Key Stakeholder Forum

Stamford Plaza Airport Hotel, Mascot, NSW
Tuesday, 02 and Wednesday, 03 September 2014

EXECUTIVE REPORT

Aim

The aim of the Forum was to develop clarity and consensus around the compelling common directions forward for the red meat and livestock industry.

Objectives:

By the end of the Forum, participants had:

➢ Articulated the critical issues facing the future industry;

➢ Generated success statements for the industry;

➢ Drawn out the critical trends and influences on the industry;

➢ Strategically analysed the issues and choices facing the industry;

➢ Developed consensus on the elements of a compelling common story for the future directions of the industry;

➢ Clarified the next steps for regional consultation with producers and key stakeholders.

This Executive Report provides a summary of the outcomes from each session of the Forum.

It is complemented by a Real Time Communication Report which was distributed at the conclusion of the Forum and is available at *https://prezi.com/u2bubhmc3wdv/*.

It is supported by a Full Outcomes Report which provides detail of all input from the participants, to enable further analysis in the development of the Meat Industry Strategic Plan 4.

Facilitation and reporting conducted by Tuna Blue Facilitation.

TUNA BLUE

EXECUTIVE SUMMARY

Success for the industry is captured in two statements:

1.   *Trusted first choice for the best red meat eating experience globally.*

2.   *Trusted first choice for the best red meat and livestock globally.*

whereby,

➢   "Trusted" means trusted by all stakeholders (safety, environment, animal welfare, reliable supplier);

➢   "First choice" means relative to other suppliers and products;

➢   "Best red meat eating experience" means satisfying what all customers have asked for;

➢   "Globally" means we operate nationally and on a global scale.

It is suggested that:

➢   Further feedback on the two success statements be gathered from the Regional Supply Chain Workshops;

➢   The RMAC Board take all feedback into consideration when they determine the final statement for MISP4.

The critical **opportunities** for the industry are:

➢   Increase production to meet the growing global demand for red meat building, on Australia's envious reputation for clean, green and safe;

➢   A roadmap to a simplified, cohesive industry structure and leadership;

➢   Embracing technological and generational change to leverage innovation across the whole supply chain, with enthusiasm and commitment;

➢   All industry participants committed to a cultural shift throughout the supply chain in the way we measure, reward and communicate the meeting of market needs.

The critical **challenges** for the industry are:

➢   A lack of strong cohesive leadership for the industry resulting in disunity, poor communication and sectoral tension;

➢   We are a high cost country compared to competitors, which puts pressure on our margins;

➢   Biosecurity risk and a lack of sufficient resources to maintain and strengthen our animal health and food safety advantage;

➢   Complacency and risk aversion at the industry level.

The **key pillars** for the development of MISP4 are:

➢ **Efficiency and profitability** in the industry's operations;

➢ **Consumer and community support** for the industry's products and activities;

➢ **Market diversification and value** for Australian red meat and livestock.

The **priority strategies** to guide MISP4 are:

Trade and Market Access

1   Improve Government-to-Government relations and intelligence on market access;

2   Implement a more strategic approach to align industry and Government priorities on market access;

3   Build industry capacity to achieve traditional and technical trade barrier elimination;

4   Create a whole of Government approach to leverage market access opportunities.

Marketing and Promotion

1   Leverage the benefits and reputation of a Brand Australia experience;

2   Support brand owners in developing products and services that better differentiate them to suit specific markets;

3   Target emerging markets to enhance and promote market diversification.

Animal Health and Welfare

1   Strengthen partnerships between industry and Government for enhanced animal health, welfare and biosecurity;

2   Get animal welfare right and demonstrate it;

3   Enhance biosecurity capabilities.

Productivity and Profitability On-Farm

1   Develop a new model for innovation that is targeted in terms of content, investment, delivery and audience;

2   Transform the delivery of genetics and genomics to capture potential on-farm;

3   Ensure that the farming sector becomes more efficient and professional through business evaluation models to deliver future productivity and profitability gains;

4   Encourage commercial pull-through of on-farm innovation along the supply chain.

Productivity and Profitability Processing

1   Action to reduce labour on-costs;

2   Benchmark the processing industry against competitors and competing products;

3   Improve market access (free and open markets);

4   Streamline and reduce regulatory burden and Government intervention;

5   Introduce new technologies;

6   Increase utilisation of capacity.

Environment

1   Develop an industry process to demonstrate the environmental credentials of the industry.

2   Support collaborative action on feral animal and weed threats;

3   Maximise the use of existing and future tools and systems to underpin our delivery of good environmental stewardship;

4   Develop a sector wide policy to address climate mitigation and adaptation.

Leadership, Structure, Capacity and Capability

1   Ensure clarity in the roles and responsibilities of industry bodies, with commensurate resourcing, underpinned by good governance and accountability;

2   Empower a structure that enables an authoritative, trusted single voice to government and the community;

3   Foster and develop effective industry engagement, leadership and workforce capacity and capability;

4   Quantify and prioritise resourcing needs and sustainable funding mechanisms to support services and programs for industry.

