



Strategic Plan

2025



Contents

Chair and MD statements	4
MLA at a glance	6
Industry at a glance	8
Strategy snapshot	10
Creating the strategy	12
Assumptions	12
Inputs	13
What we heard	15
Our strategy	16
Roadmap	17
Guiding principles	18
Foundation	19
Our strategic focus	21
Industry priorities	34
Financials	42
Corporate governance framework	44
Appendices	46

© Meat & Livestock Australia 2020
ABN 39 081 678 364

This work is copyright. Apart from any use permitted under the Copyright Act 1968, all rights are expressly reserved. Requests for further authorisation should be directed to the Corporate Publications and Communications Manager, PO Box 1961 North Sydney NSW 2059 or info@mla.com.au

Published June 2020

This report is printed on ecoStar+, an environmentally responsible paper made carbon neutral and the fibre source is FSC Recycled certified. ecoStar+ is manufactured from 100% post consumer recycled paper in a process chlorine free environment under the ISO 14001 environmental management system.

MD's statement



As we finalise our Strategic Plan for the next five years, there are both incredible opportunities and challenges rarely seen before. We also have the benefit of more than 20 years of operations at MLA to guide us on how and where we can make the greatest impact.

We have to be bold to meet the challenges, take advantage of the opportunities and set our sights on delivering transformational change for the industry.

With a new whole-of-industry strategic plan in place, *Red Meat 2030*, there is an opportunity for MLA to drive transformational change. We have to find ways to support the industry to deliver on its ambitious vision of doubling the value of red meat sales.

As we developed the plan, we looked at the big gains the Australian red meat and livestock industry has made in the past few decades.

It was easy to identify the key high-impact initiatives that have played a major role in transforming our industry and providing a solid foundation to build upon. The establishment of Australia's on-farm assurance, animal identification and traceability systems is a good example. Thanks to the development and continuous improvement of these systems, we have been able to guarantee the integrity of our now \$28.5 billion red meat industry to our customers.

Other examples include Meat Standards Australia, the world's leading eating quality grading program for beef, and the work to support access to international markets, which has been critical to the growth and competitiveness of our industry.

What these examples show us is to have real impact, we need to be focused, ambitious with our expectations and demand greater impact from the investments we make with and on behalf of the red meat industry. This approach is captured in the 'fewer, bigger, bolder' statement that is part of the way we will operate to execute this plan.

We also heard this from our stakeholders, who want our strategy to be ambitious, with clear direction on where we focus to contribute to the profitability, sustainability and global competitiveness of Australia's red meat and livestock industry.

And that is exactly what this strategy does. It states the deliberate and bold choices being made to deliver maximum impact. It does this by defining the challenges and opportunities, showing where and how we will focus our efforts and what success will look like in 2025.

As you will see from the guiding principles on page 18, we have not just focused on what we will do, but how we will do it. This strategy will not sit on a shelf. It will undergo constant review and refresh during its five-year lifespan, informed by insights and meaningful consultation with our stakeholders.

Collaboration with stakeholders will be key to delivering on our strategic objectives. Using the industry's *Red Meat 2030* 10-year strategic plan as our foundation ensures that we are aligned with the vision and priorities shared across the supply chain.

Whilst we have taken a whole-of-supply chain approach, producers, as key stakeholders, continue to be at the heart of all of our decisions.

This strategy outlines how we will support producer profitability, sustainability and global competitiveness by: helping them (and their supply chains) make better decisions informed by data; addressing industry's big, complex challenges; improving the delivery of essential services and identifying opportunities to create and capture value – including new sources of revenue and the development of new high value products.

To support the strategy, investment will be increased across:

Adoption and extension

To maximise the impact from every investment, programs will have clear adoption and extension pathways from inception. This will ensure that producers can successfully implement practical research and development solutions. This strategy sees a significant increase in the funds allocated to adoption and extension activities, consistent with the goal of increasing the percentage of project funding in *Red Meat 2030*.

Programs that support our integrity systems.

Increased investment in this area highlights the importance of strengthening existing systems in support of biosecurity, food safety and traceability. It also highlights the importance of activities that accelerate data capture and support customer end-to-end supply chain verification requirements and knowledge transfer within the supply chain to support business decision making.

There is also an emphasis on ensuring MLA investments contribute to a socially, environmentally and economically sustainable Australian red meat industry.

Programs of work that help producers adapt to climate variability, adopt Carbon Neutral 2030 (CN30) pathways and support animal health and welfare will strengthen productivity. Investment in these areas will ensure we can achieve a sustainable global competitive advantage, demonstrated through on-farm practice change.

We are pursuing ambitious outcomes in this strategy. However, the success will ultimately be measured by producers' – our levy payers – ability to create and capture additional value from the investments we make.

I look forward to working closely with our levy payers, and other stakeholders to realise this value and, together, build a stronger and more prosperous industry.

Jason Strong
Managing Director

Chair's statement



The MLA Strategic Plan 2025 was created with the purpose of delivering tangible value for Australia's red meat and livestock producers, over the next five years and beyond.

As a producer, I challenged the leadership team to ensure that the MLA purpose was front and centre throughout the development of this strategic plan, which is:

To foster the long-term prosperity of the Australian red meat and livestock industry, by collaborating with stakeholders to invest in research, development and marketing initiatives that contribute to producer profitability, sustainability and global competitiveness.

I am pleased to present a plan that recognises the importance of working together with the supply chain and the other red meat service providers to deliver on this purpose.

The importance of balance

It has been a difficult few years for many production regions. Long-term dry and drought conditions, the Queensland floods and 2019/2020 bushfires have resulted in historic lows in herd and flock numbers.

In addition, the disruption caused by COVID-19 outbreak will mean that most of Australia's key red meat markets face significant economic slowdown or recession during the early years of this plan. The channel and demand shift will continue to test carcass balance and profitability and highlights the importance of maintaining and leveraging a diversified portfolio of markets. However, despite this disruption, long-term demand for high quality, safe and nutritious food is set to continue to grow.

In this highly dynamic and complex operating environment, it is more important than ever to strike a balance between managing and responding to short-term issues and planning around long-term strategic priorities.

That 'balance' is reflected in this plan, which focuses on both strengthening the core activities that underpin the success and competitiveness of our industry – such as integrity systems, market access and global marketing – and on addressing the more complex challenges including productivity and climate variability.

This approach ensures that MLA's investments over the next five years build on our solid successes but also allow us to be bold and pursue activities that will ensure the future profitability, sustainability and global competitiveness of the industry.

This is particularly important within the context of a new meat industry strategic plan – *Red Meat 2030* – with its ambitious vision of *doubling the value of Australian red meat sales as the trusted source of the highest quality protein.*

Meaningful collaboration

To help achieve this vision, it is vital that MLA works closely together with the other red meat service providers, the peak industry councils and across the supply chain. The development of this strategic plan began with the whole of industry plan, *Red Meat 2030*. However, an important part of the process has been sharing information with and listening to our stakeholders.

In taking a co-design approach to this Strategic Plan, we were able to explore the cattle, sheep and goat supply chain priorities for the next five years, and understand MLA's role in helping to address these. It was pleasing to see the importance of collaboration was something that all of our stakeholders acknowledged. You can read more about the themes we heard during the consultation process on page 15.

I'd like to acknowledge everyone involved throughout the consultation process, from producers and brand owners through to research and commercial partners. Every workshop, conversation and meeting has provided valuable contributions to this strategy.

As we look to 2025, I am confident that MLA will deliver outcomes that contribute to a prosperous industry, one where decisions are made collectively and where profitability and sustainability go hand-in-hand.

Alan Beckett
Chair

MLA at a glance

MLA is a Rural Research and Development Corporation and the declared industry marketing body and the industry research body under sections 60(1) and 60(2) of the Australian Meat and Live-stock Industry Act 1997.

Our purpose

To foster the long-term prosperity of the Australian red meat and livestock industry, by collaborating with stakeholders to invest in research, development and marketing initiatives that contribute to producer profitability, sustainability and global competitiveness.

Our members

Membership of MLA is voluntary and free to all levy-paying grassfed cattle, grainfed cattle, sheep, lamb and goat producers. At the time of publication, there were 49,600 MLA members.

Our stakeholders

MLA works in partnership with industry and government to deliver products and services to the cattle, sheep and goat industries, and other entities along the supply chain.

Our stakeholders include red meat and livestock producers, the Australian Government's Department of Agriculture, Water and the Environment, peak industry councils, red meat Rural Research and Development Corporations (RDCs), research partners and commercial and other supply chain participants and groups.

Peak industry councils are bodies prescribed by the Australian Government and provide policy direction on behalf of the red meat and livestock industry. These are the Australian Lot Feeders' Association, Cattle Council of Australia, Goat Industry Council of Australia and Sheep Producers Australia.

MLA also works closely with the Australian Meat Processor Corporation, Australian Meat Industry Council, LiveCorp and Australian Livestock Exporters' Council to develop programs that address key industry issues and opportunities through the supply chain, manage projects and communicate outcomes.

Our subsidiary companies

MLA owns two operating subsidiary companies.

MLA Donor Company (MDC) partners with organisations to co-invest in innovation and new technologies which bring value to the red meat industry.

Integrity Systems Company (ISC) is responsible for delivering the red meat industry's on-farm assurance and through-chain traceability programs

Our funding

MLA is primarily funded by transaction levies paid on livestock sales by red meat producers. The Australian Government also contributes a dollar for each levy dollar MLA invests in research, development and adoption (RD&A).

Other funding streams come from specific unmatched grants from the Australian Government and cooperative funding contributions from other RDCs, individual processors, wholesalers, foodservice operators and retailers.

Processors and livestock exporters also co-invest levies into MLA programs through their service companies – Australian Meat Processor Corporation and Australian Livestock Export Corporation (LiveCorp).

Exporters and importers can also co-invest with MLA on marketing activities.

MLA generates additional income via eligible commercial funding contributions that are matched by the Australian Government. This funding is invested in research and development partnerships that benefit the Australian red meat industry through MDC. ISC also receives additional income via the sale of National Vendor Declaration products and the Livestock Production Assurance program accreditation fee.

Industry at a glance



\$28.5 billion
in red meat sales
in 2018–19

Domestic sales and export receipts



80,000 businesses
across the red meat
supply chain in 2017–18



\$17.2 billion
in export receipts
for 2018–19

Boxed red meat: \$13.5 billion
Live exports: \$1.8 billion
Co-products/further processing: \$1.95 billion



2.4 million
head live exported
in 2019

Cattle: 1.3 million
Sheep: 1.1 million
Goats: 16,059



\$11.3 billion
in domestic sales
in 2018–19

Beef: \$8.8 billion
Lamb: \$2.5 billion



405,000 people
employed across
the red meat supply
chain in 2018–19

Strategy snapshot

Our objectives

To help double the value of Australian red meat sales, product must meet or exceed consumer needs and the focus be on where we have a competitive advantage.

