



THE MARK
OF QUALITY

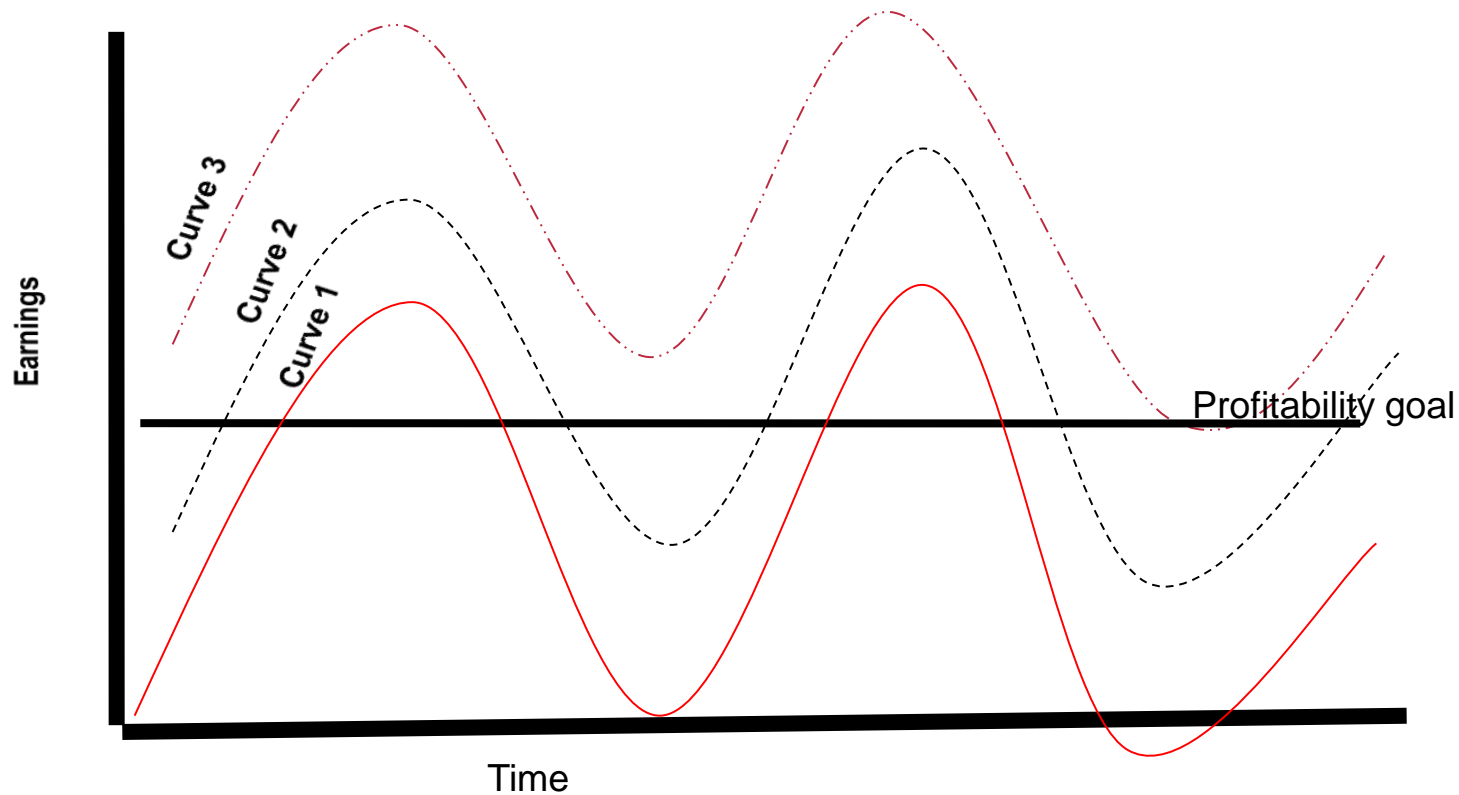
*Feeding People
Enriching Lives*



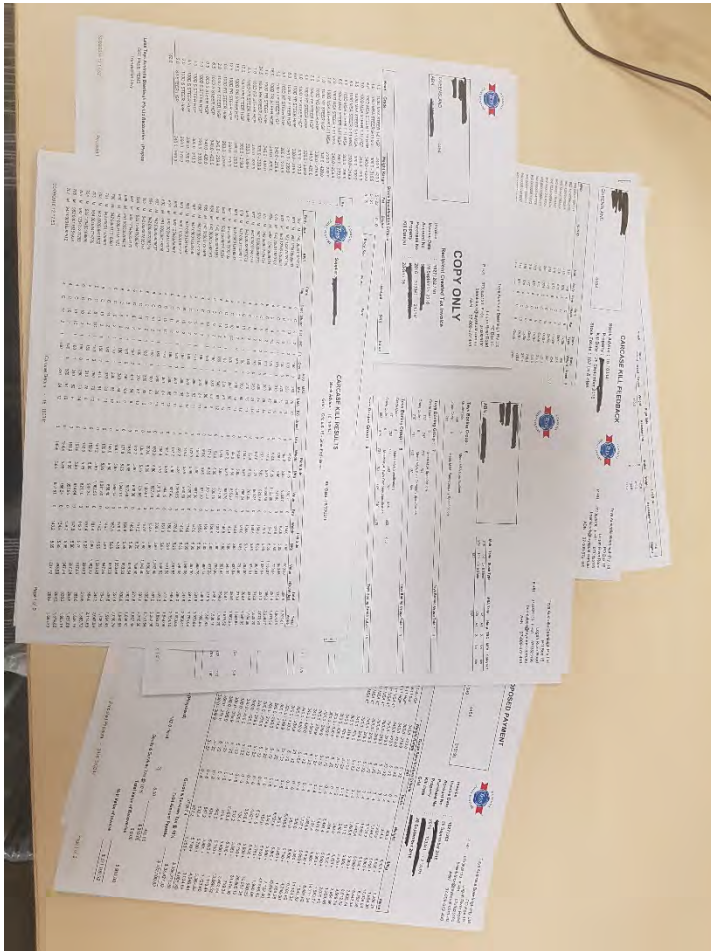
Digital technologies in the supply chain

Tom Maguire

