





# THE FOURTH MEAT INDUSTRY STRATEGIC PLAN (MISP4)



**A PADDOCK-TO-PLATE STRATEGY FOR AUSTRALIA'S  
RED MEAT AND LIVESTOCK INDUSTRY**

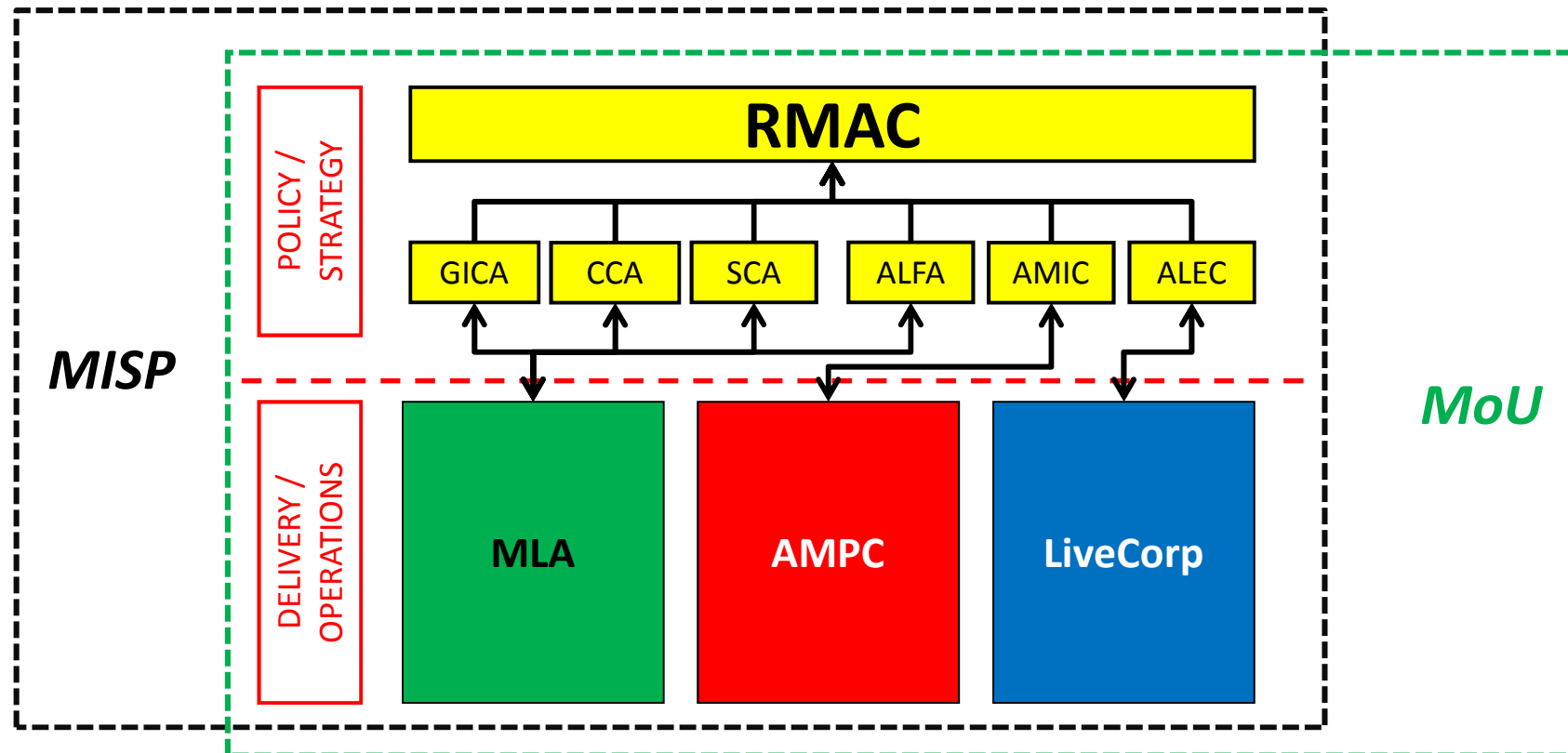
*Presentation to MINTRAC Conference, 26 March 2015*



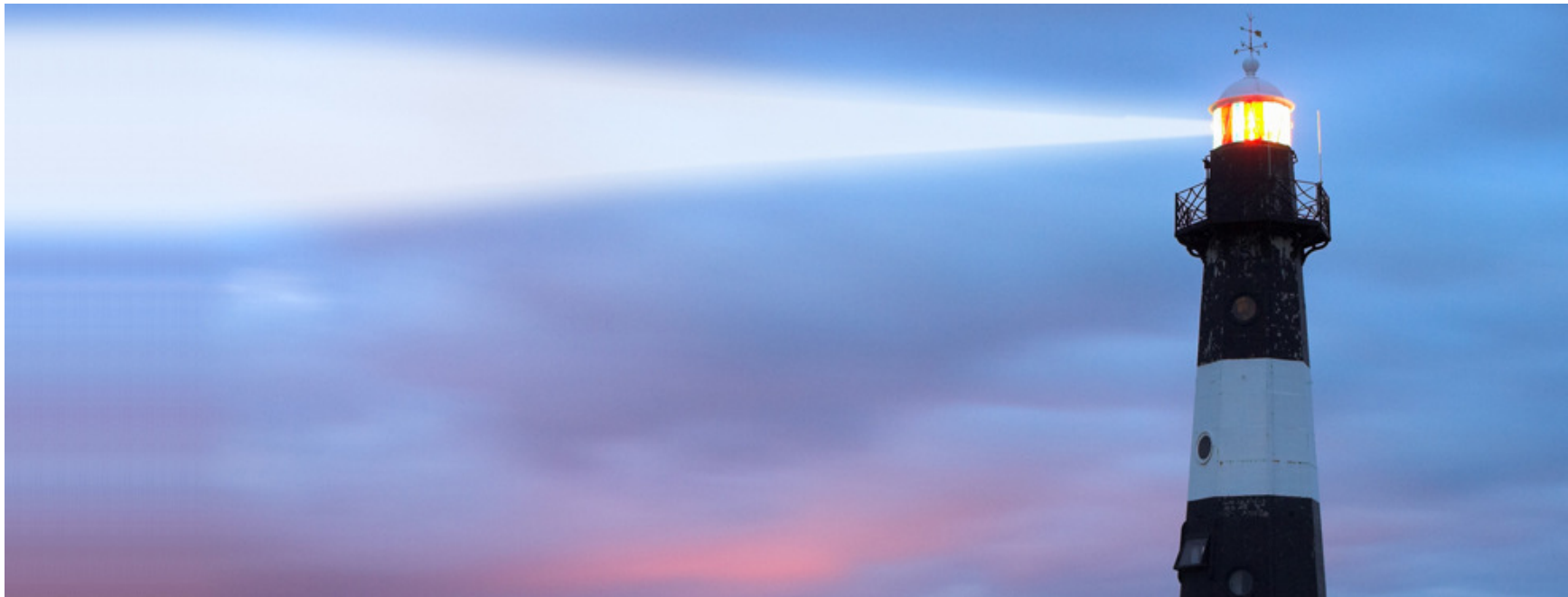
# AGENDA

- Setting the scene
  - For the industry and MISP4
- A bit about MISP4
  - Focus
  - Development process
- Identifying the industry's priorities
  - Consultation –laying the foundation
  - Finding the game changers
  - Letting the numbers do the talking