The **next steps** are further consultation through Regional Supply Chain Workshops to:

➢   Build awareness and engagement of the MISP4 process;

➢   Gain feedback on the initial priorities and directions from this Key Stakeholder Forum; and

➢   Generate input on regional issues and initiatives to be considered in the further development of the Plan.

Introduction

Ross Keane, Chairman of the Red Meat Advisory Council Limited (RMAC) welcomed participants and reinforced the objective of building a common and compelling story of what a successful red meat and livestock industry would look like in 2020, and beyond. He emphasised the focus on a culture and commitment to take the industry forward by all present.

Angus Hobson, Chief Executive Officer of RMAC outlined the process for the development of the Meat Industry Strategic Plan 4 (MISP4) and the desire of the RMAC Board to see a focus on consultation, streamlined programs, greater objectivity and accountability for roles and responsibilities.

Participants

The participants of the Forum included:

– John Berry	– Angus Hobson	– Andrew Ogilvie
– Allan Bloxsom	– Peter Homann	– Jenny O'Sullivan
– Sam Brown	– Pat Hutchinson	– Peter Ottesen
– Shaun Coffey	– Peter Johnston	– David Palmer
– Jon Condon	– Bidda Jones	– Alison Penfold
– Robin Condron	– Kate Joseph	– Kathleen Plowman
– Lucinda Corrigan	– Peter Kane	– Richard Rains
– Kevin Cottrill	– Ross Keane	– Michael Rogers
– Jim Cudmore	– Tim Kelf	– Justin Ross
– Helen Dornom	– Geoff Kingston	– Duncan Rowland
– Michelle Edge	– Geoff Kroker	– Peter Schuster
– Rob Egerton Warburton	– Jenny Kroonstuiver	– Troy Setter
– Drewe Ferguson	– Malcolm Letts	– Ralph Shannon
– Kat Ferme	– David Lind	– Kevin Shiell
– Brent Finlay	– Don Mackay	– Britt Spyrou
– Geoff Fisken	– Ian Maclean	– Robin Steen
– Malcolm Foster	– Andy Madigan	– Mike Stephens
– David Galvin	– Mick Maguire	– Paul Swan
– Rick Gates	– Steve Martyn	– Brian Todd
– Matt George	– Jed Matz	– Justin Toohey
– Angus Gidley-Baird	– Ian McColl	– Alister Trier
– Dougal Gordon	– Mark McCrindle	– Fred Troncone
– Sara Grafenauer	– Matt McDonagh	– John Webster
– David Graham	– Campbell McPhee	– Sandra Welsman
– Peter Greenham	– Alex Messina	– Tony White
– Lachie Hart	– Peter Milne	– Simon Winter
– Andrew Heinrich	– Terry Nolan	– Michael Wright
– Frank Herd	– Richard Norton	– Harry Youngman
– Tony Hiscock		

Participants worked in mixed tables to address the focus question:

What are the three industry issues that are on your mind currently?

Overall Response

➢ Need for improved market access, growth and development;

➢ Low profitability, productivity and viability through the supply chain;

➢ Burden of regulation and red tape;

➢ The need for product and system integrity, including quality assurance, better disaster preparedness, disease prevention and animal welfare;

➢ The social licence to operate within rising community expectations;

➢ Need for more effective industry structure, profile and leadership.

