SA Sheep Industry Blueprint, 2015-2025

Thursday, 26th February 2015

Adelaide Pavilion

(Corner of South Terrace & Peacock Rd)

12.30 pm – 4:30pm

(12 noon for lunch)

Livestock SA in collaboration with the SA Sheep Advisory Group cordially invite you, along with other major industry stakeholders and key decision makers of the SA sheep industry to the

"SA Sheep Industry Blueprint, 2015-2025 Scoping Workshop"

We feel the time is right for the SA Sheep Industry to develop a whole of value chain blueprint / plan and foster collaborative commitment to action to capture the new opportunities that will afford the industry to grow, prosper and profit over the next 10 years.

At this workshop we will gather all your feedback on the way forward and your ideas and thoughts on:

- What it is the SA Sheep Industry needs to focus on and invest in
- How can we work more collaboratively right along the value chain
- How can we build our human capacity

Program

12 noon	Registration & Lunch
12.30 pm	Introduction - Geoff Power & Leonie Mills
12.45 pm	Industry insights • Meat Industry Strategic Plan • China Free Trade Agreement • Wool Selling Systems Review
1.45 pm	Future targets for the Industry
2.30 pm	Opportunities and strategies
4.00 pm	Barriers and constraints for the Industry
4.20 pm	Where to from here?
4.30 pm	Close

~ Workshop facilitated by Bruce Hancock, PIRSA Rural Solutions SA ~

RSVP by Thursday 19th February, 2015 to Deane Crabb

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For further details contact

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Leonie Mills (SASAG) on 0427 631 358 or email: jkljmills@outlook.com

Process

A process was used to ensure that everyone had the chance to engage and contribute in a format that was most comfortable to them, via:

Participants were given an opportunity to introduce themselves and get a feel from the diversity and participation from right across the whole sheep industry value chain.

Worked individually writing their thoughts and ideas on worksheets to hand in at completion of workshop on targets and barriers/ constraints

Worked in small groups and reported back to build a collective response to possible targets

Rotated in larger groups sharing strategies and opportunities

Individually given the opportunity to identify their top 5 visions for the Sheep Industry

Scoping Notes consolidated (see below)

“Draft 2 page SA Sheep Industry Blueprint” develop from Scoping Workshop and Notes

Additional support documents developed at request and in consultation with “Steering Committee”:

- Terms of Reference for SA Sheep Industry Blueprint Working Group + Chair
- Position Description for SA Sheep Industry Development and Innovation Manager

Scoping Workshop Notes

1. Industry Targets (Shared Group Response)

Growth

Increase GDP by 10-20% by 2020 (via quantity & value) (i.e. 3-5% per year)

Provide basic infrastructure for regional development – power

Customer focus: through chain feedback

Increase exposure to more & new International markets

Grass-fed focus is the ruminant point of difference

Market diversification of wool, meat & skins

Develop new, higher value markets

Reward for quality via specifications / grid

Increase margins in all sectors by a focus on efficiency (i.e. ↓Cost of Production)

On-farm focus on ewe productivity - lamb survival, wool cut, ewe numbers

Human Resources / Human Capability

Improve profitability and sustainability to increase investment in people in the industry

Engagement of “city cousins” in to Agricultural Career pathways

Mechanisms to ensure continuity of work (i.e. 48 weeks per year)

Develop an “Industry Workforce Plan” (Industry requirements, retainment strategy)

Decrease average age of producers to < 50yo by attracting young / tertiary into industry.

Increase tertiary qualified into production

Increase production in the cereal zone (they have zest for technology / innovation & more labour units/farm)

Succession planning – doing it poorly is a big cost to business / industry

Investment into the industry – develop different entry models

Increased funding in R&D and Education/extension

<u>Social Licence (Welfare / Biosecurity / Environment)</u>

Proactive on animal welfare issues

Improved Biosecurity systems – healthy farm, healthy animals, healthy markets

Identify the potential problems and develop cost effective solutions in advance

Social media for issues, e.g. Halal presentations

<u>Communications</u>

Producer to processor – identify what each need

Industry to consumer – what do we do for them to meet their needs (i.e. what solutions do we have) How, what, why?