# RMAC IN THE INDUSTRY STRUCTURE



# SETTING THE SCENE

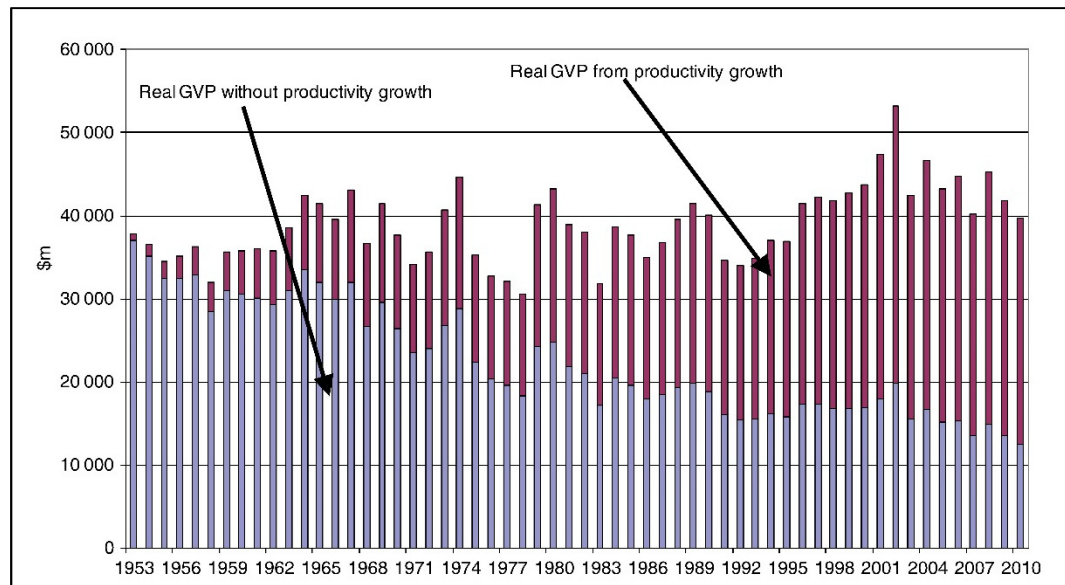


THE RED MEAT AND LIVESTOCK  
INDUSTRY LANDSCAPE IN 2015

# **“THERE’S NOTHING NEW IN AGRICULTURE”**

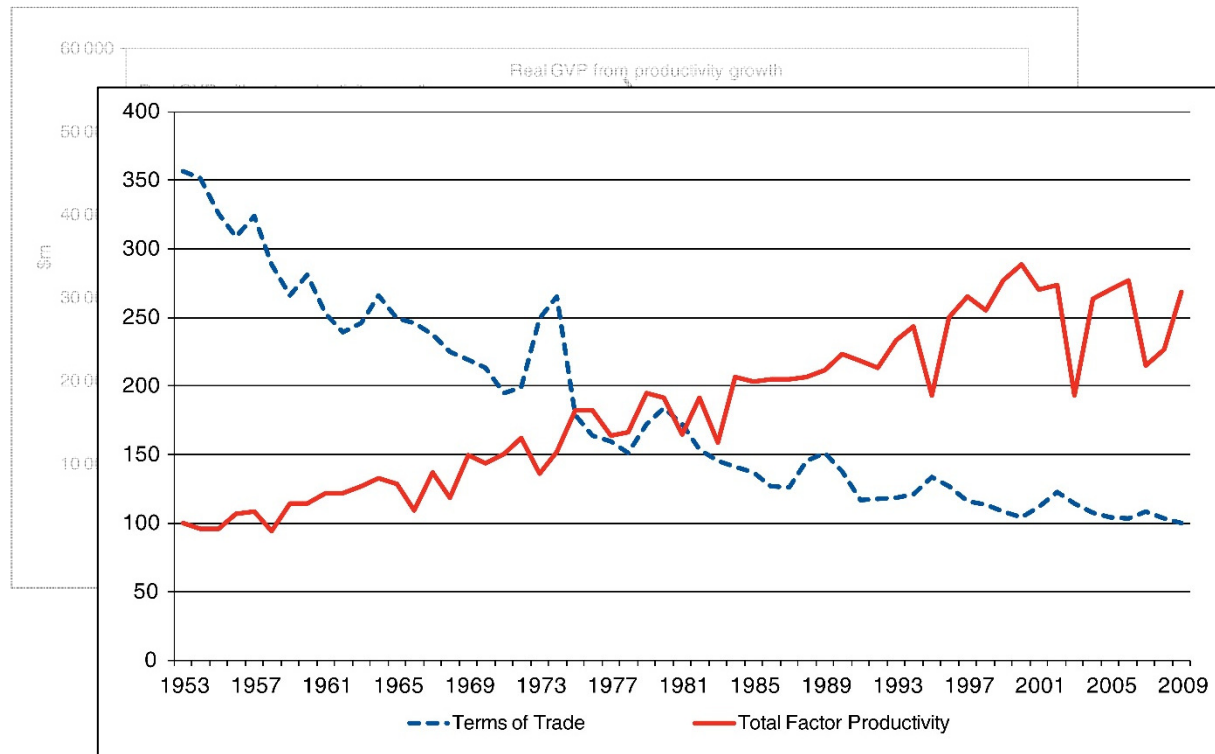


# WHY IS THIS IMPORTANT?



**PRODUCTIVITY UNDERPINS VALUE**

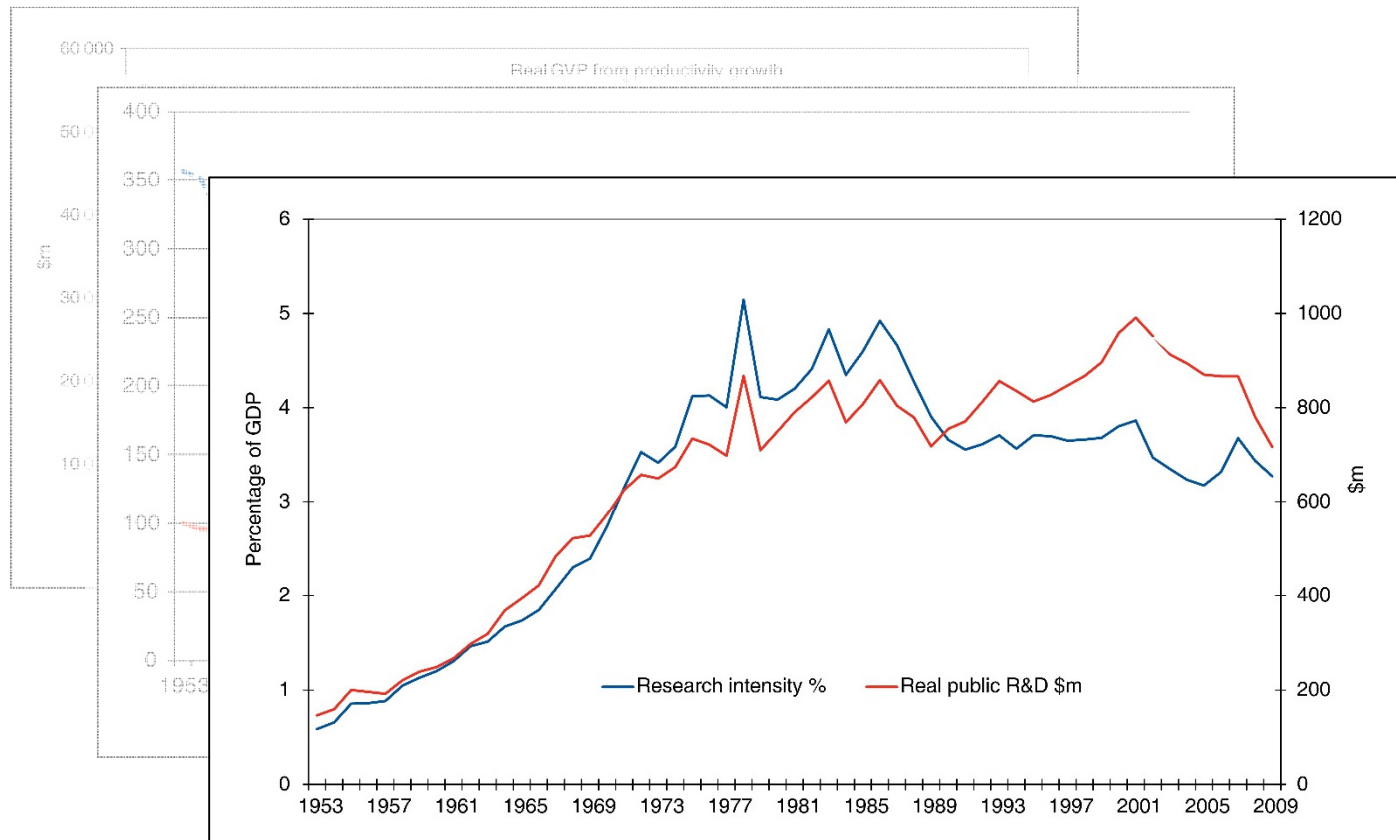
# WHY IS THIS IMPORTANT?



