



Meat & Livestock Australia
Annual operating plan
2014-15

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MLA priority alignment

MLA imperatives, Australian Government research priorities and *Meat industry strategic plan 2010–2015* (MISP) strategic themes.

Imperative 1: Improving market access

Guided by

Australian Government

National research priorities:

- Promoting and maintaining good health
- Safeguarding Australia

Rural research priorities:

- Productivity and adding value
- Supply chain and markets
- Biosecurity

MISP 2010–2015

Strategic themes:

- Market access
- Marketing and promotion
- Economics and infrastructure

Imperative 2: Growing demand

Guided by

Australian Government

National research priorities:

- Promoting and maintaining good health

Rural research priorities:

- Productivity and adding value
- Supply chain and markets
- Innovation skills
- Technology

MISP 2010–2015

strategic themes:

- Marketing and promotion
- Innovation

Imperative 3: Increasing productivity across the supply chain

Guided by

Australian Government

National research priorities:

- An environmentally sustainable Australia
- Promoting and maintaining good health
- Safeguarding Australia
- Frontier technologies for building and transforming Australian industries

Rural research priorities:

- Natural resource management
- Productivity and adding value
- Supply chain and markets
- Biosecurity
- Innovation skills
- Technology

MISP 2010–2015

strategic themes:

- Our people
- Innovation
- Economics and infrastructure

Imperative 4: Promoting industry integrity and sustainability

Guided by

Australian Government

National research priorities:

- An environmentally sustainable Australia
- Frontier technologies for building and transforming Australian industries

Rural research priorities:

- Natural resource management
- Climate variability and climate change
- Innovation skills
- Technology

MISP 2010–2015

strategic themes:

- Environment and ethics
- Our industry
- Innovation

Australian Government rural research priorities and MISIP 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	Maximise, in partnership with government, 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.

1. Maintaining and improving market access

1.1 Develop and deliver industry systems that underpin product integrity

Australia enjoys unparalleled access to world meat markets due to its favourable disease status and world class food safety and integrity systems. Continued work is required in these areas to ensure ongoing leadership through R&D activities to keep Australia at the forefront of developments and investments in maintaining existing systems. In the area of food safety and integrity, MLA will continue to invest in the maintenance of 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	2013-14 budget	2014-15 budget
1. Conduct scientific research to ensure food safety systems are at the leading edge of knowledge and practice	1. Maintain safety and integrity aspects of product	1,000	996
	2. Develop new techniques for delivering safe and wholesome product	522	522
	3. Monitor developments and develop initiatives in biotechnology	50	50
	4. Develop risk-based post mortem inspection systems for animal health surveillance, and assessment of product safety and suitability	500	340
	5. Respond to market expectations for scientific information on the safety of red meat products	200	196
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	5,316	5,766
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	1,310	1,330
	2. Provide secretariat services to SAFEMEAT and develop effective industry safety/issues management strategies	480	480
	3. Contribute to the development and implementation of new food safety systems	176	176
9. AMPC managed initiatives	1. AMPC funded and managed initiatives in alignment with strategic direction outlined on this page	-	1,028
		9,554	10,884

Key milestones

- Satisfaction rating of MLA's food safety activities by industry (processors and AMIC) at more than 85 per cent
- All user and third party software interfaces completed as part of ongoing NLIS database refresh project
- Industry-wide roll-out of the central web-based electronic National Vendor Declaration database completed by June 2015
- Gap analysis of through chain assurance programs completed by September 2014
- Future funding model for SAFEMEAT programs endorsed by industry by April 2015

Budget 2014-15

Sector		2013-14 budget	2014-15 budget				Totals
			1	2	3	9	
Mutton	R	53	14	33	6		53
	M	92		74	18		92
Lamb	R	466	133	292	39		464
	M	800		533	267		800
Grassfed Cattle	R	522	292	55	87		434
	M	1,350		2,282	487		2,769
Grainfed Cattle	R	75	52		22		74
	M	517		945	143		1,088
Processor	R	1,176	561	500	112	514	1,687
	M	533		144	389		533
Goat	R	9			9		9
	M	84		28	56		84
Livestock export	R	16			16		16
	M	18			18		18
External	M	1,526			26		26
Government	R	2,317	1,052	880	291	514	2,737
Subtotal	R	4,634	2,104	1,760	582	1,028	5,474
Subtotal	M	4,920		4,006	1,404		5,410
TOTAL		9,554	2,104	5,766	1,986	1,028	10,884

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 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 2014-15, MLA will collaborate with government and industry stakeholders to assist in defending existing favourable access conditions and seeking to secure access improvements. Priorities include progressing industry positions under the India–Australia, Indonesia–Australia, Australia–China, Trans Pacific Partnership and Regional Comprehensive Economic Partnership trade negotiations; strategic advocacy in support of timely implementation of the recently completed Korea–Australia and Australia–Japan FTA negotiations; implementing additional measures to assist in alleviating access impediments in Indonesia and China; developing strategies in defence of grainfed beef access to the EU; and a concerted effort (in conjunction with industry and government) directed towards tackling the plethora of technical trade barriers imposed by a number of Australia's trading partners.

Strategy	Key initiatives	2013-14 budget	2014-15 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	2,330	2,330
2. Assist in positioning the Australian red meat and livestock industry for the WTO Doha round	1. Monitor and respond to WTO developments; reinforce industry priorities; coalition building in key overseas markets	51	51
3. Assist in positioning the Australian red meat and livestock industry for FTA negotiations	1. FTA work particularly directed at advancing industry priorities in FTAs with China, the Trans Pacific Partnership (12 member countries) and the Regional Comprehensive Economic Partnership (16 member countries)	1,076	1,076
4. Develop strategies to remove access barriers	1. Research to support trade reform advocacy in WTO and FTA negotiations	760	760
	2. Develop and implement action plans based on the technical barrier research which prioritised key impediments	400	400
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	3,424	3,424
		8,041	8,041

Key milestones

- Action plans for key technical market access barriers are developed and endorsed by peak councils
- Submissions prepared by MLA on economic market access barriers are endorsed by peak councils
- Demonstrable progress is made on implementing the Indonesia, China and EU market access and engagement strategies
- Trade perception of the safety of Australian red meat held at or above current levels in key markets

Budget 2014-15

Sector		2013-14 budget	2014-15 budget								Totals	
			Global	North America	Japan	Korea	South Asia	Indonesia	Europe	Middle East		R&D
Mutton	R	6									6	6
	M	129	10	22	11	6	13		27	40		129
Lamb	R	55									55	55
	M	1,153	135	226	147	56	182		79	328		1,153
Grassfed Cattle	R	112									112	112
	M	1,996	158	244	603	428	298	90	137	38		1,996
Grainfed Cattle	R	17									17	17
	M	302	21	40	119	70	33	10	3	6		302
Processor	R	190									190	190
	M	3,580	324	532	890	560	526	90	246	412		3,580
Goat	M	11	11									11
External	M	110			110							110
Government	R	380									380	380
Subtotal	R	760									760	760
Subtotal	M	7,281	659	1,064	1,880	1,120	1,052	190	492	824		7,281
TOTAL		8,041	659	1,064	1,880	1,120	1,052	190	492	824	760	8,041

1. Maintaining and improving market access

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

Operated by MLA in partnership with LiveCorp, the Livestock Export Program (LEP) assists Australian livestock exporters and supply chains to meet regulatory requirements, improve performance and address market access issues. In 2014-15, a major goal of the LEP is to continue to assist supply chains to meet and exceed the Exporter Supply Chain Assurance System (ESCAS) requirements. Strong support will be provided to exporters and importers via training, technical support and market access initiatives. Effort will be directed to building and strengthening relationships with key stakeholders in-market. New and emerging markets will be targeted.