Industry to RSPCA

Industry to Educators (TAFE, Universities, Schools)

Industry Advocacy (at State and National Level)

2. Vision Scores ([16] = number of responses when each participant was given 5 dots)

‘>11	10/9	7
Profitable [21]	Advocate	Ethical
Sustainable [19]	Growth	People
Progressive[16]	Integrity	Resilient
Innovation[14]	Working Together	Traceability

6	5	4	3	2	1
Engage	Community	Champion	Balance	Benefit	Bold
	Trust	Unite	Pride	Compassion	Clean
		Valued	Promote	Diversity	Fairness
				Energise	Nourish
				Responsible	Protect
				Risk	Respect

3. Industry Targets - Individual's Notes (multiple responses)

Growth – production, efficiency & value

↑ production & value by 10-20% by 2020 (14)

$2.2bill SA sheep industry by 2020 (currently $1.8bill, need growth of 5% pa) (5)

Growth & developing markets in USA, Asia, India, (2)

Develop new lucrative markets, especially for merino lamb

Are the current products providing what the consumer wants? (2)

Product branding – Grassfed is a key advantage of ruminants (3)

Maintain and capitalize on biosecurity advantage / position & integrity in traceability (2)

↑ $/kg (meat & wool) to attract producers to sheep industry

↓ CoP for production and processing (3)

Consumer focus, through chain feedback (6)

Specification and reward for quality, LMY, IMF (i.e. more/ better carcase feedback) (5)

↑ ewe numbers annually

Technology advances in drones, IT, etc. to engage youth

Electronic traceability

Greater automation for better labour efficiency (3)

Off-farm – look at productivity efficiency at processing / export/ marketers

On-farm increase of productivity and efficiency

- growth rates & carcase weights, ↑ lamb survival by 30%, weaning rates, stocking rate
- role of the merino - fleece weight, dual purpose sheep
- grow the maternal base
- ease of care (eg. flies, worms)
- feeding systems in whole farm with changing climate (3)
- reduce the red-tape (ie. interstate inconsistencies)

Each region has a different focus / contribution:

Pastoral – moving from wool to rangeland sheep, larger properties brings efficiency (2)

Cereal – tech savvy, need sheep systems that compliment and don't compete with cropping, turn croppers into sheep producers. (3)

High Rainfall

Concentrate on the mid-range producers

The sheep flock is stable – address the risk holding it back – dogs, climate variability

Just make better use of available tools

Human Resources / human capacity

Industry bodies working together

Raise the profile of agriculture, increase the growth, positive vibes creates interest (eg Lambex) (6)

Affordability & management of succession at all levels. Make sheep fun, easycare, sexy! Different and new streams of finance (e.g. Super Funds)(13)

Decrease the average age of livestock producers by 5 years to 50yo , address the aging issue (6).

Careers in Ag pathways– farming is a professional & financial business, find novel ways to fund personal development (7)

Offer continual working environment

Integration into communities of 457 visa employees

The cost of not retaining staff, high change over with associated ↑ training budget

2-3% ↑ in training and engaging with regional and metro at all levels (9)

- Schools (greater exposure to agriculture careers at younger age)
- Uni's (The theory & new innovation science)
- TAFE (a mix of practical and theory)
- General population

E.g. National Merino Challenge

↑ $'s into education, ↑ the number of people experiencing education by 3%

Explore more "e-training" (especially in vocational training)

More regional staff working with and connected with on-farm activities

Continue the ↓ in age of livestock and farm consultants

On-farm producer training (specific)

PIRSA support of MLA /AWI training and development programs (MMfS, Sheep Connect SA, Pastoral Profit, etc.) (4)

Improve the animal husbandry skills of producers, encourage best practice (e.g. LTEM) (4)

Focus on mixed farming / croppers, better utilization of all resources (4)

Develop new models as attraction strategies, e.g. Livestock share farming (like dairy) (2)

A work health & safety focus – work smarter, not harder, longer

People management skills – if we grow the industry, do we have the skills to manage the labour

Develop a national property register

Acknowledge a changing demographic

Feedback to benchmark performance – understand how to use it

Social Licence (welfare, biosecurity, environment)

Welfare

A proactive industry (i.e. Industry sets the agenda) across all forms of communication / media, get ahead of the curve, identify what is next, advocacy, community awareness – perhaps via Ag Shows, give consumers confidence. (17)

↑ lamb survivability, number of lambs weaned, kgs of meat/wool / hectare (7)

Strong industry R&D to underpin and defend practices. Robust biological evidence. Develop production systems which ↑ productivity in a “welfare+ system” (4)

Produce in a sustainable and ethical manner, with best practice (3)

Build relationships with animal welfare groups (2)

Ensure Livestock Production Assurance(LPA) is done right.