**PRODUCTIVITY OFFSETS DECLINING TERMS OF TRADE**

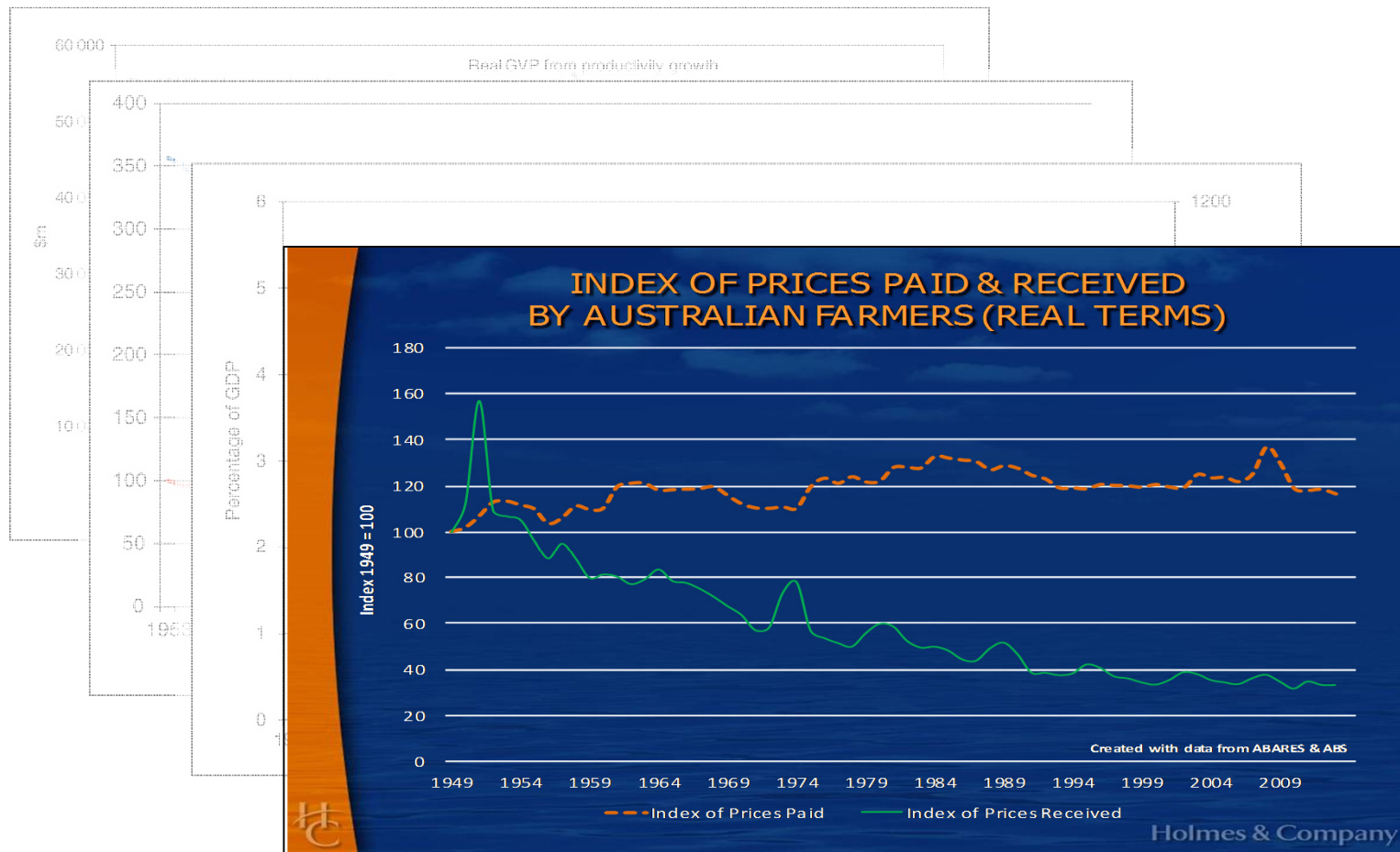


# WHY IS THIS IMPORTANT?



**RESEARCH INTENSITY / PUBLIC R&D \$ IS DECLINING**

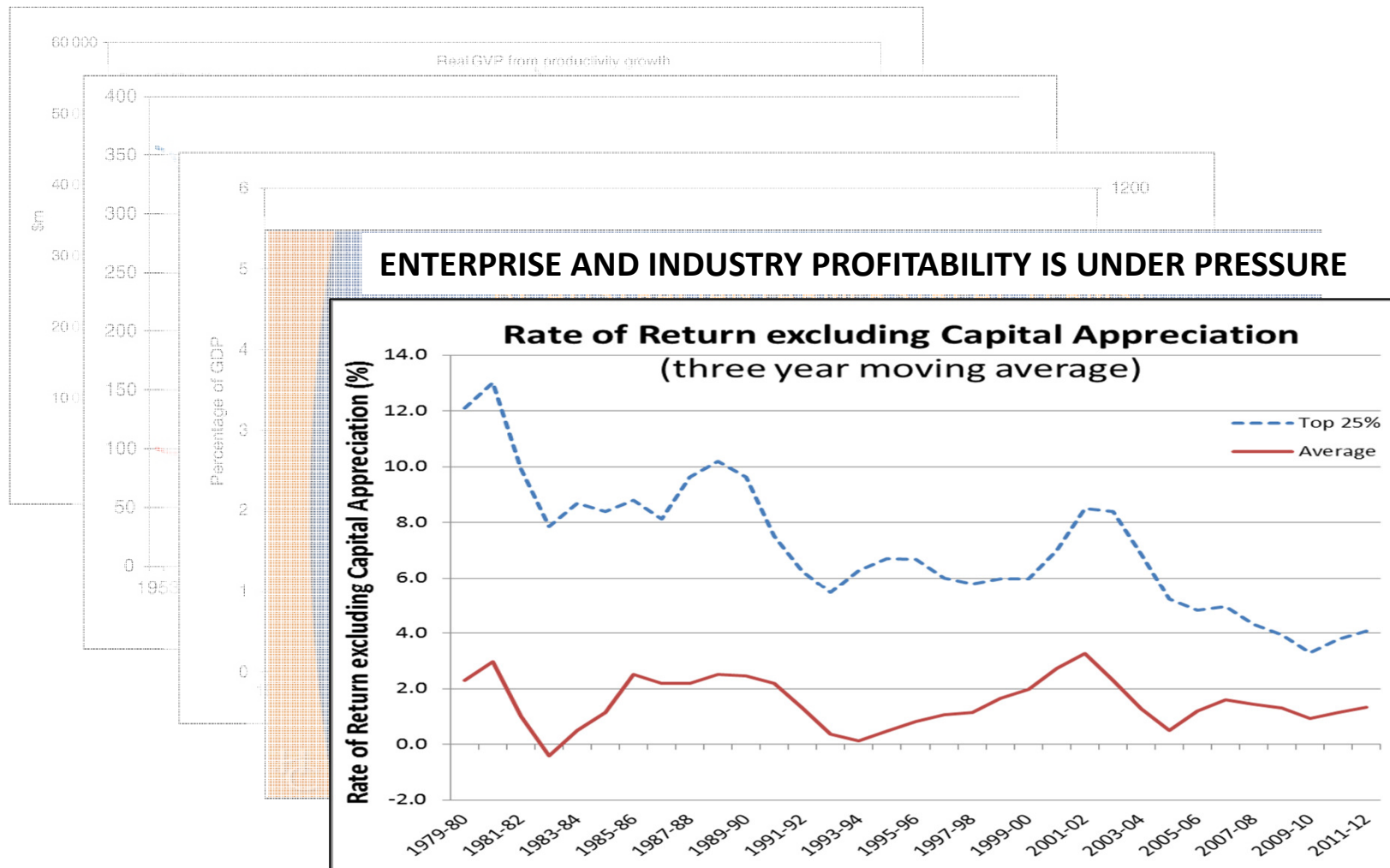
# WHY IS THIS IMPORTANT?



