



Your strong and independent
voice for livestock producers

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Research and Development Inquiry

Livestock SA was formed in 2013 to represent the interests of beef cattle, sheep and goat producers across South Australia, including the pastoral region of South Australia. Currently Livestock SA has over 3,500 members.

Livestock SA welcomes the opportunity to be able to make comment on the SA Productivity Commission's Research and Development (R&D) Inquiry.

The ever-growing agricultural industry occupies over 53% of South Australian land and contributes more than \$6.6 billion to South Australia alone, making agriculture one of the main contributors to the South Australian economy. The South Australian livestock industries (sheep and cattle) are the State's largest manufacturing employer, a major contributor to regional South Australia and the largest agri-food contributor to the State's economy.

The State Government has set as an objective to lift the sustainable economic growth rate in South Australia to an average of 3% per year. The food, wine and agribusiness sector is one of nine priority sectors that have been identified for growth.

Livestock SA, which represents sheep, beef cattle and goat producers in South Australia, is pleased to be participating in further developing these sectors in line with this growth agenda. The need for dedicated R&D for sheep, cattle and goats in this State is an essential requirement as a major part of this process.

As a major initiative, Livestock SA has worked with the entire value chain to develop both a South Australian Sheep Industry Blueprint and a South Australian Cattle Industry Blueprint (see <https://livestocksa.org.au/sa-sheep-industry-blueprint/> and <https://livestocksa.org.au/sa-beefindustry-blueprint/>). In brief these blueprints can be summarised:

South Australian Sheep Industry Blueprint

The South Australian Sheep Industry Blueprint was launched in April 2016 with an overarching aim to increase productivity by 20% by 2020. There are five key objectives we are working toward:

1. **GROWING:** Grow the South Australian sheep industry's production and value from \$1.48 billion in 2015 to \$1.80 billion in 2020 while maintaining international competitiveness.

2. **UNITING:** Develop a united value chain workforce plan from 2015 to 2020 that attracts new and energetic people to the industry.

3. **ENGAGING:** Support a 20% increase in the engagement of quality consultants and advisers with increased use of business decision-support tools.

4. **INNOVATING:** Act as a conduit for greater research, development and extension collaboration along the value chain at the regional, state and national level and develop a measure of greater adoption and uptake.

5. **SHARING:** Develop a proactive and progressive industry communication plan that, through advocacy and champions, gives greater consumer confidence to increase their demand and engages the whole value chain.

The Blueprint is currently being reviewed. At this point of time, there is a draft document. It is hoped that we can forward a copy of the final version of the review shortly. In the meantime, the following is a draft of the summary of the findings on Objective 4 dealing with R&D:

“Objective 4

Innovating: Act as a conduit for greater research, development, and extension collaboration along the value chain at the regional, state, and national level and develop a measure of greater adoption and uptake.

Accomplishments for “Innovating”

- SA is heavily recognised as having a coordinated and collaborative approach to projects across research, development and extension.
 - This has provided a two-way forum with RDC's and other funding bodies to find out about opportunities and upcoming tenders, as well as being able to give industry representative feedback on the direction of industry projects for continuous improvement and enhanced industry adoption.
 - This has included an annual review of Southern Australia Livestock Research Council (SALRC) priorities by the blueprint working group.
 - Consultation with producers across state to set up priorities.
- Number of sheep reproduction and lamb survival projects being led from South Australia with collective total cash and in-kind investment exceeding \$15M.
- Linkage of new technologies (e.g. two International Monetary Fund probe spin-out companies) to sheep industry.
- The Blueprint has been replicated by other commodity groups and is acknowledged by other R&D organisations as a good approach to R&D in SA.
- Blueprint has facilitated a great deal of collaboration and co-investment.
- Mutual collaboration with the University of Adelaide, PIRSA/SARDI, TAFE SA with industry.

The Blueprint Working Group and SA regional SALRC committee has been recognised as a key conduit for collaboration between research, development, and extension groups to ensure that projects align with the industry needs.

The Blueprint has attracted the development of funding and collaborative projects to the state. These projects have linked the supply chain, government, industry and university research organisations and service providers together. The Blueprint has distinct goals in which link to the Meat Industry and Sheep Industry Strategic plans (MISP & SISP) and other national strategic plans.

