

50 | ALFA  
YEARS  
1970 - 2020



YEAR  
IN REVIEW  
**2020**



## ABOUT ALFA

The Australian Lot Feeders' Association (ALFA) is the peak national body representing the Australian cattle feedlot industry.

## VISION

ALFA works towards delivering a profitable and sustainable feedlot industry recognised and valued by the community for producing quality grain fed beef to the highest ethical, environmental, humane, and animal welfare standards.

## ALFA'S MISSION

ALFA strives to improve the profitability, professionalism and community standing of the feedlot industry and does this by working on behalf of our members to deliver:

- ▶ **Industry Representation** – ALFA establishes effective and strategic policy and advocacy aimed at representing the interests of our members and the feedlot industry, at a government and industry level.
- ▶ **Strategic Levy Investment** – ALFA directs and oversees grain fed cattle transaction levy investment through Industry Service Providers to maximise returns for the feedlot sector and broader industry.
- ▶ **Industry Development and Extension** – ALFA undertakes activities aimed at improving industry settings and opportunities through the development and delivery of standards, training, events, leadership, awards, and career development opportunities.
- ▶ **Membership Services** – ALFA delivers value to our membership through provision of services.

## A STRONG MEMBERSHIP

ALFA is proud to have a strong membership base that collectively represents over 80% of Australia's cattle feedlot capacity. The ALFA Council is made up of lot feeders directly elected by the membership to represent members' interests and champion policy, advocacy, and activities for the betterment of the feedlot industry.

## COMMITTEES

ALFA represents and promotes the views of the wider Australian cattle feedlot industry. ALFA utilises numerous committees, comprising of directly elected Councillors and external participants, that dutifully assess individual issues and form considered policy positions that are then endorsed by ALFA Council and carried forward in industry and government forums.

- ▶ Executive Committee
- ▶ Membership, Events, and Industry Capacity Committee
- ▶ Animal Health and Welfare Committee
- ▶ Research and Development Committee
- ▶ Feedlot Management Committee
- ▶ Feed Commodities and Nutrition Committee
- ▶ Marketing Trade and Market Access Committee
- ▶ Environment Committee

ALFA also engages with other red meat and livestock bodies and government agencies to promote and protect our industry, provide advice and policy direction, direct levy funding and set strategic imperatives to ensure that key industry issues and opportunities are being pursued.

ALFA, through its President, Councillors and Staff, does this by representing the feedlot industry on a range of industry and government committees that cover areas relating to the livestock industry including trade, consumer marketing, research and development, animal health and welfare, planning, environment and corporate affairs.

ALFA is proud to have a strong membership base that collectively represents over 80% of Australia's cattle feedlot capacity.



# AUSTRALIAN FEEDLOT INDUSTRY **FAST FACTS**



## ECONOMIC CONTRIBUTION

**VALUE:** Contributes \$4.4 billion to Australia's GDP\*

**ESSENTIAL INDUSTRY:** Australian economy would shrink by \$10.3 billion and shed 49,000 full-time employees if feedlots ceased to exist \*



## QUALITY ASSURANCE CREDENTIALS

**ACCREDITED:** Operates under Australia's oldest agriculturally based Quality Assurance program, National Feedlot Accreditation Scheme (NFAS)

**MILESTONE:** NFAS celebrated its 25<sup>th</sup> Anniversary in 2019

**CERTIFIED:** Certified 'Grain Fed' beef must come from a NFAS accredited feedlot

**ANIMAL WELFARE:** 98% of feedlots are compliant with NFAS Animal Welfare requirements, ensuring cattle are cared for †

**ENVIRONMENT:** 97% of feedlots are compliant with NFAS Environmental requirements, ensuring our land and waterways are cared for †

**AMS:** 59% of NFAS audited feedlots have voluntarily adopted an Antimicrobial Stewardship Plan, up from 39% on previous year #

