

Meat Industry Strategic Plan MISP 2020

including outlook to 2030



Incorporating



In association with



The Australian Red Meat and Livestock Industry

An acclaimed contributor to the Australian community and economy:

- **recognised** for its environmental credentials
- **respected** for its stewardship of livestock
- **rewarded** for its quality products





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Preamble: An industry-government partnership for whole-of-industry benefit

The *Meat Industry Strategic Plan (MISP)* frames the overarching strategic priorities for Australia's red meat and livestock industry, comprising the production, processing and live export sectors of Australia's beef, sheepmeat and goatmeat supply chains. This strategy has been built with the direct input of major red meat and livestock co-investors including levy payers, Federal, State and Territory Departments of Agriculture, CSIRO, the University sector and agribusiness (including pastoral houses, financial institutions and the consulting sector).

As a whole-of-industry strategy, the priorities identified in *MISP* are, by definition, common to all sectors. *MISP* defines the 'what to do' in terms of these priorities. The strategic and operational details specific to each supply chain or sector cascade into *MISP*'s component strategies e.g. the *Sheepmeat Industry Strategic Plan (SISP)* and *Beef Industry Strategic Plan (BISP)*, and in the operating plans of the industry's Service Companies.

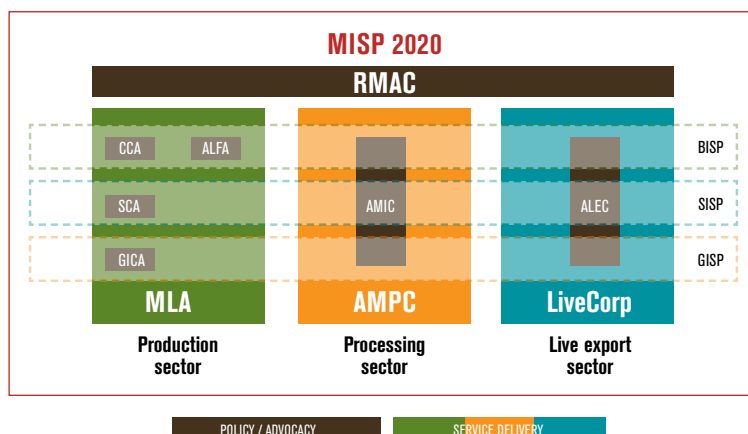
Now in its fourth iteration, the comprehensive analysis that underpins the forecast value and benefits of *MISP 2020* has been undertaken on an economic basis, using modelled changes in supply (including productivity and production costs) and demand (including price). While the industry will always have to manage and address qualitative aspects of its operations, fundamentally all of the probable or possible issues confronting our industry will ultimately impart quantifiable changes in one or more of these variables.

The economic foundation and objectivity of *MISP 2020* is designed to focus all entities involved in delivering the plan on industry outcomes and organisational performance. This necessitates a robust commitment to monitoring, evaluation and reporting on the results of individual and collective investments. Given the significant changes in the structure of *MISP 2020*, and the integrated nature of its component supply chain plans (*SISP*, *BISP*, etc), the first year of the plan's implementation will be one of significant transition, especially in relation to establishing and reporting against key performance indicators (KPIs). It is expected that operating budgets will be systematically and progressively aligned with *MISP 2020* over the course of the 2015-16 financial year, with complete alignment from the start of 2016-17.

As part of the Australian Government's commitment to investing in the future of Australian agriculture, our industry is able to raise levies through various points in the supply chain for investment into marketing, research and development. Where invested in R&D, these levies are matched dollar for dollar by the Australian Government. The unique partnership between industry and Government provides the financial resources for our industry's future collective investment. It should be noted that the modelling for *MISP 2020* has accounted for levy expenditure related to the red meat and livestock industry through Animal Health Australia (AHA) and National Residue Survey (NRS) in addition to the industry's Service Companies.

Finally, it is important to note that the *MISP 2020* investment priorities are exclusively focussed on the use of collective industry and industry-government funds targeted at areas of known or potential market failure and/or whole-of-industry benefit. In those areas in which commerce is operating effectively (i.e. no market failure), on-going – and in some cases, increased – levels of private sector investment are anticipated. The value generated by these investments should be viewed as being in addition to that quantified under *MISP 2020*.

Figure 1. Integrated strategic plan structure



The *MISP 2020* investment priorities are exclusively focussed on the use of collective funds, targeted at areas of known or potential market failure and/or whole-of-industry benefit.

Additional supporting detail is provided in the companion report – MISP 2020 Quantifying the payoffs from collaborative investment by the red meat industry. This document also supplies detail at the component commodity and sector level under the same structure.

Message from the Minister

For many in the red meat sector, 2015 saw the start of a turnaround the likes of which we have never seen. Global demand is booming, prices are high and the dollar is low. Favourable conditions creating a springboard for the red meat industry to advance and build an even stronger future.

It is essential that industry takes the lead in understanding its dynamics and setting its own direction. It is really pleasing to see an industry uniting right across the value chain to build intelligence, gather data, work together and plan how to best use its collective resources to improve the profitability of the entire red meat sector.

Ultimately, the red meat industry's key output is consumer products. The expectations of consumers and communities – in Australia and overseas – in relation to quality, integrity and production are on the rise. Traditional roles and processes need to be challenged and market expectations must be assessed, understood and clearly communicated. Production decisions and investment must be evidence-based, utilising the latest technologies in information management, communication and market analysis.

There are many participants in the red meat value chain and it is a significant result to bring all aspects of the production, processing and live export sectors of Australia's beef, sheepmeat and goatmeat supply chain together for this plan. I commend the industry on this achievement. This is a government that sees and truly appreciates these efforts. We're equally committed to a prosperous red meat sector. It's a sector that supports rural and regional communities across the country – industry estimates that almost 200,000 people are employed across the supply chain.

We continue to work for better market access opportunities, to support producers who are doing it tough, and to increase investment in rural research and development. Through the *Agricultural Competitiveness White Paper* this government has set out its vision for a more profitable agriculture sector – an investment in the future of agriculture to the tune of \$4 billion.

The *White Paper* sets aside a further \$100 million for the *Rural R&D for Profit Programme*, to fund innovative research partnerships up to 2020-21 – this on top of the almost \$50 million we estimate the government will provide to red meat R&D next financial year. We have also committed \$13.8 million to develop knowledge on cooperatives, collective bargaining and innovative business models as another way of boosting returns for primary industries. We know trade underpins the profitability of the red meat sector. That's why we've allocated \$30.8 million to boost access to premium markets overseas and appoint five new agricultural counsellors in key markets.

In addition to the three free trade agreements signed with some of our biggest trading partners, this government has also brokered access to seven new livestock markets; most recently China. We are investing \$200 million to protect our biosecurity status – which underpins our strong trading position. ABARES recently estimated our biosecurity system saves the average Australian farmer up to \$17,500 each year in lost profits, and protects producers from threats like Foot-and-mouth Disease, which could cost our economy more than \$50 billion over a decade.

The *White Paper* also delivers historic reforms to *Country of Origin Labelling* for food to ensure that Australian consumers are given accurate information about where their food comes from.

On top of these investments in the future, we know some red meat producers are struggling in the present. Severe drought can place stress and strain on even well prepared and resilient producers and communities. That's why there is a further \$2.97 billion available to support farmers and rural communities to strengthen drought preparedness and risk management, as well as provide in-drought support when times are tough. We see these initiatives as an investment in a sector that continues to generate significant wealth for the Australian economy – it's estimated total farm production will hit over \$52 billion in 2014-15. But I can't stress enough the importance of industry investing in itself and its future and that's what this plan is.

A strong industry is one that is able to harness its resources and work together cooperatively. This plan puts the red meat sector in the best possible position to take advantage of available opportunities and continue to prosper.

The Hon Barnaby Joyce MP
Minister for Agriculture



“I can't stress enough the importance of industry investing in itself and its future and that's what this plan is.”

Message from the Chairman

The red meat and livestock industry is one of Australia's largest and most important industries. It is an export-oriented industry with an outward-looking global focus. It is proactive, resilient, a world leader in many areas of the value chain, and a critical contributor to Australian agriculture. Our industry's success is vital to the ongoing vibrancy of much of regional and rural Australia, and indeed the broader Australian economy.

The Red Meat Advisory Council (RMAC) has carriage for the development of the *MISP* to set the overarching direction for the industry to 2020, and beyond. Over the next five years, the red meat and livestock industry will invest more than \$1 billion of industry and industry-government monies into its future success. Where invested in research and development, that investment is matched dollar-for-dollar by the Australian Government as part of its ongoing commitment to the success of Australian agriculture in a globally competitive market. This is a key partnership for our industry.

Beyond its financial investment, the industry will bring the focus and expertise of its people to bear on some of the biggest issues and opportunities facing the industry. With an annual turnover in excess of \$20 billion, a processing sector ranking as the largest trade-exposed manufacturing industry in Australia, and a production sector with custody over roughly half of Australia's land mass, the industry's economic credentials and stewardship responsibilities go hand-in-hand.

As should be expected from an industry of our size and importance, *MISP 2020* is underpinned by rigorous economic modelling and analysis of information. This has been derived from more than 550 levy payers, industry experts, key stakeholders and community interest groups from all sectors, including production, lot-feeding, live export, processing, retailing, research and development, health and nutrition, education and extension, and State, Territory and Federal Governments. Collectively, they have been key partners in bringing the strategy to life.

Importantly *MISP 2020* provides comprehensive and quantified direction for industry investment, on a whole-of-industry basis, and the overarching framework for component and contributing activities at supply chain and sector-specific levels. The economic basis to this strategy is deliberate – at a time when all industries are facing increasing and/or increasingly complex external pressures (seasonal extremes, community scrutiny etc), a sound economic foundation is arguably even more important to longevity. Indeed, the baseline profitability of our industry is a critical component in ensuring our readiness and resilience in the face of future challenges, and is fundamental to attracting and retaining the 'best and brightest' minds within our workforce and leadership structures.

The potential value of this plan to our industry speaks for itself: if we are successful in addressing the opportunities we could add almost \$7 billion to our industry's bottom-line by 2030; if we don't effectively address the risks, we stand to lose just over \$6 billion.

Realising the opportunities framed within *MISP 2020* represents the most valuable return on investment we can offer to our industry, and the community more broadly. For the industry organisations responsible for leading and funding this investment, and for our co-investment partners, success will require an on-going focus on performance. Above all else, our success relies on a cultural commitment to co-operation and co-ordination in the delivery of the plan.

Our industry has good reason to be proud of its achievements and its historical success. Implemented effectively, *MISP 2020* will provide a roadmap to see the industry navigate the challenges, and realise the opportunities, of the future.

Ross Keane
Chairman



“Realising the opportunities framed within *MISP 2020* represents the most valuable return on investment we can offer to our industry, and the community more broadly.”