**REAL PRICES ARE (AND WILL CONTINUE) TRENDING DOWN**



# WHY IS THIS IMPORTANT?



# THE PRESSURE IS ON...

- Pressure to **perform**
  - And to **demonstrate performance**
- Community **expectations**
  - Product integrity
  - Resource stewardship
  - Social contribution
- **Scrutiny** on processes for, and return from, socialised investments
  - From government / the public
  - From within industry



UNPRECEDENTED **OFF-FARM**  
INTEREST IN WHAT WE DO  
**ON-FARM**

(AND IN THE SUPPLY CHAIN AS A WHOLE)

# MEAT INDUSTRY STRATEGIC PLAN

A goal  
Without a  
P L A N  
is just a  
Wish...

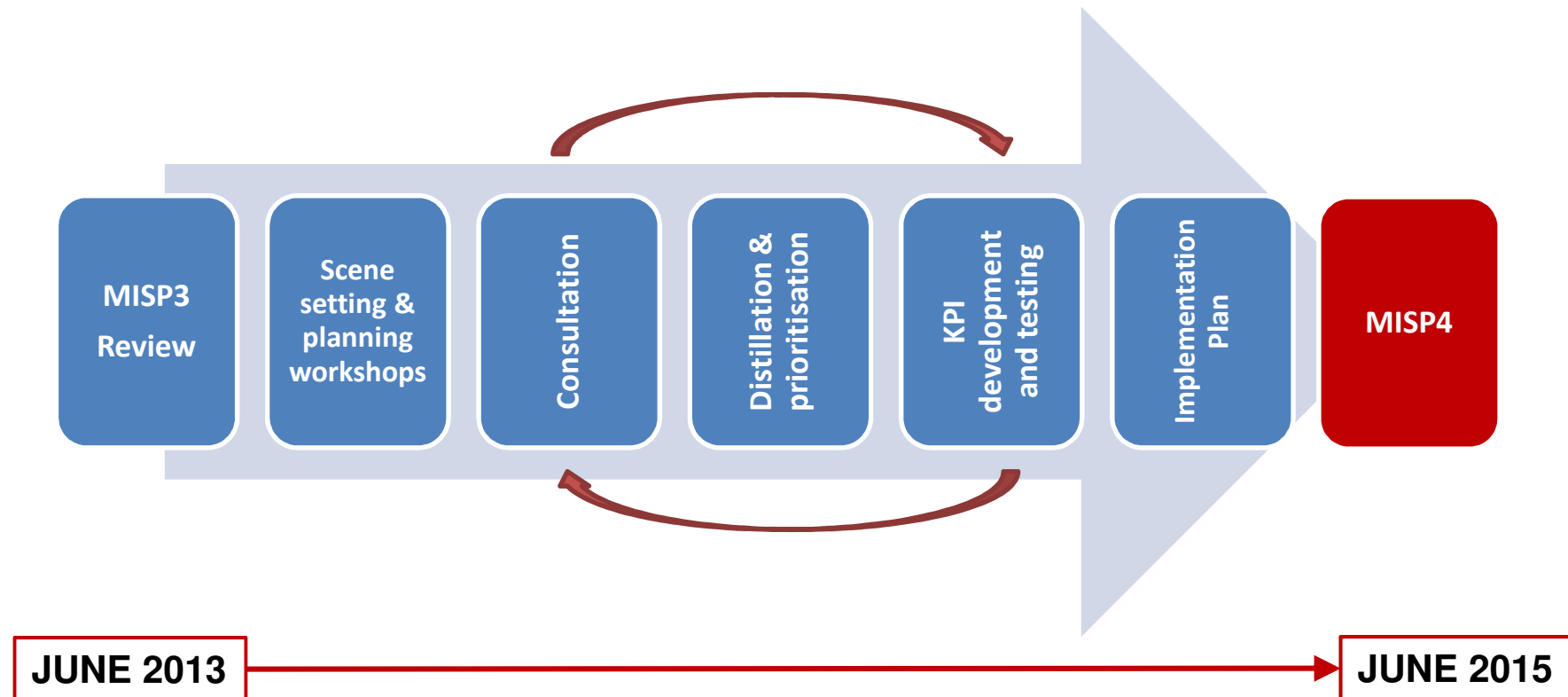


# MEAT INDUSTRY STRATEGIC PLAN

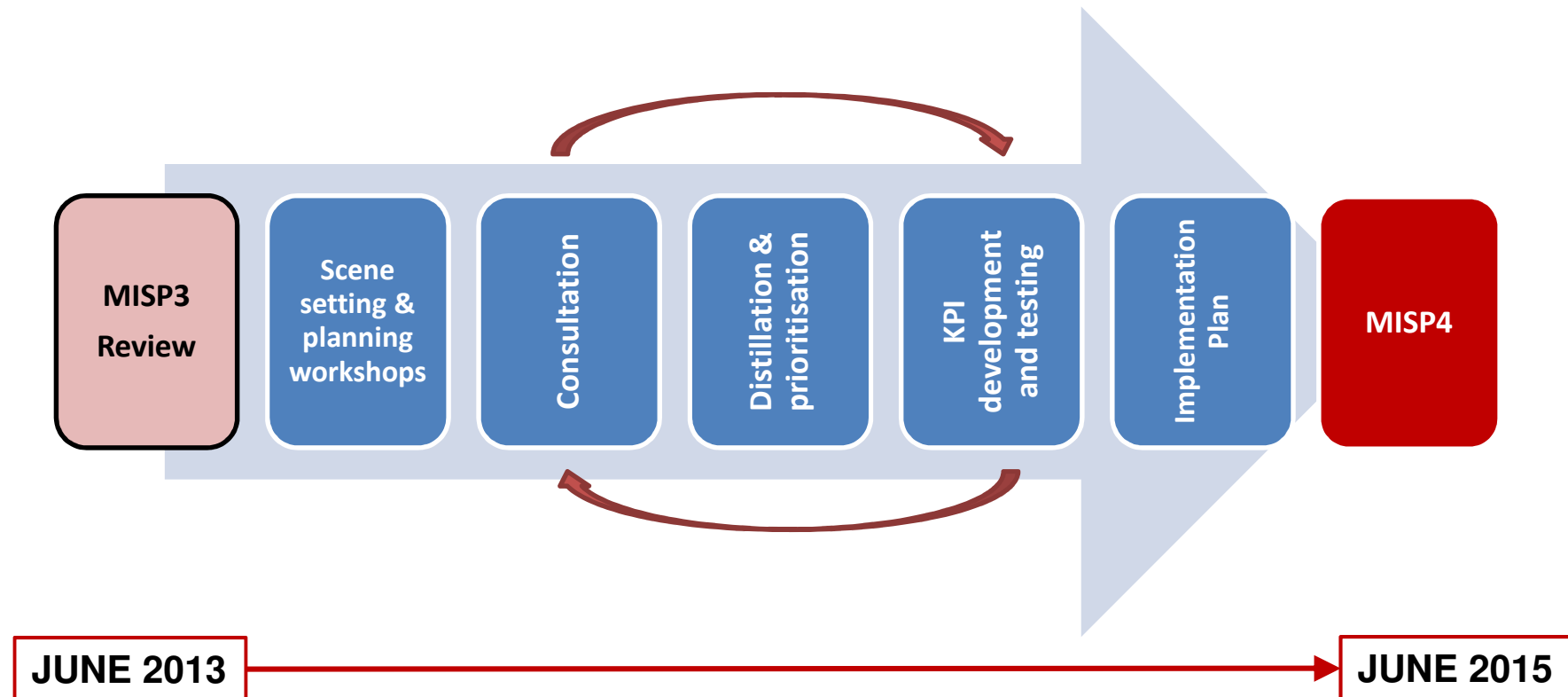
- “The industry’s plan”
  - First initiated in 2001
- Overarching priorities for red meat and livestock industry
  - Production, processing, live export
  - Beef, sheepmeat, goat-meat
- \$16.8b annual turnover
  - >\$1b (over 5 years) in total industry investment