Strategy	Key initiatives	2013-14 budget	2014-15 budget
1. Assist supply chains to deliver continuous improvement in animal health and welfare	1. Conduct R&D to develop innovations that will assist supply chains improve animal health and welfare	1,700	1,700
	2. Support industry to review supply chains and implement ESCAS in Indonesia	1,361	1,197
	3. Support industry to review supply chains and implement ESCAS in other Asian markets	583	968
	4. Support industry to review supply chains and implement ESCAS in Middle East markets	1,490	1,164
2. Provide research and support to enable improvements in supply chain efficiency and performance	1. Deliver industry capability programs to support improvements in efficiencies through the supply chain	134	134
	2. Conduct R&D to develop tools and better methods for improved livestock performance through the supply chain	500	500
	3. Deliver programs in Indonesia aimed at improving livestock performance	130	125
	4. Deliver programs in other Asian markets aimed at improving livestock performance	125	117
	5. Deliver programs in Middle East markets aimed at improving livestock performance	92	68
3. Provide communications support for the Industry Reform Strategy (SLO)	1. Provide valued information and deliver communication based support services that collectively build industry's capacity to promote and defend the trade	394	320
	2. Deliver targeted communications support activities to industry through a dedicated live export communications position	-	241
4. Assist industry and Government to defend and improve market access conditions and build demand for livestock	1. Conduct R&D that assists and supports improved market access conditions	200	200
	2. Assist in defending existing market access conditions in Indonesia	230	230
	3. Assist in defending existing market access conditions in other Asian markets and support development of new markets	88	113
	4. Assist in the defence of existing market access conditions in Middle East markets and support development of new markets	290	290
		7,317	7,367

Key milestones

- 85 per cent of exporter/importer requests for GAP analysis, risk analysis, training and technical advice are met
- Deliver four programs to support improvements in supply chain efficiency and performance for each of the five supply chain efficiency key initiatives
- MLA advice on live export issues rated as very valuable (four out of five) by peak councils
- MLA advice and management of market access issues rated as very valuable (four out of five) by peak councils and government

Budget 2014-15

Sector		2013-14 budget	2014-15 budget				Totals
			1	2	3	4	
Mutton	R	100	65	20		15	100
	M	435	190	40	70	80	380
Lamb	R	125	65	45		15	125
	M	625	350	40	78	80	548
Grassfed Cattle	R	350	245	60		10	315
	M	3,267	2,090	297	129	289	2,805
Goat	R	25	25				25
	M	40	34				34
Livestock export	R	600	450	125		60	635
	M	550	665	67	284	184	1,200
Government	R	1,200	850	250		100	1,200
Subtotal	R	2,400	1,700	500		200	2,400
Subtotal	M	4,917	3,329	444	561	633	4,967
TOTAL		7,317	5,029	944	561	833	7,367

2. Growing demand

2.1 Develop practices and implement programs that assist industry to deliver consistent and optimal eating quality

The Australian industry can provide consumers with beef and sheepmeat of consistent and predictable eating quality through the adoption of eating quality R&D and Meat Standards Australia (MSA). MSA has continued to increase the numbers of graded cattle and sheep and the focus is now shifting to better utilisation of MSA compliant carcasses. MLA will continue to focus on four initiatives to extract greater returns and consistency from MSA beef – decreasing eating quality variation within brands, increasing the volume of MSA-graded product per carcass, providing feedback that enhances future MSA compliance and maintaining MSA's integrity. Ongoing investment in eating quality R&D will increase the predictive accuracy of the MSA grading model and equip industry with the latest eating quality innovations. Some key R&D projects for 2014-15 include reviewing cut x cook combinations, examining new pathways that increase MSA compliance, improving accuracy through a focus on new model development and developing a cuts-based system for lamb and sheepmeat. In addition MLA will focus on developing objective carcass measurement technologies and systems that assist grading accuracy, provide new parameters that increase the accuracy of the MSA model or allow prediction of lean meat yield to support value based marketing. For consumers, a digital awareness and educational campaign will be delivered as well as ongoing support for MSA adoption by wholesalers and major foodservice and retail accounts.

Strategy	Key initiatives	2013-14 budget	2014-15 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 and lean meat yield including the development of objective carcass measurement technologies that predict elements of eating quality or lean meat yield	880	880
	2. Identify on-farm practices and transport pathways that lead to a positive impact on eating quality while also achieving gains in lean meat yield and productivity objectives for both sheep and beef	792	576
	3. Continue to refine and improve the accuracy of the MSA beef grading model with relevant R&D including targeted sensory testing, and implement three core objectives of the Sheep CRC (develop cuts based MSA, optimal use of heavy weight carcasses and develop yearling sheepmeat product)	1,440	1,988
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	250	250
	2. Ensure the integrity of all eating quality trademarks and adherence to MSA quality standards via a thorough audit and surveillance program	630	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	3,050	2,900
	2. Actively promote and educate consumers about MSA	1,161	961
9. AMPC managed initiatives	1. AMPC funded and managed initiatives in alignment with strategic direction outlined on this page	-	1,346
		8,203	9,501

Key milestones

- Increase MSA cattle grading numbers to 2.5 million head or more
- Increase MSA sheep grading numbers to 6.2 million head or more
- 55 per cent or more of consumers are aware of the MSA trademark
- All MSA licensed beef processing plants grading using MSA optimisation
- MSA beef index successfully implemented with more than 50 per cent balanced/favourable media reports (CARMA rating)
- Pilot an objective carcass measurement technology with a cuts-based grading model in a lamb processing plant
- Identify technologies that have the capability of improving beef grading accuracy and integrity by measuring predictors of eating quality
- Use consumer sensory outcomes to establish preliminary specifications for a yearling export sheepmeat category

Budget 2014-15

Sector		2013-14 budget	2014-15 budget				Totals
			1	2	3	9	
Mutton	R	86	99		11		110
	M	103		40	58		98
Lamb	R	481	566		36		602
	M	622		80	520		600
Grassfed Cattle	R	977	680		300		980
	M	2,582		365	1,936		2,301
Grainfed Cattle	R	262	157		100		257
	M	594		115	453		568
Processor	R	220	220			673	893
External	M	250		250			250
Government	R	2,026	1,722		447	673	2,842
Subtotal	R	4,052	3,444		894	1,346	5,684
Subtotal	M	4,151		850	2,967		3,817
TOTAL		8,203	3,444	850	3,861	1,346	9,501

2. Growing demand

2.2 Enhance the nutritional reputation of beef and lamb

Nutrition policy and marketing are important to ensure consumers maintain an appreciation of the role that beef and lamb play as a nutrient dense protein within a healthy diet. In 2014-15, MLA will continue to invest in generating evidence and credible communications supporting the role that beef and lamb can play in addressing key public health issues. Healthy eating tips will be reinforced by healthcare professional campaign through our LifeStages healthy eating resources, endorsed by relevant authorities. LifeStages resources will continue to be used including those for babies and young women, and metabolic health, iron and healthy aging. The domestic consumer nutrition campaign will continue as an “always on” approach through digital activity supported by print media with the development of relevant content to reinforce the role of beef and lamb as part of healthy meals with three to four serves per week (in line with the NHMRC dietary guidelines) – maximising engagement with consumers while maintaining a strong presence with healthcare professionals.