The red meat and livestock industry: an Australian success story

From the six cattle, 44 sheep and 19 goats that arrived with the First Fleet in 1788, the livestock and red meat industry has grown into one of Australia's most valuable industries. Today, the direct contribution of the red meat and livestock industry to Australia's gross domestic product is approximately \$7 billion, making it a very significant contributor to the national economy.

The red meat industry is Australia's largest food manufacturer and a substantial employer in rural and regional areas, directly employing some 200,000 Australians on-farm, in meat processing works and at wholesale and retail. And thousands more are involved in supplying the industry with services such as transport, supply of merchandise and other professional services.

While a relatively small player in global production terms, the industry nonetheless produces around 3% of the world's beef, 5% of the world's sheepmeat and 0.5% of global goatmeat production. It is on the global export stage that the Australian industry makes a remarkable contribution to the world's need for high quality protein. In 2014, by value, Australia was the world's largest exporter of beef, sheepmeat and goatmeat. By number, Australia was also the world's largest exporter of livestock.

Likewise, the industry makes a vital contribution to Australia's overall trade performance, in 2014-15 generating \$16 billion in export earnings and placing the industry in the top five Australian export industries.

The industry also contributes extensively to the nation's social and environmental objectives. As caretakers of around half the continent's landscape, Australian red meat and livestock producers have a vested interest in continually improving sustainable farming practices. Indeed, greenhouse gas emissions intensity has been reduced by 14% over the last 30 years while red meat production levels have increased by more than 70% over that period. In addition, the industry has achieved a 42% reduction in emissions associated with vegetation protection and tree planting, and a 65% reduction in water use.

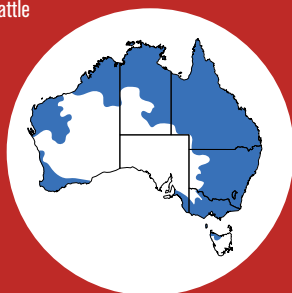
In 2014, by value, Australia was the world's largest exporter of beef, sheepmeat and goatmeat.

Global player with strong national presence

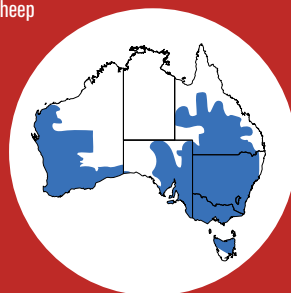
- Australia has about 2% of the world cattle and buffalo inventory, with India, Brazil and China taking the top three places
- Australia produces 4% of the world's beef supply
- Australia has about 6% of the world sheep inventory, with China having the most sheep
- Australia produces approximately 8% of the world's lamb and mutton supply
- Around 200,000 people are employed in the red meat industry, including on-farm production, processing and retail
- 53,200 are employed in meat processing
- 76,800 are employed in farm enterprises with cattle
- 43,012 are employed in farm enterprises with sheep and lambs

The total area operated by farms with beef cattle and lambs and sheep is around 52% of Australia's land mass.

Cattle



Sheep



Goats

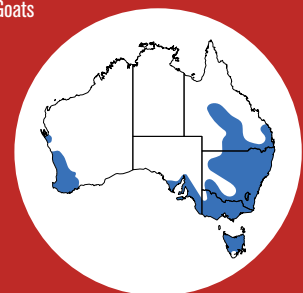
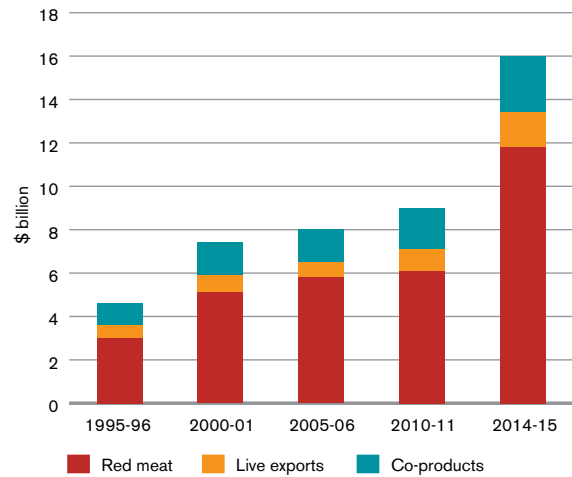


Table 1. Key industry statistics (2014 figures unless otherwise stated)

Value of export sales (2014-15)*	
Red meat	
Sheepmeat and goatmeat	\$2.9 billion
Beef and veal	\$9.0 billion
Live export	\$1.6 billion
Co-products	
Offal	\$0.8 billion
Hides/skins	\$1.1 billion
Other	\$0.8 billion
TOTAL	\$16.1 billion
World ranking for total value of export sales*	
Red meat	No. 1
Sheepmeat and goatmeat	No. 1
Beef and veal	No. 1
Retail/food service value of domestic sales#	
Sheepmeat and goatmeat	\$1.9 billion
Beef and veal	\$5.9 billion
Export/domestic sales proportions (by volume)#	
Lamb/mutton/goatmeat	70/30
Beef and veal	75/25
Most valuable export markets (2014-15)*	
United States	\$4.0 billion
Japan	\$2.0 billion
China	\$1.1 billion
Korea South	\$1.1 billion
Taiwan	\$0.9 billion
Herd flock statistics#	
Cattle herd size	29.1 million
Sheep flock size	72.6 million
Goat flock size (managed)	0.5 million
Beef and veal production	2.6 million tonnes
Sheepmeat and goatmeat production	0.8 million tonnes
Average cattle (cw)	277 kg
Average lamb (cw)	21.9 kg

Sources: * GTA, # MLA

Figure 2. Value of red meat, live export and co-product exports 1995-2014



OUTLOOK TO 2030: Significant challenges...and even greater opportunities

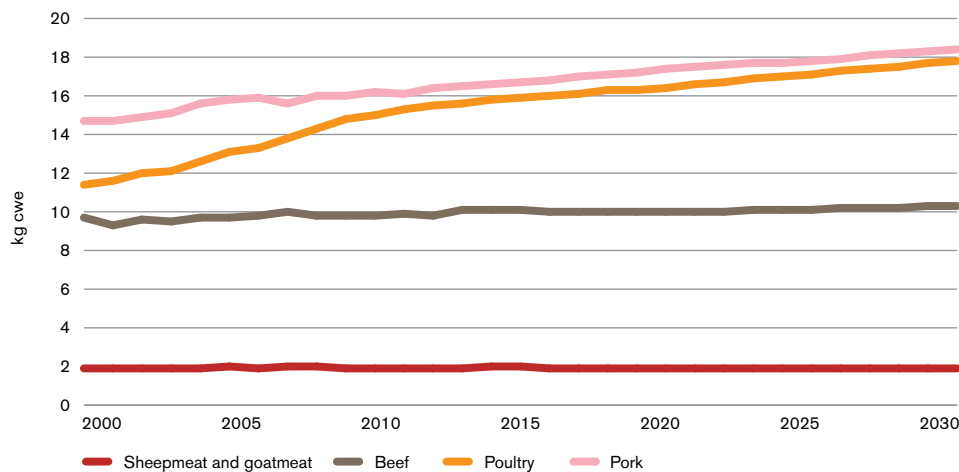
THE OPPORTUNITIES: increasing global demand for volume and quality in red meat

The world's population is forecast to grow by more than one billion by 2030. Populations in the Asia Pacific region are expected to reach 4.6 billion by 2030, an increase of nearly 700 million people.

Globally, real per capita incomes will increase by 60% to 2030. With red meat consumption and per capita income being closely related, this translates to an increase in red meat demand of 25% over that period, as well as an increase in demand from markets specifically seeking high quality red meat and livestock products. These forecasts present an enormous opportunity for Australia's red meat and livestock industry in terms of geographical proximity to key markets, and as a recognised supplier of safe, nutritious and ethically-produced products.

**We require
concerted focus
and robust
systems to support
greater integration
through the supply
chain.**

Figure 3. Global per capita consumption

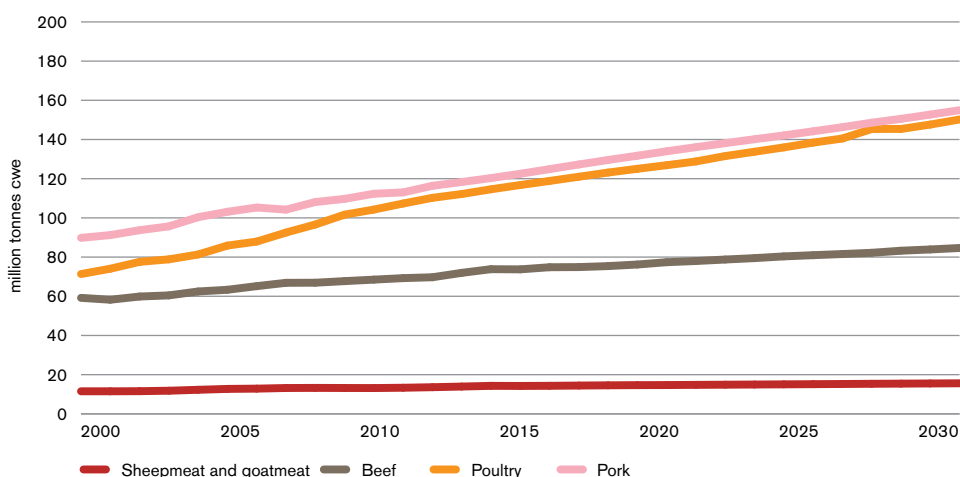


THE CHALLENGES: driving efficiency and integrity through the value chain

Australia's competitors are on the move:

- Growth in consumption of chicken (29% to 2030) and pork (27%) will continue to outpace growth in consumption of red meats (16%).
- South American countries will be significant competitors to Australia in a number of beef markets expected to expand over the next 15 years. It will be critical to maintain a premium integrity and quality image for Australian red meat in these markets, with this image underpinned by robust integrity systems that engender complete confidence.

Figure 4. Global meat production



A productivity challenge continues to face the Australian industry, both on- and off-farm.

A productivity challenge continues to face the Australian industry, both on- and off-farm. Off-farm costs are consistently higher than all of our major competitors, while on-farm productivity performance is now below productivity improvements being secured by our major competitors.

When combined with the forecast background of declining real prices for livestock, the onus on the production sectors to exhaust existing – and find new – pathways to productivity is arguably stronger than ever before. This is an on-going challenge for our industry.

Over many years, our industry has invested in the technologies and systems that have built our reputation as a high-quality, safe, ethical and sustainable producer of red meat and livestock. Our work and commitment to maintain and improve our integrity systems underpins our international reputation. Continuing to invest and innovate in this area is fundamental. We require concerted focus and robust systems to support greater integration through the supply chain, especially with respect to increasing the connectivity and responsiveness of our industry to its customers, and the broader community.