To become the trusted source of the highest quality protein, the focus should be on product quality and product attributes, including animal health, welfare and environmental credentials.

Our purpose

To foster the long-term prosperity of the Australian red meat and livestock industry, by collaborating with stakeholders to invest in research, development and marketing initiatives that contribute to producer profitability, sustainability and global competitiveness.

Our guiding principles

- Connecting the supply chain through alignment with *Red Meat 2030*
- Focusing on delivering impact through ‘fewer, bigger, bolder’ programs of work
- Maximising impact by connecting programs and R&D investments to customer, consumer and community insights and establishing clear adoption or extension pathways at inception
- Our investments contribute to a socially, environmentally and economically sustainable Australian red meat industry
- Taking a continuous improvement approach to the delivery of essential services
- Our strategy and programs undergo a constant cycle of review, refresh and inform that includes meaningful consultation with our stakeholders

To achieve our objectives, we will focus on

Decisions informed through data and insights

Transitioning to a culture that captures and shares data across every point in the supply chain. This will enable the identification of the highest value opportunities and a shared understanding of challenges that need addressing.

Collectively, we can then make more informed, strategic decisions and align responses for greatest impact.

Targeted investment to address the industry’s big, complex challenges

Prioritising which challenges to address by the impact they could deliver for the industry.

Our starting point will be exploring mechanisms to optimise resources and address seasonal and climate variability.

We will also continue our focus on meeting the expectations of customers, consumers and the community around animal health, animal welfare and environmental stewardship.

Enabling new sources of revenue

Identifying new sources of revenue to capture value and increase profitability, alongside red meat production.

Developing new, high value products that allow us to maximise the whole carcass

Diversifying products to drive growth through new usages and occasions for red meat.

Currently 20% of the carcass delivers 80% of the value and we need to shift this balance, including by transforming what is currently considered waste attracting little or no value into high value products or ingredients.

Beyond today’s farm gate

Balancing the current ‘known’ challenges and opportunities and anticipating the future issues industry will face.

We need to foster a culture that looks both to the future and to adjacent industries to inform today’s decision making.

Strengthening our core

Continuing to invest in the essential services which underpin the competitiveness of our industry, specifically our integrity systems, market access, nutrition and domestic and international marketing and promotion activities.

This means MLA will

Prioritise investments that allow for the seamless transfer of information through a national data platform.

Invest in our people, providing them with the skills and confidence to interpret and use integrated data to drive their decision-making.

Have a focused and targeted investment portfolio.

Increase investment in and explore new approaches to producer adoption around areas such as adaption to climate variability, reproduction, mortality and objective measurement.

Invest in the strengthening of our integrity systems, demonstrating the important role of red meat in a sustainable food system.

Identify opportunities and explore business models around the provision of services and reward mechanisms for good environmental stewardship.

Invest in partnerships across the supply chain and across sectors, to identify high value opportunities for the conversion of production waste into valuable products.

Identify opportunities to capture value and increase producer profitability through product and market diversification.

Capture and apply valuable insights from beyond the farm gate and outside food in order to mitigate risks and enhance sustainability and global competitiveness.

Strengthen collaboration with current and new partners to achieve efficiencies and impact.

Continue to invest in the development and delivery of our essential services and seek to achieve efficiencies in these activities to maximise our return on investment.

Support market growth and market diversification with investments prioritised by market, channel and segment attractiveness.

Support market access, including alleviation of technical trade barriers.

Share knowledge with commercial supply chain participants to support development of branded and high value products.

Success will be

More producers with access to data and feedback on animal performance to inform production decisions.

Industry has a data culture, with supply chain decisions based on data capture and analysis.

Producers have the capability to adopt R&D outcomes that directly improve their productivity and profitability.

Improved market specification compliance across defined quality, animal health and other value based pricing dimensions.

Objective measures of animal welfare for live export, feedlot and extensive production systems implemented, with an increase in practice change.

Progress towards net zero carbon emissions goal by 2030.

Strengthened perception of Australian production practices, across domestic and international markets.

Across the supply chain, additional sources of revenue through new business models have been enabled.

More producers have diversified their revenue to include service offerings.

More producers and brand owners diversify revenue earned from commodity to higher value products.

Customers and consumers globally value Australian red meat as a quality ingredient.

Improvement in the rate of return to total capital for beef and sheep farms.

Cross-sectoral projects and projects funded by external investment account for a growing share of MLA’s investment portfolio.

Enhanced project management and milestone delivery.

Australian red meat occupies a preferred status amongst customers, consumers and governments.

Contribution towards red meat sales value growth and 2030 industry target.

Contribution to improving preferential access to key markets and to the industry 2030 target of a \$1b reduction in technical trade barriers.

Integrity systems are globally competitive, easy to use, and valued by industry, with increased rates of compliance.

Producers are confident in the MLA Strategic Plan and understand the social, environmental and economic impact and value of MLA investments.

Creating the strategy

In developing this strategy, MLA has made deliberate, bold choices on how to deliver the greatest impact; by defining what challenges need to be addressed, where to focus efforts and how to measure success.

As reflected in our guiding principles on page 18, this strategy focuses not just on what we do but how we do it.

Whilst we have taken a whole-of-supply chain approach to our strategy, producers are at the heart of all of our decisions.

The plan was developed from our data and insights, consideration of the current and future operating environment, consultation with our stakeholders and input from a number of key sources.

Like *Red Meat 2030*, MLA employed a design-led approach to consultation and strategy development. Divergent and convergent thinking was used to open up and explore problems and opportunities and to then identify and refine solutions to address them.

Assumptions

Levy income

MLA's *Strategic Plan 2025* will begin in a period of historic lows in herd and flock numbers, due to the long term dry and drought conditions. In the initial years of the plan, reduced herd and flock numbers will impact on MLA's income derived from levies.

Herd and flock rebuild will occur, with speed and scale largely determined by seasonal factors, visible productivity and profitability gains and prevailing economic conditions.

Budget deficit will likely see increased competition for scarce government funds. Additional scrutiny on the impact of levy and matched RD&A investment is possible.

Competitors

On-farm productivity performance remains below the productivity improvements being achieved by Australia's major international competitors. These competitor productivity gains are expected to continue to outpace growth in Australian red meat production.

Our competitors will continue to strengthen integrity systems in support of market access gains.

Food security

Food security will rise in importance presenting market, channel and segment risks and opportunities.

Markets

The global economy, and most of Australia's key red meat markets, are facing a significant slowdown or recession in the early years of this plan.

Long-term demand for high quality, safe and nutritious food is set to continue to grow, with rate largely determined by income growth in developing markets.

Customers and consumers

Ability to demonstrate biosecurity controls and production of safe food and other benefits important to customers and consumers, will increase in importance over the life of the plan, supported by verified country of origin or provenance claims.

Environment

The role of red meat as part of a sustainable food system will continue to be challenged. Policy makers, customers, consumers and community members will seek evidence of commitment to sustainable practices.

Inputs

Red Meat 2030

The *MLA Strategic Plan 2025* uses the Australian red meat industry's 10-year strategic plan, *Red Meat 2030*, as its foundation.

Developed over 10 months, *Red Meat 2030* involved consultation with approximately 300 stakeholders, including producers, representatives from prescribed industry bodies, state farming and representative organisations, customers and community members.

Red Meat 2030 describes a shared vision and direction for the industry: **Together, to double the value of Australian red meat sales as the trusted source of the highest quality protein.**

The plan also identifies six priorities to guide activities for whole of industry benefit and to monitor progress: our people; our customers, consumers and communities; our livestock; our environment; our markets; and our systems.

Key to meeting the shared vision and outcomes will be the translation and application of the industry strategy across the supply chain.

The *MLA Strategic Plan 2025* highlights MLA's contribution towards *Red Meat 2030* within the context of the red meat and livestock producers we serve and our purpose as a Rural Research and Development Corporation. It sets out our strategic direction and investment priorities that will contribute to producer profitability, sustainability and global competitiveness.

Australian Government priorities

Through its Science and Research Priorities and the Rural Research, Development and Extension (RD&E) Priorities, the Australian Government sets high-level priority objectives covering community, industry and environmental concerns. MLA has considered these priorities in the development of this Strategic Plan.

Science & Research Priorities

Food
Soil and Water
Transport
Cybersecurity
Energy
Resources
Advanced Manufacturing
Environmental Change
Health

Rural RD&E Priorities

Advanced technology; to enhance innovation of products, processes and practices across the food and fibre supply chains through technologies such as robotics, digitisation, big data, genetics and precision agriculture.
Biosecurity; to improve understanding and evidence of pest and disease pathways to help direct biosecurity resources to their best uses, minimising biosecurity threats and improving market access for primary producers.
Soil, water and managing natural resources; to manage soil health, improve water use efficiency and certainty of supply, sustainably develop new production areas and improve resilience to climate events and impacts.
Adoption of R&D; focusing on flexible delivery of extension services that meet primary producers' needs and recognising the growing role of private service delivery.

Consideration was also given to the discussion questions raised in the Department of Agriculture, Water and the Environment's 2019 paper – *Modernising the Research and Development Corporation system*.

Under its funding agreement with the Australian Government, MLA is required to conduct an independent performance review. Recommendations from the *Independent Review of MLA Performance 2016–2020* were key considerations in the development of this plan.

Current and future operating environment

The Australian red meat and livestock industry operates in a dynamic environment which presents a variety of opportunities and challenges.

MLA used its own data and insights to analyse current and longer-term market and industry trends, as well as emerging issues and potential developments, which may affect our operating environment in the next five years. An examination of political, economic, social, technological, environmental and legal (PESTEL) factors was used to inform an analysis of strengths, weaknesses, opportunities and threats (SWOT). Refer to Appendices – Operating Environment.

We also conducted an extensive review of existing reports and data that provide insight on the current and future operating environment. These included the Department of Agriculture, Water and the Environment commissioned report Agricultural Innovation—A national approach to grow Australia's future, the Council of Rural RDC's Vision 2050 – New thinking about rural innovation in Australia, the National Farmers' Federation's 2030 Roadmap – Australian agriculture's plan for a \$100 billion industry, Food Innovation Australia's Food and Agribusiness Sector Competitiveness Plan 2019 and CSIRO's Australian National Outlook 2019.

Relevant themes from these reports were incorporated into our strategy development, including the need to: improve collaboration, target transformation outcomes, increase innovation uptake, nurture disruptive thinking and the importance of data to achieving these.

Stakeholder consultation

Our stakeholders include red meat and livestock producers, the Department of Agriculture, Water and the Environment, peak industry councils, red meat research and development corporations, research partners, commercial participants and major pastoral groups.