Supply chain approach to digital technologies has been supported by a commodity mindset



And the issue is not the lack of data being made available to producers today



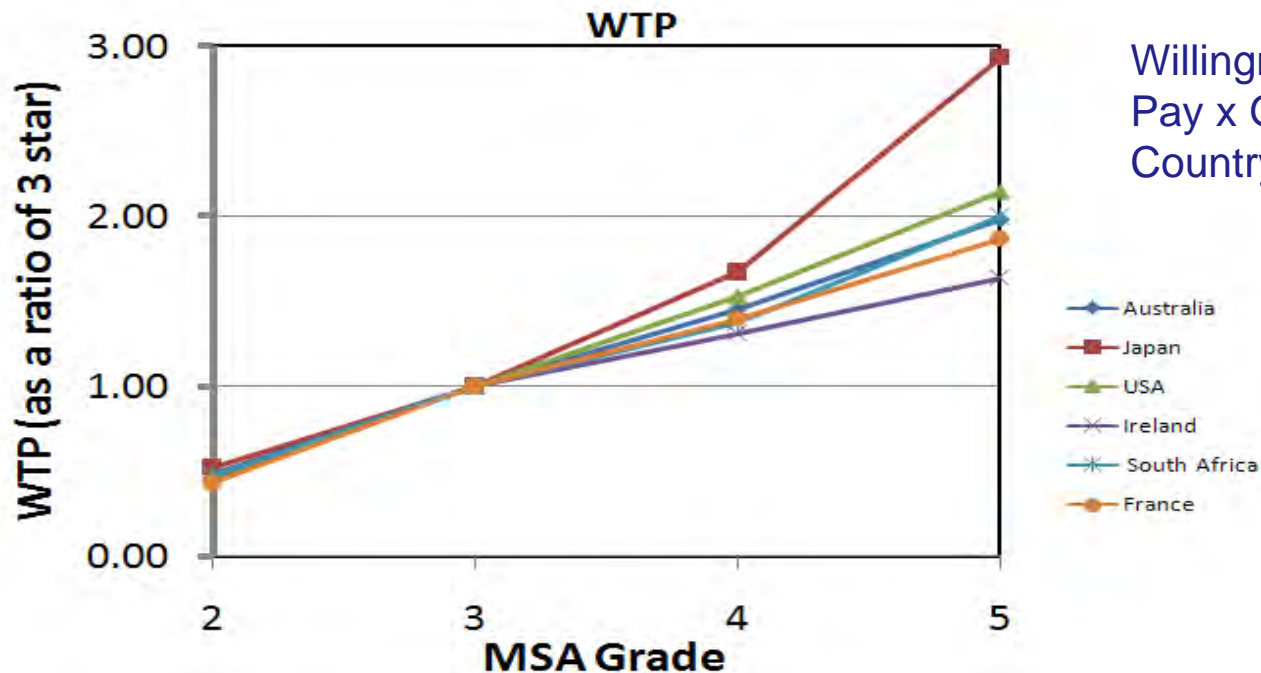
180 cattle supplied results in:

- 21 pages of data on the cattle (optional in electronic form)
- Separate reports covering kill data, chiller assessment feedback, Specific MSA feedback, results against the Grid etc.

However if we are to put consumers 'in front' we need a different approach

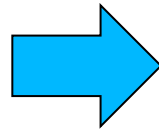


All industry \$
comes from the
Consumer



Willingness to
Pay x Grade &
Country

And given we disassemble finished goods our job is to help producers align with our customers



And there is no such thing as a uniform mob!

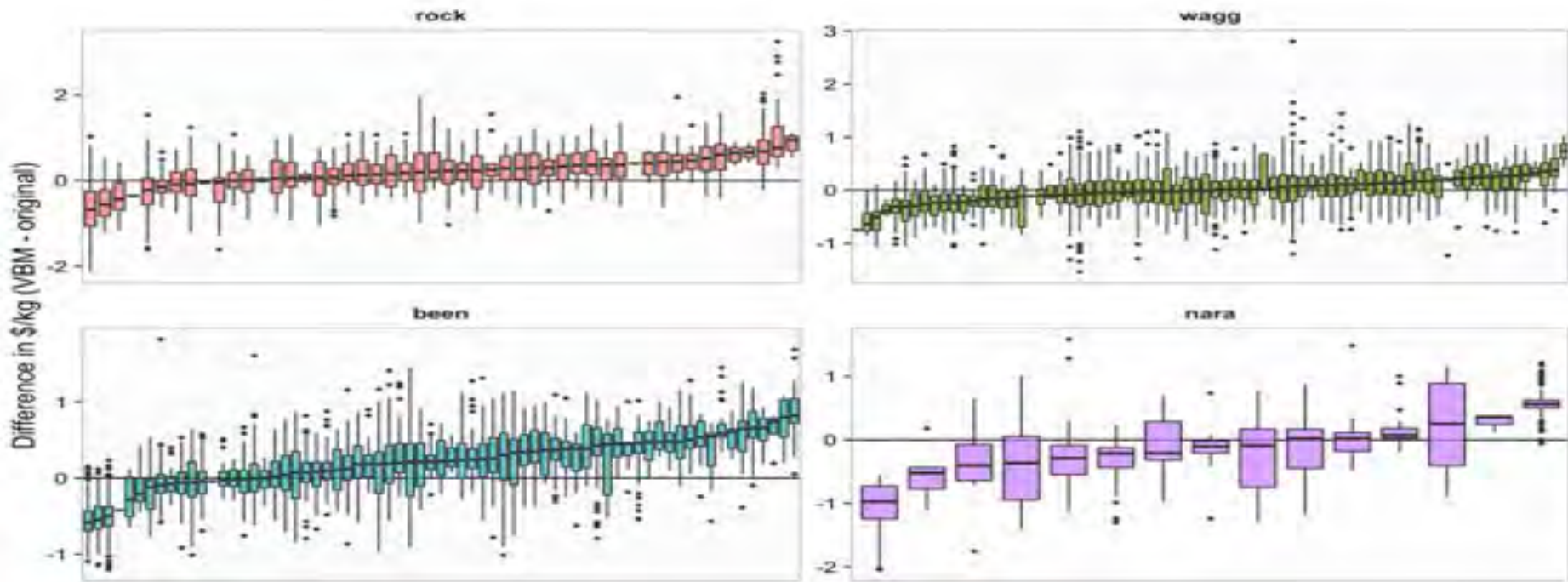
All Mobs Have a Range

Less than average

More than average

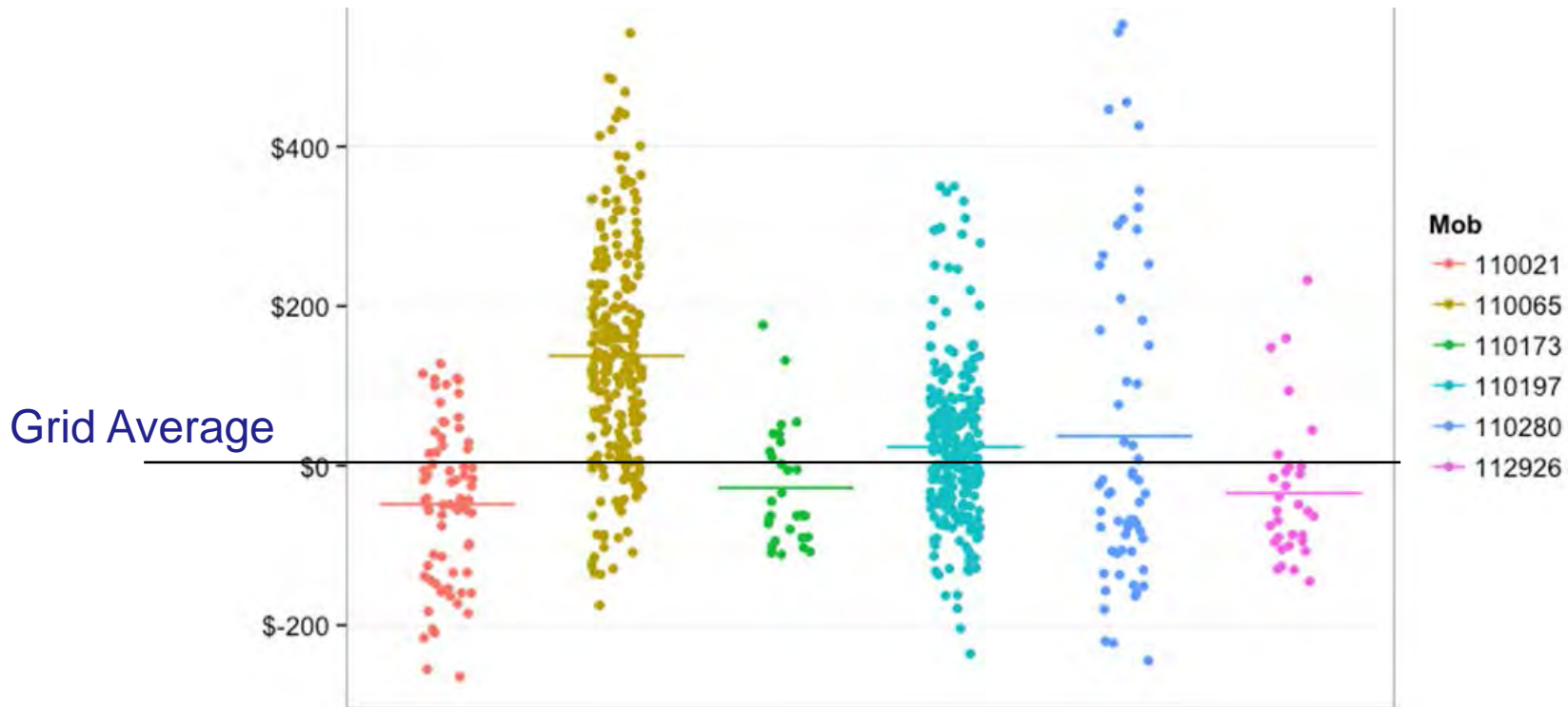


This is the current reality



Every mob is different but each has a wide distribution of quality

When Individual animal & mob differences exposed (Yield and Quality)



Every mob is different but each has a wide distribution of quality and yield

The good news is this variation can be managed by the collection and constructive feedback of data



- What is the true value of each animal?
- What is creating the value difference?
- How can I identify the good and the bad?
- How can I report relevant information back to producers in a way that decisions can be made
- After a trial period, link price signals to yield and quality parameters to reward improvements