The outlook to 2030 points to on-going nominal growth in the value of the Australian red meat and livestock industry. All other elements being equal, however, the prolonged period of herd rebuilding required to offset the record cattle slaughter levels of 2014 will limit our industry's ability to capitalise on the increase in global demand for red meat products.

The opportunities out to 2030 are clear but our industry's ability to realise these opportunities will not happen without concerted and consistent effort. Just as these global trends provide opportunities for Australia, they also provide opportunities for our competitors. We must be proactive and pursue the opportunities for our industry relentlessly. We must focus on profitability, quality and integrity in our practices and products, and harness our resources accordingly.

Figure 5. Australian real cattle prices

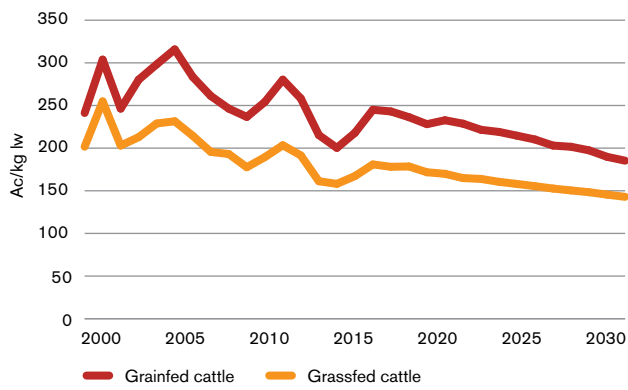


Figure 6. Australian real sheep and goat prices

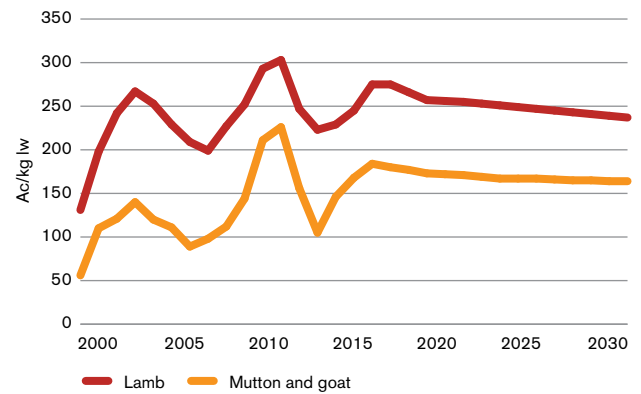


Figure 7. Projected change in the cattle herd and sheep flock

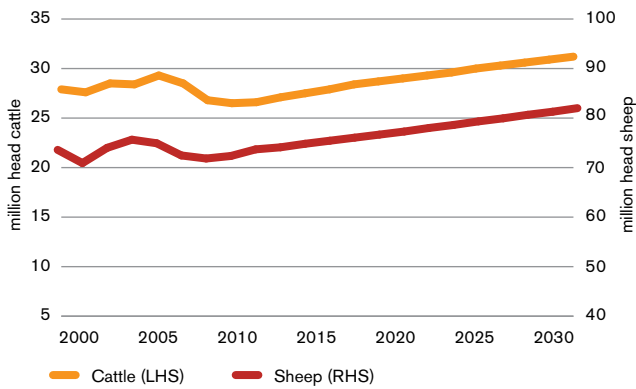
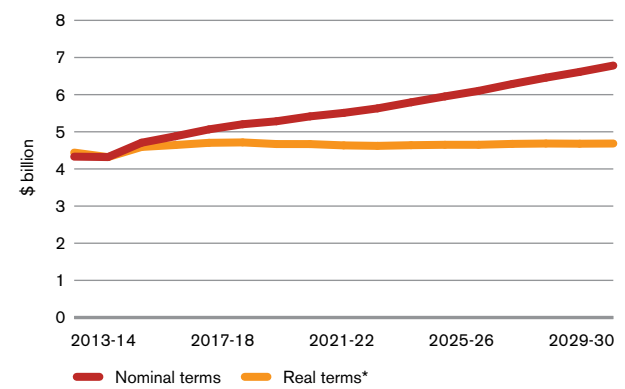


Figure 8. Forecast baseline growth in net industry income



*Baseline growth (net industry income) growing in nominal terms and ~flat in real terms

Key messages

- The future of the red meat and livestock industry is one of **valuable opportunities and significant threats** – neither can be ignored if we are to maintain a sustainable and competitive presence. There is almost a 50/50 split between the benefits associated with capitalising on upside opportunities and those associated with mitigating downside risks (Figures 9 and 10).
- Realising the full economic potential framed within *MISP 2020* requires a combination of actively **mitigating risks** which could either reduce demand for our products and/or impose impediments to productivity. We must also **capitalise on opportunities** associated with more efficiently supplying and building demand.
- A key to the industry's success will be our ability to optimise the systems, technologies and practices within our immediate control. Of increasing importance is our ability to ensure these elements are used to **actively align our practices with consumer and community expectations**. Such alignment is a two-way street, and necessitates an on-going commitment to objectivity and transparency in communicating – and building understanding around – our industry's activities and performance.
- We must **increase our rate of productivity growth** – an irrefutable part of performance in any business. But this focus alone will not get the industry ahead of the curve, nor will it protect us from increasingly aggressive competition for market share. **Our industry's true competitive advantage lies in the quality and integrity of its products and systems**. We must accelerate this focus, guarantee its veracity and actively pursue and differentiate markets that value, and will pay for, these credentials.
- We must identify and implement industry systems that can **objectively measure**, transfer and drive **product value and integrity** throughout the supply chain. This includes the need for **timely and precise communication** between our customers and our supply systems.
- We must develop systems and policies to underpin the industry's need to differentiate prices according to defined performance against key quality, yield and integrity attributes (**value-based marketing**), as assessed by **objective measurement and assurance systems**. These endeavours will support the industry to **transition from price-averaging systems**, and will require the support of whole-of-supply-chain **electronic data exchange** capability, with open and transparent access by all relevant parties.

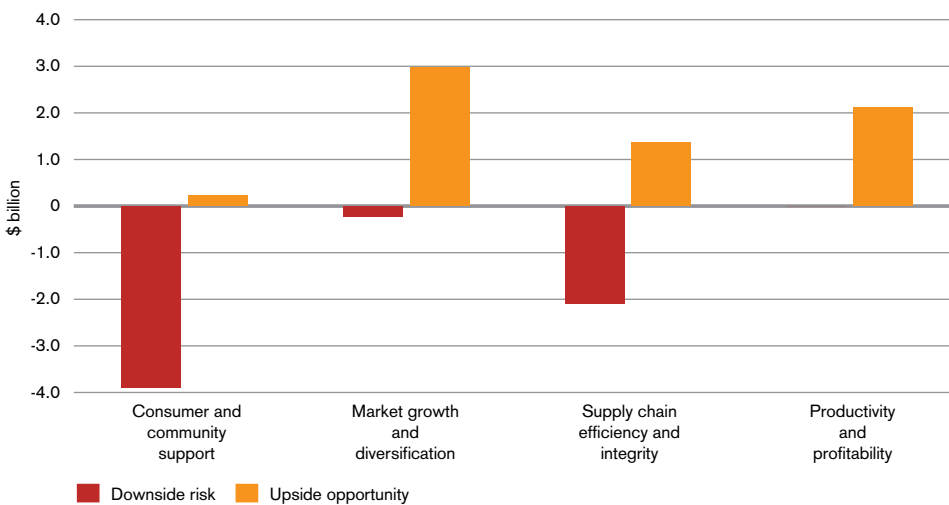
Our industry's true competitive advantage lies in the quality and integrity of its products and systems.



- **The capability and profitability of our industry are intrinsically linked:** a profitable, resilient industry attracts the 'best and brightest' minds; such talent and expertise helps build profitability and resilience. We must continue to build a **performance culture and business skills** throughout our industry. This includes **providing and packaging information and training** to support informed and **business-oriented decision-making** by all participants, especially in the production sectors.
- We must continue to **enhance and ensure the veracity of, our whole-of-supply-chain quality and integrity systems** and aggressively promote these virtues to our customers. The success of these systems, and indeed a large number of essential investment imperatives, requires a co-ordinated, **whole-of-supply chain approach**.
- We must acknowledge that **the biggest non-economic challenge facing our industry is cultural change** – this is a far greater task than delivering any related technologies. Our enterprises, supply chains and industry as a whole must engender, support and reward a business and customer focus. Industry organisations must lead by example in promoting **collaboration and transparency** across our industry. These are essential operating criteria if we are to fully realise the value on offer in *MISP 2020*, and if we are to cement community and consumer – and levy-payer – confidence in the industry.
- Economic modelling indicates that **available industry funding is less than that required to achieve the maximum potential industry benefits** associated with the investment imperatives in *MISP 2020*. Based on the need to optimise benefits to the industry in-line with the consultative feedback and analysis that underpins this plan, **a range of strategic investment changes are recommended**, including:
 - *Increased investment* in improving information flow and traceability that underpins business decisions through the supply chain;
 - *Increased investment* on improving livestock and product assurance and specification compliance;
 - *Reduced investment* in marketing and promotion in developed markets; and
 - *Re-focussed investment* specifically to improve the decision making in farm businesses to support better farm business performance.

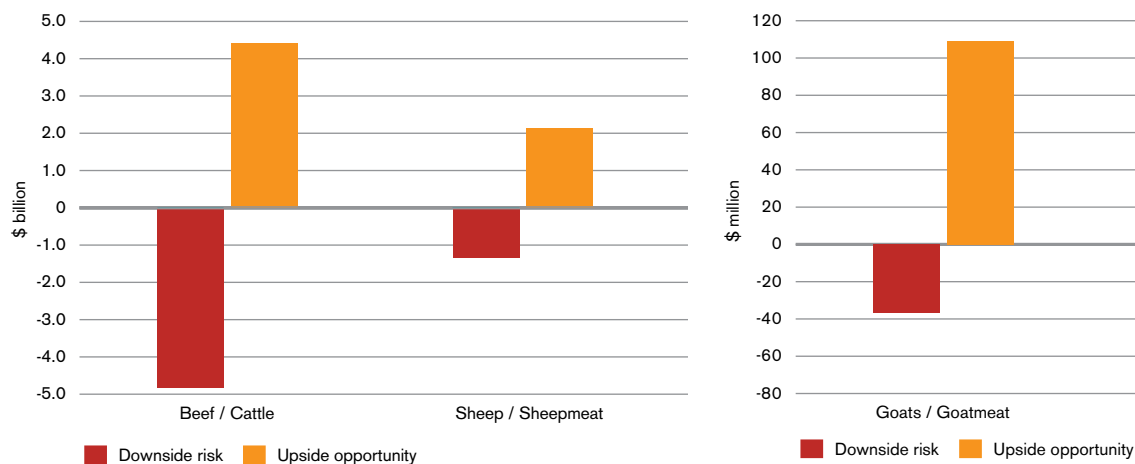
We must continue to enhance and ensure the veracity of, our whole-of-supply-chain quality and integrity systems and aggressively promote these virtues to our customers.

