



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

# Red meat industry second workshop 26 November 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

Twenty industry and government representatives attended the second red meat price and market transparency workshop ([Appendix A](#)). The workshop's objective was to generate ideas for potential projects that could either form the basis of a proposal in the department's upcoming grants program or be progressed outside of this program.

Three opportunities were presented to participants by Meat and Livestock Australia (MLA). Participants then identified gaps, opportunities and key stakeholders for each:

- 1) Digitising current market information collection and reporting
- 2) New market indicators
- 3) Amplifying market information and insights

MLA presented each opportunity and asked participants for feedback on:

- gaps and opportunities to refine the scope of work
- the key stakeholders that would be involved in collaborating for developing proposals for grants funding.

Table 1 provides an overview of the potential projects.

**Table 1 Potential projects**

<b>Project</b>	<b>Gaps and opportunities</b>	<b>Stakeholders</b>
<p><b>Digitise current market information collection and reporting</b></p> <p>Technology-driven market reporting platform, streamlined to provide significantly greater efficiency, insights and value to stakeholders.</p> <p>A coordinated series of 4 interlinked initiatives:</p> <ul style="list-style-type: none"> <li>• Integrate MLA’s National Livestock Reporting Service data into a data platform – supports creation of a ‘whole of life’ quality and value feedback loop.</li> <li>• Source livestock data externally – increased pool of data equals greater transparency.</li> <li>• Create a saleyard data capture solution – supports increased current and future operating models.</li> <li>• Transition to dynamic reporting – increased responsiveness and timely real-time access to reporting.</li> </ul>	<p><b>Gaps</b></p> <p>Forward indicators are not currently reported.</p> <p>Rigid structure of metrics.</p> <p>Limited access to metrics outside saleyards.</p> <p><b>Opportunities</b></p> <p>Agility in data sets and reporting</p> <ul style="list-style-type: none"> <li>• Evidence base grows over time</li> <li>• Integrate existing data points, including live animal exports data</li> <li>• Ability to integrate future data sources</li> <li>• Moving with technology – new platforms, moving data to the cloud.</li> </ul> <p>Iterate towards near time reporting with aim of real-time indicators.</p> <p>Automated reporting to include checks and balances, including standards to ensure consistency.</p> <p>New livestock accreditation standard.</p> <p>Use system intelligence to highlight outliers.</p> <p>Capture niche market data (for example, Wagyu).</p>	<p>MLA are leading this work, with active contribution by the industry.</p> <p>Additional stakeholders:</p> <ul style="list-style-type: none"> <li>• Agent industry</li> <li>• All usual MLA stakeholders.</li> </ul>
<p><b>New market indicators</b></p> <p>MLA to upgrade existing indicators, and develop new indicators, to ensure they are relevant and provide greater coverage of the various sales channels.</p> <p>A revised feeder steer indicator was implemented in May 2021, to extend the indicator to steers up to 600kg liveweight and increase the breadth of muscle and fat scores included in the indicator.</p> <p>Additional indicators planned:</p> <ul style="list-style-type: none"> <li>• Live Export Price Indicator – capturing live export from Northern Territory. Comprises 9% of the national herd and there are no indicators currently servicing the NT.</li> <li>• Online auctions indicators.</li> </ul>	<p><b>Gaps</b></p> <p>No ability to select different data for indicators.</p> <p>Live animal exports data pull is quite narrow.</p> <p><b>Opportunities</b></p> <p>Aggregated market indicator.</p> <p>Expand data inputs to exporters.</p> <p>Trial different specifications for industry.</p> <p>Extend to feedlots, processors and other participants in the supply as data source points.</p> <p>Use an anonymous reporting model</p>	<p>MLA to lead this work, with active contribution by the industry.</p> <p>Additional stakeholders:</p> <ul style="list-style-type: none"> <li>• Cattle Council of Australia</li> <li>• Sheep Producers Australia</li> <li>• All usual MLA stakeholders.</li> </ul>

Project	Gaps and opportunities	Stakeholders
<p><b>Amplifying market information and insights</b></p> <p>MLA has a large collection of market information that is distributed across a number of channels, including mainstream media, newsletters, reports, briefs, printed publications, website and myMLA, stakeholder engagement, events and other stakeholder requests.</p> <p>MLA is in a unique position with timely and accurate market information available that media and industry rely on. A range of new activities and focus areas can enable MLA to leverage this position – most importantly, providing stakeholders with relevant market information.</p> <p>Future opportunities:</p> <ul style="list-style-type: none"> <li>• Bespoke social media channels and regular webinars.</li> <li>• Media round table discussions.</li> <li>• Video and audio ‘grabs’ – radio news release, podcast.</li> <li>• Media training and upskilling staff and other industry advocates.</li> <li>• Bespoke media partnerships.</li> </ul>	<p><b>Gaps</b></p> <p>Not all non-saleyard sourced prices – such as Over The Hook Grids - are available. Noting that these are challenging to measure.</p> <p><b>Opportunities</b></p> <p>Ability to configure portal.</p> <p>Additional scope to assist people make the best decisions.</p> <p>Channel for industry to make suggestions.</p>	<p>MLA to lead this work with active contribution by the industry.</p> <p>Additional stakeholders:</p> <ul style="list-style-type: none"> <li>• All usual MLA stakeholders.</li> </ul>

## Next steps

We recommend that representatives from MLA continue to engage and collaborate with stakeholders across the red meat supply chain to develop respective proposals for grant funding.

## Appendix A: Participant list

- Australian Country Choice
- Cattle Council of Australia
- Elders
- KG2
- Live Export Council
- Meat and Livestock Australia
- Red Meat Advisory Council
- Sheep Producers Australia
- DAWE Agricultural Policy Division

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