2	7
	M	11	5	3	8
Lamb	R	57	38	28	66
	M	157	97	64	161
Grassfed cattle	R	93	56	46	102
	M	391	196	172	368
Grainfed cattle	R	5	3	1	4
	M	22	10	7	17
Goat	R	1	2	1	3
	M	1	1	1	2
Government	R	167	104	78	182
Subtotal	R	335	208	156	364
Subtotal	M	582	309	247	556
TOTAL		917	517	403	920

Supporting imperatives

5.2 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.

Strategy	Key initiatives
1. Board and executive	1. The board and executive oversee and determine policies consistent with the company's strategic plan and exercise direction and governance over resources and the way in which the strategies are implemented
2. Finance	1. The provision of accurate, timely and meaningful information to management and stakeholders, managing financial risks, providing support for the budget and planning process and ensuring internal controls are in place while effectively supporting operations
3. Human resources and administration	1. Provide services throughout the employment lifecycle to realise the full potential of our human resources to deliver value to the industry
4. Information technology and library services	1. Provide infrastructure, applications and applications support to facilitate the pursuit and realisation of organisational strategic objectives
5. Legal	1. Provide legal support and advice to management on contractual and commercial matters. Monitor compliance with statutory and other regulations applicable to MLA's business and interaction with its stakeholders
6. Undistributed costs	1. Cover costs that relate to the company as a whole, but which are not distributed to the key programs. They include insurance, repairs and maintenance, depreciation and member registry costs
7. Levy collection	1. Levy collection costs
8. Performance evaluation and benchmarking	1. Measure the effectiveness of MLA's programs and the efficiency of services provided. Evaluations to be conducted on at least three programs in 2010-11 costs are allocated against the individual programs evaluated

Key milestones

- Clean audit report received
- Internal audit program delivered to the satisfaction of the Audit and Risk Committee
- Compliance with the Deed of Agreement and statutory obligations
- Three MLA program evaluations accepted for publication
- Voluntary staff turnover being not greater than 1% above the national average for professional staff (Hewitt's)

Budget 2012-13

Sector		2011-12 budget	2011-12 budget								Totals
			1	2	3	4	5	6	7	8	
Mutton	R	66	13	5	5	18	1	12		2	56
	M	112	14	6	6	20	1	14	25	2	88
Lamb	R	447	116	47	49	159	7	112		19	509
	M	1,442	283	116	119	390	17	275	368	47	1,615
Grassfed Cattle	R	614	152	62	64	209	9	147		25	668
	M	3,211	605	248	254	831	35	587	700	99	3,360
Grainfed Cattle	R	142	36	15	15	49	2	35		6	156
	M	407	73	30	31	100	4	71	100	12	421
Goat	R	14	5	2	2	7	0	5		1	21
	M	19	3	1	1	4	0	3	7	0	20
External	M	3,350	773	317	325	1,063	45	750		127	3,400
Government	R	1,285	321	131	135	441	19	311		53	1,411
Subtotal	R	2,568	642	262	270	882	38	622		106	2,821
Subtotal	M	8,542	1,752	718	736	2,407	102	1,700	1,200	288	8,904
TOTAL		11,110	2,395	980	1,006	3,289	140	2,322	1,200	394	11,725

Supporting imperatives

8.0 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.

Budget 2012-13

Sector		2011-12 budget	2012-13 budget	Totals
Mutton	M	46	46	46
Lamb	M	69	69	69
Grass Cattle	M	401	401	401
Grain Cattle	M	59	59	59
TOTAL	M	575	575	575

Supporting imperatives

9.0 MLA Donor Company (R&D partnerships)

A fully-owned MLA subsidiary, MLA Donor Company Limited provides a vehicle for attracting voluntary commercial investment 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. MDC has also formed international alliances which have assisted in accelerating Australia's access to valuable intellectual property at much lower cost than would otherwise have been possible. Current value of projects in progress within the R&D partnership portfolio is \$130 million with an anticipated total expenditure in 2012-13 of approximately \$22 million. MDC initiatives are clearly integrated with the overall objectives of MLA's five-year *Corporate plan*. In broad terms, the objectives of MDC initiatives include: to significantly increase the level of enterprise investment in innovation in the Australian red meat industry; to enhance the outcomes of commercially focused innovation thereby ensuring quantifiable benefit to individual enterprises and ultimately to the industry overall; to accelerate the commercialisation of R&D, adding to the quantum of innovations available to the industry; and to assist the Australian red meat industry to develop an innovation culture and capability.

Strategy and MLA AOP page	Key initiatives
1. Developing new products (2.3)	<ol style="list-style-type: none"> 1. Develop technologies to improve the range of application of co-products as commercial ingredients 2. Develop new technologies to enable transformation and value-adding of low value cuts 3. Improve industry capability, knowledge and adoption of innovation
2. Increasing productivity on-farm (3.1)	<ol style="list-style-type: none"> 1. Beef Information Nucleus
3. Increasing productivity off-farm (3.2)	<ol style="list-style-type: none"> 1. Develop new technologies and systems that improve productivity and processing efficiencies 2. Assist the processing sector to improve work health and safety 3. Improve industry capability, knowledge and adoption of innovation
4. Improving animal health and bio-security (3.4)	<ol style="list-style-type: none"> 1. Maintain Australia's favourable disease status by enhancing on-farm and national/state/territory level bio-security/ surveillance programs through collaborative projects; and investing in development of alternative practices to address key risks
5. Building environmental sustainability and reducing greenhouse gasses in the processing sector (4.2)	<ol style="list-style-type: none"> 1. Support processors in the development and implementation of innovative waste treatment and waste to energy technologies 2. Support processing sector innovation networks 3. Improve industry capability, knowledge and adoption of innovation.
6. Develop sustainable innovation capability within the industry and its service providers (4.5)	<ol style="list-style-type: none"> 4. Industry skills development programs 5. Processor scholarship and network programs 6. Build capability and knowledge of science and technology service providers in key off-farm disciplines
7. Developing industry innovation capability (4.2 & 4.5)	<ol style="list-style-type: none"> 1. Develop and deliver the CISp to program to current and new clients 2. Develop innovation strategies with on farm and feedlot partners 3. Develop collaborative innovation programs that have a strong supply chain focus

Key milestones

As MDC partnership projects are directly related to delivering against MLA's overall strategic plan, key deliverables have been included in the relevant KPI sections of this *Annual operating plan*

Budget 2012-13

Sector		2011-12 budget	2012-13 budget	Totals
Processor	R	2,025	1,650	1,650
External	R	11,475	9,350	9,350
Government	R	13,500	11,000	11,000
TOTAL	R	27,000	22,000	22,000