# MISP4 DEVELOPMENT PROCESS



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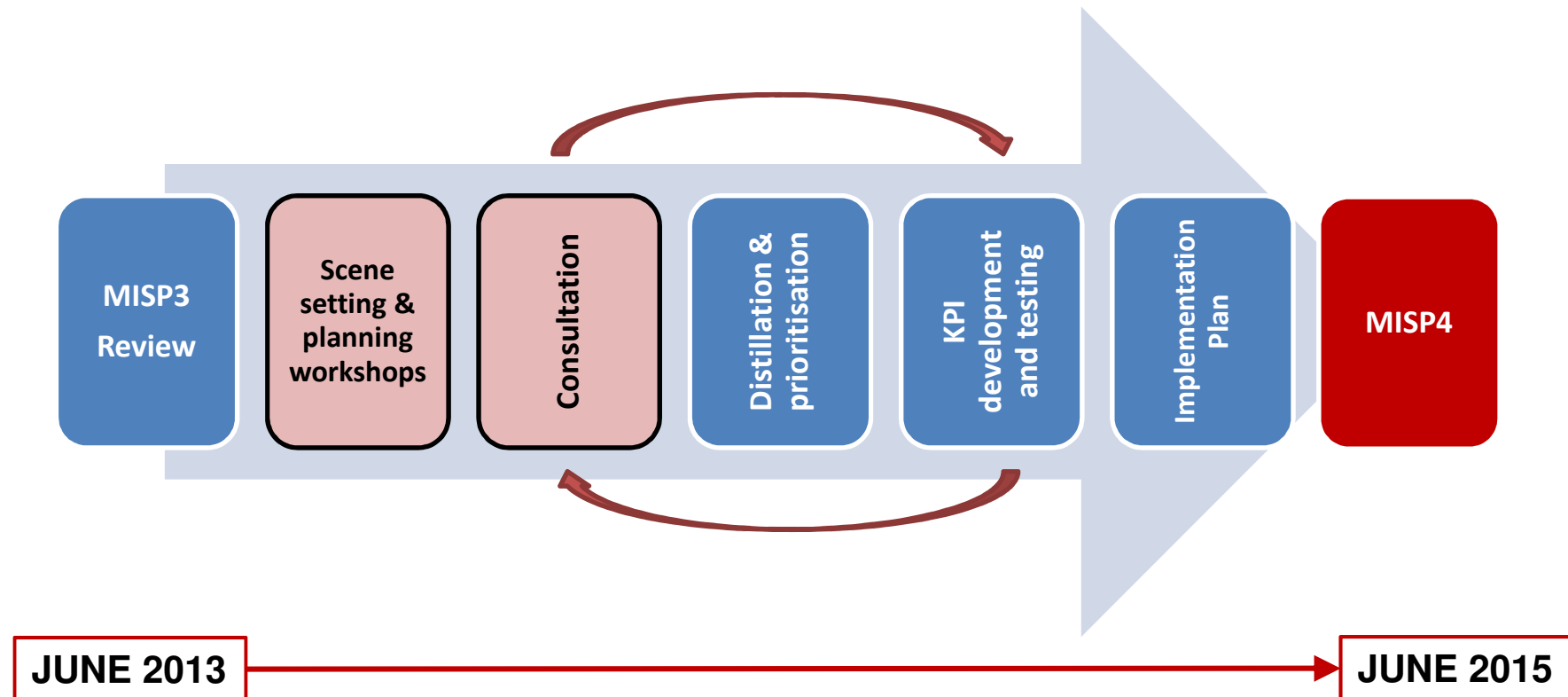




# MISP4 FOCUS

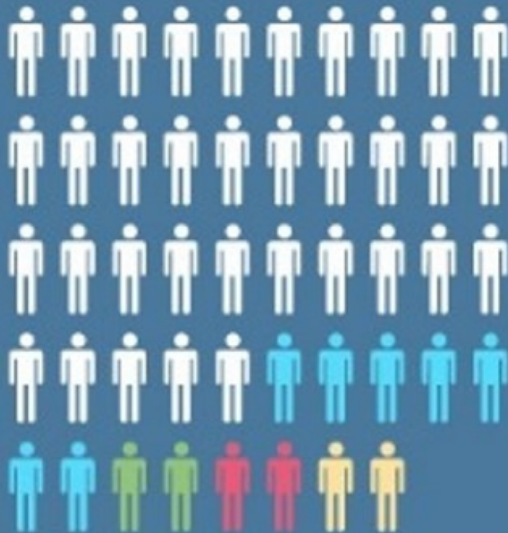
- **Objectivity**
  - Outcome /output KPIs and associated reporting
- **Accountability**
  - Formal allocation of roles and responsibilities
- **Simplicity and clarity**
  - Fewer, larger program areas
  - Clearly-defined milestones and KPIs (agreed upfront)
- **Collaborative ownership and delivery**
  - Integrated with other relevant strategic frameworks
  - Concerted engagement with delivery partners

# MISP4 DEVELOPMENT PROCESS



# WHO WAS CONSULTED?

**410 PARTICIPANTS  
AT 13 WORKSHOPS**



Producers   Processors   Live Exporters  
Support Staff   Community Groups





## **FEEDBACK: CRITICAL CHALLENGES**

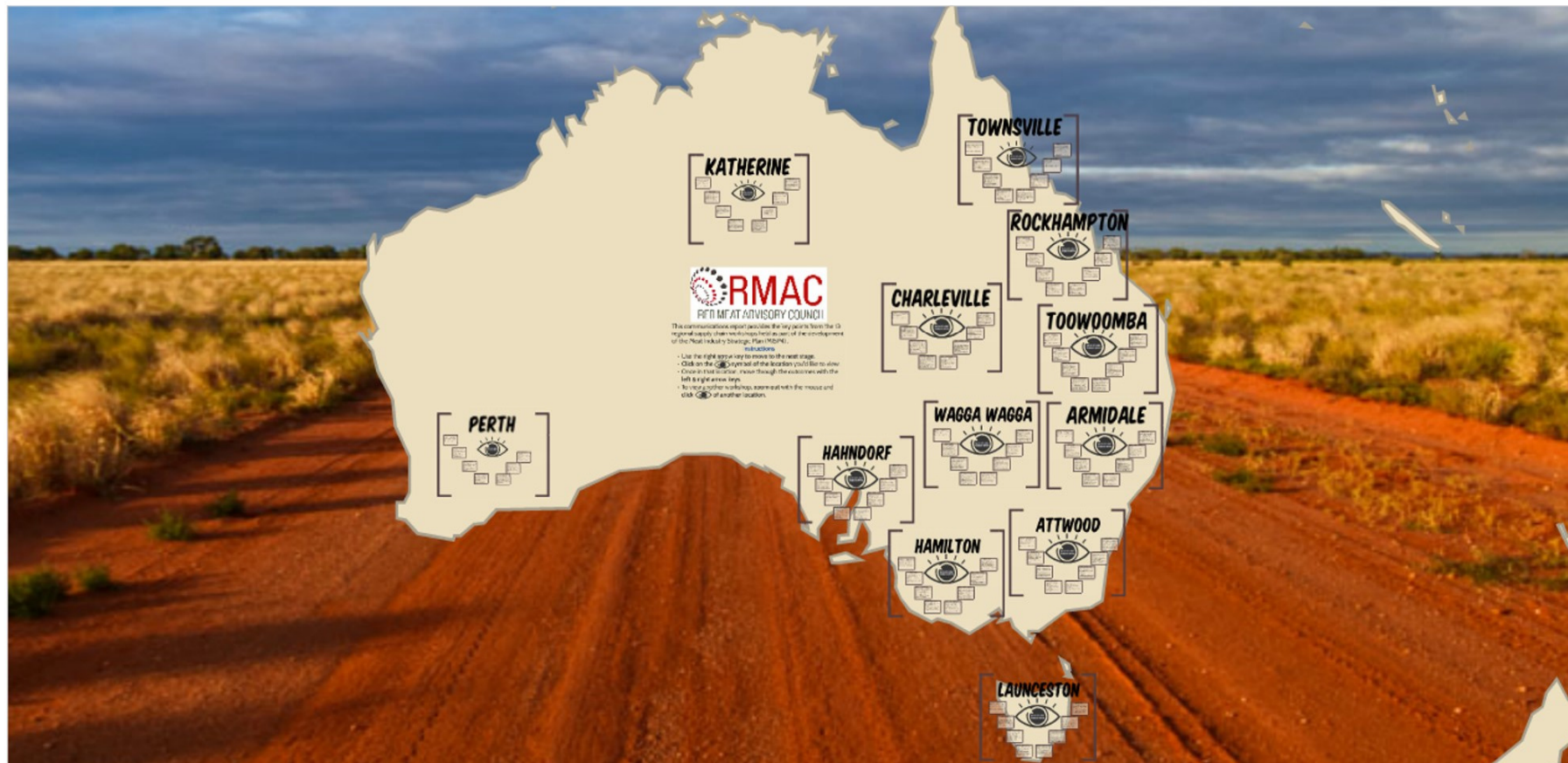
- Long-term viability
- Threats to the resource base
- Poor **adoption rates**
- Risk preparedness and **capability**
- Community perception and expectations
- Confusion / complexity of industry structures and roles
- Adapting to climate variability
- Infrastructure bottlenecks