In detail

– Ensuring market access through biosecurity, technical barriers and meeting consumer drivers;

– Capacity for industry participants to recognise and adapt to changing markets and complex challenges;

– Market access;

– Market access (China, Free Trade Agreements);

– Market growth, development and maintenance;

– Development of markets and supply issues;

– Market access - Australian red meat available in every country of the globe;

– Trade and market access;

– Market access;

– Red tape;

– International trade and market access;

– Livestock supply;

– Productivity throughout the supply chain;

– Profit;

– Low productivity growth;

– Profitability and Productivity within the **total** supply chain;

– Profitability, productivity and viability through the supply chain;

– Processor efficiency;

– Cost competitiveness, profitability and debt management;

– Profitability;

– Competitiveness, profitability, business ethos and sustainability (long-term viability);

– Profitability / viability;

- Profit;
- On farm producer productivity;

- Regulatory burden and associated costs;
- Cost of doing business and regulation;

- Environmental and welfare sustainability;
- Biosecurity;
- Effective and viable quality assurance systems;
- Product and system integrity (disaster preparedness, disease prevention, animal welfare);
- Sustainability, provenance and trust;
- Industry sustainability encompassing key components of environment, animal welfare and productivity;
- Through-chain biosecurity and emergency disease preparedness;

- Shift of power to the community and their rising expectations;
- Social license to operate;
- Animal welfare social license;
- Consumer perceptions;

- Reducing industry silos;
- Adoption and extension, including leadership and attracting new people;
- Industry non-collaboration;
- Industry structure;
- Leadership, industry profile;
- Effective and applied strategic planning;

- Price signals that communicate demand;
- Clear market signals to drive efficiency and to meet customer requirements.

Mick Maguire from the Primary Agency outlined the importance of creating a statement of what success looks like for the industry, as a common touch point.

The statement must respond to customer needs, focus on benefits, articulate a brand and be expressed simply and powerfully.

Overall Success Statements

Participants developed two statements:

3.   *Trusted first choice for the best red meat eating experience globally*.

4.   *Trusted first choice for the best red meat and livestock globally*.

whereby,

➢ "Trusted" means trusted by all stakeholders (safety, environment, animal welfare, reliable supplier);

➢ "First choice" means relative to other suppliers and products;

➢ "Best red meat eating experience" means satisfying what all customers have asked for;

➢ "Globally" means we operate nationally and on a global scale.

In detail

− The world's most sought after supplier of meat and livestock, delivering health and prosperity;

− Australian red meat enriches my family. It's healthy, wholesome and affordable. It's always my first choice;

− The global consumers' first choice for safe, wholesome and enjoyable red meat;

− More Aussie red meat meals on more plates around Australia and the world;

− An industry with the ability to sell into any market of choice;

− Internationally preferred provider of red meat;

− People choose Australian red meat because it's the best in the world;

− The global first choice for safe, wholesome and enjoyable red meat;

− Australian meat and livestock is the chosen source of protein that is safe, healthy and delicious;

− Feeling good in every way about eating Australian red meat;

− Australian red meat is the first choice for consumers;

− Trusted red meat partners providing the best imaginable eating experience globally;

− Australian red meat industry is the preferred producer of quality assured eating experiences;

− Feeling good in every way about Australian red meat;

− We deliver a sustainable, profitable and affordable meat and livestock industry;

- Trust us to deliver an experience that exceeds expectations;
- Our customers know we care for the land, our animals and them;

- Ensure the future viability and sustainability for the red meat supply chain;
- The future viability and sustainability for all stakeholders in the red meat industry. Our product is in demand by customers for its integrity and provenance;
- Efficient, profitable industry sustainably producing delicious, high-quality, sought-after Australian meat and livestock;
- A majority of industry participants feeling they are running successful, sustainable businesses.

Feedback

Mick Maguire noted the commonality between the statements generated by the work groups.

He reinforced the success statement as the compelling common direction, that is surrounded by a context that brings in supporting aspects such as profitability, sustainability and market access.

From discussion at the tables, participants provided the following feedback:

- Trust and first choice are critical, as is having the statement readily accepted by all industry sectors; none must feel alienated, or of lesser importance;
- Is first choice meaningful for the domestic market?;
- The important words are "trust and first choice"; all livestock are eventually eaten so even live export animals should meet consumer needs;
- Trust and first choice refers to all stakeholders;

- The reference to livestock is implied in the first statement, in that livestock ultimately ends up as red meat;
- Livestock has been the pioneer for the red meat market; over time producers should be more ambitious and focused on delivering to the end consumer; that's why talking about the red meat eating experience is a bolder statement;
- What about all the other livestock products?;
- The statement should read: Trusted first choice for the best red meat globally; Statement 1 is too restrictive , not collective; Statement 2 incorporates livestock overseas where we cannot trust the system; this new statement can be read to incorporate livestock;
- The concept of eating is important and the ultimate interest of consumers is the final meat product, not the livestock;
- Capturing the red meat and livestock industry is important;

- Not all customers / consumers are looking for the "best" eating experience; many just want basic protein;
- Very good but remove the words " the best";
- "Best" would be in the eye of the market beholder;

- Supplied by viable businesses ...;
- QANTAS is my first choice trusted supplier for flying, but they are less than profitable;
- The viability of the supply chain has not been included;

- Need more language that creates engagement;
- Need the statement to be compelling for industry participants;
- Is it compelling enough?;

- Aspirations vs motherhood statements;
- While I appreciate the customer focus, I like the paddock to plate journey, and inclusivity.