Figure 9. Forecast value of risks and opportunities (by pillar) to 2030*



* Relative to the baseline net industry income increase of \$48,320 million by 2030 (in 2015 dollars and 5% real rate of return)

Figure 10. Forecast value of risks and opportunities to 2030 (by supply chain)*



*Relative to the baseline values (as tabled) for each supply chain by 2030

Baseline net income increases by 2030	
	\$m
Cattle / Beef	32,675
Sheep / Sheepmeat	15,164
Goats / Goatmeat	481

Definitions

'Baseline' is the future position that would arise if forecast industry and global trends were realised and current investment activities were continued. MISP modelling quantifies gains and losses relative to this position.

'Downside risk' is the forecast loss in net industry income that would result from loss in demand (including reduced product price) and/or loss in productivity (including increased input costs) if industry were to completely disinvest from defensive activities or if industry investment was not successful in mitigating the potential loss.

'Upside opportunity' is the forecast additional net industry income that would result from increases in demand (including increased product price) and/or increases in productivity (including reduced input costs) derived from active investment to grow and build the industry's value. Unlike defensive investments aimed at mitigating risk, these are offensive investments to improve the industry's reputation and position.

'Net industry income' is an economic measure used to accurately describe net income through the entire supply chain (farm + feedlot + processing + live export sectors). Specifically, 'net industry income' equals:

Net income from the farm and feedlot sectors

– namely total livestock receipts less total cash costs (including hired labour wages)

+

Net income from the processing and live export sectors

– namely total revenues less livestock costs and operating costs.

Note: net industry income is not a proxy for individual enterprise profitability

'Net MISP Benefits' are the total (net) changes in forecast net industry income derived from investment under MISP. Net MISP benefits equate to the total value derived from investments to offset 'downside risk' and capitalise on 'upside opportunity'.

'Benefit:cost ratio (BCR)' is a measure of potential investment return for each dollar invested cumulatively over the full plan period. Importantly, and especially in the context of the MISP economic analyses, BCRs should not be used as a sole determinant of the industry's optimal portfolio mix across all investment areas.

Structuring our effort – building the plan

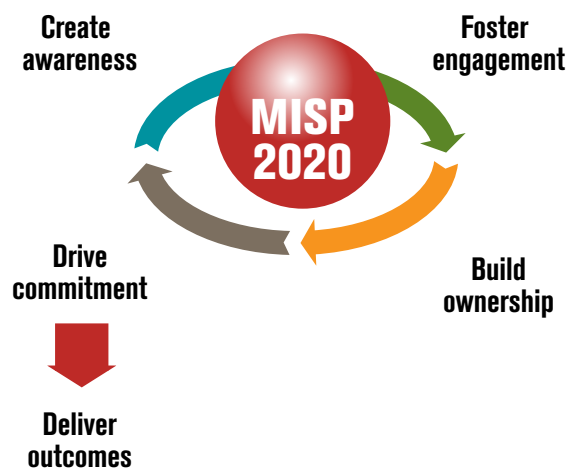
Setting the foundations

As a strategy that frames over \$1 billion in industry and industry-government investment over the life of the plan, *MISP 2020* has been developed through careful planning, consultation and comprehensive economic analysis.

An independent review of the design and industry performance against the previous strategic plan was undertaken in 2013. Key recommendations arising from that review formed the basis of this plan, including:

- The need for **increased rigor and objectivity** in identifying key priorities;
- Clear **definition and allocation of responsibilities** in the strategy's implementation; and
- The establishment of **key performance indicators** (KPIs) and a dedicated **monitoring and evaluation** system to respectively direct and communicate investment performance.

Figure 11. Core focus areas in developing *MISP 2020*



Industry engagement to build ownership

In developing *MISP 2020*, RMAC co-ordinated and hosted consultation activities across Australia. This included engaging more than 550 industry and community leaders, levy payers, co-investors and service providers – the collective feedback from whom formed the 'skeleton' structure of the strategy. To capture grassroots input into the strategic direction of the industry, these activities included twelve regionally-based workshops specifically engaging producers, processors and exporters of Australian red meat and livestock.

Nine teams of technical experts (comprising more than 120 subject specialists) were then convened to quantify and refine a portfolio of strategic priorities, and to develop investment imperatives and quantify their costs and benefits in delivering against this structure. These discussions formed the basis of inputs to comprehensive economic modelling.

Figure 12. Industry consultation workshops underpinning *MISP 2020*

Who was consulted?

**550+ participants
at 20 workshops**

- Producers
- Processors
- Live exporters
- Technical specialists
- Community groups



Quantifying the potential – investing for optimum returns to the industry

The development of *MISP 2020* is underpinned by a level of objectivity and economic modelling that has been absent since the development of the industry's first plan in 1996. The modelling activities that form the foundation of this plan have been provided by the Centre for International Economics (CIE), an independent consultancy that specialises in economic analysis.

The modelling methods used in identifying the key investment areas under *MISP 2020* are highly sophisticated and specifically designed to account for the significant inter-relationships between our industry's sectors. In addition, the methods used to determine the key investment priorities for the industry are capable of accounting for effectively any situation that causes changes in the levels of demand and/or efficiency of supply for Australian red meat and livestock. As such, factors that may not have a readily identifiable economic basis (like changes in community support for our industry) can be assessed in terms of their relative economic importance.

Importantly, the approach used to identify the relative payoffs of various investments for the red meat and livestock industry as a whole has been additionally used to quantify the respective economic value to each sector of industry. As such, these outputs now provide an unprecedented level of detail to inform the development of individual industry and sector-specific investments to be undertaken during the course of *MISP 2020*.

The adage "you can't manage what you can't measure" is no less applicable to a whole-of-industry strategic plan than it is in business. In an industry as large as ours, quantifying baseline and target performance in a meaningful way does present some challenges – as such, parts of the reporting platform for *MISP 2020* will be developed over time.

Wherever possible, the targets within *MISP 2020* have been defined in a 'SMART' format – "specific, measurable, achievable, realistic and time-bound". In some areas, such measures do not currently exist, especially at a whole-of-industry level – these are identified in the KPI tables that follow (page 19 onwards). In these cases, efforts have been made to identify the focus of suitable measures; these will be developed in the first year of the plan's implementation.

MISP 2020 does not seek to frame each and every possible mechanism by which to pursue the industry's priorities; rather, it frames those imperatives that have been found to have, on an economic basis, the most significant impact on the industry's priorities. The linkages that are evident between sectors and between priorities highlight the advantage to pursuing these in a collective and co-ordinated way.

The modelling methods used in identifying the key investment areas under *MISP 2020* are highly sophisticated and specifically designed to account for the significant inter-relationships between our industry's sectors.



Figure 13. MISP 2020 framework

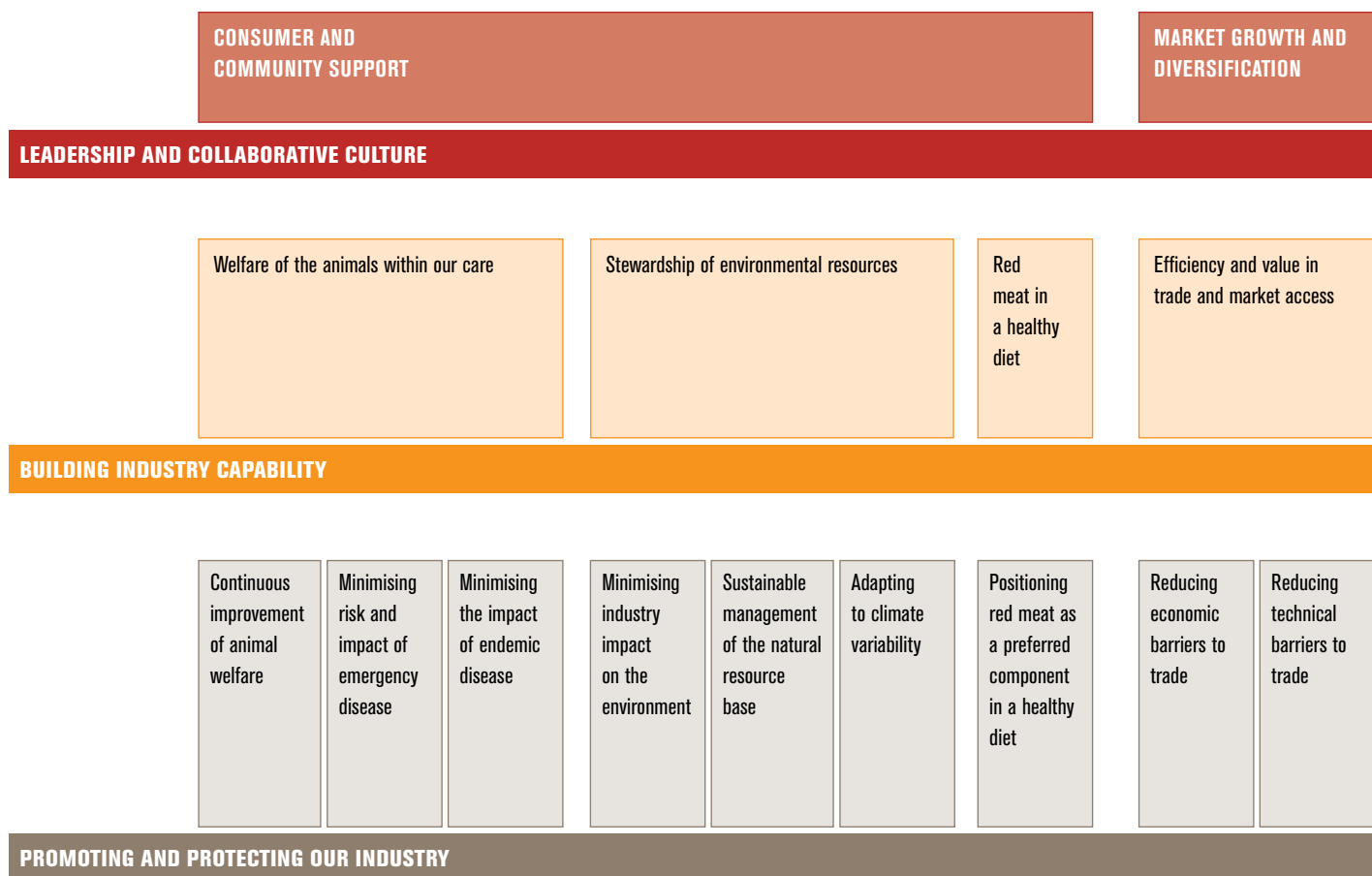


Table 2. Distribution of changes in net industry income* by pillar to 2030 (total MISP)

PILLAR	Baseline	Downside risk	Upside opportunity	Net MISP benefits	
	\$m	\$m	\$m	\$m	BCR
Consumer and community support	48,320	-3,898	220	4,118	13.4
Market growth and diversification		-277	2,966	3,192	5.4
Supply chain efficiency and integrity		-2,086	1,361	3,447	6.4
Productivity and profitability		0	2,113	2,113	6.9
TOTAL PLAN		48,320	-6,211	6,660	12,871

* Refer to page 13 for definitions

**SUPPLY CHAIN EFFICIENCY
AND INTEGRITY**

**PRODUCTIVITY
AND PROFITABILITY**

Marketing and promoting Australian red meat and livestock

Optimising product quality and cost efficiency

Guaranteeing product and systems integrity

Production efficiency in farms and feedlots

Processing productivity

Live export productivity

Marketing and promotion – developing export markets

Marketing and promotion – developed export markets

Marketing and promotion – domestic market

Improving quality and compliance via enhanced supply chain information

Improving efficiencies in regulation, infrastructure and logistics

Livestock and product assurance through integrated integrity systems

Decision support to improve farming businesses

Increasing livestock productivity through new research

Increasing access to, and the efficiency of, labour

Improving livestock performance in export operations



Focussing our efforts – core investments

CONSUMER AND COMMUNITY SUPPORT FOR THE INDUSTRY'S PRODUCTS AND PRACTICES

Improving the way we operate to gain consumer and community support for our industry, our activities and our products.

