Digital Value Chain Strategy – Participant Input Summary

Support and input is currently sought for the development of a national digital strategy for the Australian red meat and livestock industry. The strategy aims to enable the capture, integration, interpretation and implementation of data generated within the livestock industry through a range of increasingly popular and new technologies currently used by industry.

MLA is leading the development of the strategy with consultation from industry to enable seamless capture, integration and interpretation of the vast and increasing range of data that is generated through new technology. Feedback was volunteered by over 79 key stakeholders who attended the Meat & Livestock Australia-hosted Australian Red Meat Industry's Digital Forum, held at the start of October. Stakeholders were asked for feedback in three key areas:

1. Where do you see the greatest opportunities for the red meat industry resulting from a digital value chain strategy?
2. What do you see as the key priority areas for this strategy?
3. If this strategy was to deliver one outcome for industry in the next 12 months what would it be?

General comments and information from feedback cards were also collated. Along with this data, further information was collected from canvases produced at the facilitated workshop held the day after the forum. The facilitated session identified the key challenges and opportunities industry faces to achieve an effective strategy.

There were 79 'Digital Value Chain Strategy feedback forms' and 9 'feedback cards' completed, and the industry input uncovered a wide range of concerns and key areas of focus. In the first topic, providing greater information and feedback to all sectors of the supply chain emerged as a key trend, with approximately 60% of respondents mentioning it as an issue. In the second key area, priorities centred on data; its collection, implementation, who owned it and how it is shared and protected, with the issue mentioned by 37% of respondents. Finally, in the second and third key area, internet connectivity remains a crucial focus, with about 23% of respondents mentioning it as an issue.

Background

The red meat industry is generating large amounts of data which could provide valuable insights into meat production, farm strategy and livestock management. This data is being used by some individuals, however many are unsure how to interpret data and turn it into a user-friendly format. Industry would like to support growers by collating big data to develop national trends and information through the development and implementation of a Digital Value Chain Strategy.

Methodology

Surveys were gathered from industry participants attending the Australian Red Meat Industry's Digital Forum and Workshop, on October 6-7, 2016, in Brisbane. Attendees were asked to fill in feedback forms focusing on the three key areas outlined in the Executive Summary or the quadrant feedback cards, both developed by Meat & Livestock Australia, at the conclusion of the Digital Forum. Facilitated discussion was also undertaken at the workshop held the day after the Digital Forum. Responses were collated and compiled into one-page summaries per key focus area, with a formal report set to be completed at a later date.

1. Where do you see the greatest opportunities for the red meat industry resulting from a Digital Value Chain Strategy?

The surveys indicate that the development of a digital strategy for the Australian red meat and livestock industry is well supported by stakeholders, with 99% of participants positively supporting the initiative and listing a wide range of opportunities that could arise from the strategy. One said: "The opportunities are endless." Only one respondent said opportunities would be "difficult", stating: "The business case is very difficult, even more so for commercial players."

Providing greater information and feedback through the supply chain is a common theme for about 60% of respondents, with increased transparency across the supply chain predicted to create "immense" efficiency gains and a reduction of costs.

Respondents said feedback through the supply chain would result in better traceability which would in turn, create more informed decision making. It would also help to ensure that red meat products consistently met expectations through expected incremental improvements from value chain feedback.

Digitalisation is also important, with about 41% of surveys mentioning digital technology and data collection. Some stated that it would make data keeping and collection of data easier and faster to recall. The ability to access "near real-time" data would also help improve management, as decisions could be made with accurate, properly utilised data.

Digitalisation would help to enhance productivity, profitability and efficiency, as well as improve consumer knowledge and match products to consumer requirements. It would also help improve efficiency at all levels in the supply chain.

Improvements in the quality and yield of red meat are also flagged, with digitalisation meaning all inputs from genetics, nutrition and the environment could be measured and monitored to ensure a more consistent product was delivered to the consumer. This may provide opportunities to improve the yield and quality of red meat, while maintaining the "highest integrity in the world" in terms of industry standards and connecting with consumer demands.

Integration of agricultural production data, along with publicly available environmental data is also expected to achieve better sustainability and animal welfare outcomes.

Producers expected benefits from an integrated approach, as "timely, valuable" information could flow back quickly along the supply chain to allow them to make "meaningful" changes more quickly, and gain an understanding of how well their animals were received on the plate.

It was also thought that integration could create further opportunities to deliver premium products to customers, and assist with value-adding and decommodifying red meat products.

2. What do you see as the key priority areas for this strategy?

Key priorities from respondents centre on data collection, implementation, how information is protected, who would own the data and how it would be shared, with about 37% of respondents mentioning this issue. Data collection platforms need smart, issues-focused analysis and interfaces that were simple to use. Consensus on having a "clear road map" is identified by about 18% of those surveyed. While some call for the project to get underway, others are more cautious, saying it is important to ensure time and resources

are spent getting the basics right before the project begins. Ensuring collaboration and accountability across a broad range of stakeholders is an important consideration, with most suggesting the project should be both industry-led and government-enabled.

One respondent suggests modelling existing data to create "some quick wins" and demonstrate the usefulness of data, and the type of data collection system that could be used.