It is suggested that:

➢ Further feedback on the two success statements be gathered from the Regional Supply Chain Workshops;
➢ The RMAC Board take all feedback into consideration when they determine the final statement for MISP4.

Participants responded to the following focus question:

Of all of the trends over the next 10 years, which three will most impact the red meat and livestock industry?

Overall Response

➢ Increasing global demand for protein;

➢ Emerging affluence and rising middle class globally;

➢ Increase in competition from lower cost countries and protein sources;

➢ Increasing consumer expectations about the food they eat;

➢ Increasing biosecurity risks.

In detail

− Increased global demand for our products;

− Increasing demand for food globally;

− Increasing global demand for protein;

− Emerging affluence / rising middle class;

− World wide increase in middle class;

− Emerging affluence (especially Asia);

− Increased affluence of consumers globally;

− Growth in middle class demand;

− Growth in middle class and demand;

− Efficient development of domestic and international supply chains;

− Competitiveness, terms of trade, business performance / acumen;

− Increase in costs compared to other countries and other proteins;

− Increased cost of doing business and decreased terms of trade;

− Increasing access of competitor countries to our traditional markets;

− Increasing competition from other animal proteins;

− Decreasing profitability;

− High and rising impediments on efficient production;

− Lifestyle consumerism - the ethical consumer. For industry, it reflects debates about the balance between efficiency and sustainability;

− Increasing consumer concern about health and diet;

− Consumer and community pressure / scrutiny (sustainability, global foot print, SLO, "meat free Monday" etc);

− Increase in world market expectations for ethical production and processing;

− Consumers seeking lifestyles of health and sustainability;

- Rising community and world market expectations for ethical production systems;
- Growth in requirement for provenance and product integrity;
- Ethical and informed consumerism;

- Increase in biosecurity risks;
- Rising biosecurity risk;

- Increasing community concerns around animal welfare and achieving a social license to operate will require ever increasing standards at a higher cost;
- License to farm / hardening of community attitudes to raising livestock;
- The license to farm (regulation / costs);
- Vegetarian agenda in schools;
- Increasing complexity to maintain a social licence to operate;
- Rising influence of animal liberation agenda;

- Technology / IT (automation, data management, remote systems, etc);
- Food security and the flow-on impact of livestock production intensification over competitive advantage;
- Increasing consolidation and intensification of red meat sector;
- Growth in productivity;

- Greater requirement for the industry to resolve its own problems;
- Young people continuing to exit this industry;
- Declining government resources and involvement in industry programs;
- Fragmented and, at times, reactionary decision making;
- Increasing divide between rural and urban;

- Global warming;
- Increasing variability of climate.

OUTCOME FOUR: STRATEGIC ANALYSIS

Participants developed a strategic analysis, focusing on:

- Strengths to **build on**;
- Weaknesses that must be **addressed**;
- Opportunities to **seize**;
- Threats to **minimise**.

Overall Response

Strengths

➤ Strong research and development base;
➤ Integrity of products and quality frameworks;
➤ Reliable supplier with access and proximity to growth markets;
➤ International reputation and brand recognition;
➤ Diversified production systems delivering flexibility to satisfy market needs;
➤ Trusted providers of clean and environmentally friendly products;
➤ Committed and professional people in all sectors;
➤ Ability to meet multicultural needs.

Weaknesses

➤ Poor adoption of technology and research outcomes;
➤ Lack of clarity, cohesion and relationships, resulting in sub-optimal decision making by industry and Governments;
➤ Cost of doing business, red tape and regulations throughout the whole supply chain;
➤ Model of federation makes it difficult to agree and implement nationally consistent change;
➤ Low productivity growth; profitability and long term viability;
➤ Lack of effective communication as an industry (attracting youth, new consumers, succession planning, food production practices);
➤ Skills development to build human capacity within industry, especially investment in youth.

Opportunities

➤ Pick up best practice, technologies, systems and R&D globally and implement them in Australia;
➤ Increase in demand for quality proteins from the expanding world middle class;
➤ Global trade liberalisation and increased market access;
➤ Capitalise on Brand Australia attributes;
➤ Attract capital to increase the scale of the Australian red meat supply chain, particularly at the production level;
➤ Better utilise technology to engage, learn, share, operate, improve and progress, particularly with the next generations;
➤ Build trust and be the preferred supplier to all markets.