**SHADE:** 60% of feedlot cattle capacity have shade structures voluntarily constructed ▲

**EXPORTS:** NFAS underpins and is vital to certified grain fed beef brands exported globally \*



## SIZE OF INDUSTRY

**FACILITIES:** Over 390 NFAS Accredited feedlots in Australia ^

**CAPACITY:** 1.4 million head capacity ^

**EMPLOYMENT:** Employs 2,000 people directly and 30,000 indirectly \*

**OWNERSHIP:** 98% are family owned and operated

**EQUALITY:** Over 1/3 of employees are female

**GROWTH:** 60% growth in licensed capacity between 2000 and 2017, driven by demand for high-quality beef ^



## PRODUCTION

**ON FEED:** Cattle on feed averaged 1.16 million head per quarter in 2019 ^

**RECORD NUMBERS:** Cattle on feed reached a record 1.24 million head in December 2019 ^

**DROUGHT SUPPORT:** Helped support agricultural industry through a once in 120-year drought ^

**CARE:** Around 3 million cattle are fed and cared for in feedlots per year

**BEEF:** Feedlots produce close to 40% of Australia's beef production

\* Deloitte Australia

^ MLA/ALFA Quarterly Feedlot Survey

# AUS-MEAT NFAS Audit questionnaire, March 2019-2020

▲ ALFA/MLA TSO survey

† Independently verified at NFAS audit during 2019

## DELIVERABLES 2019-20

ALFA continued to operate under its Strategic Operating Plan 2015-2020 which outlines ALFA's strategic goals and committed deliverables designed to support the continued growth, competitiveness, and profitability of the Australian cattle feedlot industry. Our plan is based on the [Meat Industry Strategic Plan \(MISP 2020\)](#) which is the overarching industry plan developed by the Red Meat Advisory Council (RMAC), of which ALFA is a member. The strategic pillars of ALFA's Strategic Operating Plan define the areas of activity and investment:

- ▶ Consumer & Community Support
- ▶ Productivity & Profitability
- ▶ Market Growth & Diversification
- ▶ Supply Chain Integrity & Efficiency

## STRATEGIC PILLAR 1

### CONSUMER & COMMUNITY SUPPORT

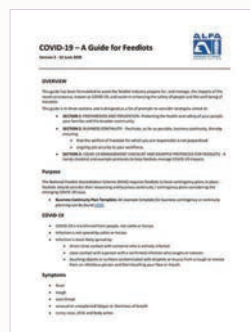
*Over the past 12 months ALFA worked closely with our service providers to invest in research and marketing programs and undertook activities to help us collectively meet our member's, customers and community expectations of the treatment and well-being of the animals within our care, our stewardship of environmental resources, and the continued supply of safe high-quality grain fed beef in a healthy diet.*

### SUPPORTING FEEDLOTS THROUGH COVID-19

2020 will forever be etched as the year COVID-19 turned the world upside down, caused tragic loss of life, changed how we live and resulted in unprecedented economic disruption. As a member-based Association we moved quickly to help feedlot members. In the early stages of the outbreak there was a void of available information on prevention and what to do if a feedlot staff member contracted the virus.

In response, ALFA developed tailored guidance material for feedlot operators:

- ▶ **COVID-19 Guide for Feedlots** - developed to help feedlots prepare for and manage the impact of the virus and included important prompts, checklists and protocols designed to protect team safety, continue livestock wellbeing and facilitate business continuity.
- ▶ **COVID-19 Guidance for an Outbreak in the Feedlot Workplace** - developed to provide practical guidance for feedlots who may experience the unfortunate event of an outbreak amongst staff or suppliers on their feedlot.

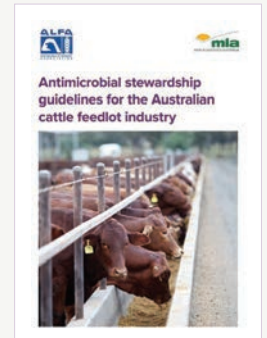


These guides, and numerous COVID-19 feedlot communiques providing updates at a state and national level, were provided to ALFA Feedlot Members and Non-Members through March and April 2020. These tools were picked up more broadly by cattle and sheep producers, live exporters and processors, having been downloaded over 1,000 times from [ALFA's COVID-19 resources webpage](#).

Feedlots have taken COVID-19 seriously, putting in systems and processes to help protect their working communities and shore-up business continuity. Contingency planning is and remains a key strength of the feedlot industry.

### THE ANTIMICROBIAL STEWARDSHIP GUIDELINES FOR THE AUSTRALIAN CATTLE FEEDLOT INDUSTRY

ALFA has continued to promote adoption of the Antimicrobial Stewardship Guidelines which arm feedlot managers with a framework to reduce the risk of antimicrobial resistance and safeguard antimicrobial use in the future.



Feedlots continue to respond positively with 59% of NFAS audit feedlot respondents indicating they have voluntarily adopted a Stewardship Plan within their enterprise, up from 39% last year. NFAS feedlot operator awareness of the Guidelines also increased to 95%, up from 72% last year.

### SHADE IN FEEDLOTS

Currently, 60% of Australian feedlot capacity has shade structures in place. To maximise cattle wellbeing, meet welfare standards, increase productivity, and meet community expectations ALFA is committed to seeing this increase over time. ALFA partnered with MLA to provide feedlots with [information](#) on the benefits of shade along with technical advice on how to go about installation.