Strategy	Key initiatives	2013-14 budget	2014-15 budget
1. Increase our knowledge of the health benefits of red meat	1. Continue investment and communication of evidence on the benefit of Australian beef and lamb for key life stages	890	890
2. Maintain consistent and fact-based dietary recommendations for red meat	1. Continue relationship-building activities and launch social media strategy targeting key influencers to maintain awareness of the nutritional benefits of Australian beef and lamb	359	359
3. Communicate and promote evidence-based nutrition information on red meat to health professionals and the broader community	1. Continue promotion of MLA’s nutrition education digital and print resources on healthy eating for key life stages to nutrition professionals including GPs, practice nurses, dietitians and teachers	627	627
	2. Strengthen digital and social media campaign, including advertising in relevant media and at key touch points to build impact and reach on the nutritional benefits of Australian beef for key life stages	2,897	2,926
	3. Strengthen digital and social media campaign, including advertising in relevant media and at key touch points to build impact and reach on the nutritional benefits of Australian lamb for key life stages	1,042	1,157
		5,815	5,959

Key milestones

- At least 49 per cent of mothers with children in the household agree that beef makes healthy meals and 39 per cent agree that lamb makes healthy meals
- Less than 33 per cent of mothers with children in the household limit consumption of red meat for health reasons
- Maintain the proportion of healthcare professionals who recommend lean red meat at three or more times a week at 78 per cent for GPs, 84 per cent for dietitians and 83 per cent for practice nurses
- Balanced reporting of red meat and health issues in media with more than 70 per cent average of favourable and neutral reports

Budget 2014-15

Sector		2013-14 budget	2014-15 budget			Totals
			1	2	3	
Mutton	M	5			6	6
Lamb	R	203	150	23	32	205
	M	1,029		33	1,094	1,127
Grassfed Cattle	R	245	102	59	83	244
	M	2,379		86	2,304	2,390
Grainfed Cattle	R	43	17	11	15	43
	M	501		16	444	460
Processor	R	203	176	11	15	202
	M	513		16	572	588
Government	R	694	445	104	145	694
Subtotal	R	1,388	890	208	290	1,388
Subtotal	M	4,427		151	4,420	4,571
TOTAL		5,815	890	359	4,710	5,959

2. Growing demand

2.3 Develop new products, packaging and value chains

In 2013-14, MLA commenced a new approach to developing innovation insights to underpin global innovation strategies. The new approach is to grow demand for red meat by accelerating the successful identification, development and commercialisation of innovative new red meat products, packaging and service concepts. MLA will work with red meat industry partners to develop innovative 'value-adding' business models and supply chains which ensure maximum value is captured for the red meat industry. Key initiatives to be delivered in 2014-15 include a sophisticated insights capability with an initial focus on emerging markets of China, Indonesia and Middle East and product development for emerging consumer segments such as the ageing population and demand for greater convenience; global innovation strategies to facilitate growth in emerging markets and high value market segments; R&D and technology development to support innovation strategies; industry capability programs; and a young food innovators program. In addition to food innovation, MLA will also continue to support the development of innovative co-products and bioactives in collaboration with industry partners (via MDC). Most activity under this objective will be funded through the MLA Donor Company.

Strategy	Key initiatives	2013-14 budget	2014-15 budget
1. Develop innovation insights	1. Develop a sophisticated innovation insight capability which includes consumer, customer, competitor and market insights combined with product and technology scanning	-	500 MDC
	2. Deliver knowledge services which raise industry awareness of emerging trends and opportunities for new products, packaging and value chain/business model innovations and support more informed decision-making regarding growth priorities and R&D investments	200	100 MDC
2. Develop global innovation strategies	1. Develop innovative red meat products, packaging and processes via the development and application of new science and technologies	910	536 MDC
	2. Undertake research into new value chain design and options for business model innovation	-	150 MDC
	3. Intellectual property management, monitoring, evaluation and commercialisation	50	50
3. Build value chain industry capability to adopt new products and packaging concepts and value chain business innovation	1. Facilitate development of enterprise and value chain innovation capability to evaluate and adopt new value adding opportunities via a series of innovation capability workshops and in-market immersion activities and study tours	160	148 MDC
	2. Young Food Innovators Program	-	30 MDC
	3. Scholarships for post-graduate research students	-	30
	4. Work with enterprises and value chains to implement innovation strategies that lead to growth in high value markets and market segments	-	MDC
4. Develop technologies to enable transformation of co-products into value-added ingredients	1. Identify and evaluate opportunities for novel co-products and bioactive applications	350	MDC
	2. Develop more cost effective purification technologies for Australian bioactives	400	MDC
		2,070	1,544

Key milestones

- Global innovation strategies for five emerging markets or market segments developed based on an upgraded innovation insight capability with demonstrated engagement of stakeholders
- Implement ten pilot programs with supply chain partners to develop and implement value adding strategies which create value for customers and capture value for industry
- Develop at least five new red meat value added products or packaging concepts that demonstrate increased value for customers or consumers
- Implement at least two new co-product/bioactive value chain partnerships that deliver new products to market

Budget 2014-15

Sector		2013-14 budget	2014-15 budget			Totals
			1	2	3	
Mutton	R	32	6	10	4	20
Lamb	R	183	46	67	12	125
Grassfed Cattle	R	328	86	83	30	199
Grainfed Cattle	R	54	11	20	4	35
Processor	R	428	150	184	52	386
Goat	R	10	1	4	2	7
Government	R	1,035	300	368	104	772
TOTAL	R	2,070	600	736	208	1,544

2. Growing demand

2.4 Aggressive promotion of beef in the domestic market

With total consumer expenditure of \$6.6 billion, the domestic Australian market continues its position as the largest and most loyal for Australian beef. This year will continue to be challenging with consumer confidence unchanged, independent retailer market share under pressure, retail and foodservice margins inhibiting promotional activity, plus continued strong competition from other proteins. Furthermore, reductions in grass fed levies will result in winding back some of the traditional activities and consumer communications for beef. The beef consumer promotion program for 2014-15 will focus on beef's superior benefits including versatility, desirability and satisfaction, with emphasis on seasonal associations (i.e. summer barbecues and hearty winter meals), increasing the consumer repertoire of beef cuts and meals whilst will continuing to target opportunities for future growth (e.g. Asian flavours, men cooking). MLA will continue partnering with retailers and foodservice operators as they are integral to building demand with increased emphasis in 2014-15. As part of this, we will employ channel-specific initiatives to enhance differentiation between retail outlets, build appeal for secondary cuts on menus, increase focus on the fast growing institutional and catering sectors, and partner with foodservice wholesalers to increase demand for MSA brands. Budgets under this objective have been reduced in line with levy reductions.

Strategy	Key initiatives	2013-14 budget	2014-15 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 superiority within the context of 'summer barbecues' and 'winter meals'	6,073	5,823
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	1,737	1,587
	2. Foodservice promotional program including publications, promotions and education activities	864	814
	3. Support retailer and foodservice initiatives on new products, new merchandising developments and new promotional techniques	508	408
	4. Under co-operative (collaborative marketing) programs support the growth of branded supply chains	600	600
		9,782	9,232

Key milestones

- Maintain beef's value share at 36 per cent or higher of all fresh meat and penetration with purchase in last four weeks at 69 per cent or higher
- Improve key beef attributes measured by consumer tracking: "is the most superior meat" at 36 per cent or above and "my favourite meat" at 19 per cent or above
- Strong retailer support for MLA programs as evidenced by more than 60 per cent of retail butchers rating their sales impact as good/very good/excellent

Budget 2014-15

Sector		2013-14 budget	2014-15 budget		Totals
			1	2	
Grassfed Cattle	M	8,278	4,933	2,810	7,743
Grainfed Cattle	M	469	274	190	464
Processor	M	960	616	334	950
External	M	75		75	75
TOTAL	M	9,782	5,823	3,409	9,232

2. Growing demand

2.5 Aggressive promotion of lamb in the domestic market

With total expenditure of \$2.2 billion, the domestic Australian market continues to be the largest and most loyal for Australian lamb. This year will continue to be challenging with consumer confidence unchanged, independent retailer market share under pressure, retail and foodservice margins inhibiting promotional activity, plus strong competition from other proteins. The lamb consumer promotion program for 2014-15 will remain focused on building the brand association 'Australia bonds over lamb'. This will be achieved with increased emphasis on leveraging lamb's traditional association with springtime, refining and evolving the Australia Day lamb campaign to further move away from dependence on Sam Kekovich and continuing to deliver a successful roast lamb campaign during autumn. The promotion of more economical lamb cuts and targeting opportunities for future growth (e.g. Asian flavours, men cooking, 'foodies') remain a focus. MLA will continue partnering with retailers and foodservice operators as they are integral to building demand with increased emphasis in 2014-15. As part of this we will employ channel-specific initiatives to enhance differentiation between retail outlets, building appeal for secondary cuts on menus, increased focus on the fast growing institutional and catering sectors, and partnering with foodservice wholesalers to increase demand for MSA brands. Budgets under this objective have been reduced in line with levy reductions.