Threats

➤ Erosion of market share to less reputable and cheaper suppliers;
➤ The loss of our social licence to operate, due to changing community expectations;
➤ Relative cost of doing business in Australia and the competition from cheaper protein sources;
➤ Exotic disease and biosecurity failure;
➤ Erosion of Brand Australia attributes (eg: biosecurity incursion, animal welfare, etc);
➤ Supply base collapse through negative terms of trade;
➤ Disruption of R&D levy system (loss of R&D investment);
➤ Reduced prioritisation of the red meat and livestock industry's opportunities within Government.

In detail

A rich source of analysis was developed from participant input.

Strengths	Weaknesses
– RMAC;	– Lack of measurement to benchmark and back up our claims or support our industry;
– The ability of the industry to work collaboratively to seek common goals, underpinned by the levy system [= resources available for marketing and R&D);	– Not capitalising on R&D outcomes;
– Levy system (taxpayer-industry matched R&D dollars);	– Lack of engagement and investment in youth;
– Further awareness of Australia as a reliable and secure supplier of quality red meat through efficient supply chains;	– Lack of effective communication as an industry (attracting youth, new consumers, succession planning, food production practices);
– Government funding support for R&D;	– Lack of productivity growth and therefore profitability (ie: declining terms of trade);
– Industry funded institutional arrangements;	– The costs of production that are exacerbated by government regulation and cost recovery;
– Grit and determination / can do attitude / willing to confront challenges;	– Rundown in the R, D and mostly E infrastructure and capability within industry;
– Industry wide governance and levy system;	– Relative costs and inefficiencies throughout the supply chain;
– Further development of world awareness of Australian meat;	– Poor adoption of technology and research outcomes, leading to inefficient systems;
– Grass-harvesters (high quality protein from rangelands);	– Increase workforce skills across the board, at all levels of the supply chain;
– Multi cultural country, seen as a positive when selling overseas;	– Lack of understanding and trust with industry governance and leadership;
– Investment in RD&E;	– The fragmented Industry Representative structures / lack of cohesion;
– Enthusiasm and skills of young producers;	– Model of federation makes it difficult to agree and implement nationally consistent change;
– Biosecurity status / product integrity / Australia's isolation from disease threats;	– Lack of adoption of R&D;
– Biosecurity and freedom from major diseases protects markets and producers;	– Lack of clarity, cohesion and relationships, resulting in sub-optimal decision making by industry and governments;
– Foundation of clean, green image;	– Industry is too fragmented;
– Export markets - consumer focused, not opportunistic / seller of surplus;	– Lack of unity; we need a combined voice;
– Paddock to Plate communication;	– Supply chain consistency, including risk management;
– Proximity to growth markets;	– Skills development to build human capacity within industry;
– Market access;	– Ability to provide confidence on livestock welfare on-farm;
– Food safety infrastructure and the protection of our health and hygiene status	– Weak communications across the sector / lack of effective lobby power to articulate messages to governments and then disperse information back to industry;
– We meet often;	– Lack of cohesion between industry, States and nationally;
– Good R&D;	– Cost of doing business, red tape and regulations throughout the whole supply chain;
– Geographic area. Close to Asia;	– Low productivity growth / profitability / long term viability;
– Australia Inc as a highly valued brand in Australia and globally;	– Ineffective extension of R&D / lack of deep adoption of technology;
– Our ability to meet the religious and cultural needs;	– Capacity to innovate;
– Wide variety of production systems, delivering flexibility to satisfy market needs;	– Extension of R&D to support profitability;
– Ability to produce a high quality, certified, grassfed product with a guaranteed eating quality;	– Fragmented industry approach, impacting industry standing and influence with stakeholders, customers and government.
– Innovative producers restoring farm profitability;	
– Proximity to growing markets;	
– Continued Government and industry investment in first class systems;	
– Pasture-based production system;	
– Reliable supplier, with access to well over 100 markets;	
– Trusted providers of clean and environmentally friendly products;	
– International reputation and brand recognition;	
– Committed people;	
– Genetic improvement / genetic potential;	
– Strong R&D system, with a large cache of knowhow;	
– Favourable animal health status;	
– Established industry food safety and quality systems;	
– Professional industry;	
– Customer focused, professional exporter, diversity of product;	
– Integrity of products and systems;	
– Our unique story (clean and safe, high quality, low input);	

Strengths (continued)

- Wide variety of production systems, delivering flexibility to satisfy market needs;
- Ensure Australia's clean green status;
- Proximity to growing markets;
- Quality and Standards Framework;
- Australian domestic market as the industry core and platform;
- Industry systems (NLIS, QA, etc);
- Animal Heath record;
- Trusted providers of clean and environmentally friendly products;
- Clean and Green.