Consultation with stakeholders was a critical component in the development of the *MLA Strategic Plan*. Throughout the strategy development, different models were used to ensure we captured their voices.

Consultation included co-design workshops, one-on-one meetings and discussions with representatives from across the cattle, sheep and goat industry supply chains to explore their priorities and gather input into our strategy. We also shared our development process with levy payers, producers and other stakeholders via MLA's online communication channels and invited feedback on the emerging themes. Refer to Appendices – Strategy development timeline.

All of these conversations provided valuable contributions to our strategy. The priorities, issues and outcomes from our consultation were considered in relation to MLA's purpose, and formed a key input into the development of this plan.



The strength of MLA's Strategic Plan comes from its strong alignment with industry's shared vision and priorities in *Red Meat 2030*, and collaboration with Australia's red meat and livestock producers, the Australian Government, the red meat RDCs, commercial investors and research partners.

What we heard

During the consultation process, some common themes emerged. We have incorporated these themes into the strategic plan.

“

“Collaboration should be meaningful”

For both the industry's *Red Meat 2030* plan and MLA's *Strategic Plan 2025* to be successful, we need to break down silos, working together with a whole-of-supply chain approach to address the opportunities and challenges we will face. Key to this will be understanding where and how meaningful collaboration occurs.

“We need to ensure our people are our greatest asset”

Stakeholders agreed that extension and adoption should be embedded in research and development projects from the start. Many told us that culture, notably one that supports change, is as important as proposed initiatives. The importance of using producer champions and advocates within industry to demonstrate the need and value of practice change was highlighted.

“Meeting changing customer, consumer and community expectations is vital for our future”

Across the supply chain, there was agreement that trust around how we manage livestock and the environment will be increasingly important. Conversations centred on how we can ensure our practices meet with the future expectations of customers, consumers and communities and how our systems could deliver trust around quality of product and production.

“Sustainability is about the environment and more, and requires a whole-of-industry approach”

We need a shared industry-wide definition of sustainability, and a common understanding of its importance, the opportunities and the risks it presents. Profitability and sustainability can go hand in hand when we collectively focus on our people, our animals, our natural resources and our customers, consumers and communities.

“Optimising production will look different by region”

Our producers told us that there are complex, region and species-specific challenges, as well as external factors outside our control, that impact consistency of supply. Approaches to optimise current production systems will need to be tailored and novel production systems explored to ensure supply can meet future demand.

“Data can drive improvements at every point across the supply chain”

There was widespread acknowledgement that the industry could improve its use of data and insights to inform decision-making. Equally, it was recognised that systems must be simple to use and address the needs of both the supply chain and customers and consumers, in support of industry-wide adoption.

“Keep it simple and focus on impact”

In acknowledging the dynamic and complex environment our industry operates in, those we spoke to were supportive of keeping our plan simple to understand, with clear direction and measures of success. Our stakeholders wanted us to be bold in our thinking, making deliberate choices that result in impact for producers and the industry as a whole. However, impact should not just be measured economically, recognising that social and environmental impact is crucial to achieving a prosperous and sustainable industry.

”

Our strategy



Roadmap



Guiding principles

These principles will guide delivery of the strategy and ensure our portfolio is focused on delivering and maximising impact.

	<p>Connecting the supply chain through alignment with <i>Red Meat 2030</i></p>	<p>Using the Australian red meat industry's 10-year strategic plan as our foundation ensures we are aligned with the vision and priorities shared across our supply chain and with the other red meat service providers.</p>
	<p>Focusing on delivering impact through 'fewer, bigger, bolder' programs of work</p>	<p>We will focus on fewer things, be more ambitious about what we expect from them and drive our investments (by the potential they have) to deliver impact.</p>
	<p>Maximising impact by connecting programs and R&D investments to customer, consumer and community insights and establishing clear adoption or extension pathways at inception</p>	<p>This will ensure MLA can deliver R&D that provides solutions to practical problems and that has commercial outcomes. By having clear adoption and extension pathways from inception, it will also ensure programs address capability building, to enable our producers and other participants to successfully implement solutions.</p>
	<p>Our investments contribute to a socially, environmentally and economically sustainable Australian red meat industry</p>	<p>A sustainable red meat industry is one which recognises responsible environmental stewardship, the health and welfare of our animals, our people and the community are aligned with profitability.</p>
	<p>Taking a continuous improvement approach to the delivery of essential services</p>	<p>We will deliver greater impact in essential service activities by focusing on efficiency and continuous improvement. We will also communicate effectively to industry the outcomes and knowledge captured through these essential services.</p>
	<p>Our strategy and programs undergo a constant cycle of review, refresh and inform that includes meaningful consultation with our stakeholders</p>	<p>Our programs of work must be connected to our strategy. Through our annual investment plans, we will ensure they are reviewed regularly, revised as needed and the resulting insights are used to inform and refresh our strategy during the five-year period.</p>

Foundation

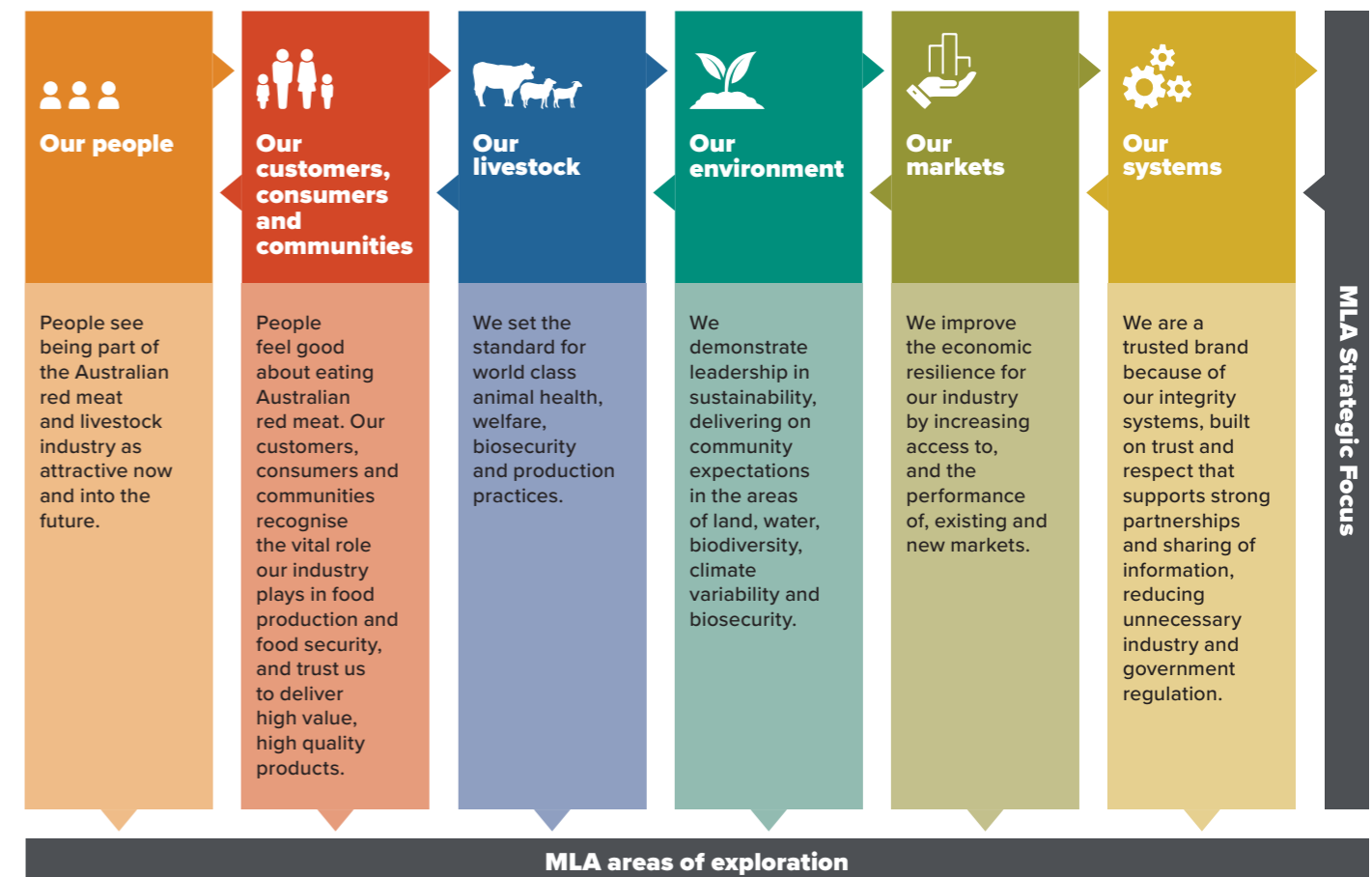
The red meat industry strategic plan, *Red Meat 2030*, is our foundation.

It provides us with the 10-year shared vision and direction for the industry and sets out the six priorities to guide activities for whole of industry benefit and to monitor progress.

In developing the MLA strategy, we considered how to translate and apply the industry strategy for our stakeholders and where we should focus in order to deliver transformational change.

We examined each of the six *Red Meat 2030* priorities individually to understand them within the context of MLA's purpose. Areas of exploration for MLA within each of these priorities were identified (Refer to page 34 Industry priorities).

We then looked across the priorities to examine the connections and intersections between them, which enabled us to establish where we could deliver the greatest impact and define our strategic focus.





Our strategic focus

These focus areas demonstrate how we will guide the direction of MLA investments within each of the six priorities.



Decisions informed through data and insights

Information capture and sharing across every point in the supply chain would enable the industry to identify the highest value opportunities and better understand the big, complex challenges. Collectively, we could then make more informed, strategic decisions and align our responses for greatest impact.

Importantly, this will connect producers to their consumers, giving them a better understanding of the value of specific livestock attributes and production practices. It will empower them with the knowledge required to capture greater value by providing a product which is fit for purpose.

This will require a shared and standardised industry platform which brings together information collected across our markets, consumers, customers and the community through to supply and production data.

While access to data and insights across the supply chain is vital, it is equally important that industry build its capability to utilise this information to unlock value.

Improved feedback and pricing signals across the supply chain would provide producers with the information required to optimise production systems, and ultimately be more profitable.