Strategy	Key initiatives	2013-14 budget	2014-15 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 occasions through the year	1. Lamb promotional campaigns for spring, Australia Day and autumn lamb roast	6,735	6,507
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	736	736
	2. Foodservice promotional program including publications, promotions and education activities	449	449
	3. Support retailer and foodservice initiatives on new products, new merchandising developments and new promotional techniques	215	165
	4. Under co-operative (collaborative marketing) programs support the growth of branded supply chains	200	200
		8,335	8,057

Key milestones

- Grow lamb market share of fresh meat at retail to more than 13.5 per cent
- Improvement in key lamb attributes as measured by consumer tracking: "top of mind awareness" to 16 per cent or above and "is loved by Australians" to 72 per cent or above
- Strong retailer support for MLA programs as evidenced by more than 55 per cent of retail butchers rating their sales impact good/very good/excellent

Budget 2014-15

Sector		2013-14 budget	2014-15 budget		Totals
			1	2	
Mutton	M	11		11	11
Lamb	M	7,948	6,238	1,434	7,672
Processor	M	320	269	49	318
Goat	M	31		31	31
External	M	25		25	25
TOTAL	M	8,335	6,507	1,550	8,057

2. Growing demand

2.6 Aggressive promotion in export markets – beef

Australian industry faces a number of strategic challenges and opportunities globally, with increasing competition in major trading partners of Japan and Korea and growing markets outside of our traditional trading partners. We must defend market share in these core markets while at the same time grow market share in developing markets of China, South East Asia, the Middle East and Russia. In meeting these challenges in Japan and Korea, MLA will continue to implement “maintain and defend” strategies to consolidate trade and consumer loyalty in the face of increased US competition. There will also be enhanced positioning with the launch of “True Aussie Beef” branding as a globally-focused program underpinning all trade and consumer activities. Over a period of time, all offices will transition from regional country of origin brand identity to a global position and identity. In developing markets, programs will continue to focus on business development activities that create awareness of Australian beef including working with exporters and importers to secure new retail and food service accounts and providing training and merchandising support. In all markets, MLA promotional activities will involve working co-operatively with Australian exporters (and their importer/wholesaler/end-user customers) through a newly developed collaborative marketing program (to replace the industry collaborative agreement program) to develop strategic plans and sustainably grow sales of individual Australian beef brands – and recognising diverse customer needs are best addressed through branded programs. Budgets in Japan, Korea and South East Asia have been reduced in line with levy reductions.

Strategy	Key initiatives	2013-14 budget	2014-15 budget
1. Disseminate comprehensive export marketing information	1. Monitor and report on consumer trends (global and local), channel trends and requirements, and competitive positioning	2,356	2,295
2. Develop new trade and consumer opportunities for Australian beef internationally	1. Identify and generate leads via business development activities	4,811	4,680
	2. Conduct contact profiling in conjunction with education and awareness work in emerging markets		
3. Position Australian beef as safe, consistent, versatile and nutritious via trade and consumer educational activities	1. Positively position Australian beef in terms of product attributes through True Aussie Beef branding while transitioning from country of origin marks	9,391	9,135
	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 Australian beef		
4. Assist in the creation and promotion of strong brand identities through implementation of individual co-operative programs	1. Support individual beef brands through the collaborative marketing program (CMP)	3,825	3,720
	2. Support the voluntary introduction of brands in export markets underpinned by MSA through the CMP		
	3. Build supply chain capability in positioning and marketing Australian beef brands		
	4. Strengthen supply chain networks between Australian beef suppliers and end users to boost sales and create loyalty		
TOTAL		20,383	19,830

Key milestones

- An additional eight major customers are recruited globally for Australian beef
- Over 80 per cent of Australian exporters and importers satisfied with MLA business development activities (trade shows, missions, etc)
- Successful launch of MLA’s “True Aussie Beef” and project market strategies developed in key beef markets of Japan, United States, Korea, China and the Middle East (GCC states)
- Increase the proportion of strategic marketing initiatives supported under the CMP to more than 40 per cent

Budget 2014- 15

Sector		2013-14 budget	2014-15 budget								Totals	
			North America	Japan	Korea	South Asia	Indonesia	Europe	Middle East	Global		CMP
Grassfed Cattle	M	17,604	690	5,473	3,368	3,126	620	739	594	679	1,793	17,082
Grainfed Cattle	M	2,378	28	193	355	199	44	434	46	98	950	2,347
External	M	401		260				91	50			401
TOTAL	M	20,383	718	5,926	3,723	3,325	664	1,264	690	777	2,743	19,830

2. Growing demand

2.7 Aggressive promotion in export markets – sheepmeat

A recent increase in lamb supply has helped boost demand for Australian lamb and mutton significantly over the past year, with China and the Middle East driving growth. In 2014-15, MLA will continue to work with exporters and importers to create new business opportunities for lamb and mutton in retail and foodservice accounts, while supporting continued growth in existing accounts. For many consumers in the United States, their first experience trialling lamb will be in food service. The focus this year will be to continue to broaden lamb's menu range, working with the quick service and casual dining sectors in North America and securing greater penetration in Chinese cuisine in Greater China and South East Asia. In the Middle East, we will continue activity across retail and foodservice sectors, education of butchers and chefs on cutting knowledge and menu development skills for lamb cuts, in a market where chilled lamb is taking the place of product sourced from the live export market. An analysis of market growth to 2015 has revealed that the best prospects lie in the Middle East, South East Asia/Chinas and North American regions.

There will be enhanced positioning of Australian lamb with the launch of "True Aussie Lamb" branding as a globally-focused program underpinning all trade and consumer activities. Over a period of time, all offices will transition from regional country of origin brand identity to a global position and identity. Budget reductions will be in Japan and North America in line with levy reductions.

Strategy	Key initiatives	2013-14 budget	2014-15 budget
1. Disseminate comprehensive export marketing information	1. Monitor and report on consumer trends (global and local), channel trends and requirements, and competitive positioning	481	498
2. Grow awareness, trial and purchase of Australian lamb in overseas markets through various promotional activities including advertising and sampling	1. Generate awareness of Australian lamb through consumer and trade advertising, digital marketing and public relations	1,762	1,824
	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		
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	1,248	1,291
	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 Australian lamb, through working with other supply countries where appropriate		
4. Under co-operative programs such as the collaborative marketing program (CMP), 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	3,423	3,543
	2. Build supply chain capability in positioning and marketing Australian lamb brands		
	3. Develop new products that enable lamb usage in new market segments		
	4. Support supply chains through the CMP		
		6,914	7,156

Key milestones

- An additional eight major customers are recruited globally for Australian lamb
- More than 80 per cent of Australian exporters and importers are satisfied with MLA business development activities (trade shows, missions, etc)
- Successful launch of MLA's "True Aussie Lamb" and project market strategies developed in lamb markets of United States, Middle East (GCC states), China and Europe
- Increase the proportion of strategic marketing initiatives supported under the CMP to more than 40 per cent

Budget 2014-15

Sector		2013-14 budget	2014-15 budget								Totals		
			North America	Japan	Korea	South Asia	Indonesia	Europe	Middle East	Global		CMP	
Mutton	M									100		100	
Lamb	M	6,644	3453	229	25	956	28	259		1069	287	400	6,706
Goat	M	170	40			100				40	20	50	250
External	M	100		20				30		50			100
TOTAL	M	6,914	3,493	249	25	1,056	28	289		1,259	307	450	7,156

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 on-farm R&D programs seek to deliver new tools and technologies that support producers to become more productive in this challenging environment. Major investments in 2014-15 include continued implementation of the feedbase investment plan (cattle and sheep); lamb and weaner survival program (sheep); southern beef compliance program (cattle); priority activities within the RD&E priorities prospectus for the northern Australia beef industry; and a comprehensive research program addressing feedlot nutrition and heat stress. The budget also includes support for the extension of the Sheep CRC.