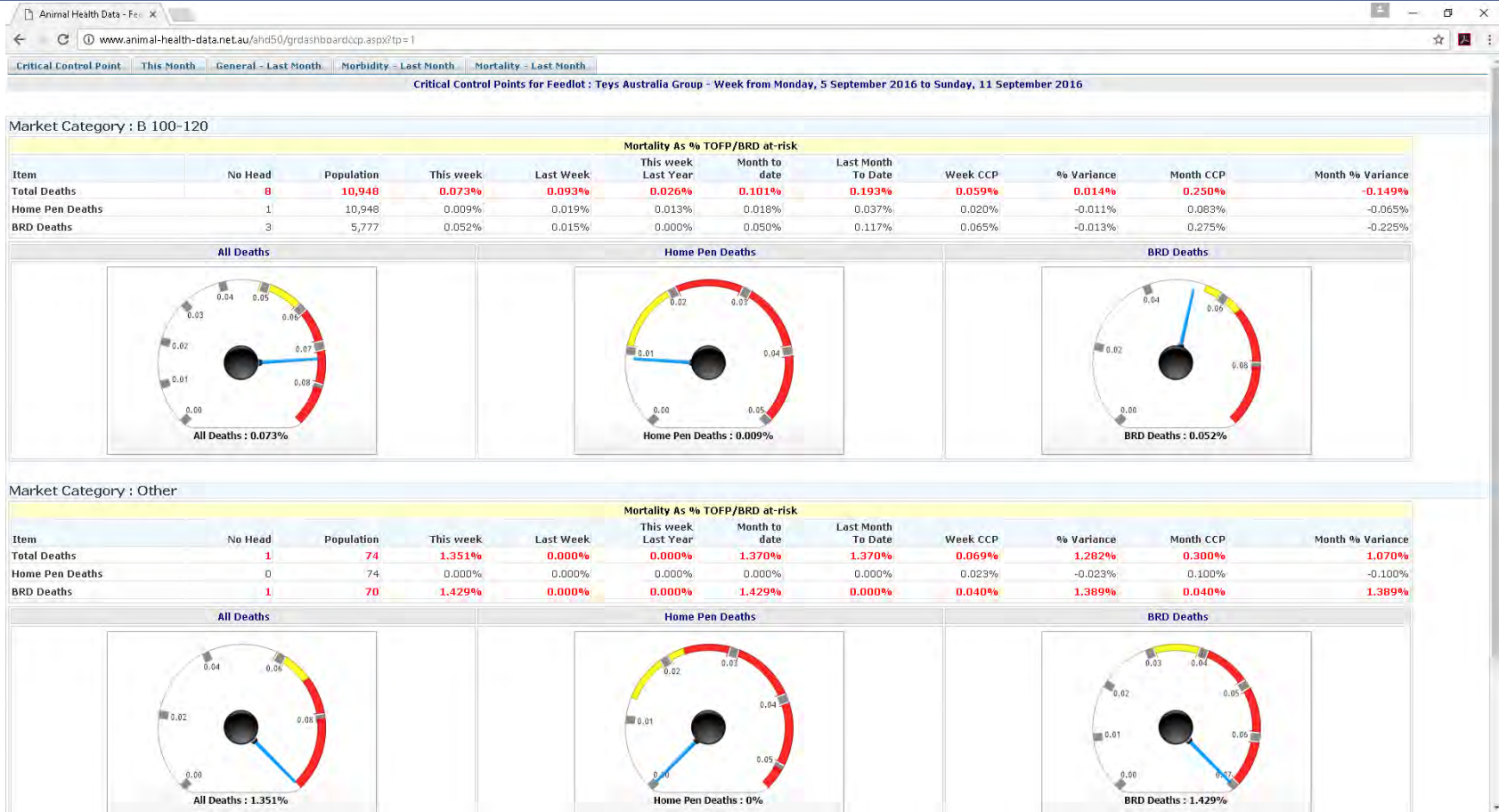
We are confident that our suppliers will then do the rest

Teys feedlots are doing it



- Much information is captured already
 - Feedlots and feedlots vets report to the animal health data system
 - MSA data from the plants is captured, analysed and reported on.
- Both systems use a data standard to ensure that information is recorded and reported uniformly
- Data is provided to allow industry average benchmarking