# FEEDBACK: BIG OPPORTUNITIES

- Sustainability
- Investment and infrastructure
- **Technology in supply chains** and communication
- Positioning the industry as a **preferred career choice**
- Efficiency & efficacy in industry structures
- **Succession planning** at enterprise and industry levels
- Trade and market access
- Harmonisation of state/federal programs



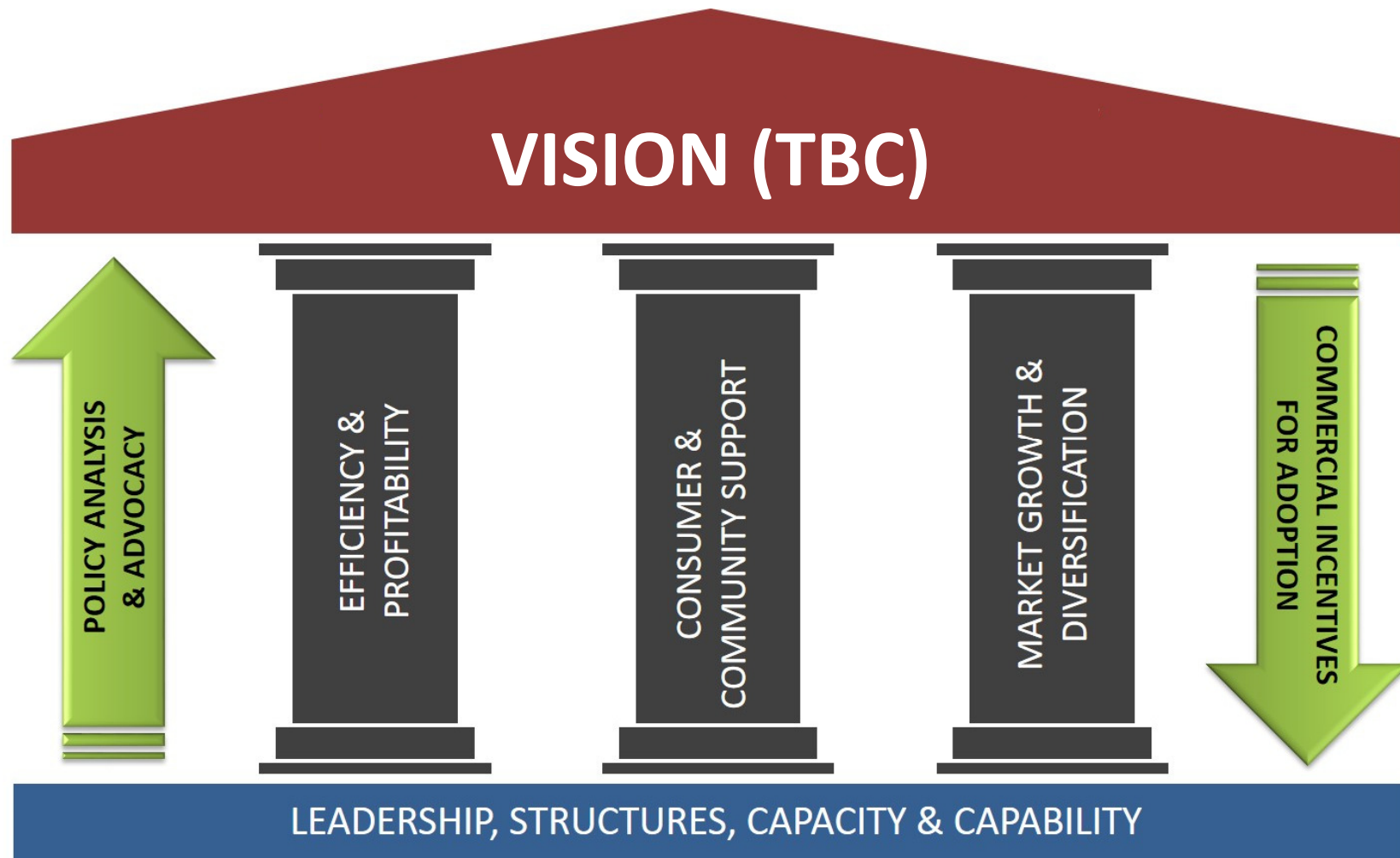