Strategy	Key initiatives	2013-14 budget	2014-15 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	3,865	3,899
	2. Accelerate both discovery and delivery of new breeding methods to improve pasture and forage crop productivity, quality and persistence	1,328	1,260
2. Improve productivity in grazing and feedlot systems	1. Develop new technologies and management programs to increase growth, feed efficiency, grazing performance, reproduction and increase survival rates in grazing and feedlot systems	5,305	4,407
	2. Develop new cultivars and/or agronomic practices to improve persistence and/or quality attributes of forage plants	3,779	3,137
3. Develop and implement new practices and technologies to increase labour efficiency and compliance to market specifications	1. Evaluate, develop and implement technologies, tools and strategies to increase labour efficiency and reduce cost of production	377	462
	2. Increase producer capacity to make management decisions based on more precise information and lead to improved market compliance	365	450
4. Use 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	1,242	1,654
		16,261	15,269

Key milestones

- Private seed companies engaged in trialling and implementing new methods in breeding programs for phalaris and annual legumes
- Evaluation system of new pasture species (taking account of potential return on investment) established with results published
- 300 lead producers are actively engaged in participatory R&D contributing to conduct and interpretation of research projects
- Sheep CRC extension contracted and projects established
- Productivity improvements from identification and use of animals that convert feed more efficiently established through net feed intake testing of at least 600 progeny from the Beef Information Nucleus herds
- Residue testing of Kleanup product for feedlot dog treatment completed and research permit for further evaluation of the product under Australian conditions obtained
- At least two series of workshops conducted across regional Australia to communicate latest feedlot research outcomes and deliver industry training requirements

Budget 2014-15

Sector		2013-14 budget	2014-15 budget				Totals
			1	2	3	4	
Mutton	R	286	80	135	11	28	254
Lamb	R	3,379	1,208	1,349	118	320	2,995
Grassfed Cattle	R	2,906	725	1,307	327	214	2,573
	M		232				232
Grainfed Cattle	R	720		797		46	843
Goat	R	252	3	30		219	252
External	M	1,175	895	308			1,203
Government	R	7,543	2,016	3,618	456	827	6,917
Subtotal	R	15,086	4,032	7,236	912	1,654	13,834
Subtotal	M	1,175	1,127	308			1,435
TOTAL		16,261	5,159	7,544	912	1,654	15,269

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 2014-15, through co-investment via MLA Donor Company, MLA will focus on delivering large scale, transformational processing efficiency initiatives with a specific focus on automation. MLA will also continue to collaborate with meat processors and the Australian Meat Processor Corporation (AMPC) to assist in the development of a portfolio of core AMPC-managed activities aimed at improving processing productivity. MLA and AMPC will also work closely together on the commercialisation and adoption of R&D outcomes so as to ensure benefits to processors are realised.

Strategy	Key Initiatives	2013-14 budget	2014-15 budget
1. Develop new technologies and systems that improve productivity and processing efficiencies	1. Develop and implement transformational automation technologies that increase efficiency and maximise carcase utilisation	MDC and AMPC funded initiatives managed by MLA	MDC and AMPC funded initiatives managed by MLA
	2. Develop and validate alternate stunning technologies		
	3. Identify and develop new systems to automate or semi-automate picking, packing and loading tasks		
2. Assist the processing sector to improve work health and safety	1. Develop and implement technologies to improve working conditions and reduce work-related injuries		
	2. Develop and communicate new processes and systems that assist the processing sector to manage OH&S risks		
3. Develop new systems to support processing decision-making	1. Develop and validate objective measurement technologies which will benefit the supply chain		
4. Improving industry capability, knowledge and adoption of new technologies to increase productivity	1. Support processing sector innovation networks	75	-
	2. Increase processor awareness of commercial opportunities from recent R&D		
	3. Processor R&D adoption and technical services		
	4. Intellectual property management, monitoring, evaluation, and commercialisation of off-farm R&D		
9. AMPC managed initiatives	1. AMPC-funded and managed initiatives aligned to the strategic direction outlined on this page	3,411	4,530
		3,486	4,530

Key milestones

These milestones relate only to MDC activity:

- Realise net benefits of \$1.0 million per annum from processing technologies developed under the MDC program and for which installation is completed in 2014-15
- Total aggregated net benefit of MDC-funded technologies installed both in 2014-15 and previous years reaches \$8 million per annum
- Five MDC-funded commercial innovations achieved at least 80 per cent of their annual adoption strategy targets including associated cost benefit analyses

Budget 2014-15

Sector		2013-14 budget	2014-15 budget	9	Totals
Processor	R	1,743	2,265		2,265
Government	R	1,743	2,265		2,265
TOTAL	R	3,486	4,530		4,530

3. Increasing productivity across the supply chain

3.3 Deliver valued supply chain and market information

MLA continues to deliver a market information service that informs business management decisions in the red meat and livestock industry. MLA ensures that information gaps are identified, and that appropriate and valued information is collected, analysed and communicated in a timely, user friendly and accessible manner. In 2014-15, this work will focus on several areas. One of these is to continue to evolve the dissemination of market information to achieve industry best practice for market information data functionality for internal and external usage. Another is to improve feedback and benchmarking data along the supply chain, especially to producers, providing opportunities for operational improvements including the development of Australian beef “cut-out values”. Another area is researching priority industry issues to provide valuable knowledge for policy makers across the Australian supply chain and, where appropriate, on the international scene.

Strategy	Key initiatives	2013-14 budget	2014-15 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	2,080	2,200
	2. Conduct surveys on each segment of the supply chain	693	669
	3. Maintain a warehouse of domestic and global meat market data and improve the dissemination of this data via the MLA website	717	780
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 reviews and fast facts including support to private suppliers of price risk management tools and encouraging their development	1,132	1,132
	2. Provide a comprehensive daily and weekly red meat news service available through the MLA website, mobile app and email	227	226
3. Facilitate improved information flows within supply chains	1. Implement the Livestock Data Link program to improve information flows to add value and enable benchmarking	800	950
4. 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	300	300
	2. Support peak council advocacy efforts on priority policy issues	50	50
	3. Where appropriate, work with like-minded organisations on priority policy issues to jointly pursue industry issues	50	50
		6,049	6,357

Key milestones

- Over 90 per cent of clients find MLA market information valuable to their business, with over 60 per cent finding it highly or extremely valuable
- 20 processing plants uploading data to Livestock Data Link
- 60 per cent of Livestock Data Link plants actively delivering feedback to their suppliers
- Develop methodology, implement and commence reporting on Australian beef “cut-out values”
- Increase reporting and analysis of cattle markets in northern and western Australia
- Maintain ISO accreditation for MLA’s market information activities
- Complete industry issues research as requested by Red Meat Advisory Council and peak industry councils

Budget 2014-15

Sector		2013-14 budget	2014-15 budget				Totals
			1	2	3	4	
Mutton	R	63	31	15	30	7	83
	M	23					
Lamb	R	693	485	191	64	52	792
	M	127					
Grassfed Cattle	R	1,675	993	420	381	119	1,913
	M	271					
Grainfed Cattle	R	116	71	53		22	146
	M	45					
Goat	R	12	12				12
	M						
External Government	M	465	465				465
	R	2,559	1,592	679	475	200	
Subtotal	R	5,118	3,184	1,358	950	400	5,892
Subtotal	M	931	465				465
TOTAL		6,049	3,649	1,358	950	400	6,357

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 2014-15 will address topics such as a national livestock disease survey, integrated sheep parasite management, footrot diagnostics and vaccine development, fluoroacetate toxicity, cattle tick vaccine, and developing practical emergency disease management at processing establishments. Specific feedlot investment will include continuation of projects on feedlot bedding options, backgrounding and the benefits of acclimation.