Opportunities

- Capitalise on natural resource base, production systems (grass-fed, natural, etc) and broader sustainability agenda;
- The failure to maintain industry systems;
- Better utilise technology to engage, learn, share, operate, improve and progress;
- Maximising generational change to leverage new R&D, value based marketing and innovation;
- Opening and maintaining market access by understanding our international customers, allowing us to be proactive;
- As a global player, a government that is strategically engaged with industry;
- Free trade agreements / markets / new market segments;
- Build trust with the Australian community;
- Adoption of technology, including harnessing the energy of youth for our industry;
- Attract capital to improve scale of operation;
- Encouraging further foreign investment in the Australian red meat supply chain, particularly at the production level;
- Long-term market growth and opportunities in the global neighbourhood - partnering with governments to maximise investments, using constructive capital;
- Adoption and use of technology;
- Utilising new technology and innovation to communicate between paddock to plate and back again;
- Better leveraging Australia's red meat provenance;
- Preferred supplier to affluent Asia;
- Be the preferred supplier to growth markets;
- Pick up best practice, technologies, systems and R&D globally and implement them in Australia;
- Simple is best, rationalise industry systems;
- Capitalising on Brand Australia attributes;
- Growth in diverse protein markets globally;
- We have a great story to tell!; better promote our products and systems;
- Expanding middle class meat consumption across the world;
- Proving what we do with livestock to consumers;
- Adoption of innovation and technology;
- Market access / FTAs;
- Growth in demand from developing markets (predominantly in Asia);
- Changing trends in emerging markets;
- Global trade liberalisation;
- Improved business models to encourage investment adoption and generational change;
- To develop and apply new technologies throughout the supply chain;
- Use industry credentials to underpin brand development, using new technologies;
- Increase in demand for quality proteins from the expanding world middle class.

Threats

- Reduced prioritisation of the red meat and livestock industry's opportunities within Government;
- Other groups having the ear of government and getting better outcomes (consequence of not having strong representation);
- Lack of legislative consistency between States and Federal Governments, impacting on industry profitability;
- Increasing isolation from the views / culture of urban Australia, leading to disruption of the red meat industry;
- Threat to our biosecurity and food safety systems, due to a lack of investment by Government (and current specific threat to our levy system);
- Exotic disease outbreak threats;
- Supply base collapse through negative terms of trade;
- Loss of social licence to operate (eg: welfare, environment, other?);
- Food safety and biosecurity risk;
- Disruption of R&D levy system (loss of R&D investment);
- Contraction of government support for industry systems;
- An EAD or residue incident, leading to massive loss of market access;
- Loss of social licence to operate (encapsulating changing expectations from the community);
- Over promising, with associated higher costs, in order to gain market access;
- Pest and disease threats;
- Industry response in meeting changing community expectations;
- Exotic disease / biosecurity failure;
- Erosion of market share to less reputable and cheaper suppliers;
- The competition from competing nations and other proteins;
- The loss of our social licence to operate;
- The loss of our envious Health Status;
- Relative cost of doing business in Australia (cheaper protein sources, etc);
- Consumer activism against industry;
- Erosion of Brand Australia attributes (eg: biosecurity incursion, animal welfare, etc);
- Competitors;
- Community attitudes and an inability to control the message;
- Failure to maintain industry systems;
- Biosecurity.

Critical Challenges

Participants further analysed the strategic SWOT to identify:

➢ Four critical opportunities;

➢ Four critical issues for industry.

Strategic Opportunities	Strategic Issues
➢ Increase production to meet the growing global demand for red meat building on Australia's envious reputation for clean, green and safe; ➢ A roadmap to a simplified, cohesive industry structure and leadership; ➢ Embracing technological and generational change to leverage innovation across the whole supply chain with enthusiasm and commitment; ➢ All industry participants committed to a cultural shift throughout the supply chain in the way we measure, reward and communicate the meeting of market needs.	➢ A lack of strong cohesive leadership for the industry resulting in disunity, poor communication and sectoral tension; ➢ We are a high cost country compared to competitors, which puts pressure on our margins; ➢ Biosecurity risk and a lack of sufficient resources to maintain and strengthen our animal health and food safety advantage; ➢ Complacency and risk aversion at the industry level.