Perhaps enlarge LPA from food quality to animal health & welfare and Land stewardship

Halal certification on social media. Halal cost more to process. $’s ↑ to fund extremists. (3)

Target awareness of different lifestyles, eg paleo diet

Biosecurity

Self regulating biosecurity (3)

Develop a national biosecurity system (2)

Develop a national property ID register

Research to determine the best system and hence investment

x% producer buy-in / support from the SA Sheep levies

Environment

Climate change & variability (2):

- Draw croppers back into sheep for their risk management (2)
- ↑ in pasture management and improvement

Communications

Content - external

Stronger, positive stories about industry, how productivity and welfare go hand in hand, proactive on welfare to community/ consumer, Advocacy (11)

Make the State Govt aware of the sheep industries contribution to the economy & garnish considered and appropriate support (3)

Content – internal

From processors to producers about new markets, QA , Welfare programs, improving business policies. (3)

Education in cereal zone / mixed farming regions

Process

Social media -Instagram, twitter, facebook, perhaps an "Ag-Focus day" (9)

Accessibility (line speed) of mobile, computers, email, websites, Apps, radio, TV (7)

New, enhanced, better feedback from processor to producer & through whole value chain (5)

National property registration

Better traceability

Combine efforts in communication – a lot of duplication to justify being

Ensure its 2-way

Hogget competitions, lamb carcase competitions

4. Opportunities / Strategies / what / focus (Groups)

On-farm

Productivity

Stick to the basics and concentrate of improving yield not quality. ie. kilograms of wool/meat per hectare not micron.

Improve animal husbandry, especially through increased lamb survival rates

Improve pasture management, utilisation (rotation)

Improve water infrastructure

Improved telecommunication services in rural areas to allow for telemetry and remote control of infrastructure.

Increased uptake of labour saving technology (sheep handlers) and electronic data recording systems.

Improved genetics; animals and plants (sheep producers?)

Improved out of season pasture production (native) species.

Continue to integrate the mixed livestock-cropping systems.

Finance, capital, business management

All of the above will require improved access to finance

Developments around finance could include more creative options for producers wanting to exit the industry and those wanting to join.

Improve producer's access to all sources of capital domestic and foreign without losing control.

Strengthen the livestock farm improvement & farming system groups, encourage benchmarking.

Change livestock producers mindset to infrastructure investment. A cropper will spend $500K on a header but a grazier will not spend $50K on sheep yards & weigh scales.

Improve producers skills in the areas of business and production management.

Training, support, consultants

Improved support for extension officers, especially livestock agents.

Train specialised pasture agronomists

Bred Well, Fed Well and Lifetime Ewe Management training programs

Encourage minimum standards for sheep handling and loading infrastructure to ensure that a quality product is delivered safely.

Improve on-farm safety, reduce the rate of OH&S incidences

Improve access to quality labour, domestic and international, for animal husbandry operations; shearing, marking, etc.

Welfare and Biosecurity

Improve producers skills in demonstrating to the community that they practice good animal welfare, strengthen their social license.

Improved adherence to on-farm biosecurity at an individual and national level (this includes seed stock producers).

Service Sector / Providers

Education – focus at the producer level

Education - For consultants / Company advisers (as void left by ↓ PIRSA)

Succession planning for the aging fleet

Career pathway / structure (award wages)

Independent advice is important – perhaps needs an audit / accreditation system (demand driven)

E.g.Ag Institute (Consultants) have “AgCredited”

Federal/state Government, LGA, etc.

LSA – Livestock contractors

Finance / access to capital to support:

- Young farmers entering
- Succession & retirement with dignity
- Lease back / mentor
- Investor funding
- “Share farming / gradual increase in equity models” (ie like dairy in NZ)
- Low interest rates, long term loans

Minimise and electronicify the red-tape (NVD’s, NSHS)

Research & Development & Extension Funding

Re-enforcing the value of the sheep industry (R&D and extension) at public and Government level

Stronger SA voice nationally

Explore greater collaboration nationally (CRC's, Centre of Excellence, other State DPI's & Uni's, etc)

Greater access to information and services

Extension to contractors – marking/mulesing, wool/meat/pregnancy scanners, shearing, animal health

Stocktake on public:private benefit (i.e. for Biosecurity and Food security)

Biosecurity – don't drop the ball, speed up OJD testing

Networking – communicating – sharing goals – building teams – working together

Services ensure efficient use of levies (SA Sheep Levy, National)

Education & Training

Now

Industry

Better unity of the industry to foster strategic thinking

Workforce plan + reward

Synergy plan

Identify what the industry wants – then educate accordingly

Use social media more, to educate & promote education / market.