Earlier trial research results were extrapolated to current day figures which indicated that, based on a \$450/tonne diet at \$3.05/kg feeder cattle price and \$6.10 forward contract price, feeding cattle under shade over summer resulted in at least a \$20/head increase in profitability alone. Furthermore, it was estimated that the capital cost of shade is in the range of 1-2¢/head/day if averaged over a 15-year life expectancy; with payback being achieved within approximately three to four years. ALFA, together with MLA, has instigated further research on shade benefits and shade design solutions which will be progressed through 2020-2021.

### CRISIS MANAGEMENT PREPAREDNESS

Risk management planning, crisis management and preparedness is a key strength of ALFA. ALFA has a Crisis Plan and periodically runs simulation exercises with Councillors and Staff. During the latter half of 2019, ALFA embarked on undertaking a review of its crisis management process and learnings from managing past issues and simulation exercises. ALFA will use this information to continually improve our capability in this area and inform us of what improvements can be made to the systems used by feedlots and the broader industry.

## PROMOTING GRAIN FED BEEF FACTS

Today's curious consumers often seek out information about how their food is produced. To combat misinformation on grain fed beef production ALFA, in partnership with MLA, has embarked on building a dedicated grain fed beef website designed to showcase the Australian lot feeding industry, its production methods and the high-quality beef it produces.

Anticipated to launch soon, it has been an exciting project that ALFA has worked on through 2019- 2020. Once launched, the site will help better inform the community and promote the credentials of grain fed beef and feedlot production.



# AUSTRALIAN GrainFed BEEF

## STRATEGIC PILLAR 2

### PRODUCTIVITY & PROFITABILITY

*Increasing our profitability and competitiveness is a key driver for all our businesses. Providing Members with access to information, technology, tools, advice and application of our research and development initiatives is a key objective of ALFA; all designed to help drive productivity and profitability.*

### RESEARCH AND DEVELOPMENT DELIVERABLES

ALFA takes its role working with MLA to undertake effective Research and Development (R&D) very seriously. ALFA's Research & Development Committee works 'hand-in-glove' with MLA to invest grain fed levies in research for the betterment of the feedlot industry and operators.

Some of the key projects delivered or commenced by MLA on behalf of the ALFA R&D Committee and grain fed levy payers during 2019-20 were:

- ▶ **Feedlot Automation** - Development of the BunkBot, an autonomous robot for bunk calling, showed that the prototype's predictions on remaining feed were more precise than human bunk calling. This could lead to freeing up at least one labour unit and more frequent bunk calling leading to improved feeding process, productivity, and therefore higher cattle weight gains. The BunkBot was demonstrated at ALFA's SmartBeef Conference in October 2019 and is now moving towards commercialisation.



Bunk Bot demo at SmartBeef 2019

- ▶ **Dark Cutting Research** - Evaluation of factors contributing to the incidence of dark cutting in grain-fed cattle that showed that earlier time of grading was associated with higher percentages of Dark Colour-Normal pH meat and that the net economic benefit of regrading 12 hrs later, including labour costs, was calculated to be \$5,129 over 1,000 beef carcasses. This information is being used by MSA to work with processors to maximise grading outcomes and return value to lot feeders.
- ▶ **Heat Load Forecasting** - The Katestone Heat Load forecast service was funded through levies at the request of ALFA to ensure it remains available at no cost to feedlots. At the end of March 2020, there were 307 sites registered for the service (five new sites being added since December 2019) and 731 registered users.
- ▶ **Assessment of Orchard Fans as a Heat Load Abatement Technology** - This project involved evaluating orchard fans, typically used through winter to prevent frost on orchard trees, for managing heat load in the feedlot environment. Whilst the research found that there was no objective animal welfare or production benefits and that use was cost prohibitive it was a novel attempt at addressing heat load abatement.