Key issues

- Overall public interest in animal welfare, environmental impact and dietary nutrition is increasing. Major overseas customers and segments of the Australian community are recognising the increasing public interest in these areas and are responding accordingly.
- There is an opportunity and a need for industry to improve the level and consistency of our engagement with the community in setting welfare and environmental standards.
- Vigilance in disease control (for both exotic and endemic diseases) remains critical to improving welfare. For the most part, this also translates to economic benefits.

Addressing the issues

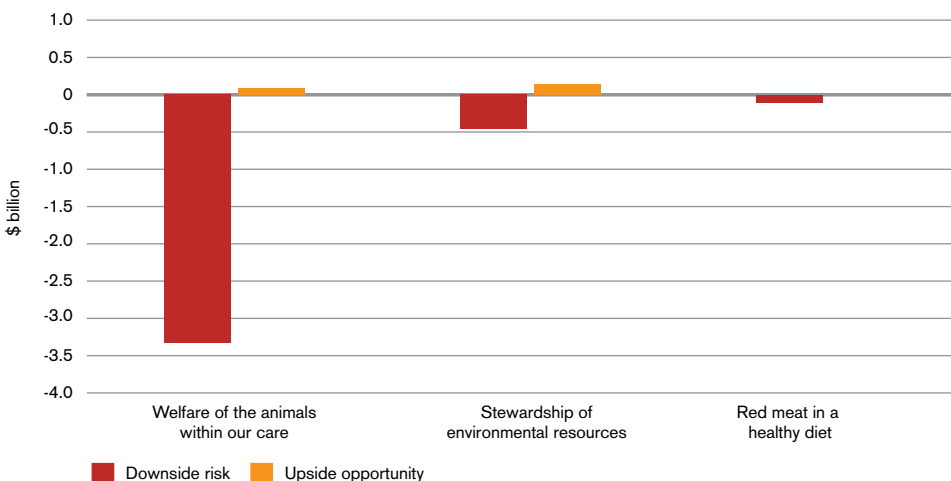
To be achieved through three priority areas and seven imperatives:

- Welfare of the animals within our care
 - Continuous improvement of animal welfare
 - Minimising risk and impact of emergency disease
 - Minimising the impact of endemic disease
- Stewardship of environmental resources
 - Minimising industry impact on the environment
 - Sustainable management of the natural resource base
 - Adapting to climate variability
- Red meat in a healthy diet
 - Positioning red meat as a preferred component in a healthy diet

Industry benefits on successful achievement of objectives

- By **2020**: the estimated total gain is \$0.72 billion with a BCR 6:1
- By **2030**: avoiding potential accumulated losses of \$3.90 billion and gaining an additional \$0.22 billion in benefits – a total gain of \$4.12 billion with a BCR 13:1

Figure 14. Forecast value of risks and opportunities to 2030 (Consumer and community support investment priorities)*



* Relative to the baseline net industry income increase of \$48,320 million by 2030 (in 2015 dollars and 5% real rate of return)

Key Performance Indicators and supporting industry objectives to be achieved

PILLAR		PRIORITY		IMPERATIVE	
Title	KPI	Title	KPI	Title	Objectives to be achieved
CONSUMER AND COMMUNITY SUPPORT	Consumer and community support index*	Welfare of the animals within our care	Increase in community support for industry animal welfare practices on 2015 baseline	Continuous improvement of animal welfare	<ul style="list-style-type: none"> Active alignment of farm animal welfare practices and community expectations Indicators of animal welfare developed along the entire livestock supply chain Monitoring and reporting framework established to identify problems, enable corrective actions and capture improvements Effective communication of changes in the industry's animal welfare outcomes, engendering community support
				Minimising risk and impact of emergency disease	<ul style="list-style-type: none"> NLIS traceability results in simulation exercises meet agreed standards R&D vaccines are available to meet relevant strains of FMD, and other relevant emergency diseases Preparedness plans for an emergency disease outbreak are maintained and regularly tested, including communications readiness
				Minimising the impact of endemic disease	<ul style="list-style-type: none"> Vaccines and other measures are developed to reduce costs of endemic diseases, including ticks in cattle and parasites in sheep, by \$50 million by 2020 and \$250 million by 2030
		Stewardship of environmental resources	Maintenance or increase in community support for the industry's environmental stewardship practices	Minimising industry impact on the environment	<ul style="list-style-type: none"> Participate in global partnerships to conduct R&D that provides technical solutions to convert 25% of the energy lost in methane emissions into gains in animal productivity by 2030 with demonstrable progress towards this goal by 2020 Develop new methodologies under Carbon Farming Initiatives to capture revenue from carbon credits of \$30 million by 2020 and \$80 million by 2030
				Sustainable management of the natural resource base	<ul style="list-style-type: none"> Alignment of NRM practices with community expectations R&D results in savings in industry costs due to weeds and feral animals of at least \$50 million by 2020 and \$150 million by 2030
				Adapting to climate variability	<ul style="list-style-type: none"> R&D into improved livestock and pasture genetics, and improved climate forecasting, provides technical solutions to mitigate 80% of the potential productivity falls due to climate change (-3.5% by 2020 and -5.2% by 2030), particularly in the southern beef and sheepmeat industries
		Red meat in a healthy diet	Continued consumer and health professional support for red meat as a preferred component of a healthy diet	Positioning red meat as a preferred component in a healthy diet	<ul style="list-style-type: none"> Government policy and health professionals continue to support the inclusion of red meat three to four times per week consistent with the Australian Dietary Guidelines

* To be developed

MARKET GROWTH AND DIVERSIFICATION FOR AUSTRALIAN RED MEAT AND LIVESTOCK

Gaining competitive access to global markets with customer and consumer preference for our products based on quality and integrity systems.

Key issues

- We are an export industry and must be focussed on reducing barriers to trade. There are opportunities to build on past progress, particularly recent FTAs with key trading partners. The expectation is for substantial further progress in reducing economic barriers over the next five years.
- As economic barriers fall, there will likely be an increase in technical barriers for both meat and live animals – currently costing \$1.3 billion annually – that will require a greater proportion of market access effort over the life of this plan.
- Marketing and promotion in export markets will focus on developing markets and the industry's underpinning quality and safety systems. Commercial parties should undertake the lion's share of effort in developed export markets – again underpinned by industry quality and safety systems.

Addressing the issues

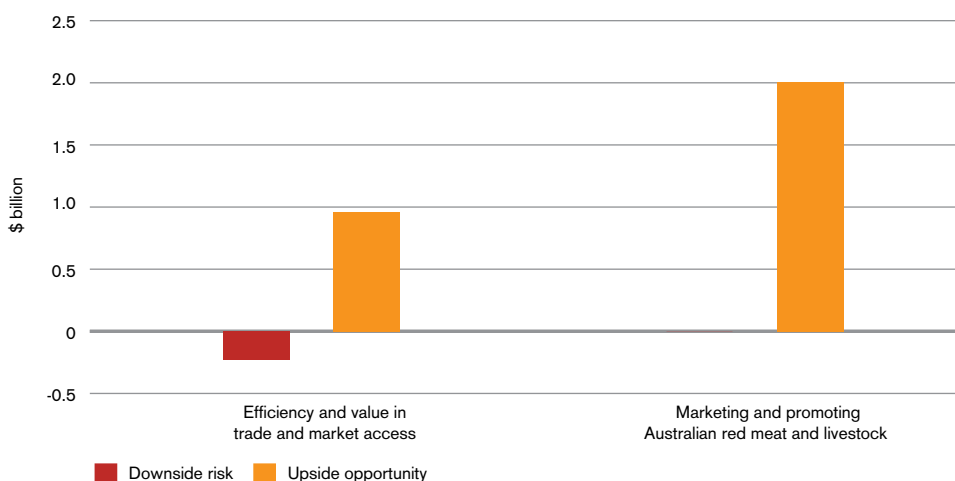
To be achieved through two priority areas and five imperatives:

- Efficiency and value in trade and market access
 - Reducing economic barriers to trade
 - Reducing technical barriers to trade
- Marketing and promoting Australian red meat and livestock
 - Marketing and promotion – developing export markets
 - Marketing and promotion – developed export markets
 - Marketing and promotion – domestic market

Industry benefits on successful achievement of objectives

- By **2020**: the estimated total gain is \$1 billion with a BCR 4:1
- By **2030**: industry can avoid potential accumulated losses of \$0.23 billion and gain an additional \$2.97 billion in benefits – a total gain of \$3.19 billion with a BCR 5:1

Figure 15. Forecast value of risks and opportunities to 2030
(Market growth and diversification investment priorities)*



* Relative to the baseline net industry income increase of \$48,320 million by 2030 (in 2015 dollars and 5% real rate of return)