In detail

The table-generated critical opportunities and issues are:

Opportunities	Issues
– Industry-government partnership in making "the hard decisions" (to benefit the whole industry); – Good policy and strong leadership. How do you get both. GET INVOLVED!; – Need all industry participants to pull together in the interests of long term industry performance; – A well funded industry structure, with strong leadership; – Australia's envious reputation for clean, green and safe!!; – Forthcoming generational change will provide the opportunity to leverage innovation and new technology across the whole supply chain with enthusiasm and commitment;	– Leadership which addresses risk aversion; – Lack of industry focus, leading to disunity and poor communication; – Sectoral tension, aggravated by the political process and the economics of the supply chain; – Appetite, commitment, speed and flexibility for proactive change; – Lack of effective leadership; – Exotic disease outbreak; – Lack of a cohesive, strategic, integrated and efficient supply system, causing low productivity gains, lack of profitability and an unwillingness to engage in risk-minimisation strategies, including market-based initiatives; – We are a high cost country;

Opportunities (continued)	Issues (continued)
– Knowledge management, technology transfer and adoption to leverage maximum benefits of Brand Australia; – Cultural shift throughout the supply chain in the way we measure, reward and communicate the meeting of market needs; – Utilise socially acceptable technology across all elements of the supply chain (communication, production, processing, marketing, data analysis, information, eating quality, people); – A roadmap to a simplified, cohesive industry structure and leadership; – Tariff and quota elimination globally – Increase production to meet the growing global demand for red meat.	– The pressure on margins due to the cost of production compared to our competitors; – Sufficient resources to maintain and strengthen our animal health and food safety advantage; – A lack of strong cohesive leadership of our industry; – Complacency at the industry level and cost at a commercial level.

Feedback

Tables considered the critical opportunities and issues generated and offered the following feedback.

Overall

➢ Keep the focus on efficiency, productivity and profitability;

➢ Further develop industry leadership.

In detail

– Priority industry focus must deliver efficiency and profitability;

– Over emphasis on structure and under emphasis on measurable outcomes and how we get ownership of the industry's strategic ambitions - how do people/business "live" the MISP?;

– Overemphasis on industry structure, loss of focus on key industry issues;

– Dramatically increase production to a level commensurate with new global opportunities.

– Our industry has a problem with leadership; a new leadership style/structure will need to be developed;

– Successful leadership means a united, focused, well informed industry;

– Our future requires taking personal responsibility - it starts with me!;

– Need a unified, resourced and committed industry leadership.

Three Pillars

The initial consideration by the RMAC Board has identified three key pillars to guide the development of MISP4, ie:

➢ **Efficiency and profitability** in the industry's operations;

➢ **Consumer and community support** for the industry's products and activities;

➢ **Market diversification and value** for Australian red meat and livestock.

Participants discussed this structure and provided the following feedback from tables:

Overall

➢ Slight changes in terminology;

➢ Consider a fourth pillar of Human Capabilities.

In detail

– Profitability or Economic Sustainability?;

– 'Prosperous' is a phrase that should be included;

– It should be "Consumer Trust and Community Support" for Pillar 2;

– Pillar 3 replace "Market Diversification and" with "Maximising the"; and change "community support" to "community advocacy" (for the industry's products and activities);

– Pillar no 3 should say "Increase in value";

– Add a fourth pillar "Human capabilities, leadership and careers";

– Industry leadership and cohesiveness is missing;

– Knowledge Sharing is not reflected within the three pillars;

– Missing a pillar regarding human capability;

– Need to see how priorities identified (in this forum) would (or wouldn't) aggregate under these three areas;

– What about the impact of regulators and government on our industry?;

– Tie in with the vision of success yesterday;

– How do you address tension between the 3 pillars?;

– Nothing wrong with them (sturdy, sound, etc.) but not aspirational enough;

– Bland;

– Not ambitious.

Themes and Strategies

Participants regrouped into themes of interest and based on the briefing papers, the strategic analysis and their own experience, they identified priority strategies within each theme.

Priorities Strategies

Trade and Market Access

1	Improve Government-to-Government relations and intelligence on market access;
2	Implement a more strategic approach to align industry and Government priorities on market access;
3	Build industry capacity to achieve traditional and technical trade barrier elimination;
4	Create a whole of Government approach to leverage market access opportunities.