- ▶ **Feedlot Animal Welfare Benchmarking** - Commenced in 2020, this project aims to develop a framework for animal welfare benchmarking for the Australian feedlot industry using practical measures within an intensive production system. ALFA and MLA held a consultation webinar with lot feeders, industry stakeholders and retailers in May 2020. Individual feedback was collected from all participants on the webinar and reviewed collectively by the Steering Committee overseeing the project.
- ▶ **MEDLI update** - MEDLI is a hydrological model for designing and analysing effluent disposal systems. This project updated the feedlot hydrological modelling component to a more secure software platform that will be made available to all consultants servicing the feedlot industry. The new MEDLI version will be marketed by DSITI, with an updated version always made available to MLA for any feedlot R&D projects that require its use.
- ▶ **Pathways to Carbon Neutrality for Australian Feedlots** – Industry has an aspiration for the red meat industry to be carbon neutral by 2030 (CN30). This project will develop a simple to understand booklet that outlines pathways and economics of carbon neutrality for Australian feedlots. Outlining pathways to meet this challenge will assist lot feeding businesses and grain-fed beef brand owners in decision making and business planning.
- ▶ **Methane Emissions Suppression** - MLA is currently engaging with two leading companies on feed additives for methane suppression. Both technologies are highly promising but need to go through appropriate research & development, regulatory approval and emission reduction methodology development. It is expected, if viable, these feed additives would be commercially available within a 2-3 year time frame.
- ▶ **Grain Devitalisation Methods** - This study focused on evaluating global grain-sterilisation techniques and the capacity for these techniques to meet Australian biosecurity requirements. The ability for Australia to import sterile grain that does not pose a biosecurity risk would significantly improve the capacity for producers and feedlot operators to feed livestock during times of drought.

## RESEARCH & DEVELOPMENT LEVY INVESTMENT CONSULTATION

In 2020, ALFA Members and grain fed levy payers were provided the opportunity to have their say on a suite of proposed grain fed levy investments for the 2021 Financial Year via the annual 'Grain Fed Levy Marketing and R&D Investment Survey'. Results help guide research investments made by MLA on behalf of the feedlot industry. The annual survey followed an MLA consultation process that included ALFA's R&D Committee and the ALFA Council.

Survey respondents reacted positively to the proposed investments with 67% of respondents supporting the proposed Feedlot R&D program.

## INDUSTRY TRAINING, RESEARCH EXTENSION AND CAPABILITY BUILDING

ALFA has a targeted program of workshops, education and training opportunities designed to support the uptake and application of research and best practice management. It is a core part of our value proposition to our Members and assists in the extension of R&D outcomes.

In 2019-20 ALFA delivered the following:

- ▶ **SMARTBEEF Conference** - Running in its new format (previously BeefWorks) for its second year ALFA's Biennial SmartBeef Conference was held in October 2019 in Dalby Queensland. Over 370 delegates from all parts of the feedlot industry and the broader supply chain were in attendance and enjoyed a full program that included international, educational and inspirational speakers and a platform for the whole supply chain to come together, to learn and socialise. 93% of post event survey respondents indicated that they took away learning which they would apply to their business, 95% said they would attend the SmartBeef event in the future and 100% said they would recommend attending SmartBeef to their friends.



*Celebrity Chef Jess Pryles, Hardcore Carnivore, entertained SmartBeef 2019 delegates with her Texan style BBQ skills at the gala dinner.*

- ▶ **Managing Summer Heat in Australian Feedlots Workshop Series** - 181 feedlot staff attended this workshop across 7 locations nationally delivered between July and September 2019. 2019-20 was recorded as a particularly hot summer marred by catastrophic bushfires, so the workshops were well received and helped prepare feedlots. These workshops delivered practical skills for summer heat load risk mitigation and were held in Condamine, Oakey, Wagga, Tamworth, Shepparton, Narrogin, and Hahndorf.
- ▶ **Certified Animal Welfare Officer Training Series** – COVID-19 interrupted ALFA's planned Certified Animal Welfare Officer Training Series during 2020.

Workshops that were able to be delivered ahead of COVID-19 saw 70 feedlot staff trained at the Condamine and Oakey training sessions in March. ALFA postponed the remainder of the series as per Government direction at the time. The remaining workshops planned for QLD, NSW, VIC, and WA have been rescheduled to dates in September and October as border control restrictions ease.



SMARTBEEF 2019 Keynote speaker Col. Sam Barringer addressed delegates on Food and National Security - well timed given the global COVID-19 pandemic 4 months later.

- ▶ ALFA also issued 27 Member exclusive industry newsletters, 6 Lotfeeding Journal editions and over 100 social media posts designed to keep Members informed and up to date.

ALFA is dedicated to nurturing youth, fostering industry leaders and building industry capability. Whilst COVID-19 interrupted the completion of several planned activities, below outlines what was delivered during 2019-20:

- ▶ **Margin and People Management (MPM) Training**  
This ALFA developed and run professional development program provides upcoming and current feedlot staff with business and people management training and promotes the importance of a healthy workplace culture and its role in helping productivity and profitability. The MPM program commenced with 11 feedlot staff who participated in 1 two-day session before being interrupted by COVID-19 restrictions. The remaining sessions are being rescheduled and will be delivered once border control restrictions have been lifted.
- ▶ **Australian Rural Leadership Program Scholarship**  
ALFA, with the support of MLA and grain fed levies, supports one scholarship position in each Australian Rural Leadership Foundation's (ARLF) Australian Rural Leadership Program (ARLP) course. The ARLP ensures our upcoming leaders are highly skilled, effective and influential. Lachlan Brown, Pakadaringa Feedlot was awarded the scholarship to participate in Course 26.

