



## *Improving market transparency in perishable agricultural goods industries*

# Red meat industry first workshop 5 October 2021: Workshop communique

### Background

In late 2020, the Australian Competition and Consumer Commission (ACCC) conducted an inquiry into bargaining power imbalances in supply chains for perishable agricultural goods (PAG) in Australia. The inquiry recommended that the government explore measures to increase price transparency in PAG industries to increase competition in those industries.

In response to this recommendation, the Australian Government, through the Department of Agriculture, Water and the Environment (DAWE) has committed \$5.4 million to improve price and market transparency in PAG industries by:

- delivering co-design workshops with PAG industries to understand their market transparency issues, opportunities and requirements
- delivering a grants program to develop and implement tailored mechanisms to improve price and market transparency.

The workshops provide an opportunity for participants to discuss price and market transparency issues in their sector, brainstorm ideas to improve transparency and co-design the details of solutions going forward.

### Workshop outcomes

Eighteen industry and government representatives attended the first red meat price and market transparency workshop. The objective of the first workshop was to discover and analyse the issues, barriers and opportunities to increase market and price transparency in the red meat industry.

Participants ([Appendix A](#)) worked in small groups that explored:

- Issues – Negative characteristics within the red meat industry that decrease price and market transparency.
- Barriers – Negative characteristics external to the red meat industry that decrease price and market transparency.
- Internal opportunities – Positive characteristics that exist within the red meat industry that can potentially increase price and market transparency.
- External opportunities – Positive characteristics outside the red meat industry that can potentially increase price and market transparency.

Throughout this process, issues and barriers (and consequently, opportunities) were categorised as either legislative, regulatory, industry specific, general process, technology driven, consumer driven and other (for example, environmental).

The general view at the workshop was that price and market transparency was not a significant problem in the red meat industry and that other issues such as regulatory burden and cost were more significant factors and were being addressed outside this process. The industry has market transparency systems in place, with some opportunity to improve these existing systems. Participants felt that any new initiatives should not impose additional regulatory burden and should be cognisant of other factors (not directly linked to transparency) affecting the industry.

Table 1 identifies and categorises the key themes of issues, barriers and opportunities from the workshop discussions.

**Table 1 Issues, barriers and opportunities**

Category	Issue/Barrier	Opportunity
Technology driven	MLA collect a lot of information. The information could be collected in more efficient ways. Some information is collected through paper-based processes and could be digitised.	Digitise current information collection and reporting – new data out of scope.
Industry specific	Diversity and competition are strengths of the Australian market, but benefits may not always be recognised. Information that is better understood would improve confidence in integrity of supply chain. Uncertainty on best option for marketing products – weighing up which is the best card to play. Information could be consolidated to make better decisions and ensure consistency between platforms. Better understanding of information and benefits could assist producers’ decision making.	PR/Media campaign on what is available. Consumable for all parts or supply chain, for example, independent retail butchers.  Communicate to producers how to find and use information, including training in currently available systems.
Industry specific	There are parts of the sector that could be better served with a new market indicator, representing commodity price movement for producers of non-branded red meat products.	New market index from existing data – Commodity Steer Feeder Index.

## Priority opportunities

Several themes were drawn out from the opportunities identified. These were prioritised by participants with the Digitisation of data collection and Communications campaign being higher priority.

## Next steps

The outcomes of the first workshop provide the basis for generating ideas for potential solutions to improve price and market transparency in the red meat industry. Ideas generation will be co-designed by participants in the second workshop.

## Appendix A: Participant list

- Australian Lot Feeders' Association
- Live Export Council
- Australian Meat Industry Council
- Sheep Producers Australia
- Red Meat Advisory Council
- Meat & Livestock Australia
- Australian Meat Processor Corporation
- LiveCorp
- Cattle Council of Australia
- ALDI Supermarkets
- Australian Competition and Consumer Commission
- DAWE Agricultural Policy Division

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