Example - Mortalities



Example - Disease prevalence



Animal Health Data - Fe... X
 www.animal-health-data.net.au/ahd50/grdashboardcm.aspx

Critical Control Point | This Month | General - Last Month | Morbidity - Last Month | Mortality - Last Month

dashboard for Teys Australia Group As at Sunday, 4 September 2016

Teys Australia Group - General Population Info as at Sun 04 Sep 2016

Duration	Percentage
0 - 30 days	24.33%
30 - 60 days	27.70%
60 days +	47.97%

	Number
Inductions	368
Total On Feed Population	32,763
BRD at risk	17,047
0 - 30 days	7,971
30 - 60 days	9,075
60 days +	15,716
Induction Weight	211.00

Teys Australia Group - Pull Reason as at Sun 04 Sep 2016

Pull Reason	Percentage
BRD Pulls	75.15%
Musculoskeletal Pulls	4.29%
Digestive Pulls	2.45%
Foot Pulls	8.28%
Buller Pulls	4.91%
Other Pulls	4.91%

Pull Reason	No Pulls	Pull %
BRD Pulls	245	75.153 %
Musculoskeletal Pulls	14	4.294 %
Digestive Pulls	8	2.454 %
Foot Pulls	27	8.282 %
Buller Pulls	16	4.908 %
Other Pulls	16	4.908 %
Total	326	

Teys Australia Group - Monthly total population BRD morbidity curve as at Sun 04 Sep 2016

Month to Date BRD Morb as % TOF as at: 11 Sep 2016 - Teys Australia Group

Teys Australia Group - Monthly at-risk BRD morbidity curve as at Sun 04 Sep 2016

Month to Date BRD Morb as % At Risk as at: 11 Sep 2016 - Teys Australia Group

Teys Australia Group - Mortality as at Sun 04 Sep 2016

Cause of Death	Percentage
BRD Deaths	30.77%
Musculoskeletal Deaths	61.54%

Cause Of Death	No Deaths	Death %
BRD Deaths	4	30.769 %
Musculoskeletal Deaths	8	61.538 %
Digestive Deaths	0	0.000 %
Cast Deaths	0	0.000 %

The next phase - Post Mortem data collection and feedback by March 2017



Will provide important health information



SUPPLIER:	A. FARMER
HERD NO:	A123456
DATE OF SLAUGHTER:	01/01/2016
FACTORY:	BRANCH XYZ

Beef HealthCheck Report

TAG	SEX	AGE (mths)	CARCASE (kg)	LIVER SCORE	LUNG SCORE
IE 12 34567 8 0001	E	20	330	1	3
IE 12 34567 8 0002	C	22	360	3 / 5	1
IE 12 34567 8 0003	D	40	400	2	1
IE 12 34567 8 0004	B	44	500	1	1
IE 12 34567 8 0005	E	19	340	1	2
IE 12 34567 8 0006	C	20	350	1	4
IE 12 34567 8 0007	D	56	410	4	1

And will be organised to aid decision making



Beef HealthCheck Report

LIVER RESULTS

Liver lesions result in reduced performance

SCORE

- 1** Normal Liver: No liver abnormalities detected.
- 2** Liver damaged by fluke but no live flukes
Fluke may not be observed because the animal has (i) been treated and cured (ii) has undergone 'self cure' or (iii) live fluke may have been present but not observed.
- 3** Liver damaged by fluke and live fluke present:
Live fluke may be present because: the animal was (i) not treated for fluke (ii) re-infected after a previous treatment (iii) treated with a product that only kills adult fluke, leaving young fluke alive (iv) given a product to which

LUNG RESULTS

Lung lesions result in reduced performance

SCORE

- 1** Normal Lung: No lung abnormalities detected.
- 2** Limited lung damage: This animal had limited lung damage as a result of pneumonia. Pneumonia in cattle is caused by viral and/or bacterial infection.
- 3** Extensive lung damage: This animal had extensive lung damage as a result of pneumonia. Pneumonia in cattle is caused by viral and/or bacterial infection.
- 4** Lung other: Lung damage due to other