The biggest project that the Blueprint has helped facilitate is the Red Meat and Wool Growth Program which helped the SA Government commit \$7.5 investment to grow the SA sheep industry. The Red Meat and Wool growth program has allowed the Blueprint Working group to provide direct input into the development of the program.

South Australian research groups have been at the forefront of national research and development. Key research groups continuously align project development with the objectives of the Blueprint. Examples include, lamb survival, sheep reproduction, artificial insemination and ewe management are all research areas that have been thoroughly researched consistent with the Blueprint's four key areas, with the focus of creating a resilient and profitable production system.

The University of Adelaide's Davies Centre, TAFE SA, SARDI, PIRSA and other organisations have strengthened alliances to work together. Alignment with the Blueprint provides focus and collaboration increases impact to ensure industry and regional growth.

The Blueprint is having impacts beyond this State. Projects are not only being researched here but have also been extended to high rainfall areas in Western Australia and Victoria. SARDI for example is currently running a project on ewe management based out of Western Australia, with ideas for more projects soon to be mainly based in South Australia but likely to be extended into other states.

The Blueprint has fostered research and development projects which are exploring different aspects of the value chain. One such project is focusing on microbial prevention and carcass composition using DEXA objective measurement in abattoirs, a practice which is now applied commercially in South Australia.

Improving genetics using data from abattoirs which can be directly transferred to farmers via an app is the subject of another research project. Other projects are looking into the consumer approach to packaging in retail outlets, using new imaging analysis technology for oocyte and embryo quality and animal welfare issues arising from on-farm, live export and transport practices. All of these projects are consistent with and guided by the Blueprint.

More can always be achieved, which is why the red meat industry needs to continually strive to attract investment with improved collaborative submissions and communication.

Recommendations for “innovating” In the future:

- Continue leading research and development to better the industry through
 - Increasing the number of sheep in SA
 - Improving lamb survival
 - Improved genetics, and
 - Linking cattle and sheep research together
- Expand research to build resilience and adaptability into the flock in the face of future changes.

- Implement application systems from mathematics, medical sciences, and IT fields to increase productivity and livestock wellbeing
- Create opportunities for quality extension
- Foster even greater collaboration and coordination between R, D, E & A.”

South Australian Beef Industry Blueprint

The South Australian Beef Industry Blueprint, launched in September 2018, seeks to position the industry to capture the benefits that exist in growing demand for premium beef.

For cattle producers and the wider value chain to fully benefit from increasing global demand South Australia’s industry must be able to sustain consistent supply of highly credentialed product year-round. The Blueprint has been developed with input from across the value chain. It contains ambitious productivity and revenue targets. Moreover, the Blueprint details actions required over the next decade to ensure the South Australian beef value chain can sustainably increase revenue.

The South Australian beef industry makes a crucial contribution to South Australia and underpins substantial economic activity in our regions. Recent seasons and prices have been broadly favourable. In 2016-17 farm-gate cash incomes were the highest in 20 years supported by high prices. More than one in five farms recorded a rate of return on assets under management of greater than 5%. Despite record farmgate returns the South Australian beef industry faces several significant challenges. Firstly, there are nearly 240,000 fewer beef cattle than five years ago and some 140,000 fewer breeding stock. As an industry we need to re-build our breeding herd and improve productivity. This will enable sufficient supply of stock year-round to allow for efficient processing of cattle and marketing of premium beef products.

An agenda for industry development

Livestock SA is pleased that the State Government has recognised the importance of both the South Australian Sheep and Beef Industry Blueprints in setting the agenda for industry development in South Australia. In the 2019 State budget, \$7.5 million was allocated over three years to implement a red meat and wool industry growth program. This program aims to improve productivity in the sector, help with cyber and technology adoption and vital infrastructure, and support the One Biosecurity program which provides greater traceability and market advantage for livestock producers.