Marketing and Promotion

1	Leverage the benefits and reputation of a Brand Australia experience;
2	Support brand owners in developing products and services that better differentiate them to suit specific markets;[2]
3	Target emerging markets to enhance and promote market diversification.

[2] *Domestic marketing and new thinking covered in Strategy 2.*

Animal Health and Welfare

1	Strengthen partnerships between industry and Government for enhanced animal health, welfare and biosecurity;[1]
2	Get animal welfare right and demonstrate it;[2]
3	Enhance biosecurity capabilities.[3]

[1] *Current systems are satisfactory, excellent structure but commitment is weakening from Government and industry, eg: jurisdictional Governments pulling away from certain programs.*

[2] *About where we currently are and then transparently discussing with the general public or saying "sorry, we can't meet your expectation".*

Educate the general community about how food is produced; engage with the community about the challenges (not just the things we do well); about a general lack of engagement; links with demonstrating (above) but we need to be able to call out challenges, to build transparent social license; call out against a framework.

Productivity and Profitability On-Farm

1	Develop a new model for innovation that is targeted in terms of content, investment, delivery and audience;
2	Transform the delivery of genetics and genomics to capture potential on-farm;[2]
3	Ensure that the farming sector becomes more efficient and professional through business evaluation models to deliver future productivity and profitability gains;
4	Encourage commercial pull-through of on-farm innovation along the supply chain.

[2] *Is genetics and genomics a tactical response to the first imperative on innovation?*

Productivity and Profitability Processing

1	Action to reduce labour on-costs;
2	Benchmark the processing industry against competitors and competing products;
3	Improve market access (free and open markets);
4	Streamline and reduce regulatory burden and Government intervention;
5	Introduce new technologies;
6	Increase utilisation of capacity.[6]

[6] *Supply of livestock and abattoirs reliant on supply – they need to run at full capacity to be profitable.*

Environment

1	Develop an industry process to demonstrate the environmental credentials of the industry.[1]
2	Support collaborative action on feral animal and weed threats;
3	Maximise the use of existing and future tools and systems to underpin our delivery of good environmental stewardship;
4	Develop a sector wide policy to address climate mitigation and adaptation.[4]

[1] *Benchmarks and goals for improvement.*
[4] *Develop industry thinking on mitigation rather than driven by Government policy.*

Leadership, Structure, Capacity and Capability

1	Ensure clarity in the roles and responsibilities of industry bodies, with commensurate resourcing, underpinned by good governance and accountability;
2	Empower a structure that enables an authoritative, trusted single voice to government and the community;[2]
3	Foster and develop effective industry engagement, leadership and workforce capacity and capability;[3]
4	Quantify and prioritise resourcing needs and sustainable funding mechanisms to support services and programs for industry.[4]

[2] *What is the strategic imperative to drive industry towards achieving unity?; trusted first choice to rally behind as the success story, with an empowered structure to enable that success statement; unified industry structure gives us a strategic advantage in the international arena.*
[4] *Eg: RD&E capacity and capability, biosecurity resources, verification systems, etc).*

Next Steps

Angus Hobson reaffirmed this Key Stakeholder Forum as the starting point of the process for developing MISP4.

The next step is Regional Supply Chain Workshops. The aim of each workshop is to provide the opportunity for producers, processors, live exporters and other members of the local supply chain to have a direct line of input into the development of the industry plan.

The **workshop structure** will:

➤ Build awareness and engagement of the MISP4 process;

➤ Gain feedback on the initial priorities and directions from this Key Stakeholder Forum; and

➤ Generate input on regional issues and initiatives to be considered in the further development of the Plan.

The **Regional Supply Chain** workshops are scheduled as:

Date	Region	Location
17 / 09 / 2014	NT	Katherine
23 / 09 / 2014	SE QLD	Toowoomba
25 / 09 / 2014	C/QLD	Rockhampton
26 / 09 / 2014	N/QLD	Townsville
30 / 09 / 2014	N/NSW	Armidale
01 / 10 / 2014	SW QLD	Charleville
02 / 10 / 2014	SW WA	Perth
09 / 10 / 2014	W NSW	Broken Hill
13 / 10 / 2014	Riverina / N VIC	Wagga
14 / 10 / 2014	C/VIC / Gippsland	Attwood
16 / 10 / 2014	SW VIC / SE SA	Hamilton
23 / 10 / 2014 (tbc)	TAS	Launceston

Following the consultation phase, focus will be put into modelling for investment within the initial draft of the Plan.