Internet connectivity is also highlighted with approximately 23% saying it is a key issue. One respondent states: "Unless we get universal, acceptable speed of internet coverage in the remote areas we are in, an integrated digital value chain cannot exist."

Efficiency and consistency in processing information is also important, with respondents stating that the platform should take into account the needs of producers as end users.

Communication and collaboration between different sectors remains a vital focus.

Increasing functionality for people at the ground level is also important: "Time is precious so people want the most bang for their buck."

Providing standards and processes for all in the value chain, and sharing information with all stakeholders, is a priority. Ensuring standards are finalised and published so commercial companies can deliver for industry is also deemed important.

Consumer wants and trends are a fundamental concern, with the consumer and their willingness to pay a key focus. Examining technologies that enable the red meat market to supply more product to sell, and meet consumer expectations in a premium market, are also important.

Using digital systems already in place such as electronic tags, virtual fencing, 3D printers, drones and autonomous devices is important, and could help those involved to access and process data already available to see how it would fit industry needs and requirements.

3. If this strategy was to deliver one outcome for industry in the next 12 months what would it be?

Similar themes appear across each of the three focus areas, of which connectivity continues to be a priority, being mentioned by about 23% of respondents in the second and third key focus area. Some urge that the government be asked to prioritise mobile and internet coverage to isolated regions and enable connectivity for all of the red meat industry, from producers to processors.

Other themes from previous key areas also appear, as well as some new topics including an agreement on data standards and metatags across all agricultural industries, and developing a framework for the "seamless" transfer of information across the value chain.

Developing a standard platform for how data is stored and accessed is also as a desirable outcome, mentioned by about 35% of those surveyed. One suggests: "A prototype platform for sharing and using value chain data at one or two initial points."

Continuing to facilitate discussions with key stakeholders to develop the framework and roadmap for this integrated strategy – and create a set of deliverable actions – is an identified theme. As well as establishing a standards committee with engagement from whole of industry including the IT sector, this would help to develop a shared understanding and effort to apply the Digital Value Chain Strategy, and create a vision that is embraced, shared and promoted by all.

Several participants suggest that looking to similar industries overseas may help to develop the strategy, such as New Zealand's agricultural levy groups, who could provide helpful framework for structures and common data models.

Developing a clear strategy will build a model that helps everyone work together to achieve the transformational change needed across the value chain.

One respondent states: "Get industry working together with the common goal of answering consumer concerns and assist producers with uptake through connectivity solutions and e-training on technology where required."

Another respondent identifies the importance of spending more time to ensure the long-term strategy is right, rather than delivering a less robust outcome in the next 12 months.

A key outcome for producers may be to link carcase data with seedstock animals, which could help to increase interest from, and participation of, producers in this digital process.

4. General comments or suggestions:

A mix of ideas and suggestions were offered in the surveys, with MLA receiving mentions for its ongoing work in developing a focused strategy. One respondent states: "A great step to moving the industry towards the future. Finding everyone's spot on the ladder will be the challenge. The slow to move will be left behind."

The ability and desire of producers' to take up the strategy - and the technology involved - is a concern: "to drive adoption a cultural change needs to be driven through education and upskilling farmers to take advantage and feel comfortable."

Respondents also focused on what other countries and industries have done on similar strategies, and what worked well. It is suggested that the health industry is one such trade that could be studied in relation to data protocols and standards.

This theme also carries across to existing platforms and initiatives – what exists already and could be amended or adjusted to fit the strategy and uptake of information? One respondent states: "Get and keep producer groups on board – they need to feel that they are driving this."

Some also feel that many were beginning to get caught up on the issue of data ownership, and potential legalities. The potential shortage of data analysts is also flagged.

5. Feedback cards:

There were only nine feedback cards filled in by participants, with a variety of responses recorded in the quadrants. In the 'like' section, key messages include – stating that the strategy was fundamental, but the industry should not forget about the basics, as current systems were far from perfect: "We need to have a clear value proposition for industry."

In the 'disagree' section, data ownership is the most common issue, with one respondent saying the discussion on data ownership is "very confusing". Another said the industry has been slow to react to corporate use of industry data.

In the 'new idea' section producers want to see a strong value proposition: "Don't be held up by producers' capability – they will get on board when there is value for them." Agricultural industries are encouraged to

share data sets of information on consumer behaviour. Focusing on the future and not immediate benefits is also a key concern.

In the 'question' section there are only three responses focusing on affordable access, how to stimulate greater private sector investment in service provision in northern Australia, and what the next steps for the process might be.

Conclusions

It is clear that those surveyed are enthusiastic about the possibilities the development of a Digital Value Chain Strategy could have for all sectors of the red meat industry. A wide range of responses across the three key focus areas were received, and some excellent themes identified. Providing greater information and feedback to all sectors of the supply chain is a key trend, mentioned by about 60% of respondents in the first key area. However, connectivity remains a critical factor for many, with about 23% of respondents mentioning it as an issue in the second and third key areas. In the second key area priorities centred on data; its collection and implementation, who owned it and how it would be shared and protected, with the issue mentioned by 37% of respondents.

It is suggested that further industry consultation should continue in the key focus areas and themes identified throughout the development of the Digital Value Chain Strategy.