MLA will focus on:

- Making enhancements to the Integrity Systems Company's data platform to enable it to become the central repository for industry data.
- Reducing the complexity of systems and providing a clear value proposition to the supply chain to increase trust and compliance, ultimately helping to ensure that we can demonstrate the positive attributes of our product.
- Supporting the development of systems, tools and technologies to capture data and prioritising partnerships with those in the supply chain willing to share and connect their own data and insights.
- Investing in people by providing them with the skills and confidence to interpret and use integrated data to drive their decision-making.
- Working with industry to understand how to implement value-based pricing. This would incentivise fit-for-purpose production, resulting in better outcomes for customers and consumers and delivering value and transparency for our producers.
- Linking genetics to breeding, feeding and finishing, which are aligned to market specifications to reduce inefficiencies in the supply chain and unlock additional value.
- Development of governance and standards to support information exchange between solution providers through the creation of common protocols and simplifying animal data collection from industry such as feedlot gain/health data and carcass feedback from processors.

Outcomes

Our systems allow for the seamless transfer of information through a national data platform.

A growing number of producers have access to data and feedback on the performance of their animals to inform production decisions.

Industry has built a data culture, resulting in supply chain decisions based on data capture and sophisticated analytics.

We know we have been successful when by 2025:

Key performance indicator	Measurement/unit	Benchmark (2019/20)
Establishment of a central data and insights platform with year-on-year improvement in stakeholder satisfaction	Stakeholder satisfaction score from MLA survey	N/A implement when platform launched
Increase in the number of supply chains and % of livestock production utilising value-based pricing	Number of livestock by species and Number of adopting processors/brands	N/A
Increased compliance to quality assurance and integrity systems	Reduction in proportion of non-conformances raised across random and targeted audits	50%*

*Benchmark is calculated as being 'total non-conformances raised across LPA random and targeted audits, as a % of total LPA audits conducted each year'.



Targeted investment to address the industry's big, complex challenges

The industry will face new and different opportunities and challenges in the next decade.

Changing production climates means the industry will need mechanisms to optimise resources and address seasonal and climate variability, recognising that regional and species-specific approaches may be required. Optimisation of production systems will lead to efficiencies and enable the industry to make the best use of valuable resources.

Customers, consumers and the community also have high expectations about the way both livestock and the environment are managed. We will need to continue to meet their expectations around animal health, animal welfare and environmental stewardship, demonstrating the important role we play in a sustainable food system.

We need to address these complex problems and respond to disruption through translational R&D, using insights to inform RD&A and connect them through to extension and commercialisation.

This will require increased investment in, and new approaches to, producer adoption and sustainability, and in the strengthening of integrity systems.

MLA will focus on:

- Prioritising investment to create a defensible competitive advantage. This includes underpinning integrity systems and initiatives that support producers to adopt animal health and welfare best practices, adapt to climate variability and understand CN30 pathways, always linked to productivity.
- Adoption programs which are outcome focused, using innovative approaches to extension to influence uptake of technology and industry best practice.
- Engaging producers in project design to help ensure that RD&A investments have a pathway to adoption identified from inception and allocating a proportion of on-farm R&D funding towards adoption.
- Expanding our successful integrated strategic partnership approach to region and species-specific RD&A challenges.

Outcomes

MLA investments include targeted extension and adoption pathways at inception and are relevant to red meat producers across all regions.

Producers have the capability to adopt R&D outcomes which directly improve their productivity and profitability.

Producers understand the importance of meeting community expectations around environment and animal welfare and respond through practice change.

Producers can confidently supply product that aligns with consumer attributes.

Customers, consumers and communities support and have increasing trust in the Australian red meat and livestock industry and the quality of our products.

We know we have been successful when by 2025:

Key performance indicator	Measurement/unit	Benchmark (2019/20)
60% of Australians surveyed agree/strongly agree with the statement 'Australian cattle and lamb are farmed and raised in a humane manner'	% of community survey respondents	51% for cattle 50% for lamb
60% of Australians surveyed agree/strongly agree with the statement 'the Australian cattle and sheep industry are committed to sustainable production'	% of community survey respondents	51%
Improvement in consumer perception of Australian production practices, relative to other beef and sheep producing nations	MLA Global Consumer tracker (based on maximum score of 1)	Aus. Beef .36 (US Beef .16; NZ Beef .27) Aus. Lamb .46 (NZ Lamb .39)
Improved market specification compliance across defined quality, animal health and other value-based pricing (VBP) dimensions	% compliance to VBP grids % MSA compliance % improvement in animal health compliance	MSA beef compliance 94% to MSA requirements N/A for VBP and animal health as not yet commercialised
Objective measures of animal welfare for live export, feedlot and extensive production systems implemented, with year-on-year increase in practice change	Animal Welfare Surveillance Framework rates of adoption (live export) Feedlot welfare benchmarking (pilot FY21)	N/A – not yet available



Enabling new sources of revenue

The red meat industry plays a vital role in the stewardship and management of Australia's land and environment. Given it presides over more than 50% of Australia's land mass, the industry is ideally positioned to provide environmental and ecosystem services alongside red meat production.

On and off-farm practices that customers, consumers and the community perceive as beneficial to the environment, which are supported by trusted systems and standards, offer an opportunity to capture additional revenue via a unique value proposition for Australian red meat.

In addition, waste management is a significant cost for our industry. Previous work with cross-sectoral partners has identified a potential \$100 million a year opportunity to unlock new revenue for the livestock industry by converting production waste into valuable products.

Diversifying into new business models and developing methods to reward the supply chain for good environmental stewardship will contribute to greater economic and environmental resilience for our industry.

MLA will focus on:

- Identifying opportunities to capture value and increase producer profitability through new sources of revenue.
- Exploring business models around the provision of environmental services and reward mechanisms for good environmental stewardship – including areas such as biodiversity, carbon sequestration, water, soil and waste management.
- Continuing to invest in partnerships across the supply chain and across sectors to identify high-value opportunities for the conversion of production waste into valuable products.

Outcomes

MLA has identified and enabled additional sources of revenue through new business models.

Producers diversify their revenue to include service offerings.

Our customers value both our products and our services.

We know we have been successful when by 2025:

Key performance indicator	Measurement/unit	Benchmark (2019/20)
The number of producers deriving revenue from environmental services and/or natural capital trading markets has increased year-on-year	MLA producer survey (expressed as % of respondents)	Baselines to be established
Increased utilisation of data and evidence to inform production-led environmental outcomes	Productivity improvements and utilisation from PDS and PGS <ul style="list-style-type: none"> • No of producers • Rates of adoption • Number of animals/kgs/area of land impact 	Baselines to be part of PGS and PDS projects, with outcomes compared to baseline for attributable benefit
Progress towards CN30 with improvement in carbon net position	% improvement on baseline using enterprise level reporting at 50 case study sites across Australia	National GHG inventory numbers



Developing new, high value products that allow us to maximise the whole carcass

Prolonged drought and recent extreme weather events have resulted in the Australian industry facing historic lows in herd and flock numbers, emphasising the importance of extracting more value from the carcass if the goal of doubling red meat value is to be achieved.

Currently, 20% of the carcass delivers 80% of its value, with some parts of the carcass considered as waste, attracting little or no value. A focus on market and product diversification could start to shift this mix.

Changes in consumer behaviour and lifestyle choices are affecting how, when and why consumers eat certain foods. Current and emerging global trends around convenience, snacking, personalised nutrition and wellness offer new usages and occasions for red meat beyond the traditional centre-of-plate protein.

In addition, other industries with the potential to deliver high premiums for red meat by-products, co-products and hides include the pharmaceutical, cosmetic, medical and biofuel sectors.

We want to ensure that the Australian red meat industry is best placed to target these opportunities.

MLA will focus on:

- Understanding and remapping the carcass from the perspective of how its components could be utilised as ingredients in food and other products.
- Develop new business models and supply chains focused on where we can command the highest possible premium for each part of the carcass – whether that be through cut, value-added food product or co-product.
- Investigating new, high value usages and occasions for red meat.
- Working with early adopters and value adding companies to rapidly ideate, test and evaluate opportunities.
- Providing producers and brand owners with data and insights to support diversification from commodity to high value products.

Outcomes

We have remapped the carcass to understand how and where to capture the highest possible premiums.

Producers and brand owners diversify their revenue from commodity to higher value products.

Customers and consumers around the world value Australian red meat as a quality ingredient.

We know we have been successful when by 2025:

Key performance indicator	Measurement/unit	Benchmark (2019/20)
Increased value of currently low value items through new uses or new products	Case studies (enterprise level)	
Improvement in customer endorsement of the quality of Australian Beef and Lamb relative to other countries of origin	Bi-annual trade survey (expressed as % of sample)	One Number Score (ONS): Australia 75 (US 47; NZ 44)



Beyond today's farm gate

Our strategy recognises there needs to be a balance between addressing the current 'known' challenges and opportunities and anticipating and preparing for the future issues that the red meat industry will face.

This requires us to maintain a focus on today and tomorrow, whilst keeping an eye on the future.

MLA sits in a unique position, with connections across every link of the red meat supply chain. We also have strong partnerships outside of the red meat industry, providing us with good understanding of our place within the broader agricultural and food sectors.

Collaboration across the supply chain, across sectors and with domestic and international commercial partners will be key to meeting the goal of doubling the value of Australian red meat sales and strengthening the profitability, sustainability and global competitiveness for our industry.

By looking beyond today's farm gate, we can identify additional opportunities to capture value, drive productivity and increase producer profitability.

MLA will focus on:

- Capturing and applying valuable insights from outside of the food sector, in order to strengthen our own insights, programs and partnerships and to connect with our future customers and consumers.
- Tailoring our ways of working across all of our investments and adopting innovative mindsets to maximise impact.
- Cross-sectoral partnerships that address shared challenges to avoid duplication of effort.
- Seeking out new collaboration and innovation opportunities through partnerships within and beyond the food and agricultural sectors, ensuring these are always focused on delivering value back to our producers.
- Leveraging consumer and market insights to attract investment from non-traditional sources.

Outcomes

Producers have an enhanced understanding of the importance of their role in a food supply chain.

We identify and mitigate risks to support sustainability and our global competitiveness.

We have strengthened collaboration with current and new partners to achieve efficiencies and impact.

We know we have been successful when by 2025:

Key performance indicator	Measurement/unit	Benchmark (2019/20)
An improvement in the rate of return to total capital for beef and sheep farms	Rolling five year average of rate of return for industry with additional measurement of the top 25% of producers	Beef all: 5.3% Top 25%: 9.3% Sheep to be reported from FY20/21
Cross-sectoral projects account for a growing share of MLA investment portfolio	\$, annual (expressed as % of total investment)	To be added post 19/20 financial year
Projects funded by external/commercial investment account for a growing share of MLA investment portfolio	\$, annual co-invested (expressed as % of total investment)	To be added post 19/20 financial year



Australia exports red meat to over 100 countries, representing around 70% of the industry's total production. MLA invests in activities to support Australian red meat as a protein of choice for customers and consumers around the world. These activities are focused on growing demand for Australian products, maintaining and improving access to global markets, providing timely insights about global opportunities and promoting Australia's superior points of difference.