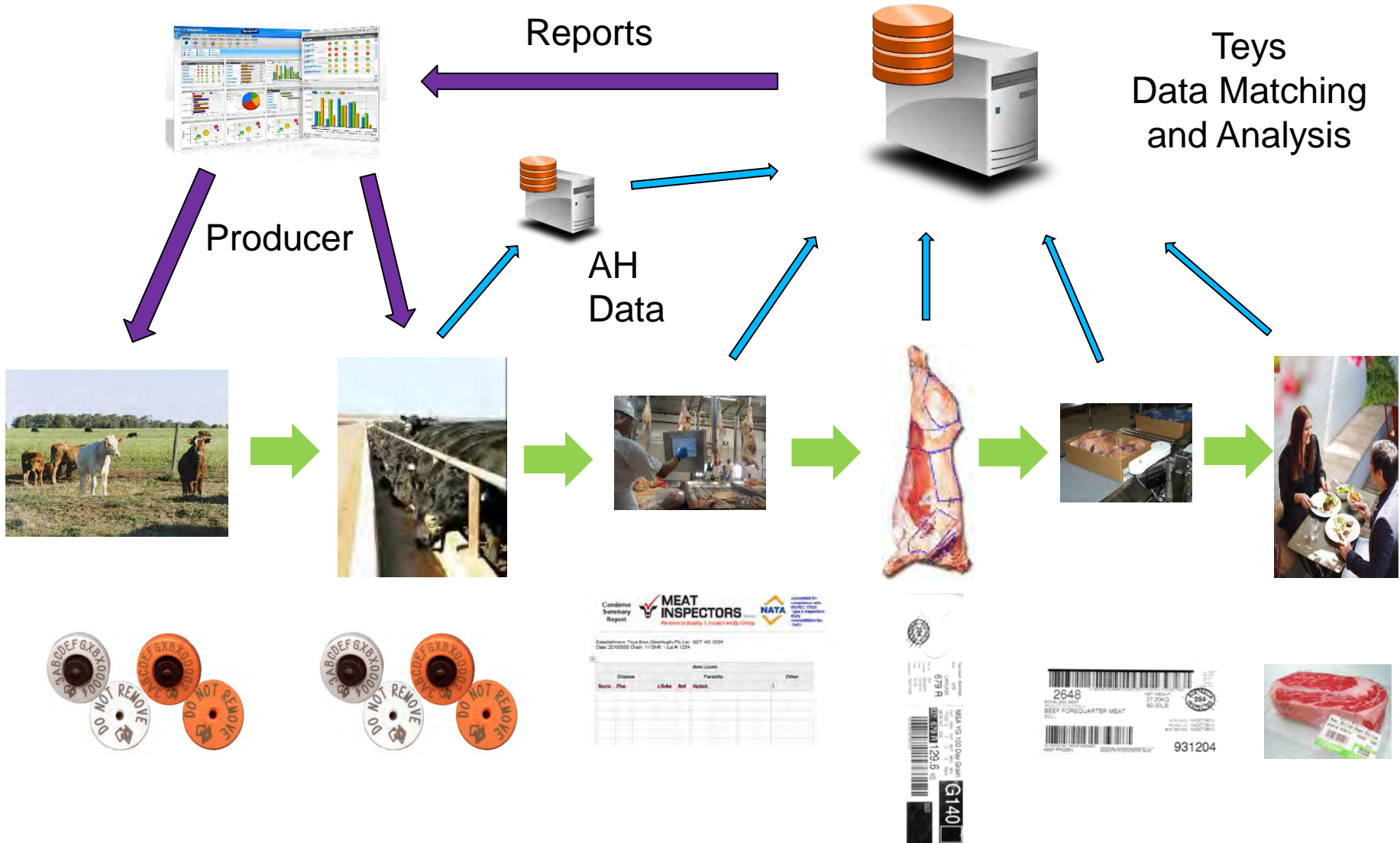
We will continue a Focus on fixing what data we collect and aligning with consumer outcomes

Key Drivers

- **Weight of Saleable Product – YIELD**
- **Sale Value of Meat Sold - MSA Eating Quality Bands**