Educate city based people on country life / issues

On the job training

Education / inter-active activities at the Ag Shows (e.g. RH&AS sheep pavilion, like the pigs do)

Employer incentives to provide training

Producers

Recognition of the top 25% of producers – make it more visible, QA systems, market access

Cultural change for middle 50% of producers

Educate the bottom 25% of producers – often as good as your weakest link

Focus on "best practice" being the norm

Educate producers further up the supply chain to understand it

Education in marketing – how to market your own stock

Producer – customer interaction / education

Short courses on OHS

Students – primary / secondary schools, TAFE, Universities

Agriculture on National School's curriculum – primary & secondary

Better Ag teachers, with more support / resources

More practical time (on-farm) in degrees (BSc's)

Education & Training

Blue sky thinking – lay foundation now for the future

Reinvent the "jackaroo" system

Utilise new technology in delivery methods – get past the barriers, on-line courses.

Mechanism's for 2-way communication – info flow back and forward.

Set R&D objectives with the 2-way flow of info

Education of the whole supply chain

Industry assessment of trainees, and onto internships & apprenticeships

A register of trained / skilled staff for farmers to tap into

Register of farm apprentice mentors

Sons & daughters "swap farms" with experience with other farm managers

Develop a network of "farm sitters" to manage the farm while producers attend training

All producers have certifiable professional development qualifications (i.e. capturing recognised prior learning (RPL).

Make activities/ task more process orientated to utilise unskilled labour (i.e. develop SOP's)

Communication skills

Develop an "app" for food & fibre to communicate & educate children

Foster innovative thinking

Raising the image of farming – change our language

Industry needs to have a more positive outlook

HR training so farmers know how to manage staff (legally)

Need more exciting technology to draw the younger generation

Processing – meat, wool & skins

Strength – competition, local capacity for domestic & global markets

Opportunities-

Improve feedback information
Grids based on quality
Potential for service slaughtering – Regional Brands
New products – organic lamb, grass-fed – a strength of ruminant production systems
More lamb in farm assured programs
Eating quality
Wool sourcing research
Direct wool marketing
Skin price fluctuation

Returns for offal (currently covered in the cost of slaughter, hard to feedback because of highly variable condemnation rates & lack of electronic traceability))

Focus areas:

Infrastructure – power, roads – B-Double access

Continuity of supply: price (price risk management)

Biosecurity – traceability. Wool also affected with some exotic diseases

Technology – objective carcase measurement (DEXA, etc.)

Technology – alternate wool processing

Labour resources, skill and availability

MSA lamb uptake (under-pinning brands, all the way to consumer)

Retail / Export / Consumer

FTA opportunities are a positive, need to ensure we capture the opportunities by listening to consumer

Lamb is a niche / high value product, consumers expect consistent high quality

Product innovation – new product development (NPD) Develop products for the changing consumer trends (e.g. diets, Grassfed (Omega 3's), benefits, nutrition

Cooking information (keep on the coat tails of the myriad of cooking shows generating interest in consumer to source, prepare and cook).

Cooking programs

Shop displays – whole carcase, cooked next to uncooked

Product Quality – branding (Australian, Company, regional), selling the story, pricing, clean, green, ethical

Product consistency (the objective)

Who is the customer? (Some direct contact, increased sales with existing customers, repeat sales more cost effective)

More effort into secondary cuts – a value for money message

Need to lead with education

Self promotion / awareness

Lambex lamb carcase competition was good for individual brands and industry as whole

R&D & Extension projects – train the trainer and implementation

Through chain feedback (good communication of mob-based kill sheets, traceability)

Hallal issues (anti-sentiment, the process, web claims that certification revenue is funding extremists)

A focus on Cost of Production in each sector along the value chain (i.e. the cost of doing business from genes to market)

New destinations for wool products

Product information on wool – the benefits, organic /positive story, using positive social media

An SA Sheep Industry Blueprint is needed to unite & empower industry to common focus

5. Opportunities / Strategies / what / focus (Individual's notes)

On-farm

A 20% ↑ in reproduction efficiency (lamb survival, lambs weaned

A 20% ↑ in lamb growth rate for larger lamb or quicker turn-off

Genetic improvement is a given

Better targeting of the markets

A 1% ↑ from FTA will have big impact on international markets

Cost of water is increasing, so need near infrastructure ideas to address it

↑ plant genetics for out of season feed production and dry season tolerance

A greater focus on native plants

Skills & knowledge of pasture utilization / management / rotation are lacking

Strengthen the livestock farm improvement / benchmarking groups (3)

Integrate mixed livestock into cropping systems

Greater business acumen to determine if the mega $ spend on infrastructure is justified.