Underpinned by international consumer and customer insights and local market intelligence, a portfolio matrix is used to segment markets and set appropriate strategies and levels of investment. These strategies include business development, partnerships with supply chains to grow demand and explore high value opportunities, and other in-country activities tailored to each export market and distribution channel.

Strengthening our core

MLA provides a number of essential services to and on behalf of the red meat and livestock industry. These essential services underpin the success of our industry and are critical to delivering on the Red Meat 2030 vision of doubling the value of red meat sales.

These essential services include:

Demonstrating and communicating the positive attributes of Australian red meat to consumers. MLA's management of the industry's integrity system (through its subsidiary ISC) including food safety measures, quality assurance (MSA) and through-chain traceability, help to protect the disease-free status of Australian red meat and underpin the marketing of our product as clean, safe and natural.

In both domestic and international markets, MLA collects and interprets market and consumer information to inform business decisions and marketing strategies across the supply chain. This intelligence also supports domestic and international business development and brand building activities aimed at growing demand for Australian red meat and livestock.

A number of core services help inform and support policy development with favourable outcomes for the Australian red meat and livestock industry. Through its market access activities, MLA supports industry and government defend and maintain existing access to markets, position Australia favourably in trade negotiations and help alleviate non-tariff trade barriers.

In addition, MLA's work on the nutrient composition of products available for purchase and typical consumption habits ensures accurate and up-to-date data is available for red meat to inform Australian food and nutrition policy and regulations.

Communication to and on-behalf of industry MLA provides communication to the broader community to enhance confidence in the provenance of red meat and the industry as an ethical and responsible custodian of livestock, land and natural resources. MLA employs a number of channels to achieve this, including online platforms, participation in events and through resources for educators.

MLA also provides a communication service back to industry, ensuring MLA members, levy payers and stakeholders are aware of important programs. For example, MLA is responsible for the data collection and reporting functions for the industry's Beef and Sheep Sustainability Frameworks.

MLA will focus on:

- Ensuring essential service activities demonstrate efficiencies and deliver greater impact through a continuous improvement approach.
- Effectively communicating to industry the outcomes and knowledge captured through these essential services to ensure they deliver maximum impact.

Outcomes

Our investments in market access, business development and marketing are prioritised by market, channel and segment attractiveness.

Knowledge is shared with supply chain participants to support development of brands and broader marketing strategies.

Our integrity systems are simple to use, valued by producers, and support market access and enhance global competitiveness.

Australian red meat occupies a preferred status amongst international customers, consumers and governments.

Producers are confident in the *MLA Strategic Plan 2025* and understand the social, environmental and economic impact and value of MLA investments

We know we have been successful when by 2025:

Key performance indicator	Measurement/unit	Benchmark (2019/20)
Improvement in customer and consumer preference for Australian Beef and Australian Lamb	Bi-annual trade and annual consumer survey – key markets % survey who prefer Australian red meat (relative to local competitive set)	One Number Score (ONS): Australia 83.5 (US 64; NZ 64; Brazil 50)
Significant contribution to improving preferential access to key markets and to a \$1b reduction in technical trade barriers	Economic impact assessment	
Value sales growth in support of industry 2030 goal	Change in red meat sales value	To be added post 19/20 financial year
Member satisfaction with MLA products and services has improved by 0.9pt	Score out of 10 in MLA member survey	6.6/10

Industry priorities

Red Meat 2030 sets out six priorities to guide activities for whole of industry benefit and to monitor progress against. To deliver on our strategic focus, MLA has identified areas for exploration within each of the industry priorities.



Our people



Red Meat 2030 objective

People see being part of the Australian red meat and livestock industry as attractive now and into the future.

MLA areas of exploration

Focusing adoption for greatest impact

Adoption programs and resources should be accessible to all participants in the supply chain regardless of location, priority or learning style. To achieve our strategic objectives, we will focus on adoption programs that deliver the greatest impact and return on investment.

We will invest in better understanding producers and their barriers to adoption of R&D to develop relevant, regional and customised adoption packages that focus on addressing their priorities, including tools, technologies and resources that build capability to improve profitability and productivity.

Our people are our greatest asset, and we will leverage the power of producer champions and advocates to demonstrate the benefits and value of practice change.

Access to market and consumer insights across the supply chain

Having a deep understanding of market trends, consumer insights and potential opportunities would enable industry to make informed decisions and drive practice change.

We will develop platforms and tools that provide access to data and insights across the supply chain. Importantly, we will also invest in capability building programs to provide our people with the confidence and skills to use data in their decision-making.

Attracting the future workforce

Preparing our industry for future challenges and opportunities and ensuring the successful delivery of our investments into the future will require different and diverse workforce skills and capabilities.

We will support the attraction of people and skills to drive transformational change for the industry and better link our capability building and development programs across the supply chain.

MLA programs that are major contributors towards this priority include:

- Producer adoption
 - Producer adoption
- Capability building
 - Innovation capability building
 - Industry leadership and capacity building

Highlights from the early years of the plan include:

- Expanding our successful integrated strategic partnership approach to region and species-specific R&D and adoption challenges, such as the Sheep Reproduction Strategic Partnership and the Northern Breeder Business
- Scaling up long-term practice adoption programs currently delivering impact, including Profitable Grazing Systems and Producer Demonstration Sites
- Engaging producers in project design to help ensure that investments have a pathway to adoption identified from inception
- Balancing investment in new R&D and investment in programs designed to increase adoption of existing knowledge
- Integrity Systems Company engaging with industry on the development of capability building programs around data and technology utilisation.

Our customers, consumers and communities



Red Meat 2030 objective

People feel good about eating Australian red meat. Our customers, consumers and communities recognise the vital role our industry plays in food production and food security, and trust us to deliver high value, high quality products.

MLA areas of exploration

Translating signals into insights

Being able to translate consumer and market signals into insights would allow the industry to anticipate and respond to future opportunities and disruptions. It would enable proactive targeting of emerging consumers, markets, usages and occasions for red meat to capitalise on high value opportunities while mitigating potential risks.

We will explore ways to develop future scenarios thinking as well as new approaches to rapidly ideate, test and evaluate the opportunities uncovered. Our partnerships will focus on those early adopters in the supply chain, who can help us demonstrate the positive outcomes on profitability.

Enhancing our capture, connection and sharing of data across the supply chain

The industry's collective knowledge of domestic and international markets, customers and consumers is valuable. Connecting and sharing this data would enable us to identify existing gaps, uncover new insights and enable all participants across the supply chain to better understand where and how we can maximise livestock value by aligning to customer, consumer and market needs.

We will enhance the capture, connection and sharing of data across the supply chain, and demonstrate the value of actioning insights through case studies. We will work with commercial partners who are willing to be bold, to experiment and validate new approaches.

Looking beyond meat to quality ingredient

As outlined in one of this plan's strategic focus areas, MLA will develop new, high-value products that allow us to maximise the whole carcass.

We will use customer and consumer data and insights to understand where we can achieve the highest possible premium for each part of the carcass – whether that be through cut, value-added food product or co-product.

MLA programs that are major contributors towards this priority include:

- Animal health and welfare
 - Animal welfare
- Domestic market
 - Market knowledge (domestic)
 - Marketing and promotion (domestic)
 - Nutrition
- International markets
 - Market knowledge (international)
 - Marketing and promotion (international)
 - Livestock export (research and development)
- Eating quality
 - Eating quality
- Environmental sustainability
 - Sustainability (on-farm)
 - Sustainability (off-farm)
- Product and packaging innovation
 - High Value Food Frontiers
- Communication
 - Communication (community)
 - Communication (stakeholder)

Highlights from the early years of the plan include:

- Investigating new, high-value usages and occasions for red meat including wellness snacks and upcycled food waste
- Developing models and platforms to enable the sharing and adoption of knowledge and insights with brand owners and industry participants
- Progressing further investigation into sustainable diets and supporting metrics for Australian red meat
- Scoping of a project call for R&D to address linking genetics to consumer outcomes, identified as a National Livestock Genetics Consortium priority.

Our livestock



Red Meat 2030 objective

We set the standard for world class animal health, welfare, biosecurity and production practices.

MLA areas of exploration

Production focused on the future consumer

Being able to collect and translate the value of specific carcass traits and production practices across the supply chain would ensure the production sector can respond by producing livestock which are fit for purpose and meet consumer demand.

We will focus on programs to enable livestock to be produced with the future consumer in mind – working towards all Australian livestock securing a customer or market before conception, and achieving the highest possible value.

Optimising red meat production

Focusing on extracting more value from a sustainable herd size and optimising production system resources could help the industry become more resilient to climate variability. It would also prioritise effort and investment in animal health and welfare to realise value and deliver trust to consumers.

We will explore innovative production systems attracting premium value for every animal and maximising productivity within an animal health, welfare and biosecurity framework. We will also explore novel approaches to optimise the red meat supply chain to meet changing production climates and markets.

Extending our systems

Our industry's current traceability systems do not extend into international markets. Being able to demonstrate our world-leading animal health, welfare and sustainability attributes through traceability and objective measurement would deliver consumer trust, and help achieve greater premiums. It could also help mitigate risks which have potential to impact on market access.

We will scope the development of a next generation program based on the Meat Standards Australia (MSA) system of delivery that incorporates health, welfare and sustainability baselines that extends into, and has influence in, our international markets. This will require the defining of supporting objective measures and a focus on enabling technologies.

MLA programs that are major contributors towards this priority include:

- Animal health and welfare
 - Animal health
 - Animal welfare
- International markets
 - Livestock export (research and development)
- Eating quality
 - Eating quality
- Environmental sustainability
 - Sustainability (off-farm)
- Feedlot
 - Feedlot productivity
- Objective measurement
 - Objective measurement
- Producer adoption
 - Producer adoption
- Value chain information and efficiency
 - Digital value chain information
- Productivity (off-farm)
 - Productivity (off-farm)
- Productivity (on-farm)
 - Beef productivity
 - Sheep productivity
 - Goat productivity
 - Feedbase production
 - Livestock genetics
 - Digital agriculture

Highlights from the early years of the plan include:

- Construction of the Australian Feedlot Research Institute to enable and accelerate RD&A of world-leading animal health, welfare and biosecurity practices
- Investment in strategic partnerships to address region- and species-specific animal health, welfare and production issues including:
 - WA BeefLinks, which takes a whole of supply chain approach to deliver production best practices and efficiency gains in WA
 - Northern Breeder Herd Efficiency, with a focus on reducing calf mortality, increasing weaning rates, breeder efficiency and conception rates, as well as calving technology, supplementation and reducing calving intervals
 - Sheep Reproduction Strategic Partnership, to tackle the major factors governing lamb and ewe survival by improving the uptake of best practice management interventions.
- Implementation of Australian Standards for the Export of Livestock (ASEL) 3.0 animal welfare indicators.