Strategy	Key initiatives	2013-14 budget	2014-15 budget
1. Improve animal health and biosecurity	1. Deliver improved diagnostic methods, enhanced understanding and/or improved control methods for external threats such as foot and mouth disease, bluetongue capripox and screw worm fly	672	500
	2. Improved biosecurity measures adopted that minimise risks on-farm and disruption to trade from endemic (Johne's disease, footrot), emerging (Theileria) and exotic diseases	1,688	2,095
	3. Investigate and improve the management of key feedlot animal health problems	1,194	890
	4. Invest in priority endemic diseases to reduce the cost of endemic diseases compared with 2005	2,957	2,200
		6,511	5,685

Key milestones

- Phases one and two of the National Livestock Disease Survey completed
- Technologies to identify poor performing cattle in feedlots prioritised for further evaluation in feedlots
- Assessment of the bluetongue vector potential of midges in southern Australia completed, and mathematical prediction model for the spread of the disease completed
- Efficacy of two-in-one bovine respiratory disease vaccine established and plan developed to attract a commercial partner for its further development
- Review of the impacts of fluoroacetate toxicity completed

Budget 2014-15

Sector		2013-14 budget	2014-15 budget	Totals
Mutton	R	249	224	224
Lamb	R	1,661	1,363	1,363
Grassfed Cattle	R	596	758	758
Grainfed Cattle	R	567	315	315
Goat	R	20	20	20
External	M	325	325	325
Government	R	3,093	2,680	2,680
Subtotal	R	6,186	5,360	5,360
Subtotal	M	325	325	325
TOTAL	R	6,511	5,685	5,685

3. Increasing productivity across the supply chain

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

MLA invests in the delivery of information, tools and services that enable access to and adoption of R&D to help individual businesses boost their productivity and profitability, and position industry for future challenges and opportunities. MLA will endeavour to maximise engagement with producers to ensure they are informed of valuable and relevant information, motivated to enquire and experiment, and influenced to implement changes to on-farm practices. In 2014-15, MLA investments will focus on delivering targeted and timely packages of information, tools and learning opportunities. New producer resources and online learning tools will be delivered in partnership with extension providers where appropriate to maximise producers' access to the outcomes of their investment in industry R&D.

Strategy	Key initiatives	2013-14 budget	2014-15 budget
1. 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 digital content and generate effective coverage through rural media to deliver valuable, relevant information and opportunities to support producers	1,873	2,035
	2. Deliver a strategic program of MLA events and sponsored targeted industry events/activities to deliver MLA information and tools to producers across Australia	1,180	1,187
2. Facilitate the uptake of MLA information, tools and learning opportunities to influence positive practice change	1. Improve and deliver integrated programs to engage livestock producers with R&D outcomes	3,172	2,986
	2. Develop educational materials and tools that enable producers to efficiently and effectively access the outputs of MLA R&D such as online learning resources, publications and video tutorials	1,024	1,016
3. 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. Establish partnerships to build producer capability by supporting facilitated learning groups (including producer demonstration sites), and mentoring activities (including leadership training – ARLP and Nuffield scholarships)	1,554	1,469
	2. Conduct robust program evaluation and levy payer market research to determine industry RD&E needs and establish the quantitative and qualitative impact to industry of MLA producer engagement activities and R&D investment	743	968
		9,546	9,661

Key milestones

- Increase satisfaction with MLA communications activities from 3.6 to 3.8 out of 5
- At least 50 per cent of commercial sheep and cattle producers engage with MLA information or tools
- At least 50 per cent 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 25 producer demonstration sites in operation to deliver localised R&D information to producers
- Implement a new monitoring, evaluation and reporting framework to enable more effective reporting against strategic objectives

Budget 2014-15

Sector		2013-14 budget	2014-15 budget			Totals
			1	2	3	
Mutton	R	208	77	89	63	229
	M	29	12	26	26	64
Lamb	R	1,800	547	655	523	1,725
	M	382	330	285	56	671
Grassfed Cattle	R	1,900	463	782	450	1,695
	M	702	391	339	172	902
Grainfed Cattle	R	130	142		8	150
	M	33	5			5
Goat	R	9	12			12
	M	6	2			2
External	M	300		300	95	395
Government	R	4,047	1,241	1,526	1,044	3,811
Subtotal	R	8,094	2,482	3,052	2,088	7,622
Subtotal	M	1,452	740	950	349	2,039
TOTAL		9,546	3,222	4,002	2,437	9,661

4. Supporting industry integrity and sustainability

4.1 Support on-farm environmental sustainability

As custodian of a significant proportion of Australia's land mass, the livestock industry is an important manager of vital natural resources. The way in which these natural resources are managed will influence the ongoing success and reputation of industry. In 2014-15, MLA will invest in refining and localising existing knowledge to enhance 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 climate change challenges means a strategic and multi-faceted response strategy must be adopted across the entire supply chain and MLA will continue projects funded jointly with the Australian Government to reduce greenhouse gas emissions and assist farmers to adapt to increasingly variable climates.

Strategy	Key initiatives	2013-14 budget	2014-15 budget
1. Natural resource management	1. Develop new pasture and animal management systems to enhance natural resources and reduce off-farm impacts	2,876	1,348
	2. Develop strategies to minimise off-site impacts of manure and effluent in feedlots	28	88
2. Responding to climate change	1. Develop adaptation strategies to climate change to improve resilience of production systems	669	255
	2. Develop mitigation strategies to reduce greenhouse gas emissions (GHG)	3,574	2,993
		7,147	4,684

Key milestones

- Documented evidence indicating 10,000ha of perennial summer weed infected areas in southern Australia are under best management during the 2014-15 control season
- Implementation of Parkinsonia control in northern Australia with the registration and commercialisation process underway for a bioherbicide and looper caterpillars released at six locations
- Release of starter colonies of the dung beetle *O. Vacca* at three sites across southern Australia, and commencement of mass rearing of *O. Vacca* and *B. Bubalus* with collaborators for public releases in spring 2015
- Development of a strategy for investment in climate adaptation with contracting of two significant projects
- Incidence of heat stress events in Australian feedlots for a range of future climate variability scenarios established and reported to industry
- Benefit of lignite as an ameliorant for feedlot manure nitrogen-based GHG emissions established and reported to industry

Budget 2014-15

Sector		2013-14 budget	2014-15 budget		Totals
			1	2	
Mutton	R	96	25	32	57
Lamb	R	1,065	165	457	622
Grassfed Cattle	R	1,449	467	479	946
Grainfed Cattle	R	660	44	416	460
External	M	608	34	480	514
Government	R	3,269	701	1,384	2,085
Subtotal	R	6,539	1,402	2,768	4,170
Subtotal	M	608	34	480	514
TOTAL		7,147	1,436	3,248	4,684

4. Supporting industry integrity and sustainability

4.2 Support off-farm environmental sustainability

The Australian red meat industry is an important custodian of vital natural resources. MLA and the Australian Meat Processor Corporation (AMPC) collaborate in this RD&E program to improve understanding of the natural resource base, apply strategies to identify, mitigate and manage the impact of manufacturing on the environment, reduce resource costs, and identify, capture and implement beneficial effects and practices. In 2014-15, through the MLA Donor Company and the collaborative innovation strategies program, MLA will focus on the identification, development and implementation of opportunities to reduce energy and water consumption, and improvement of waste management to minimise environmental impact. Dissemination of R&D outcomes and a strong emphasis on adoption, extension, and capability-building will also be a fundamental part of the sustainability strategy. MLA will continue to support AMPC in environmental initiatives in mitigation of greenhouse gas emissions, environmental benchmarking, waste management, and water and energy efficiency.