Labour / time saving technologies

↑ business innovation

Access to capital and foreign investment (2)

Demonstrate to the community how we do animal welfare well (2)

Minimum standards for loading & handling facilities

Maintain endemic disease control, monitoring & education – continue to improve

Service Sector

Implementation of an integrated work force plan

Attract investment through well prepared business cases.

Public: private benefit of clean, green ethical, and Biosecurity. Food security

Quantify the value of $ exports to the SA economy

Becoming more industry self-funded. Need to accept responsibility for our own industry.

Advice needs to be neutral / non-biased (ie not selling products)

Independent auditing of various accred programs (NLIS) & services (Preg Scan) to benchmark

Training farm consultants (especially in on-farm skills)

Succession planning – private consultants started as ex PIRSA, now they are nearing retirement, and not much sign of succession/ replacement.

Develop a wool sale by description / computer based system (like AuctionsPlus?)

Education & Training

Golden Grains equivalent for sheep at RAS

Apps for students

Raising the image of farming to attract more and different people to Rural industry's

Farmers – more sharing of skills and business models

Processing

1st stage wool processing (if biosecurity breakdown)

Offal returns not communicated/ feedback anywhere

Small scale sheep processing for niche branded products

Local capacity is mostly for large scale domestic & export

More OTH – less stress, better welfare story, less exposure to public eye.

More direct feedback to producers

Improved disease monitoring and feedback systems

Retail / Export / Consumer

Consumer education and exposure to farms – what, how & why.

China is a huge opportunity for ↑ lamb exports

Lamb is a niche high value meat protein / product

Feedback on producing the right product, being prepared to change to meet trends, improving image of farming in general

Wool – not many producers know where their wool ends up

6. Barriers / Constraints (group response)

Industry

Funding

Cropping competition

Information management - Duplication of information

Consumer's change in perception

Resource constraints; water, land, labour, capital, energy, communication, transport

Producers / people

Producer's poor understanding the financial drivers

Confidence to invest

Attitude

Conservatism

Producers willingness to uptake change/plans

Change is Scary

Farmer independence

Biosecurity / welfare / environment

Exotic diseases

Animal ethics/welfare

Unsustainable animal welfare and biosecurity requirements

Greenies/environmentalists

Government red tape

Transparency

Leadership / succession

Industry leadership

Fragmentation and internal conflict

Lack of next generation

7. Barriers / constraints (Individual's notes)

Industry

Shortage of R&D funding for sheep specific projects (2)

Lack of Govt (LGA, State, national) support (Financial) going forward (2)

Governments "lack of interest" in assisting or even in recognizing the important contributions made by the sheep industry.

Alien Government policies

Resources – labour shortages / skill development. Available human resources at satisfactory cost

Commercial confidentiality

Information management, flow & transparency, overload (4)

↓ ewe numbers in the cropping zone, not ↑ to meet new China & India demand

Complacency, lack of interest – control - commitment

Climate variability & change (3)

Excessive red-tape

Price / market signals, poor prices (2)

Supply chain upset – prices drop to an extent that producers get out of sheep

Cost of Compliance → ↓ profitability and compromised (finance, interest rates, weather)

Regulation and red-tape (2)

<u>Producers / people</u>

Financials / profitability of production. Knowledge of own business numbers, profitability (4)

Control of the financials often not in the hand of the daily operation manager & worker, succession (3)

Open mindedness, desire, attitude (3)

On-farm time & money constraints, desire to adopt – but delay occurs (2)

Capital (3)

Debt

Dogs

Pasture / feedbase systems

Slow development of some tech tools (e.g. fat scoring image device)

Less opportunities for experience for consultants and Company advisors

Connection of information to producers of best practice

Uptake of Blueprint vision from some producers

Slow uptake or resistance of computer selling of wool

<u>Biosecurity / welfare / environment</u>

Bio-security deregulation (ie. One Biosecurity) – we don't want to join the Victorian train-wreck!!

Forced unsustainable biosecurity measures

Supply chain upset – a disease shuts down access to key markets, Disease risk from interstate sheep and the effect on seedstock and commercial producers productivity and profitability. (4)

Animal ethics/ consumer perception

Greenies

Animal activists, PETA, etc. (4)

<u>Leadership / succession</u>

Team to drive "The Blueprint"

Introducing new minds / thoughts to agriculture / industry leadership – not being to set in our ways.

Industry leadership – youth onwards

Lack of coordinated voice to public / lack of public awareness of industry

Fragmentation ("internal conflict") of sectors – must have united front.

Lack of cohesion – every needs to be on the one team