Key Performance Indicators and supporting industry objectives to be achieved

PILLAR		PRIORITY		IMPERATIVE	
Title	KPI	Title	KPI	Title	Objectives to be achieved
MARKET GROWTH AND DIVERSIFICATION	Maintain or increase in the real value of red meat sales (domestic and export) and live exports	Efficiency and value in trade and market access	New market opportunities are made available worth \$150 million by 2020 and \$1 billion by 2030	Reducing economic barriers to trade	<ul style="list-style-type: none"> Through progress in reducing economic barriers to trade, new market opportunities are made available worth \$50 million by 2020 and \$750 million by 2030 with stakeholders satisfied with service providers' contribution to these results
				Reducing technical barriers to trade	<ul style="list-style-type: none"> Through progress in reducing technical barriers to trade new market opportunities are made available or cost savings achieved worth \$100 million by 2020 and \$250 million by 2030 with stakeholders satisfied with service providers' contribution to these results
		Marketing and promoting Australian red meat and livestock	<ul style="list-style-type: none"> Improved consumer attitude (weighted by market expenditure) towards Australian red meat and livestock Increase in wholesale red meat and livestock demand index* 	Marketing and promotion – developing export markets	<ul style="list-style-type: none"> Surveys demonstrate that the trade (importers, retailers, food service operators) in developed and developing export markets is prepared to pay a price premium for Australian red meat compared to other import competitors based on perceptions of food safety, integrity and quality Australian red meat exporters are highly supportive of industry marketing activities in developed and developing export markets, as revealed by surveys
				Marketing and promotion – developed export markets	<ul style="list-style-type: none"> Surveys demonstrate that importers, supermarkets and mid to high end food service operators in developed and developing export markets have an increased awareness and understanding of MSA Demonstrated independent evidence that industry marketing efforts in developing export markets are providing a return to Australian livestock producers of \$6 for every dollar of expenditure and \$3 for every dollar of expenditure in developed markets
				Marketing and promotion – domestic market	<ul style="list-style-type: none"> Increased sales impact from promotional campaigns (domestic market)
					<ul style="list-style-type: none"> Positive shifts in consumer attitudes to beef and lamb (domestic market) Demonstrated evidence that industry marketing efforts are providing a return to Australian livestock producers of \$2.50 for every dollar of expenditure (domestic market)

* To be developed



SUPPLY CHAIN EFFICIENCY AND INTEGRITY ACROSS OUR INDUSTRY

Enhancing and ensuring the integrity of our whole of supply chain quality/integrity systems and paying all sectors in the supply chain on objective performance.

Key issues

- We must identify and develop industry systems that objectively measure key quality and integrity specifications in all sectors of the supply chain and our industry language must incorporate these changes on an ongoing basis.
- We must differentiate prices received based on delivering performance against key quality and integrity specifications (value based marketing), underpinned by systems that provide an incentive to innovate.
- We must have a whole of supply chain electronic data exchange capability that supports our industry specification, quality and integrity systems with open and transparent access by all relevant parties.
- We must ensure our integrity systems deliver the products that we promise.

Addressing the issues

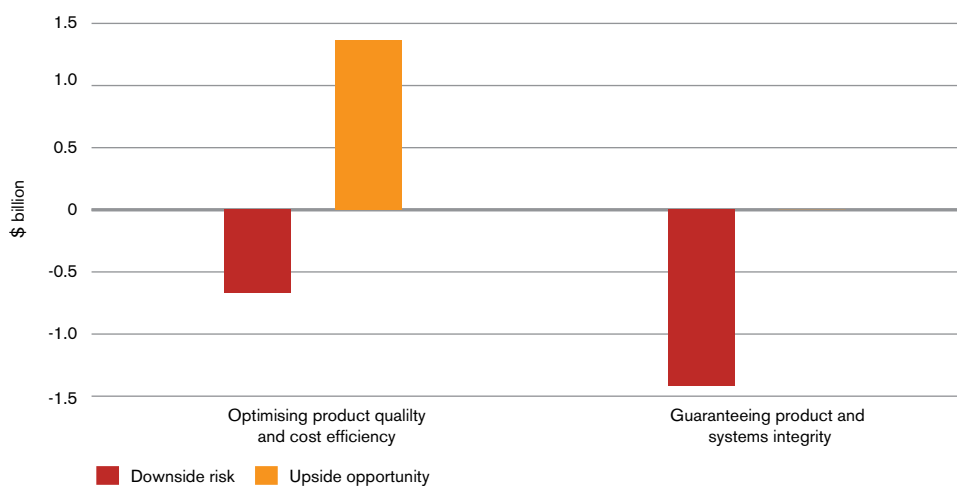
To be achieved through two priority areas and three imperatives:

- Optimising product quality and cost efficiency
 - Improving quality and compliance via enhanced supply chain information
 - Improving efficiencies in regulation, infrastructure and logistics
- Guaranteeing product and systems integrity
 - Livestock and product assurance through integrated integrity systems

Industry benefits on successful achievement of objectives

- By **2020**: the estimated total gain is \$0.44 billion with a BCR 2:1
- By **2030**: industry can avoid potential accumulated losses of \$2.09 billion and gain an additional \$1.36 billion in benefits – a total gain of \$3.45 billion with a BCR 6:1

Figure 16. Forecast value of risks and opportunities to 2030
(Supply chain efficiency and integrity investment priorities)*



* Relative to the baseline net industry income increase of \$48,320 million by 2030 (in 2015 dollars and 5% real rate of return)

Key Performance Indicators and supporting industry objectives to be achieved

PILLAR		PRIORITY		IMPERATIVE	
Title	KPI	Title	KPI	Title	Objectives to be achieved
SUPPLY CHAIN EFFICIENCY AND INTEGRITY	Supply efficiency and integrity index*	Optimising product quality and cost efficiency	<ul style="list-style-type: none"> Quantified improvement in MSA-graded carcasses: <ul style="list-style-type: none"> Increase beef MSA Index <ul style="list-style-type: none"> 2 MSA points by 2020 5 MSA points by 2030 Improve sheepmeat quality <ul style="list-style-type: none"> 2 MSA points by 2020 6 MSA points by 2030 By 2030: 35% of all Australian cattle and sheep supplied direct-to-works are paid on a quality and yield basis 	Improving quality and compliance via enhanced supply chain information	<ul style="list-style-type: none"> Changes are implemented to the meat and livestock specification language to achieve improved alignment through the supply chain with end user requirements Tools are developed to provide objective and accurate measurement of all key attributes included in the meat language MSA research results are available in key beef export markets to underpin market development Performance against key quality, yield and integrity attributes is made available across the entire supply chain, packaged to facilitate optimal business decisions Commercial supply chains implement payment options that reflect real value differences across key attributes Accurate and timely industry wide statistical information, analysis and forecasts are made available to the satisfaction of stakeholders to facilitate optimal decision making
		Guaranteeing product and systems integrity	<ul style="list-style-type: none"> Industry standards for compliance are met at all times 	Improving efficiencies in regulation, infrastructure and logistics	<ul style="list-style-type: none"> Industry analysis and representational activities result in annual savings being achieved of \$10 million through reducing regulatory burden or addressing infrastructure or logistical bottlenecks
				Livestock and product assurance through integrated integrity systems	<ul style="list-style-type: none"> As technological advances become available and as customer requirements change, ongoing development of red meat and livestock integrity systems occurs to the satisfaction of stakeholders Integrity systems along the entire supply chain are capable of being electronically based and are fully integrated by 2020

* To be developed



PRODUCTIVITY AND PROFITABILITY IN RED MEAT AND LIVESTOCK ENTERPRISES

Reaching international benchmarks for productivity improvement and fostering a business focus in our enterprises.

Key issues

- We must increase productivity growth – a key mechanism in retaining a competitive position against the long-term downward price trends that impact all commodities, including red meat.
- Critically, our productivity agenda must be in pursuit of market-driven products, as Australia will never be the lowest cost commodity supplier.
- We must convert efficient practices into profitable enterprises – this provides a foundation for business performance and a resilient buffer against future challenges. Enterprise and industry profitability is a key determinant in attracting new, and retaining existing, expertise and talent.
- We must provide and package information in a way that readily conveys the commercial benefits of adoption. This includes transferring supply chain information to enable timely and accurate decision making across all sectors, and – in particular – improving business skills in the production sector.
- These 'whole of business' decision-support tools must be supported by value-based payments that reward (and penalise) for performance against objectively-measured, market-driven criteria.

Addressing the issues

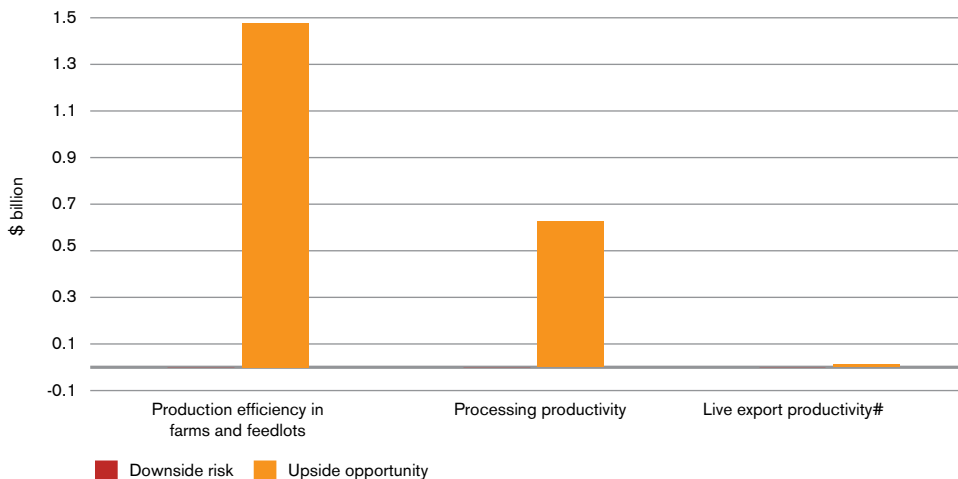
To be achieved through three priority areas and four imperatives:

- Production efficiency in farms and feedlots
 - Decision support to improve farming businesses
 - Increasing livestock productivity through new research
- Processing productivity
 - Increasing access to, and the efficiency of, labour
- Live export productivity
 - Improving livestock performance in export operations

Industry benefits on successful achievement of objectives

- By **2020**: the estimated total gain is \$0.36 billion with a BCR 3:1
- By **2030**: industry can gain an additional \$2.11 billion in accumulated benefits with a BCR 7:1

Figure 17. Forecast value of risks and opportunities to 2030 (Productivity and profitability investment priorities)*



* Relative to the baseline net industry income increase of \$48,320 million by 2030 (in 2015 dollars and 5% real rate of return)

The bulk of risks and opportunities for the live export sector fall within the pillars of Consumer & Community Support and Market Growth & Diversification

Key Performance Indicators and supporting industry objectives to be achieved

PILLAR		PRIORITY		IMPERATIVE	
Title	KPI	Title	KPI	Title	Objectives to be achieved
PRODUCTIVITY AND PROFITABILITY	Red meat and livestock industry productivity index (adjusted for externalities)*	Production efficiency in farms and feedlots	Cost of production (\$/kg liveweight) is reduced by 1.5% in real terms by 2020 and by 5% in real terms by 2030	Decision support to improve farming businesses	<ul style="list-style-type: none"> Novel and cost-effective solutions identified to significantly raise and measure (a) business skills and (b) capacity to innovate by 2020 Significant increase in (a) business skills and (b) capacity to profitably apply R&D to farming operations by 2030
				Increasing livestock productivity through new research	<ul style="list-style-type: none"> Minimum, whole-of-sector increases in productivity growth above baseline levels: <ul style="list-style-type: none"> Northern beef production sector: 0.5% by 2020 and 2.5% by 2030 Southern beef production sector: 1.75% by 2020 and 7% by 2030 Sheepmeat production sector: 1.5% by 2020 and 5% by 2030 Feedlot production sector: 1% by 2020 and 2% by 2030 Goat production sector: 0.5% by 2020 and 2.5% by 2030
		Processing productivity	Increase in the efficiency of livestock processing and carcass utilisation	Increasing access to, and the efficiency of, labour	<ul style="list-style-type: none"> Quantifiable reduction in labour costs per unit of production
		Live export productivity	Increase in the efficiency of live export delivery (global index*)	Improving livestock performance in export operations	<ul style="list-style-type: none"> Quantifiable reduction in live export cost-of-delivery indices (market-specific)*

* To be developed



REALISING THE BENEFITS – THE FOUNDATIONS FOR SUCCESS

Economic modelling has identified the key investment pillars that stand to yield the greatest value in *MISP 2020*. Our ability to support these investments with appropriate resources, and monitor and communicate their value, will ultimately ensure the economic potential of this plan is fully realised.