Our environment



Red Meat 2030 objective

We demonstrate leadership in sustainability, delivering on community expectations in the areas of land, water, biodiversity, climate variability and biosecurity.

MLA areas of exploration

Environmental services business model

As outlined in one of our Plan's Strategic Focus areas, MLA will identify opportunities to capture value and increase producer profitability through driving new sources of revenue. This includes exploring new revenue streams arising from the provision of services to measure, prevent, limit and minimise or correct environmental impact.

We will scope the development of an Environmental Standards Australia, modelled on the MSA platform, as well as assess data systems and satellite imagery technologies that can seamlessly verify environmental best practice. We will also explore new business models around how to provide, promote and sell environmental services.

New approaches to adoption and reward for environmental best practice

Greater adoption of on and off-farm practices that customers, consumers and the community perceive as beneficial to the environment, which are supported by trusted systems and standards and offer an opportunity to capture additional revenue via unique value propositions for Australian red meat.

However, this will require a new approach to adoption to provide the evidence, incentives and leadership to drive practice change. We will prioritise investments in environmental management adoption over R&D, exploring psychology-led models to better understand and overcome stakeholder barriers to adoption.

Demonstrating positive environmental narratives

Trust that eating Australian red meat is good for the environment could become the Australian red meat industry's competitive advantage. We could capture additional value through a unique environmental value proposition based around trust in the Australian provenance story and its environmental benefits.

We will prioritise partnerships for mutual benefit – identifying and working with customers and brand owners who want a positive environmental narrative to support their own brands. We will explore the viability of a tiered model to reward those demonstrating good environmental stewardship and at the same time, incentivise environmental practice change with others through adoption and training.

MLA programs that are major contributors towards this priority include:

- Environmental sustainability
 - Sustainability (on-farm)
 - Sustainability (off-farm)
- Feedlot
 - Feedlot productivity
- Productivity (on-farm)
 - Beef productivity
 - Sheep productivity
 - Feedbase production
 - Livestock genetics
 - Digital agriculture

Highlights from the early years of the plan include:

- Investments to support data collection, analysis and reporting that enables industry to communicate its credentials under the Australian Beef and Sheep Sustainability Frameworks
- Programs of work across the supply chain focused on reducing enteric methane emissions, improving carbon storage in grazing lands, energy management (including renewable energy generation), water management and biodiversity
- Continued progress towards CN30, with a focus on projects around emissions avoidance, carbon storage, integrated management systems, and building leadership capacity and competency across industry
- Launch of the Australian Sheep Sustainability Framework, and investment in relevant RD&A in support of both the Sheep and Beef Sustainability Frameworks.

Our markets



Red Meat 2030 objective

We improve the economic resilience for our industry by increasing access to, and the performance of, existing and new markets.

MLA areas of exploration

Doubling the value through prioritisation

We will focus on establishing which markets would enable the industry to achieve the goal of doubling the value of Australian red meat sales, so efforts can be prioritised. We will support capability building to ensure the supply chain has the skills and agility to target high value opportunities in any market, at any time.

We will prioritise strategic partnerships with organisations which have the capacity to achieve maximum growth in markets and support others with capability building to prepare them for future growth.

Attracting inbound investment

Increasing inbound investment across the Australian red meat industry could help unlock new markets and business models, accelerate growth and innovation, maintain access to existing markets and deliver investment, profitability and efficiencies throughout the supply chain.

An important component of Australia's capacity to trade with the world is soft diplomacy, which can also create new market opportunities.

We will leverage our presence in international markets and the insights of the broader Australian agri-food sector to attract inbound investment. We will also continue to provide capability building to international market supply chains to demonstrate our support and commitment to those markets.

Reducing technical barriers to trade

Our investment in market access science and food safety R&D will focus on alleviating non-tariff (technical) barriers to trade, in particular, on lifting restrictions on allowable shelf life.

MLA programs that are major contributors towards this priority include:

- International markets
 - Market access
 - Market knowledge (international)
 - Livestock export market activities
 - Livestock export (research and development)
- Eating quality
 - Eating quality
- Integrity systems
 - Market access science
- Product and packaging innovation
 - High Value Food Frontiers

Highlights from the early years of the plan include:

- Investment in market access science and food safety research and development, including:
 - establishing methods for antimicrobial stewardship surveillance data collection
 - assessment and review of two-year frozen beef and lamb shelf life and resulting development of guidelines
 - cooperative data system pilots using cold chain management tools and best practice design.
- Support for industry priority trade reform issues, in particular around the Australia-European Union Free Trade Agreement and the Australia-UK Free Trade Agreement negotiations
- Support for global Halal positioning and alleviation of non-tariff barriers in China
- Research to understand market access barriers to value-adding
- RD&A of new pathways to MSA beef grading, including for cattle transported by rail.

Our systems



Red Meat 2030 objective

We are a trusted brand because of our integrity systems, built on trust and respect that supports strong partnerships and sharing of information, reducing unnecessary industry and government regulation.

Our integrity system is one of the industry's most important investments and is a critical underpinning of market access for Australian red meat around the globe.

MLA's Integrity Systems Company developed an Integrity System 2025 and Beyond Strategy (IS2025 Plan) to prepare industry for the future and guide valuable investment into the integrity system and its programs. The IS2025 Plan outlines key strategic initiatives to ensure that by 2025 and beyond our integrity system:

- meets our customers' needs
- can be efficiently used by the whole value chain
- uses available technology to deliver a responsive, easy to use and effective system.

The IS2025 Plan was developed through extensive consultation with industry and government and informed by a comprehensive analysis of the current system and global megatrends.

Implementation of the IS2025 Plan has started, with initiatives to be delivered over three time horizons – one to two years; two to five years, and over five years.

MLA areas of exploration

Connecting supply chain participants

Trust, collaboration and sharing of data across the supply chain could become the Australian red meat industry's core competitive advantage, and enable us to capture additional value. It could provide confidence to our future customers and consumers that our product delivers assured quality and has been produced and transported using sustainable practices.

MLA and ISC will leverage relationships across the supply chain, acting as the intermediary to bring participants together to facilitate the supply of fit for purpose product into key markets. We will prioritise strategic partnerships with those willing and able to share data and insights, and help communicate the benefits of a connected supply chain.

Better decisions through connected data

A centralised platform that connected data across the supply chain would enable the industry to make better-informed decisions and respond collectively to consumer drivers.

Centralised data would reduce duplication, provide a whole-of-industry picture, and reveal new insights and opportunities to inform decisions to improve productivity and profitability.

We will define, facilitate and act as the intermediary for the development of a central whole-of-supply chain data bank.

We will also source data partners and catalyse commercial partners to develop solutions that help supply chain participants use data to drive decision-making.

Ensuring our systems are future food supply chain ready

Our traceability and quality systems could be extended into food chains to deliver trust to future customers and consumers of products that contain red meat as an ingredient. This would help Australian red meat to secure or maintain market access and enable us to meet future consumer needs. It would also help with the identification and mitigation of emerging food safety and security risks.

To prepare the industry for this, we will use R&D to inform the supply chain of the importance of positioning ourselves as part of the broader food sector and of working together as a unified provider of Australian red meat.

MLA programs that are major contributors towards this priority include:

- International markets
 - Livestock export market activities
- Eating quality
 - Eating quality
- Integrity systems
 - Integrity systems
 - Market access science
- Value chain information and efficiency
 - Digital value chain information

Highlights from the early years of the plan include:

- Continued development and improvement of integrity system applications and technologies, including improved ability to trace, identify and resolve digital platform issues and expanded automated systems testing
- In partnership with Industry Integrity Systems Taskforce, program enhancements in support of *LPA Future Strategic Direction* will include rollout of new NVD versions for all species and implementation of the eNVD through supply chains
- Identifying and implementing transformational technology, including R&D in technology sourcing, assessment and selection to build the future integrity system.
- Development of an enhanced industry data platform incorporating MLA, ISC and external data with industry feedback mechanisms and exchange including animal health data.

Financials

MLA Strategic Plan 2025 investment

MLA program	FY21			FY22			FY23			FY24			FY25		
	R\$	M\$	Total	R\$	M\$	Total	R\$	M\$	Total	R\$	M\$	Total	R\$	M\$	Total
Animal health and welfare	9,009	238	9,247	7,696	-	7,696	6,029	-	6,029	5,125	-	5,125	4,601	-	4,601
Feedlot	8,915	250	9,165	8,397	383	8,780	7,267	350	7,618	7,152	354	7,507	7,502	344	7,846
Capability building	13,129	2,353	15,481	11,992	2,685	14,677	9,288	2,517	11,804	7,156	2,446	9,602	7,048	2,405	9,453
Communication	1,861	7,035	8,896	1,531	7,981	9,513	1,486	7,516	9,002	1,550	7,271	8,820	1,571	7,142	8,713
Environmental sustainability	11,007	8,520	19,527	14,205	3,700	17,905	12,897	1,236	14,133	13,875	-	13,875	13,667	-	13,667
Integrity systems	14,606	12,603	27,209	15,518	10,062	25,580	15,171	10,075	25,246	14,712	9,781	24,493	14,219	9,988	24,207
International markets	3,400	44,273	47,673	3,119	42,141	45,260	3,002	39,145	42,146	2,945	37,759	40,705	2,960	37,082	40,043
Objective measurement	12,585	5,374	17,959	13,354	5,276	18,631	12,223	292	12,516	11,303	-	11,303	11,203	-	11,203
Producer adoption	11,109	1,576	12,685	14,515	1,751	16,266	17,118	1,661	18,778	16,605	1,602	18,207	17,813	1,593	19,406
Product and packaging innovation	4,586	-	4,586	4,812	-	4,812	4,411	-	4,411	5,108	-	5,108	5,063	-	5,063
Productivity (off-farm)	9,448	-	9,448	10,411	-	10,411	9,362	-	9,362	8,419	-	8,419	8,250	-	8,250
Productivity (on-farm)	35,889	4,098	39,987	32,707	1,658	34,365	28,285	1,368	29,653	24,998	1,088	26,086	23,904	1,088	24,993
Eating quality	4,477	3,072	7,548	4,007	3,530	7,538	4,643	3,357	8,000	4,725	3,275	8,000	4,767	3,233	8,000
Domestic market	3,750	19,647	23,397	3,578	22,029	25,607	3,851	20,433	24,284	3,893	19,798	23,691	3,909	19,461	23,371
Value chain information & efficiency	7,074	-	7,074	7,999	-	7,999	8,345	-	8,345	8,134	-	8,134	7,687	-	7,687
Corporate services	5,732	11,950	17,682	6,012	12,038	18,050	6,359	11,958	18,316	6,739	11,841	18,580	6,927	11,885	18,813
Total	156,578	120,988	277,565	159,854	113,235	273,089	149,735	99,908	249,643	142,439	95,216	237,655	141,093	94,221	235,314