- ▶ **Training Rural Australians in Leadership Scholarship** – ALFA, with the support of MLA and grain fed levies, will support scholarship recipients Harrison Lightbody, Iranda Beef and Ben Emery, Rangers Valley Feedlot, to attend the ARLF's Training Rural Australians in Leadership (TRAIL) 2020 program, which has been postponed.

## AUSTRALIAN FEEDLOT SECTOR CAREER DEVELOPMENT AND TRAINING STRATEGY

ALFA embarked on the Australian Feedlot Sector Career Development and Training Strategy and Implementation Plan in 2019 which is aimed at attracting, retaining, and growing the capacity of the feedlot workforce. The Plan covers a four-year investment and implementation timeframe and is designed to provide the Australian feedlot sector, its businesses and current and prospective employees with a clear career development pathway and associated training, tools and professional development and support networks.

A dedicated Project Officer was appointed in 2019 to drive implementation of the strategy. Projects underway include investigating the most appropriate online Learning Management System, evaluation of existing training courses available and scoping out a core training curriculum and skills required for all levels in the feedlot, from General Hand to Executive level.

## ALFA RECOGNITION OF EXCELLENCE PROGRAM

Encouraging excellence in the feedlot sector is ALFA's passion. Strong industry leadership and capable people support our pursuit to improve industry performance. The capacity to attract and develop skills and leadership to support the industry is a fundamental objective of ALFA.

ALFA launched its *Recognition of Excellence Awards Program* in 2019 which aims to attract, retain and grow a professional skilled workforce through the recognition of business and individual excellence. The annual program promotes the full range of ALFA Awards and Scholarships available, including:

- ▶ Feedlot of the Year Biennial Competition
- ▶ Young Lot Feeder of the Year Award
- ▶ Excellence in Feedlot Education Medal
- ▶ Innovator/Innovation of the Year Award
- ▶ Communicate Your Research Competition
- ▶ Australian Rural Leadership Program (ARLP) Scholarship
- ▶ Outstanding Services to the Feedlot Industry Award
- ▶ Training Rural Australians in Leadership (TRAIL) Scholarship
- ▶ ALFA Conference Student Scholarship

ALFA's *Recognition of Excellence Program* is open to ALFA Members and/or their employees who demonstrate excellence and alignment with the core values of each industry award or scholarship.

## WINNERS OF THE 2019 RECOGNITION OF EXCELLENCE PROGRAM:

- ▶ The **Outstanding Services to Industry Award** was presented by ALFA to Meat & Livestock Australia (MLA) Grain Fed Program Manager, Des Rinehart.



Des Rinehart, Meat & Livestock Australia (MLA) Grain Fed Program Manager (right), receiving the Outstanding Services to Industry Award at SMARTBEEF 2019 with Christian Mulders, ALFA CEO (left).

- ▶ The **Young Lot Feeder of the Year**, proudly sponsored by Performance Feeds, was awarded to Ben Emery of Rangers Valley Feedlot, New South Wales.
- ▶ The **Communicate Your Research Competition**, proudly sponsored by Bovine Dynamics and Quirindi Feedlot Services, was awarded to Abigail Nortrup from the University of New England, NSW, for her research on “Effects of rumen modifiers on feedlot performance and carcass attributes.”
- ▶ The **Innovator of the Year Award**, proudly sponsored by IAP, was awarded to Chris Rickert, Maydan Feedlot, Warwick, Queensland. The award recognised the Maydan Feedlot team’s design and development of an excavator attachment that allows drill stem posts to be driven accurately through concrete aprons and hard surfaces.
- ▶ The **Excellence in Feedlot Education Medal**, proudly sponsored by Zoetis, was awarded to David Duncan, Teys - Condamine Feedlot, Queensland.

## TECHNICAL SUPPORT

ALFA, together with MLA, offers a dedicated Technical Services Officer who delivers to feedlots the latest technical information, education, training and support. Prior to COVID-19 travel restrictions our Technical Services Officer, Mr Jeff House, visited over 20 feedlots and provided personalised information and expertise. COVID-19 meant Jeff moved to contacting feedlots by phone. This one-on-one service enables feedlot operators to receive the latest information and helps improve ALFA’s services by better understanding the issues feedlot operators are experiencing.