Key issues

- Our industry structure has a proud history of self-direction and independence – but our overall success is intrinsically linked to how well we operate as an *industry*. This level of collaboration requires strong leadership – the two are intrinsically linked.
- We must actively invest in identifying and developing leadership capability throughout the industry – this is integral to increasing the professionalism of our organisations, improving day-to-day operations, and in equipping the industry to absorb and prevail against future challenges.
- Levy systems are increasingly under strain, as sectors and organisations navigate the funding pressures that accompany an increasingly complex operating environment – this is not unique to our industry. We must continue to seek out greater cost-efficiencies in our operations and industry systems, and look for funding models that are sustainable, add value, promote accountability and incentivise performance.
- We should be proud of our industry's contribution to the social, environmental and economic fabric of Australia, especially in rural and regional areas. This is both an accolade and a responsibility – we must ensure we develop the systems and philosophy to help the industry to continually evaluate, refine and report on our performance, in both economic and non-economic terms.
- As the physical and social environment in which we operate undergoes constant change, we must plan for what's probable and prepare for what's possible. Our industry's ability to operate effectively in times of crisis is the ultimate litmus test; success requires an on-going commitment to risk management and crisis mitigation.

Addressing the issues

To be achieved through two priority areas and four imperatives:

- Building industry capability
 - Developing skills and leaders to support the industry
 - Sustainable resourcing for key industry programs and structures
- Promoting and protecting our industry
 - Monitoring and communicating industry performance to key stakeholders
 - Issues management and crisis preparedness through planning and communication protocols

Key Performance Indicators and supporting industry objectives to be achieved

PILLAR		PRIORITY		IMPERATIVE	
Title	KPI	Title	KPI	Title	Objectives to be achieved
LEADERSHIP AND COLLABORATIVE CULTURE	Increased stakeholder recognition of the industry's leadership capability and socio-economic value	Building industry capability	Maintain or increase stakeholder confidence in the industry's leadership capability	Developing skills and leaders to support the industry	<ul style="list-style-type: none"> Industry leadership skills strengthened with formal governance training as standard practice for all organisational Boards Develop and implement a whole-of-industry approach to identifying and developing new and emerging industry leaders, in both representative and executive (staff) capacities Improved stakeholder support (endorsement) for industry representative councils and Service Companies
				Sustainable resourcing for key industry programs and structures	<ul style="list-style-type: none"> Financially viable industry representative organisations provide effective representation of sector interests and ongoing maintenance of value to members Agreed and upfront co-funding models developed and implemented for joint industry-government programs Future program requirements (NRS, AHA, NLIS, etc) identified and 'user-pays' options for key quality assurance programs implemented following a formal forecast levy needs analysis.
		Promoting and protecting our industry	Maintain or increase key stakeholder and community support and recognition for the industry's contribution to Australian economy	Monitoring and communicating industry performance to key stakeholders	<ul style="list-style-type: none"> Standardised and periodic monitoring, evaluation and reporting to industry, implemented, including the establishment of an annual 'report to industry' A framework for efficiently and accurately reporting on the sustainability credentials of Australia's red meat and livestock industry developed and implemented Industry socio-economic indicators at the national and regional level developed and reported to key stakeholders at least annually
				Issues management and crisis preparedness through planning and communication protocols	<ul style="list-style-type: none"> Industry and individual sectors are well prepared to avoid, or mitigate the impact of, any crisis through formalisation of framework for managing and communicating industry issues



Monitoring, evaluating and reporting performance

A key focus of *MISP 2020* will be on ensuring consistency in (and a commitment to) monitoring, evaluation and reporting (MER) on the results of levy investments, and related policy settings. Such an approach is not only essential in supporting the industry to report on its performance as a whole, it also ensures transparency and timeliness in reporting to key investors (levy payers, government, etc) as well providing a mechanism to identify and rectify areas of under-performance.

Central to this focus is an MER framework structured around the three hierarchical layers of *MISP 2020*:

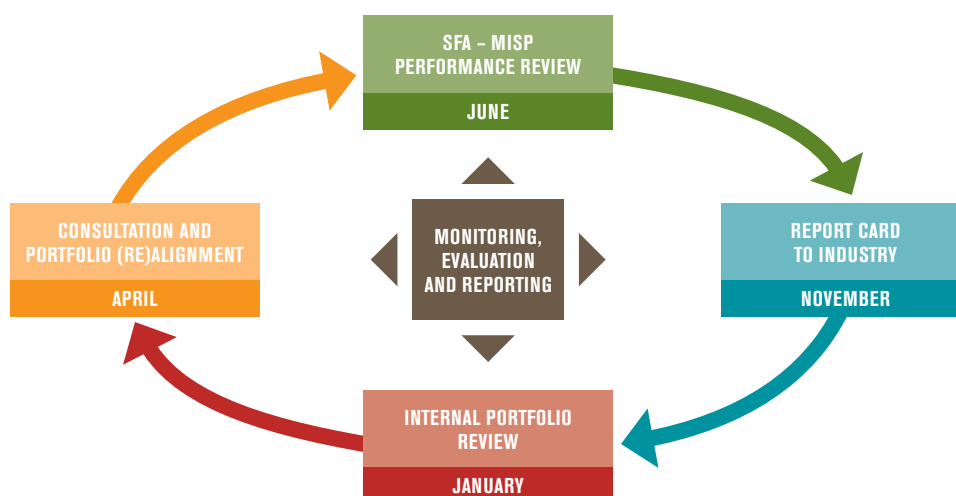
1. An 'industry performance dashboard' that provides a 'live' assessment of progress against the four core pillars on which *MISP 2020* is built;
2. A system of indices and surveys that capture quantitative and qualitative performance against each *MISP 2020* priority; and
3. A comprehensive schedule of key performance indicators (KPIs) to quantify changes across each of the *MISP 2020* imperatives.

Importantly, the MER activities of *MISP 2020* are designed to ensure that industry performance is accurately measured and clearly reported to all stakeholders. An annual reporting schedule (Figure 18) will be developed and integrated with existing consultative and planning cycles between Service Companies, Peak Industry Councils, co-investment partners and levy payers. This is an important safeguard to ensure the strategic direction of, and performance against, *MISP 2020* remains in-line with industry, consumer and community expectations.

All organisations responsible for the development and delivery of *MISP 2020* have been assigned specific roles in regards to MER activities (Figure 20). This is a commitment that not only helps drive accountability and performance in the delivery of *MISP 2020*, but will also add efficiencies to the formal reporting requirements (to Government and levy payers) on the results of levy expenditure.

The MER framework that supports *MISP 2020* – and the related MER activities at individual industry and sector levels – must maintain a dynamic architecture, that can be checked and (re)aligned with the changing requirements of our industry and its stakeholders. In the first year of *MISP 2020*, this will likely require significant changes, as systems and processes are implemented to determine baselines and collect and analyse data. Once established, the efficiency, timeliness and precision with which we can report to stakeholders will improve.

Figure 18. Proposed outline of annual *MISP 2020* planning and reporting activities



Roles and responsibilities across the industry structure

Our industry is structured specifically to accommodate a clear delineation between the policy and advocacy functions of RMAC and its Peak Industry Council members and the apolitical, levy-funded activities of the industry's Service Companies (Figure 19). Adherence to this structure is critical to the allocation of MER and delivery responsibilities across the range of R&D, marketing and policy initiatives that are framed within this strategy.

The consultative activities that underpin *MISP 2020* have clearly identified, however, that significant efficiencies and value can be found in activities that straddle both the 'policy vs delivery' line, and the breadth of the supply chain.

A close and systematic relationship between the R&D and marketing investments of our Service Companies and the policy agendas of the Peak Industry Councils will be a key element in the successful delivery of this strategic plan.

Likewise, the continued strengthening of key investment partnerships will be essential in the implementation of *MISP 2020*. The investment priorities and imperatives framed in this document have been refined to an unprecedented level for a whole-of-industry strategy. Service Companies, in consultation with the Peak Industry Councils and their co-investors, have a critical role to play in implementing the operational requirements of *MISP 2020*.