The South Australian livestock industries (sheep and cattle) are the State’s largest manufacturing employer, a major contributor to regional South Australia and the largest agri-food contributor to the State’s economy. However, this is under threat. Cost of production and processing is high in Australia, restricting profitability of businesses along the value chain. Therefore, processing needs to be at full capacity, but there has been a decline in inputs (livestock and wool) for several years. An increase in production is now needed, depending on seasonal conditions, to achieve an economy of scale that is competitive, maintains profitable businesses, and grows jobs and our regions.

Globally, real per capita incomes will increase by 60% to 2030. With red meat consumption and per capita income being closely related, this translates to an increase in demand of 25% over that period, as well as an increase in demand from markets specifically seeking high quality livestock products. A major competitive advantage for Australia’s livestock industries has been the strength

of its integrity systems that have maintained a disease free, food safety and product quality status envied by our competitors. Being a leader in integrity systems is vital for market access and being competitive internationally.

As a State we now need to increase investment in the value chain and in the regions, by increasing the availability, consistency, and continuity of supply of livestock/wool for processing. Further State investment in programs is required that will ensure the ongoing viability and growth of the livestock sector. SARDI has acknowledged that investment in its livestock program has declined and it is now looking at how it can expand. In recent years almost all emphasis has been on pig and poultry at the detriment of sheep and cattle – now is the time for the State Government to expand its investment into the mainstream livestock industries.

In addition to resourcing the development and extension of research in genetics and breeding and in nutrition, Livestock SA would like to see a commitment from the State Government to invest in the development of more sustainable grazing systems which will aid the whole South Australian livestock value chain in significantly expanding gross state revenue.

Some suggested areas of focus include:

- enhancing the feed base so that it is productive for longer each year;
- grazing and enterprise management practices to allow for greater 'out-of-season' supply to the benefit of suppliers and value chain;
- unlocking the potential of under-utilised irrigation in the Limestone Coast for intensive livestock production systems;
- exploration of pasture-based finishing systems for warmer regions of South Australia during winter; and
- more cost-effective practices so that when commodity prices do fall, producers can still trade profitably.

We need a livestock R&D program that will not only enhance the productivity of the South Australian livestock sector but will also capture many of the gains and learnings generated in other States and through national research funding.

This investment from the State Government will further underpin some of the key objectives within the SA Sheep Industry and SA Beef Industry Blueprints, which have a major focus on increasing consistency of supply of premium products based on key credentials including product integrity, animal welfare, natural resource stewardship, product quality and nutritional value.

It is also important that the State Government continues to provide research and development for agriculture and particularly for livestock. Livestock SA would like to see SARDI provide more livestock-related R&D.

There is the need for the commitment to invest in current and future research, development and adoption projects which underpin the South Australian livestock sector.

Research and Development

South Australia has a proud history of scientific and academic excellence in the development of the primary sector. In the 20th Century successive government had demonstrated an ongoing commitment to scientific and research excellence in the primary sectors. Sadly, in the 21st Century the SA Government has dropped the ball with an ongoing erosion of the support frameworks around the Department of Primary Industries and Regions (PIRSA) and the South Australian Research Development Institute (SARDI). PIRSA must remain its own department without being collapsed under the umbrella of a mega department even more distant from its overseeing minister and secondly, that a commitment to SARDI and PIRSA should be expanded in dollar terms

South Australia exists in an increasingly competitive world. South Australia ranks with the finest and cleanest places in the world and global recognition but in recent times the shield that has been that high standard of support has been reduced in substance and responsiveness.

Globally there has been continued increasing demand for premium high-value red meat, especially for animals raised on pasture. Consistent year-round supply of preferred specification product is critical to being able to expand and develop these high value markets. Mediterranean pasture-based production systems such as those primarily found in SA are characterised by large fluctuations in feed quality and availability throughout the year. These fluctuations constrain the ability of producers to consistently supply prime stock and in turn constrains the ability for the industry to expand and develop further high-value markets. Developing feedbase solutions and grazing systems that are capable of providing year-round supply of preferred specification product is of critical importance to increase red meat industry gross revenue.

Such programs will not only enhance the productivity of the South Australian industry but will also capture many of the gains and learnings generated in other States and through national research funding.

Yours Sincerely,



Andrew Curtis