# BRINGING IT ALL TOGETHER

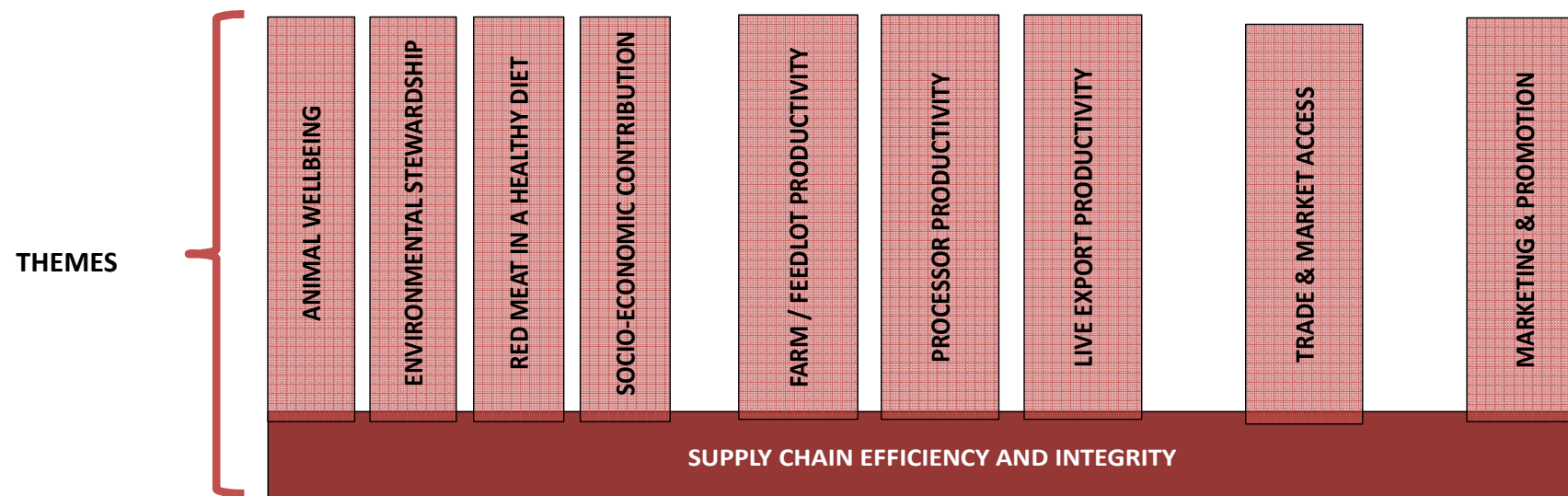




# MISP4 SKELETON STRUCTURE



# MISP4 ARCHITECTURE

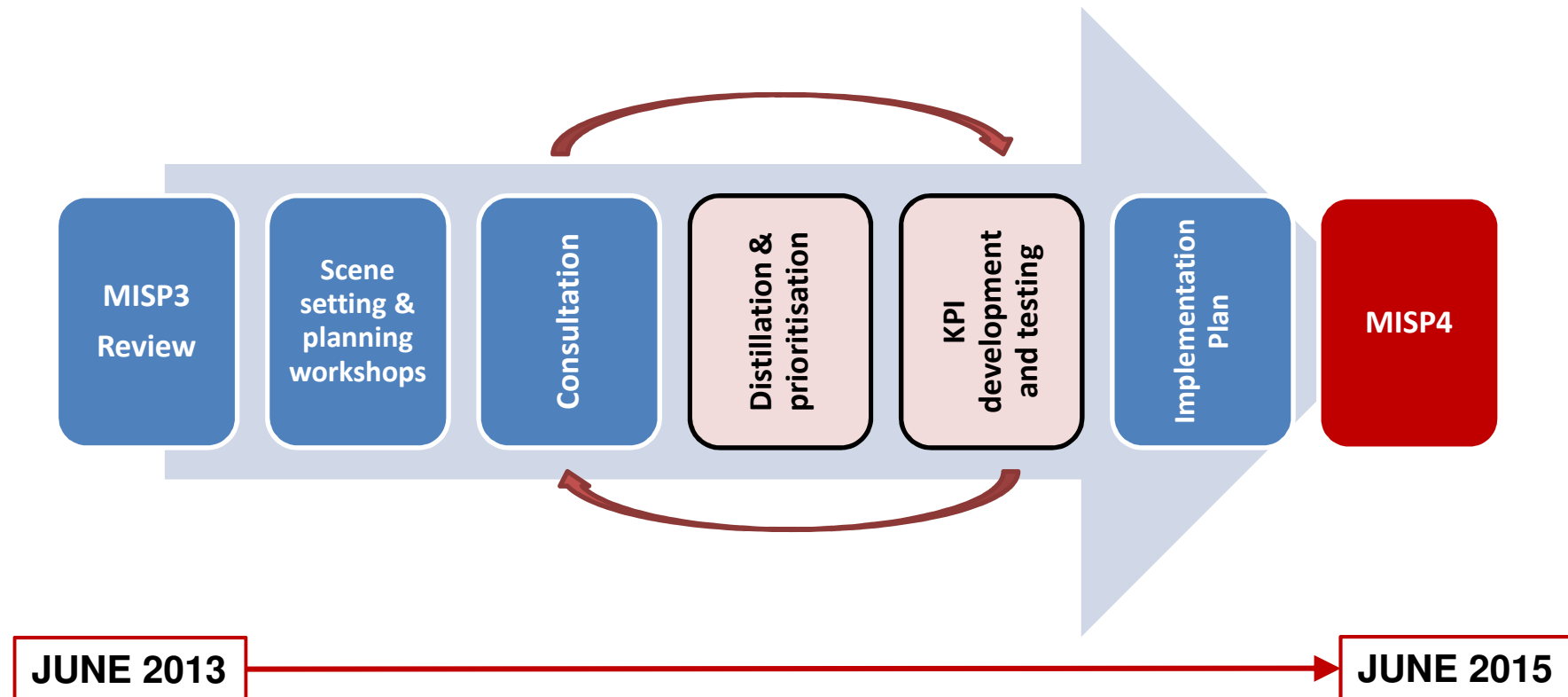


**IMPERATIVES**

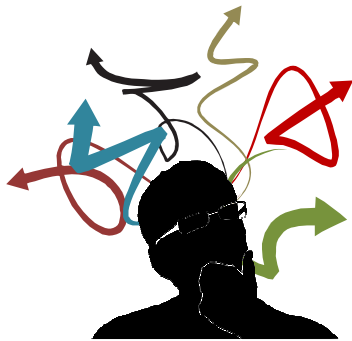


**SPECIFIC INVESTMENT AREAS TO DELIVER ON THE INDUSTRY'S PRIORITIES**

# MISP4 DEVELOPMENT PROCESS



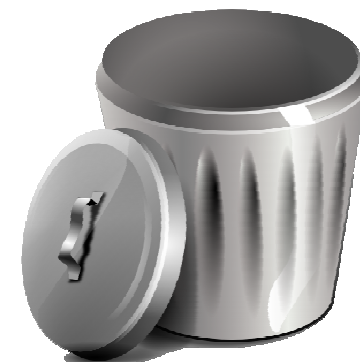
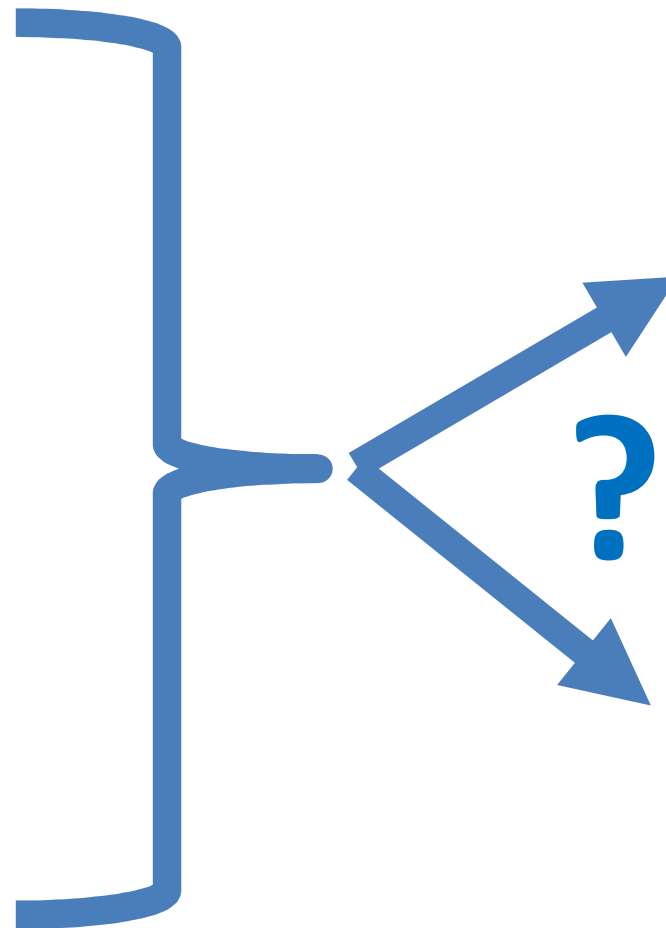
# THE CHALLENGE...