## STRATEGIC PILLAR 3

### MARKET GROWTH & DIVERSIFICATION

*To maintain and grow demand for our grain fed beef product we need to continually focus on market access and promote the attributes of our grain fed beef product to consumers and customers. The safety, quality and traceability of our product supports our premium price; however, we work diligently with Industry and Government to improve opportunities for grain fed products in our markets.*

### MARKETING LEVY INVESTMENT CONSULTATION

In 2020 ALFA Members and grain fed levy payers were provided the opportunity to have their say on a suite of proposed levy investments for the 2021 Financial Year via the annual ‘Grain Fed Levy Marketing and R&D Investment Survey’. This annual survey followed a consultation process including ALFA’s Marketing Trade and Market Access Committee, ALFA Council and specialist meat sales and marketing executives from integrated meat processing businesses. This information helps guide marketing investments made by MLA on behalf of the feedlot industry.

Survey respondents reacted positively to the proposed marketing investments with 75% of respondents showing support for the marketing strategies outlined for the Australian and global markets.

### INTERNATIONAL MARKET ACCESS

Seeking favourable trade agreements, reducing barriers to trade, and increasing demand in our export markets are imperatives for the Australian beef industry. ALFA does this by working closely with industry partners, MLA and Government to identify favourable trade opportunities and reduce economic and technical barriers to trade.

During 2019 - 20 ALFA engaged in the following activities, noting that COVID-19 limited global activity in trade:

#### AUSTRALIA – EU FREE TRADE AGREEMENT (A-EU FTA)

- ▶ The seventh round of A-EU FTA negotiations occurred in May 2020 via video conference due to COVID-19 restrictions. As a member of the EU Taskforce, ALFA together with key industry bodies and MLA continued to work closely with the Australian Government since commencement of the A-EU FTA negotiations back in 2018. It is likely that Beef access will not be discussed until later in the negotiation period.

#### AUSTRALIA – UK FREE TRADE AGREEMENT (A-UK FTA)

- ▶ In June 2020 Australia and the United Kingdom announced the commencement of negotiations on a bilateral free trade agreement (FTA), which will start a new chapter in the economic relationship between the two nations. As a member of the EU Taskforce ALFA will work closely with the Australian Government over the coming months to help secure the best possible outcome for lot feeders.



## PROMOTING AUSSIE BEEF

### AUSTRALIAN BEEF. THE GREATEST MEAT ON EARTH CAMPAIGN

ALFA, as custodians of the grain fed levy, works with MLA to direct investment into MLA's domestic marketing and nutrition program which aims to inform consumers about the benefits of beef.



During 2019-20 MLA continued with the 'Australian Beef. The Greatest' brand by rolling out the 'Beef, The Greatest' campaign which focused on demonstrating to Australian consumers that Australian Beef is a versatile option for dinner. The 2019 Winter campaign aimed to reinforce and demonstrate beef's ease and versatility by positioning beef recipes as a solution for quick and easy mid-week meals.



MLA, on behalf of industry stakeholders and levy payers, conducts customised marketing and promotional activities as well as a range of other programs tailored to the needs of each key export market and distribution channel. Australia's red meat brand True Aussie underpins all of MLA's international marketing activities globally and continued to do so throughout 2019-2020.

### IMPACT OF COVID-19 ON BEEF MARKETING

COVID-19 significantly disrupted supply routes to markets and demand for Australian red meat from both domestic and international customers. During the initial shock there was a rush on fresh red meat sales domestically which demonstrated that Australians value our product as a necessity. Total fresh meat sales volume increased 21% (Beef 28%, Lamb 11%) in March 2020 (vs. average for past 52 weeks). However, as the global economy started to shut down, including the closure of food service in our key export markets, the knock-on impact of falling demand became evident.

To support brand owners, MLA introduced short-term additional financial support measures via the Co-Marketing program. In response to COVID-19 lockdown requirements domestic consumers shifted to home cooking and to support our consumers MLA shifted the marketing dial to:

- ▶ Ensure consumers know how to store and use beef and lamb and mitigate possible food safety risk from incorrect storage,
- ▶ Ensure consumers have practical cut/cook/meal information and inspiration; and
- ▶ Emphasise red meat's nutritional credentials as part of healthy meals.