R\$ indicates funding allocated to research, development and adoption

M\$ indicates funding allocated to marketing, market access and insights activities

\$'000's – investment by program for whole of MLA, excluding AMPC managed R&D

MLA Strategic Plan 2025 projected income

	FY21	FY22	FY23	FY24	FY25
Grassfed cattle	48,935	49,650	53,242	55,269	55,669
Grainfed cattle	10,670	10,154	10,873	11,793	12,049
Lamb	32,118	33,842	34,708	35,052	35,052
Mutton	2,210	2,241	2,339	2,462	2,622
Goat	599	635	671	705	729
Total Levies	94,532	96,522	101,833	105,281	106,121
Government matching	86,428	85,567	80,507	76,859	76,186
Other	84,741	84,900	70,478	64,113	63,240
Total	265,702	266,988	252,819	246,254	245,547

\$'000's – projected income by levy stream

Corporate governance framework

MLA is the declared industry marketing body and the industry research body under sections 60(1) and 60(2) of the Australian Meat and Live-stock Industry Act (AMLI Act). The Act also provides MLA with the legislative authority to establish a Donor Company (the MLA Donor Company, or MDC) for the purposes of distributing Commonwealth Government funding to facilitate voluntary investments in research and development innovations across the red meat supply chain. The MDC is a fully owned subsidiary of MLA. The MDC Board is directly accountable to the Board of MLA.

MLA's corporate governance framework is set by the Board having regard to the best interests of members, the values of the organisation, MLA's obligations set out under the Statutory Funding Agreement with the Commonwealth of Australia (Deed), and in accordance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. This long-established framework has been implemented to ensure that MLA remains accountable to its stakeholders and that stakeholder interests are protected. MLA's governance arrangements are reviewed regularly to reflect industry developments, stakeholder expectations and regulatory and legislative changes.

The Board

MLA is governed by a skills-based Board that works with industry to set strategic priorities for the company. It also approves and monitors progress against the strategic plan, evaluates performance and budgets, oversees risk management and compliance and ensures the Company abides by its obligations under the Red Meat Industry Memorandum of Understanding, Deed, and under corporations law.

Composition

The Board comprises of directors with a broad range of strategic, governance, management, financial, research and marketing skills, experience and expertise necessary to guide the company. Many of the directors are also producers and members of the Company. The Managing Director is the only executive director.

Board roles and responsibilities

The roles and responsibilities of the Board are formalised in the Board charter which underpins the conduct of the Board as it strives to build sustainable value for MLA's members and the red meat and livestock industry and to achieve MLA's mission. The Board Charter is regularly reviewed by the Board. The Constitution and the Board Charter are available on MLA's website mla.com.au. The Board is responsible for the appointment and assessment of the performance of the Managing Director and monitoring the performance of the Leadership Team against agreed KPIs. The Managing Director's role is to lead MLA and together with the Leadership Team develops and implements MLA's business strategy once approved by the Board.

Board committees

There are two Board committees:

- Audit, Finance and Risk Committee – oversees MLA's risk program and has oversight responsibility of the company's financial reporting, internal control structure, risk management and the internal and external audit functions.
- Remuneration Committee – oversees remuneration practices across the company. The Committee reviews the policies and systems in place for managing remuneration to ensure they are appropriate and consistent with company objectives and values.

Directors are nominated through the Selection Committee and appointed at MLA AGMs for a three-year term under MLA's constitution, after which time a director may reapply for a position on the Board in the same way as other applicants.

Independence

The Board considers each director's independence on an annual basis. Directors are considered to be independent if they are not a member of management and are free of any business or other relationship that materially interferes with – or could reasonably be perceived to materially interfere with – the independent exercise of their judgement. In assessing a director's independence, materiality is considered on a case-by-case basis by reference to each director's circumstances. A policy on the independence of directors, which requires that the Board assess independence annually, or more regularly if a director's circumstances change, is currently implemented and in force. On the last occasion this was done the Board determined that all of the Non-executive Directors are independent.

Conflicts of interest

In accordance with the requirements of the Corporations Act and its conflict of interest policy and procedures, directors must declare any conflict of interest they may have, and must follow the procedures set out in in policy including, in certain circumstances, abstaining from participating in any discussion or voting on matters in which they have a material personal interest.

At the time of their appointment and as notified from time to time, each director provides to the Board information about their business and other interests. The Board records such notifications in its minutes and maintains a register in accordance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition).

Policies

MLA has a suite of policies which underpin the governance of the Company including remuneration, diversity, privacy and risk management.

MLA's full corporate governance statement is available at mla.com.au

Appendices

Operating environment

The Australian red meat and livestock industry operates in a dynamic environment that presents a variety of opportunities and challenges.

Political factors

Global	Federal and State	Industry
Potential changes to global political environment and possible increased tensions post COVID-19 resulting in changed market access conditions/ technical barriers	Changes to composition of Parliament, including increased number of Independents may impact policy around agriculture and red meat. This could include changes to RDC model and availability of government funds for research, reduced or lack of investment in agricultural extension, changes in regulation and compliance on industry practices, changes to Australian Dietary Guidelines	Increased collaboration across sectors, with commercial participants, other RDCs has potential to accelerate rate of innovation across the value chain Uncertainty around possible changes to the Red Meat Industry Memorandum of Understanding (MOU) and industry structure. Producer sentiment towards industry representative bodies and levy model.

Economic factors

Global	Australia	Industry
<p>Long-term, real per capita incomes are expected to continue to grow. With per capita income and red meat consumption closely correlated, a long term increase in red meat demand is forecast</p> <p>The global economy, and most of Australia's key red meat markets, are however facing a significant slowdown or outright recession as a result of COVID-19 disruption. Eleven of Australia's top-15 most valuable red meat export markets are now expected to enter recession in 2020.</p> <p>Slowing of income growth and the short to medium term economic impact of COVID-19 will see a decline in business and consumer confidence, including a reduction in discretionary spending. Segments within foodservice such as hotels, restaurants and cafes likely to be hardest hit</p>	<p>Australia, still the industry's single largest market, has entered a recession in 2020 after almost three decades of uninterrupted growth.</p> <p>May lead to a reduction in investment in agriculture and reduced consumer demand for red meat or 'trading down' within red meat as consumers switch to lower priced options</p>	<p>Australia is a high cost producer (regulation, manufacturing costs, labour and energy).</p> <p>Extreme weather events and seasonal variation and lower herd and flock greatly impact producer and processor viability.</p> <p>Further increases in cost of production and challenges to supply have potential to erode competitiveness and industry viability.</p> <p>Reduced levy income (from a lower herd and flock size) will also reduce capacity of MLA to deliver some programs, will necessitate heightened levels of co investment and collaboration</p>

Society and Social factors

Food security will become an increasing priority for many governments and in Australia may present a significant opportunity to promote importance of agriculture and producers to the community.	Agriculture's 'social licence to operate' has been and will continue to be challenged. The community (including customers, NGOs, investors) expect that key issues such as environmental stewardship, animal welfare and ethical production are being addressed and that the industry can demonstrate its commitment to this.	Potential for a strengthened 'anti-animal protein' movement post COVID-19. Could accelerate interest in alternatives and accelerate growth of modern trade (supermarkets) and online food purchasing in emerging, developing and developed markets.
---	---	---

Consumer and Customer factors

<p>Post COVID-19 likely to see increased interest in food safety and food nutritional credentials.</p> <p>Guaranteed food safety/traceability will be sought after by customers as consumers highly sensitive to food safety outbreaks or issues and substitution, food fraud.</p> <p>Country of origin a likely advantage across markets</p>	<p>Value for money – with weak economic conditions, declining consumer confidence and increasing costs of production the affordability of Australia's red meat will challenge customers and consumer willingness to pay more.</p> <p>Decision to purchase will be influenced by attributes such as consistent eating quality, safe, health credentials, ease of use, convenience and natural.</p>	<p>Sustainability credentials – some consumers want to know 'more' about their meat comes from, including the ethical treatment of workers, welfare of the animals (and any feed inputs) and environmental impact of farming practices.</p> <p>Leading retail and foodservice customers are at the forefront of driving change to meet these consumers' needs with an increase in customer driven accreditations</p> <p>Expanded choice e.g. meat alternatives and substitutes on menu/in cabinet and greater prominence of plant-based meals in line with flexitarian or vegetarian diet trends</p>
---	---	--

Technological factors

Investment landscape	Disruptive technology landscape	Industry adoption of existing and new technology
<p>"Australia's venture capital investment is less than 0.015% of GDP. Israel and the US more than double that investment spend at 0.38 and 0.28 respectively". (<i>Talking 2030</i>)</p> <p>"The agtech sector continues to draw record investment as venture capitalists (VCs) and other investors seek to finance solutions to the growing issue of food security amid a rapidly growing global population". (KPMG)</p>	<p>As new disruptive automation and measurement technologies emerge and the digital footprint expands, there will be more ways for producers and their value chain partners to share information and adopt new practices and business models.</p> <p>Improved communication and adoption programs increase awareness, willingness and capacity to embrace technology.</p>	<p>On-farm productivity performance remains below the productivity improvements being achieved by major international competitors. Growth in chicken and pork production is expected to continue to outpace growth in red meat production.</p> <p>Productivity gains and/or ability to respond to external threats are linked to capability and willingness to adopt new technology</p> <p>Value-based pricing – the adoption of new technology and objective carcass measurement and assurance systems will see transition from price-averaging systems to pricing based on defined quality, yield and integrity attributes.</p> <p>New mobile and online communication tools offer potential for MLA to help value chain partners share information and adopt new practices and business models.</p> <p>Adoption models shifting towards being delivered on the basis of individual data – supplied in innovative feedback systems</p>

Environmental factors

Climate change	Climate variability	Livestock management
<p>Growing awareness of the United Nations Sustainable Development Goals and Australia's commitment to these. For the red meat industry, relevant goals include: UN SDG 13 and UN SDG 15.</p> <p>UN SDG 13 – Climate Action "To strengthen the global response to the threat of climate change, countries adopted the Paris Agreement at the COP21 in Paris, which went into force in November of 2016. In the agreement, all countries agreed to work to limit global temperature rise to well below 2 degrees centigrade."</p> <p>UN SDG 15 – Life on the Land "Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss."</p> <p>Increased pressure on industry management of and issues surrounding land clearing/erosion/use of chemical and run-off</p>	<p>Australia's variable, weather extremes and changing climate poses a significant challenge to livestock producers with greater season extremes and increased extreme weather events meaning there is a greater need for drought/flood preparedness and management</p>	<p>Importance of preserving Australia's freedom from exotic diseases and protecting against disease outbreaks (border protection/early identification, emergency response)</p> <p>Importance of management of animal disease outbreaks (e.g. FMD, BSE, anthrax, AFS, screw worm fly etc.)</p> <p>Increased pressure to demonstrate animal health and welfare practice claims</p>

Legal factors

International rules and laws	Corporate compliance
<p>Changes in global legislative requirements have the potential to impact the Australian livestock industries and MLA operations</p> <p>(e.g. Anti-bribery and corruption requirements, modern slavery, privacy and data management requirements)</p>	<p>Requirement for MLA to meet corporate compliance obligations with respect to Statutory Funding Agreement, industry MOUs/agreements and Board structures, operation processes, financial procedures and financial reporting (Australian and global offices)</p>

Strategy development timeline

The process for the development of the MLA *Strategic Plan 2025* began with a pre-planning phase from November 2018 – October 2019. This phase involved cross-functional workshops with MLA subject matter experts, a review of existing industry and agricultural reports, a PESTEL and SWOT analysis and scenario modelling. Input into this phase also included learnings and outcomes from MLA's involvement in the development process for the meat industry's strategic plan, *Red Meat 2030*.