CONSULTATION OUTPUTS



GUIDING/ EXISTING PRIORITIES

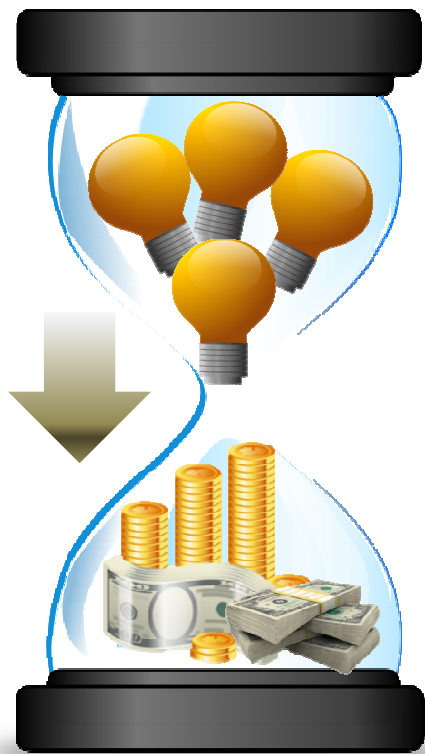




# MISP4 DISTILLATION & MODELLING



# MODELLING – PRINCIPLES & PROCESS



- Economic-based ranking
  - Impact at sector and industry level/s
  - Sensitivity under probable/possible scenarios
- Independent, peer-reviewed process
  - Purpose built for MISP-level analysis
  - Capable of modelling direct / indirect economic impacts
  - Overseen by technical specialists
- Outputs reviewed by industry

# MODELLING TEAMS

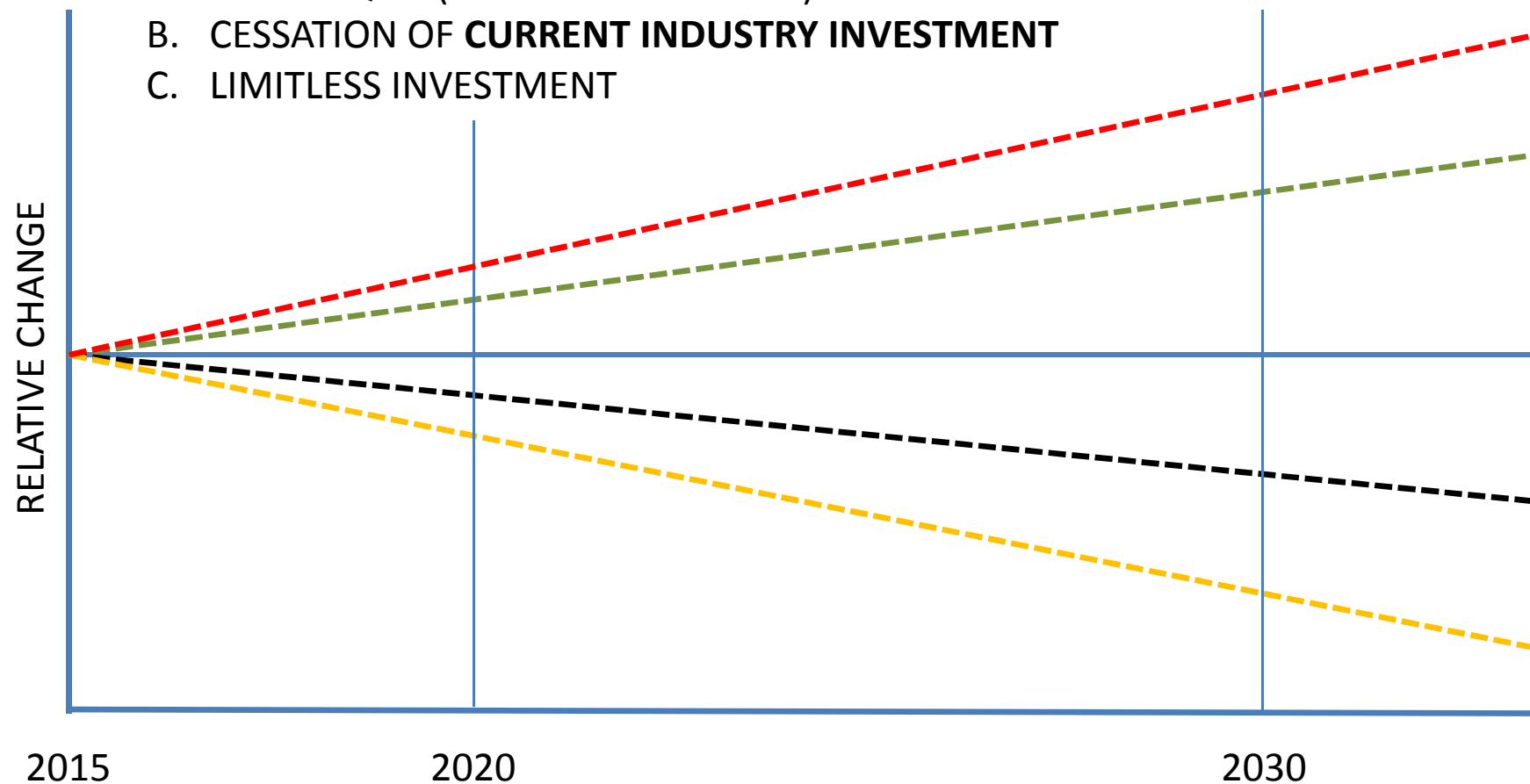
## OVERVIEW

- 7 x workshops completed (2 x to go)
  - >100 participants to-date
  - Policy, RD&E, marketing, economics specialists
  - Industry, Service Companies, public and private sector
- Task
  1. Test and validate the proposed themes;
  2. Propose essential investment imperatives for each theme; and,
  3. Advise likely changes (to whole industry and/or individual sectors) resulting from these investments.

# WHAT'S THE LIKELY TRAJECTORY?

**WHAT IS THE LIKELY CHANGE IN SUPPLY, DEMAND AND/OR PRICE?**

- A. STATUS QUO (“COUNTERFACTUAL”)
- B. CESSATION OF **CURRENT INDUSTRY INVESTMENT**
- C. LIMITLESS INVESTMENT





# MODELLING TEAMS

## QUANTIFYING THE IMPACTS

- Two primary scenarios:
  - ‘Do nothing’ (cessation of industry funding)
  - ‘Do something’
    - Unlimited industry funding
    - Limited industry funding
- Four key questions:
  - What’s the **probability of success**?
  - What is the **size of the potential market**?
  - What’s the likely **level of adoption**?
  - What can be realistically **achieved by 2020**?

# KEY MESSAGES AND ISSUES

SOME INTERIM RESULTS



# KEY MESSAGES

## MAJOR DOWNSIDE RISKS

- Animal welfare
- (Increasing) climate variability
- Emissions profile of ruminant industries
- Incursion of exotic disease
- Red meat consumption and nutrition
- Low / flat-lining productivity in production sectors
- Ensuring rigour in supply chain integrity systems



# KEY MESSAGES

## MAJOR UPSIDE OPPORTUNITIES

- Supply chain integration and transparency
  - Flow and utilisation of information
  - Automation and connectivity
- Trade and market access
  - Efficiency in industry negotiations
  - Technical and economic barriers
- On-farm business performance (profitability)
  - Developing skills to manage the farming system





# KEY MESSAGES

## MAJOR (INDUSTRY-WIDE) ISSUES

- Strategic investment in capability and capacity needs
- New approaches to extension
- Focus on industry integrity systems
- Advantages / disadvantages of 'generic' vs 'brand-based' marketing
- Formalising and harmonising cost-sharing models
- Ensuring longevity in funding sources



# SO WHAT DOES THIS ALL MEAN?



# WHERE TO NOW?

- We have the numbers to identify:
  - Which investments have the greatest pay-offs to industry
  - What the distribution of benefits is between sectors
- We are now working through:
  - Projected income (levies) levels to 2020
  - Risk and reward considerations for different investments
  - Identifying the enablers (key to which is 'supply vs demand' in industry capability and capacity)

# WE'RE ON THE CUSP OF A BIG OPPORTUNITY

- A performance-based industry plan
  - Built on a foundation of industry-wide input
  - Underpinned by rigorous processes to identify the most efficient and effective investments
  - With clear allocation of roles and responsibilities for implementation
  - And KPIs and measures to drive and report on progress

# **BUT LET'S NOT FORGOT THE OVER-RIDING FACTOR...**





# END



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