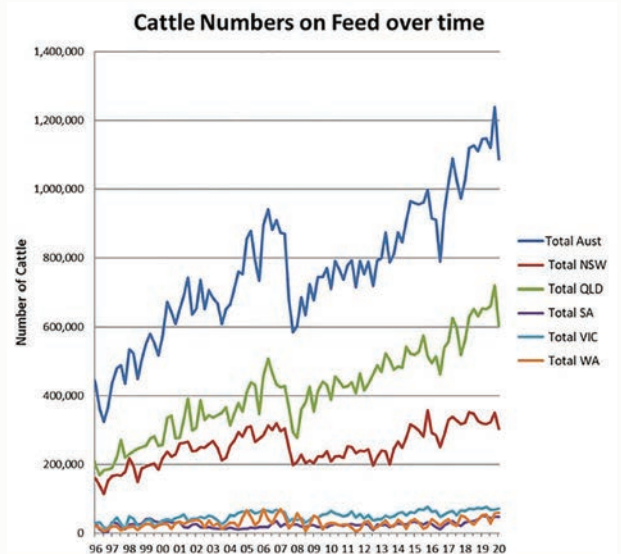
## QUARTERLY FEEDLOT SURVEY

Each quarter ALFA undertakes a comprehensive feedlot survey of cattle on feed and other important market indicators. This information is used to communicate the dynamics of the grain fed beef supply chain.

The October – December 2019 quarter saw cattle on feed reach a record of **1,239,563** head demonstrating the significant role the feedlot industry played in helping supply chain business continuity in the face of persistent and widespread drought conditions.

Licensed capacity also reached a record of 1,397,470 head in the January – March 2020 quarter period suggesting continued strong investor interest in grain fed beef production.

Whilst the full extent of COVID-19 was not reflected in these quarterly results ALFA expects to see subdued numbers of cattle on feed during 2020 given the level of uncertainly moving forward.



## STRATEGIC PILLAR 4

### SUPPLY CHAIN INTEGRITY & EFFICIENCY

ALFA, in partnership with our service providers, focuses on increasing the value of every animal and ensure that the eating quality experience of our grain fed product meets or exceeds consumer expectations. Our overarching objective is to develop industry systems that measure key quality and integrity specifications, improve our quality and compliance through enhanced supply chain information, keep our grain fed standards and NFAS up to date, and improve the adoption and extension of our R&D to help facilitate this outcome.

### NATIONAL FEEDLOT ACCREDITATION SCHEME (NFAS)

The National Feedlot Accreditation Scheme (NFAS) is the feedlot industry's quality management system which underpins the integrity of grain fed beef. NFAS has enabled the Australian feedlot industry to gain a reputation of producing high-quality grain fed beef that meets food safety, animal welfare and environmental requirements. NFAS is owned and operated by AUS-MEAT. The Feedlot Industry Accreditation Committee (FLIAC) oversee the management of the Scheme and is comprised of State Government representatives, AUS-MEAT and Industry.

The NFAS 2019 Annual Report, produced and published by AUS-MEAT, highlighted that 406 on-site audits were conducted. A total of 157 major non-conformances were identified in 2019 equating to an average of 0.38 non-conformances per audit which is a slight decrease from the average of 0.49 non-conformances per audit in 2018. Feedlots are required to implement actions to address major non-conformances within 30 days unless another arrangement is agreed with the auditor.

In line with our commitment to undertake a review of NFAS every 5-years, ALFA initiated an independent review of the NFAS using grain fed levies with the support of MLA. This review is investigating the animal welfare, environment, and biosecurity elements of the Scheme and will help inform Industry of any changes required to ensure it continues to meet the expectations of our industry, regulators, customers, and the community. Due to COVID-19 this work is expected to be completed in late 2020.

### NFAS 25 YEAR ANNIVERSARY

NFAS was founded in 1994, so in 2019 Industry came together to celebrate 25 years of Quality Assurance culture in the industry. Over 70 feedlots celebrated the highly successful 'Raising the Steaks' day on 26 June 2019 by holding local BBQs with their teams to reflect on the importance of NFAS to their business and the wider grain fed beef industry.



The celebrations continued with acknowledgement of the NFAS 25 Year Anniversary during the SmartBeef 19 Conference in October 2019. Throughout the conference, videos were played of interviews with Industry leaders about their views on NFAS which provided valuable insight into the early beginnings of the oldest Quality Assurance system to be implemented in Australian agriculture. Ian King, CEO of AUS-MEAT, also addressed delegates during the gala dinner on the history of the scheme and what it has become today which culminated in delegates raising their glasses to the Scheme that underpins their businesses.



## INDUSTRY MATTERS AND GOVERNANCE

### GOVERNMENT RELATIONS

ALFA is recognised by Government as the Peak Industry Council representing the interests of grain fed cattle producers. During 2019 and 2020 ALFA continued to forge important relationships with both sides of Government at the State and Federal level and will continue to foster these relationships to ensure lot feeders have a voice with key decision makers.