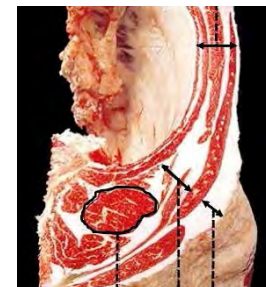
Analyzing data from supply chain and presenting it in actionable form will be the key to success



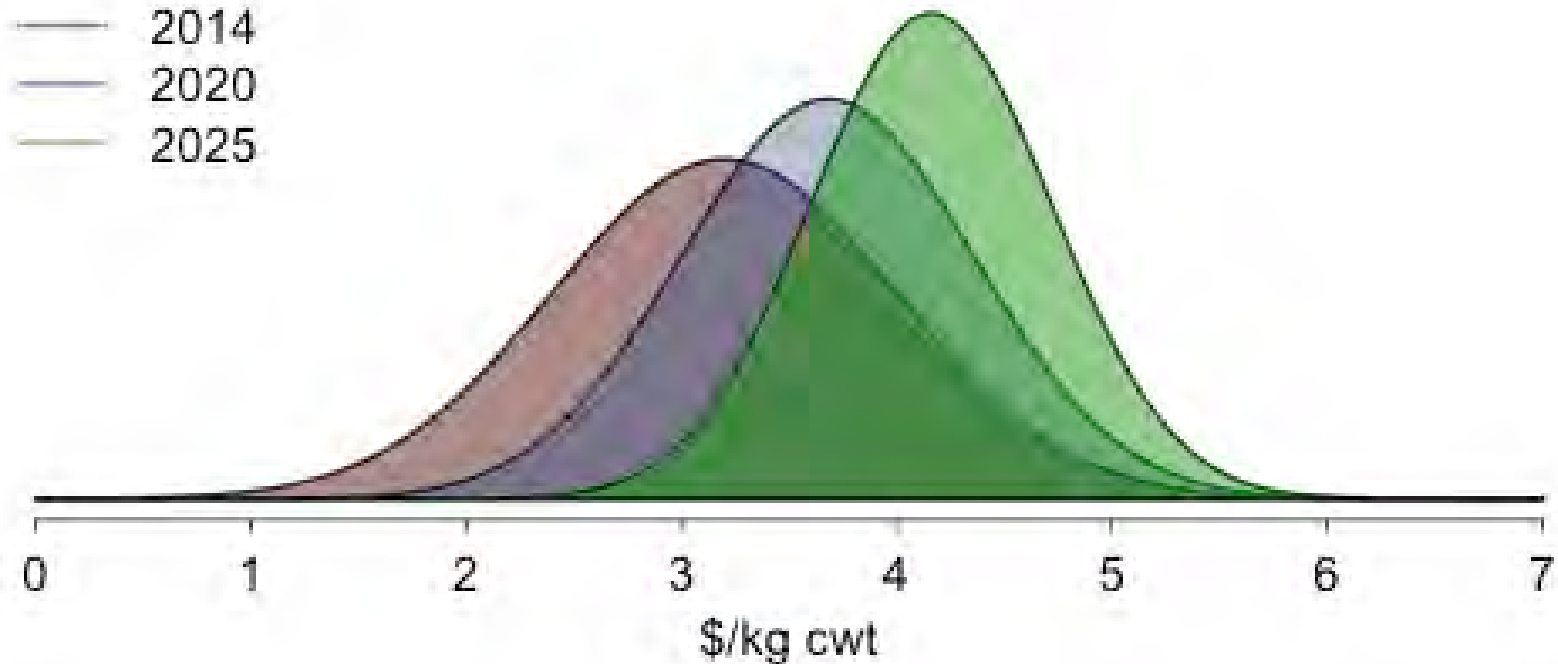
We can do this but need industry focused on building some parts



- Develop and maintain standards for the uniform identification/measurement and recording of information.
 - For example
 - Animal ID (NLIS)
 - Objective carcass measurement standards (Dual Band xRay, Kuchida)
 - Disease identification and recording
 - Product identification
 - Carton Labelling
- Develop extension material for producer feedback- convert data to decisions



Finally we all need to stay focused on the “why”
this is important.



- Knowledge is power – accurate feedback relays value
- Value based payment stimulates action
- Producer action moves the curve
- A high value animal costs the same to breed, feed & process
- Additional revenue can be shared by participants
- **Teys is committed to this path**