Figure 19. Architecture and delineation of key industry roles and responsibilities

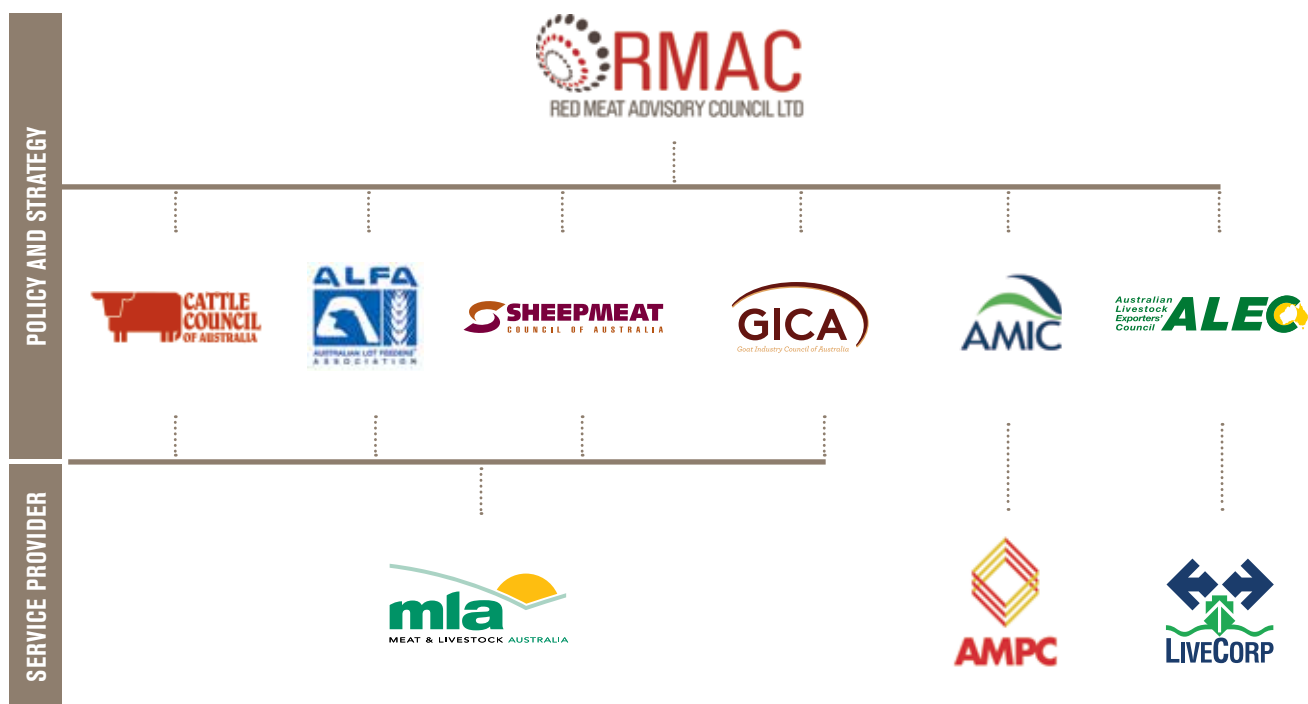
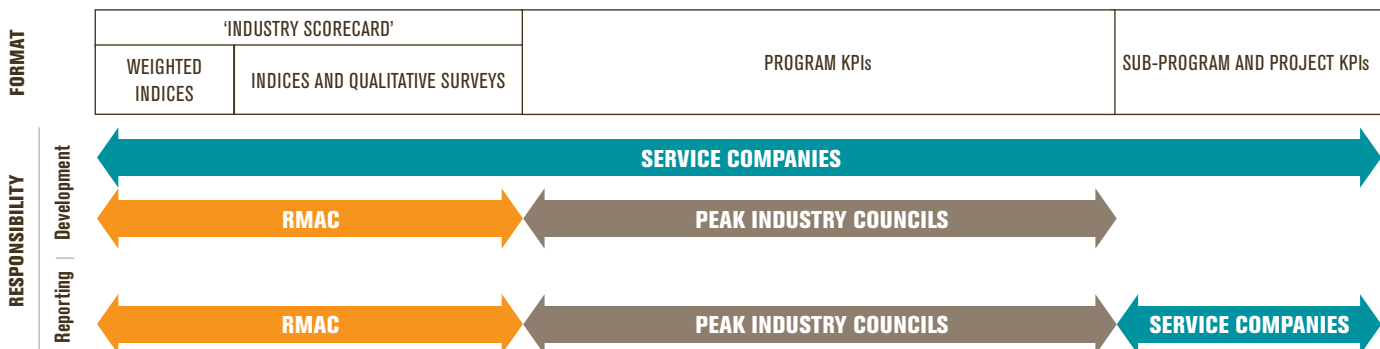
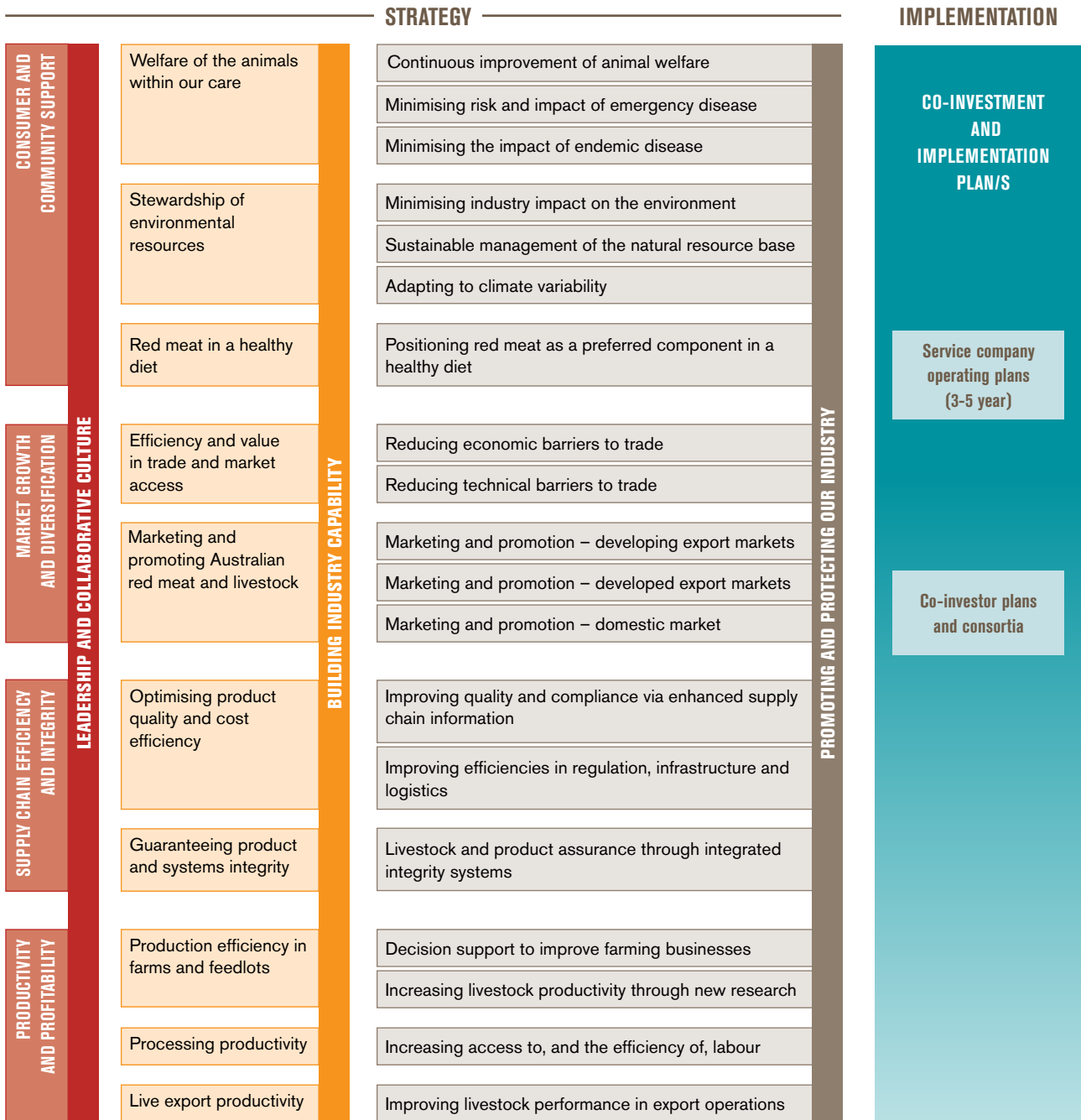


Figure 20. Implementation and MER responsibilities



Last word

The combination of planning, consultation and expert analysis that underpins *MISP 2020* is unprecedented for a strategy of this type. While this presents a robust economic platform for the implementation of the plan, it is ultimately the cultural and attitudinal aspects of our industry which will determine the degree to which the potential of *MISP 2020* is realised.

The previous meat industry strategic plan alluded to an industry “punching below its weight” and needing a commitment from all sectors to combining and leveraging our resources towards our common goals. If anything, *MISP 2020* shows that, with \$13 billion in additional net value to be derived by 2030, this need has only been amplified.

Our industry must embrace the economic efficiencies associated with integration, transparency and communication through our supply chains. *MISP 2020* frames the potential – translating it into real gains is wholly within our control.

Appendices

APPENDIX 1. ORGANISATIONAL RESPONSIBILITIES UNDER THE MOU AND MISP

ENTITY	CORE FUNCTION	SECTOR		
		Live Export	Production	Processing
RMAC	Cross-sector policy/advocacy	Red meat and livestock		
CCA	Sector policy/advocacy		Cattle (grassfed)	
SCA	Sector policy/advocacy		Sheep (meat)	
ALFA	Sector policy/advocacy		Cattle (grainfed)	
GICA	Sector policy/advocacy		Goat (meat)	
AMIC	Sector policy/advocacy			Red meat
ALEC	Sector policy/advocacy	Cattle / Sheep / Goats		
LiveCorp	Sector service delivery			
MLA	Sector service delivery			
AMPC	Sector service delivery			

Policy/advocacy

 Service delivery
 Joint programs

APPENDIX 2. BENEFIT:COST RATIOS 2020 AND 2030

PILLAR	BCR		PRIORITY	BCR		IMPERATIVE	BCR	
	2020	2030		2020	2030		2020	2030
CONSUMER AND COMMUNITY SUPPORT for the industry's products and practices	5.6	13.4	Welfare of the animals within our care	7.9	17.3	Continuous improvement of animal welfare	9.6	25.4
						Minimising risk and impact of emergency disease	13.0	13.0
						Minimising the impact of endemic disease	0.7	3.3
			Stewardship of environmental resources	1.6	8.0	Minimising industry impact on the environment	5.0	15.2
						Sustainable management of the natural resource base	0.2	4.3
						Adapting to climate variability	0.9	6.8
Red meat in a healthy diet	1.3	2.9	Positioning red meat as a preferred component in a healthy diet	1.3	2.9			
MARKET GROWTH AND DIVERSIFICATION for Australian red meat and livestock	4.1	5.4	Efficiency and value in trade and market access	3.9	11.6	Reducing economic barriers to trade	4.0	14.2
						Reducing technical barriers to trade	3.9	9.1
			Marketing and promoting Australian red meat and livestock	4.1	4.1	Marketing and promotion – developing export markets	6.2	6.2
						Marketing and promotion – developed export markets	3.0	3.0
						Marketing and promotion – domestic market	2.4	2.4
SUPPLY CHAIN EFFICIENCY AND INTEGRITY across our industry	2.0	6.4	Optimising product quality and cost efficiency	2.1	7.1	Improving quality and compliance via enhanced supply chain information	2.1	7.2
						Improving efficiencies in regulation, infrastructure and logistics	2.1	5.1
			Guaranteeing product and systems integrity	1.8	5.6	Livestock and product assurance through integrated integrity systems	1.8	5.6
PRODUCTIVITY AND PROFITABILITY in red meat and livestock enterprises	2.8	6.9	Production efficiency in farms and feedlots	2.6	6.3	Decision support to improve farming businesses	3.5	6.0
						Increasing livestock productivity through new research	2.2	6.5
			Processing productivity	4.2	10.2	Increasing access to, and the efficiency of, labour	4.2	10.2
			Live export productivity	0.4	1.0	Improving livestock performance in export operations	0.4	1.0





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