ALFA activates its view in several ways, including via submissions when agencies undertake public consultation. ALFA Submissions to various government agencies during the period included:

- ▶ Federal Department of Health on the Antimicrobial Resistance Strategy 2020 and Beyond, July 2019
- ▶ QLD Trespass Criminal Code Amendment Bill, August 2019
- ▶ Inquiry into the Criminal Code Amendment (Agricultural Protection) Bill 2019, August 2019
- ▶ Biosecurity Act (PIRSA), September 2019
- ▶ Trade and Investment Inquiry (supplied input into RMAC submission), October 2019
- ▶ Water Moratorium Notice (QLD State Development, Manufacturing, Infrastructure and Planning), October 2019
- ▶ ACCC CTM 1914662 Humane Farm Animal Care, October 2019
- ▶ Property Identification Reform Submission, November 2019
- ▶ Drought Resilience Fund, December 2019
- ▶ APVMA Public Release Summary on the evaluation of the new active zilpaterol hydrochloride in the product Zilmax Medicated Premix, June 2020

### ANNUAL GENERAL MEETING (AGM)

ALFA held its 2019 AGM on 4 October 2019 at Dalby, Queensland. Bryce Camm was re-elected as ALFA President, Grant Garey, Tony Fitzgerald and Paul Vogt were re-elected Vice Presidents. Barb Madden was re-elected as ALFA Treasurer. Scott Braund was re-elected for another three-year term as an ALFA Councillor, while Christopher Fenwicke did not stand for re-election.

Four new representatives were elected to the ALFA Council for 2019/20; Grant Melrose, Yarranbrook Feedlot, QLD, Amanda Moohen, AACo, QLD, Todd Newton, Myola Feedlot, NSW and Andrew Rushford, Stanbroke Beef, QLD.

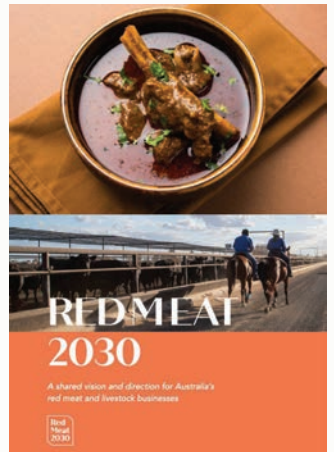
ALFA Office Bearers and Councillors for 2019/20:

- ▶ Mr Bryce Camm (President)
- ▶ Ms Barb Madden (Treasurer)
- ▶ Mr Grant Garey (Vice President)
- ▶ Mr Tony Fitzgerald (Vice President)
- ▶ Mr Paul Vogt (Vice President)
- ▶ Mr Tony Batterham (Councillor)
- ▶ Mr Scott Braund (Councillor)
- ▶ Mr Trevor Hinke (Councillor)
- ▶ Mr Stephen Martin (Councillor)
- ▶ Mr Grant Melrose (Councillor)
- ▶ Ms Amanda Moohen (Councillor)
- ▶ Mr Todd Newton (Councillor)
- ▶ Mr Andrew Rushford (Councillor)

## RED MEAT INDUSTRY STRATEGY 2030

Red Meat 2030 outlines the industry's shared vision and direction for Australia's red meat and livestock businesses over the next 10 years. The plan aspires Industry to "double the value of red meat sales as the trusted source of the highest quality protein".

The development of the new Industry strategic plan, which replaces MISP 2015-2020, commenced in December 2018 and ran through 2019 until launched at Parliament House in October 2019. Led by the Red Meat Advisory Council (RMAC) ALFA contributed to the Plan during numerous consultation workshops held through 2019 in Sydney and Toowoomba.



### ALFA OPERATING PLAN

During 2020 ALFA developed its own Operating Plan that outlines the strategic activities it will undertake going forward. The Plan was developed through information obtained from Members in the annual 'Grain Fed Levy Marketing and R&D Investment Survey' and by each ALFA Committee and the ALFA Council.




The Plan aligns with RED MEAT 2030 to achieve our goals and ensure we are delivering value to our membership whilst also contributing to the Industry's overall objectives and initiatives set for each of the identified priority areas:

- ▶ Our People
- ▶ Our Customers, Consumers and Communities
- ▶ Our Livestock
- ▶ Our Environment
- ▶ Our Markets

Our Operating Plan is based on a three-year rolling time horizon, meaning that it covers ALFA's activities from July 2020 to July 2023. Each year our Operating Plan will be reviewed by the ALFA Council and, if required, adjustments made to ensure it remains relevant.

**If you would like any further information on the Year in Review activities, please contact the ALFA Office.**



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