Strategy	Key initiatives	2013-14 budget	2014-15 budget
1. Research to improve resource use efficiency	1. Identify and validate energy efficiency opportunities	MDC and AMPC funded initiatives managed by MLA	MDC only
	2. Develop waste-to-energy opportunities for meat processors		
	3. Identify opportunities for minimising water use and increase water reuse and recycling in the processing sector		
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		
	2. Review opportunities for value adding from waste, as well as recycling waste material		
3. Develop mitigation strategies to reduce greenhouse gas emissions	1. Assess and improve methods to measure GHG emissions		
	2. Develop industry tools and document best practice to monitor GHG emissions		
	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. Engaging 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		
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		
	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		
	3. IP management, monitoring, evaluation, and reporting of off-farm R&D	75	
	4. Support processing sector innovation networks	MDC/ AMPC funded	
9. AMPC managed initiatives	1. AMPC funded and managed initiatives that are aligned to the strategic direction outlined on this page	2,219	930
		2,294	930

Key milestones

The following milestones relate to MDC funded projects only:

- New technologies or processes capable of reducing the total electricity usage for meat plants by 2 per cent are defined and/or validated
- New technologies or processes capable of reducing abattoir town water consumption by 2 per cent are demonstrated and/or validated
- At least two off-farm pre-commercialisation innovations have achieved at least 80 per cent of their annual adoption strategy targets

Budget 2014-15

Sector		2013-14 budget	2014-15 budget 9	Totals
Processor	R	1,147	465	465
Government	R	1,147	465	465
TOTAL	R	2,294	930	930

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 in Australia and overseas markets. Under this objective, MLA's R&D will focus on improving the welfare of livestock raised, and handled in Australia; minimising the potential for market access being disrupted; addressing consumer and regulatory concerns with evidence based science that will facilitate informed policy decisions; and enabling industry to respond quickly to emerging issues. In 2014-15, projects will be initiated to address priorities arising from a new five-year plan, including the investigation of needleless injectors for applying analgesics. Animal welfare standards will continue to be promoted and measured on-farm and at processing establishments.

Strategy	Key initiatives	2013-14 budget	2014-15 budget
1. Manage and improve livestock welfare to meet community expectations	1. Improve animal welfare on farms	1,763	1,474
	2. Investigate and improve the management of key feedlot welfare issues	965	1,236
		2,728	2,710

Key milestones

- Uptake and use of the polled gene marker test by 10 Brahman bull breeders
- Evaluation and monitoring of MLA co-funded predator control projects within the IACRC
- Euthanasia guidelines for feedlot cattle developed and series of workshops to introduce them to industry completed
- Significant progress towards commercial release of an alternative to surgical spaying of cattle
- One new practical product that gives pain relief for castration developed

Budget 2014-15

Sector		2013-14 budget	2014-15 budget	Totals
			1	
Mutton	R	28	23	23
Lamb	R	682	603	603
Grassfed Cattle	R	171	111	111
Grainfed Cattle	R	483	618	618
Government	R	1,364	1,355	1,355
TOTAL	R	2,728	2,710	2,710

4. Supporting industry integrity and sustainability

4.4 Support industry's effective engagement with the community

Interest in the ethics of food production is gaining momentum both within Australia and overseas, particularly around animal welfare and environmental sustainability. The Australian public are generally supportive of industry and have a high level of trust in the beef and lamb industry and particularly in Australian livestock producers. However increased media and social media focus on animal welfare and the environmental impact of beef and lamb production threatens confidence in our industry. To reinforce the existing community trust that our industry is an ethical and responsible custodian of livestock, land and resources, the community engagement program will support industry representative bodies and individual producers to authentically communicate the integrity of livestock production practices throughout the supply chain and the commitment of the industry to improvements based on solid scientific underpinning.

Strategy	Key initiatives	2013-14 budget	2014-15 budget
1. 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 in the community by partnering with relevant events to engage with thought leaders and the wider public in the food and sustainability space as well as create standalone events to promote the industry	351	227
	2. Develop and promote targeted resources for primary, secondary and tertiary education facilities that deliver balanced messaging that is valued by teachers and utilised by students	255	217
	3. The central platform for communicating industry sustainability to the community, customers and thought leaders, Target 100 will continue to be supported by social media, advertising, events and public relations	1,184	1,092
	4. Undertake community research and monitor media and social media to stay ahead of emerging community concerns about beef and lamb production in order to facilitate opportunities for industry	114	94
2. 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 and develop platforms to equip the industry to promote and respond on key environment and animal welfare issues	48	261
	2. Central to the community engagement strategy is to equip and empower producers and their representatives to build our industry's reputation through social media, events and media	362	276
		2,314	2,167

Key milestones

- Increase engagement in Target 100 by 10 per cent through the key platforms of the website, social media channels and events
- 300 producers actively engaged in industry advocacy activities utilising MLA-developed resources
- Percentage of consumers stating they are reducing red meat consumption due to perceived animal welfare reasons is below 5 per cent
- Percentage of consumers stating they are reducing red meat consumption due to perceived environmental reasons is below 5 per cent

Budget 2014-15

Sector		2013-14 budget	2014-15 budget		Totals
			1	2	
Mutton	R	6	5	1	6
	M	40	30	6	36
Lamb	R	23	19	4	23
	M	554	339	69	408
Grassfed Cattle	R	116	96	20	116
	M	1,058	749	355	1,104
Grainfed Cattle	R	11	9	2	11
	M	204	133	28	161
Processor	R	24	20	4	24
	M	98	81	17	98
Government	R	180	149	31	180
Subtotal	R	360	298	62	360
Subtotal	M	1,954	1,332	475	1,807
TOTAL		2,314	1,630	537	2,167

4. Supporting industry integrity and sustainability

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

A culture of innovation is critical for the red meat industry to be sustainable. This will only occur if supply chains, organisations and the people within them have the necessary capabilities to grow, sustain and measure innovation. In 2014-15, via the MLA Donor Company, MLA will focus on delivering the collaborative innovation strategies program so as to specifically address the need for integrated and long term innovation capabilities, both at the enterprise level and throughout the supply chain. In 2014-15, MLA will also have the opportunity to collaborate with DAFWA on a number of major supply chain programs in both beef and sheepmeat sectors as part of their Royalties for Regions program. MLA will continue to collaborate with meat processors and the Australian Meat Processor Corporation to address targeted capability gaps such as enhancing science and technical skills within processing enterprises; supporting 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.