Red Meat 2030 was developed using a design-led thinking approach and, through extensive consultation, identified six industry priorities: our people, our customers, consumers and communities, our livestock, our environment, our markets and our systems.

MLA used these six priorities as the foundation for our strategic planning process. Like *Red Meat 2030*, MLA also employed a design-led approach to its strategy development, using divergent and convergent thinking to open up and explore problems and opportunities and then identify and refine innovative solutions to address them.

Starting with deep-dive workshops focused on each of the priority areas, MLA teams identified transformational initiatives that would deliver on the *Red Meat 2030* Vision and on MLA's purpose.

These initiatives were then reviewed together to understand the linkages and connections across all of the priorities. This resulted in the refinement of the initiatives into our strategic focus areas, on which the strategic framework to underpin the consultation phase was built.

November 2018-October 2019	Pre-planning MLA workshops, a review of existing agricultural and other reports, a PESTEL analysis, scenario modelling. Review of learnings and outcomes from MLA involvement in the development of <i>Red Meat 2030</i> .
October 2019	Launch of <i>Red Meat 2030</i>
November 2019-January 2020	MLA workshops Deep-dive workshops on each of the six <i>Red Meat 2030</i> priorities and exploration of the connections across the six <i>Red Meat 2030</i> priorities to define our strategic focus areas.
January-February 2020	Industry and stakeholder consultation Conversations with CEOs and senior staff from industry and commercial supply chain participants to discuss the strategy development methodology, principles underpinning the framework and to capture initial priorities by levy stream.
February-April 2020	Online consultation We shared our strategy development process with levy payers, producers and other stakeholders via MLA's online communication channels and invited feedback on the emerging themes.
March 2020	Industry consultation workshops Representatives from across the red meat supply chain participated in workshops to explore their priorities for the next five years, within the context of MLA's strategic planning co-design framework.
April 2020	Industry and stakeholder consultation and refinement of strategy Further consultation with industry, as well as with commercial, supply chain and research partners and non-red meat RDCs.
May 2020	Creation of strategy
June 2020	Launch
July 2020	Implementation

Mapping MLA Strategic Plan 2025 to Red Meat 2030 (priorities and indicators)

MLA Strategic Focus	10-year Industry Plan		5-year MLA Strategic Plan	
	Red Meat 2030 Priority	Red Meat 2030 indicators of success	Strategic focus outcomes	Strategic focus KPIs
Decisions informed through data and insights	People	P1, P4	More producers with access to data and feedback on animal performance to inform production decisions Industry has a data culture, with supply chain decisions based on data capture and analysis	We have established a central data and insights platform with year on year improvement in stakeholder satisfaction scores There has been an increase in the number of supply chains and % of livestock production utilising value based pricing (MSA/OM/productivity off-farm) Increased compliance to industry quality assurance and integrity systems
	Customers, Consumers, Community	C1, C2, C3, C4		
	Livestock	L1, L2, L3		
	Environment	E2, E3, E4		
	Markets	M1, M2, M3, M4		
	Systems	S1, S2, S4, S5		
Targeted investment to address the industry's big, complex challenges	People	P1, P4	Producers have the capability to adopt R&D outcomes which directly improve their productivity and profitability Improved market specification compliance across defined quality, animal health and other value based pricing dimensions Objective measures of animal welfare for live export, feedlot and extensive production systems implemented, with an increase in practice change Progress towards net zero carbon emissions goal by 2030	60% of Australians surveyed agree/strongly agree with the statement 'Australian cattle and lamb are farmed and raised in a humane manner' 60% of Australians surveyed agree/strongly agree with the statement 'the Australian cattle and sheep industry are committed to sustainable production' Improvement in consumer perception of Australian production practices, relative to other beef and sheep producing nations Improved market specification compliance across defined quality, animal health and other value based pricing dimensions Objective measures of animal welfare for live export, feedlot and extensive production systems implemented, with year on year increase in practice change
	Customers, Consumers, Community	C1, C2, C3, C4, C5		
	Livestock	L1, L2, L3		
	Environment	E1, E2, E3		
	Markets	M1, M2, M3, M4		
	Systems	S1, S2, S4, S5		
Enabling new sources of revenue	People	P1, P4	Identifying new sources of revenue to capture value and increase profitability alongside red meat production	The number of producers deriving revenue from environmental services and/or natural capital trading markets has increased year-on-year. Increase in the rate of adoption of data and evidence to inform production led environmental outcomes Progress towards CN30 with improvement in carbon net position
	Customers, Consumer, Community	C1, C2, C3, C4, C5		
	Livestock	L1, L3		
	Environment	E1, E2, E3, E4		
	Markets	M1, M2		
	Systems	S1, S2, S5		
Developing new, high value products that allow us to maximise the whole carcase	People	P1, P4	More producers and brand owners diversify revenue earned from commodity to higher value products Customers and consumers globally value Australia red meat as a quality ingredient	Increase in value of currently low value items through new uses or new products Improvement in customer endorsement of the quality of Australian Beef and Lamb
	Customers, Consumers, Community	C1, C2, C4, C5		
	Livestock	L1, L3		
	Environment	E2, E3, E4		
	Markets	M1, M2, M3		
	Systems	S1, S4		

Refer MLA Annual Investment Plan for program and sub-program KPIs

MLA Strategic Focus	10-year Industry Plan		5-year MLA Strategic Plan	
	Red Meat 2030 Priority	Red Meat 2030 indicators of success	Strategic focus outcomes	Strategic focus KPIs
Beyond today's farm gate	People	P1, P4	Improvement in the rate of return to total capital for beef and sheep farms Cross-sectoral projects and projects funded by external investment account for a growing share of MLA investment portfolio	There has been an improvement in the rate of return to total capital for beef and sheep farms. Cross-sectoral projects account for a growing share of MLA investment portfolio Projects funded by commercial investment account for a growing share of MLA investment portfolio
	Customers, Consumers, Community	C2, C3, C5		
	Livestock	L1, L2, L3		
	Environment	E1, E2, E3, E4		
	Markets	M1		
	Systems	S1, S5		
Strengthening our core	People	P1, P4	Australian red meat occupies a preferred status amongst customers, consumers and Governments Contribution towards red meat sales value growth and 2030 industry target Contribution to improving preferential access to key markets and to the industry 2030 target – \$1b reduction in technical trade barriers Integrity systems are globally competitive, easy to use, and valued by industry, with increased rates of compliance Producers are confident in the <i>MLA Strategic Plan</i> and understand the social, environmental and economic impact and value of MLA investments	Improvement in customer and consumer preference for Australian Beef and Australian Lamb Value sales growth in support of industry 2030 goal Significant contribution to improving preferential access to key markets and to a \$1b reduction in technical trade barriers Improvement in member satisfaction with MLA products and services (+0.9pt)
	Customers, Consumers, Community	C1, C2, C3, C4, C5		
	Livestock	L1, L3, L4		
	Environment	E2, E3, E4		
	Markets	M1, M2, M3, M4		
	Systems	S1, S2, S4, S5		

Refer MLA Annual Investment Plan for program and sub-program KPIs

Key: Red Meat 2030 success indicators

- | | | |
|--|--|--|
| <p>P1 Substantial increase in adoption rates by doubling the percentage of project funding for extension</p> <p>P4 Training and upskilling rates have increased ensuring we have the skills we need</p> <p>C1 Customer and consumer satisfaction rates for our red meat has increased across all markets</p> <p>C2 Customer, consumer and community approval and trust of the Australian red meat and livestock industry has increased</p> <p>C3 Customer, consumer and community understanding and recognition of our industry's role and value has increased</p> <p>C4 Our products are preferred in the market segments and product categories we wish to trade in</p> <p>C5 Red meat communities are more prosperous as measured through our sustainability frameworks</p> <p>L1 We are recognised as the world-leaders in animal health, welfare and production practices</p> | <p>L2 Understanding and use of Estimated Breeding Values (EBVs) have increased, enhancing our productivity and Return on Investment (ROI)</p> <p>L3 Customers, consumers and community approval and trust in our animal health and welfare practices has increased</p> <p>L4 Industry responsiveness to biosecurity risks to our livestock has increased due to effective industry mitigation and management strategies</p> <p>E1 Our industry's net carbon emissions have been reduced resulting in carbon neutrality by 2030</p> <p>E2 Customers, consumers and community approval and trust in our environmental management and stewardship has increased</p> <p>E3 We are recognised globally as world leaders in agricultural environmental management and stewardship practices</p> <p>E4 Sustainability frameworks are a driving force for practice change</p> | <p>M1 We have doubled the value of Australian red meat sales by 2030 compared to a 2020 baseline</p> <p>M2 Australia secures preferential access in over 90% of red meat export markets</p> <p>M3 Non-tariff trade barriers have been reduced by \$1 billion by 2030 compared to a 2020 baseline</p> <p>M4 Australia maintains its disease free status</p> <p>S1 Participation in coordinated industry integrity systems is 100% by 2030</p> <p>S2 We have halved compliance and regulatory costs by 2030 compared to a 2020 baseline through an innovative approach to compliance</p> <p>S4 We have achieved end-to-end traceability</p> <p>S5 We are recognised by users as a world class integrity system</p> |
|--|--|--|



MEAT & LIVESTOCK AUSTRALIA

Meat & Livestock Australia

Level 1, 40 Mount Street, North Sydney NSW 2060
Phone: 02 9463 9333 | Fax: 02 9463 9393

mla.com.au