Strategy	Key initiatives	2013-14 budget	2014-15 budget
1. Work with stakeholders to promote opportunities for innovative people and processes across the industry	1. Attract and retain professionals to address agreed industry capability gaps	MDC and AMPC funded initiatives managed by MLA	126
	2. Develop programs to showcase industry opportunities and career paths to attract required disciplines from tertiary institutions and other industries		-
	3. Explore indigenous engagement and employment opportunities		-
	4. Deliver the collaborative innovation strategies program	MDC only	MDC only
	5. Develop and deliver targeted supply chain capability building programs	150	200
2. Collaborate with industry to implement professional and skills development programs	1. Industry skills development programs	MDC / AMPC funded	
	2. Processor scholarship and network programs		
	3. Producer leadership training, scholarships and placement programs	56	56
	4. Deliver the professional development program as part of collaborative innovation strategies program	MDC only	MDC only
3. Support the development of essential science, research, technical and extension capabilities	1. Build professional capability and scientific knowledge of RD&E providers in key on farm discipline	940	946
	2. Build capability and knowledge of science and technology service providers in key off-farm disciplines	MDC / AMPC funded	-
9. AMPC managed initiatives	1. AMPC funded and managed initiatives that are aligned to the strategic direction outlined on this page	1,790	3,968
		2,936	5,296

Key milestones

- Initiate strategic investments developed from the education pipeline review and business plan
- All collaborative innovation partners meet at least 80 per cent of their documented innovation strategy KPIs

Budget 2014-15

Sector		2013-14 budget	2014-15 budget				Totals
			1	2	3	9	
Mutton	R	29	12		23		35
Lamb	R	204	55		158		213
Grassfed Cattle	R	187	55		151		206
Grainfed Cattle	R	149	13	28	138		179
Processor	R	895	28			1,984	2,012
Goat	R	3			3		3
Government	R	1,467	163	28	473	1,984	2,648
TOTAL	R	2,936	326	56	946	3,968	5,296

6.1 Stakeholder communication and reporting

As the industry service company, MLA receives significant funds from livestock transaction levies and government contributions. 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, and the *Corporations Act*. Reporting activities include an annual general meeting, annual report, corporate plan and annual operating plan. Effective and efficient consultation mechanisms with industry are essential to ensure robust strategic insight into MLA's corporate plan and annual operating plans.

Strategy	Key initiatives	2013-14 budget	2014-15 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	642	647
2. Member services and stakeholder engagement	1. Enhance MLA's ability to report to levy payers by growing MLA's membership base and improving data collection systems and	492	503
3. Consultation mechanisms to provide strategic input into MLA programs	1. Consult with producer members through appropriate mechanisms to provide strategic insights to MLA to ensure MLA program plans focus on industry priorities and are implemented effectively	609	783
		1,743	1,933

Key milestones

- MLA annual report achieves a gold award from Australasian Reporting Awards
- Increase MLA membership to 51,000 producers (currently 49,000)
- Member rating for the statement "MLA is easily contactable" increases from 3.7 to 3.8 out of 5
- Effective and efficient consultation mechanisms providing robust input to MLA programs

Budget 2014-15

Sector		2013-14 budget	2014-15 budget			Totals
			1	2	3	
Mutton	R	18	6	5	7	18
	M	33	11	9	13	33
Lamb	R	132	44	34	53	131
	M	363	121	94	148	363
Grassfed Cattle	R	231	93	73	113	279
	M	549	216	167	260	643
Grainfed Cattle	R	5	2	1	2	5
	M	17	6	4	7	17
Goat	R	4	1	1	2	4
	M	2	1	1	1	3
Government	R	389	146	114	177	437
Subtotal	R	779	292	228	354	874
Subtotal	M	964	355	275	429	1,059
TOTAL		1,743	647	503	783	1,933

7.1 Corporate services

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

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. Provide accurate, timely and meaningful information to MLA management and stakeholders, manage financial risks, provide support for the budget and planning process and ensure 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 and registry	1. Provide legal advice and support to MLA management. Monitor compliance with statutory and other regulations applicable to MLA's business and interaction with its stakeholders. Manage the member registry.
6. Undistributed costs	1. Cover costs that relate to the company as a whole, but which are not distributed to the key programs, such as insurance, repairs and maintenance and depreciation 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 via at least three program evaluations in 2014-15 (costs are allocated against programs evaluated)
9. Contract Services	1. Provide contract services support to facilitate the negotiation, preparation, administration and execution of contracts in accordance with MLA's contract approval policy

Key milestones

- Clean audit report received
- Internal audit program delivered to the satisfaction of the MLA Audit and Risk Committee
- Operation within the framework of the deed of agreement and statutory obligations

Budget 2014-15

Sector		2013-14 budget	2014-15 budget
Mutton	R	88	85
	M	95	100
Lamb	R	581	557
	M	1,607	1,591
Grassfed Cattle	R	762	730
	M	3,464	3,418
Grainfed Cattle	R	182	175
	M	427	426
Goat	R	23	22
	M	16	16
External	M	2,300	2,300
Government	R	1,635	1,569
Subtotal	R	3,271	3,138
Subtotal	M	7,910	7,853
TOTAL		11,181	10,991

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 2014-15

Sector		2013-14 budget	2014-15 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

MLA Donor Company

A fully-owned MLA subsidiary, MLA Donor Company Ltd provides a vehicle for attracting voluntary contributions from individual enterprises that share a mutual interest with MLA to co-invest in innovation initiatives that will deliver benefit to the Australian red meat industry. Since its inception in 1999, the MDC (R&D partnership) program has engaged enterprises from all parts of the industry supply chain including processors, value-adders, breed societies, large pastoral companies and technology providers. A specific component of MDC activity relates to plant initiated projects which are co-funded with AMPC and processors. In addition, MDC has also formed international alliances which have assisted in accelerating Australia's access to valuable intellectual property at 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 2014-15 of approximately \$30 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; enhance the outcomes of commercially focused innovation thereby ensuring quantifiable benefit to individual enterprises and ultimately to the industry overall; accelerate the commercialisation of R&D adding to the quantum of innovations available to the industry; and assist the Australian red meat industry to develop an innovation culture and capability.

Strategy and MLA AOP page	Key initiatives
1. Develop practices and drive programs that help industry deliver consistent and optimal eating quality (2.1)	<ol style="list-style-type: none"> 1. Develop, prove and implement technologies and processes to optimise eating quality including Objective Carcase Measurement 2. Continue to refine and improve the accuracy of the beef MSA grading model with relevant R&D activities.
2. New products, packaging and value chains (2.3)	<ol style="list-style-type: none"> 1. Development and implementation of global innovation strategies 2. Asian market success program 3. Value-added product, technology and packaging innovation 4. Value adding capability development
3. Developing new co-products (2.3)	<ol style="list-style-type: none"> 1. Facilitated adoption of co-product processes and products 2. Development of new co-products value chains
3. Increasing productivity on-farm (3.1)	<ol style="list-style-type: none"> 1. Beef Information Nucleus
4. Processing efficiency (3.2)	<ol style="list-style-type: none"> 1. Processing automation 2. Manual assist devices
5. 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
6. Support off-farm environmental sustainability (4.2)	<ol style="list-style-type: none"> 1. Research to improve resource use efficiency 2. Develop technologies, tools and procedures that contribute to improved waste management systems and value add to waste products 3. Improving industry capability, knowledge and adoption of new technologies and processes to achieve sustainable resource management and adaption to climate change
7. Support industry to make continued improvement in animal welfare without reducing productivity levels (4.3)	<ol style="list-style-type: none"> 1. Develop replacements for aversive procedures 2. Develop ways to minimise the pain of aversive procedures
8. Collaborative innovation strategies program (4.5)	<ol style="list-style-type: none"> 1. Processors/Exporters/ Brand Owners 2. On farm (service providers, producers, feedlots)
3. Supply chain innovation (4.5)	<ol style="list-style-type: none"> 1. Northern Beef Futures Program 2. WA Sheepmeat Business Innovation Program

Key milestones

As MDC partnership projects are directly related to delivering against MLA's overall strategic plan, key program deliverables have been included in the relevant milestone sections of this *Annual operating plan*. A key outcome of the MDC programs will be to ensure dissemination and adoption of project outcomes to the broader industry. In 2014-15, quantified measurement of this will be undertaken.

Budget 2014-15

Sector		2013-14 budget	2014-15 budget 1	Totals
Processor	R	2,400	6,000	6,000
External	R	9,600	8,000	8,000
Government	R	12,000	14,000	14,000
TOTAL	R	24,000	28,000	28,000

