

Annual report 2022–2023
The future face of meat processing





The Australian Meat Processor Corporation (AMPC) is the specialist Research and Development Corporation (RDC) for the red meat processing industry in Australia.

We are the red meat processing industry's trusted partner in innovation and our purpose is to invest in research and development and marketing initiatives that improve the competitiveness, profitability and sustainability of the industry.

Investments are funded by statutory levies, private contributions, and the Australian Government and are designed to deliver a range of benefits for the industry and the broader Australian community.

AMPC engages with leading research organisations and marketing providers and undertake joint activities with our value-chain partners to address the priorities of the red meat processing industry.

The annual report provides an overview of the financial year's activity as outlined in AMPC's Annual Operating Plan (AOP). The AOP is prepared yearly to guide the delivery of AMPC's long-term investment priorities and outcomes. The programs in the R&D portfolio have come from direct engagement with levy payers and the Australian Meat Industry Council.

Acknowledgement of Country

AMPC acknowledges Aboriginal and Torres Strait Islander peoples as the First Australians and pays respect to Elders past and present across all the lands on which we operate.

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John K Berry
Chairman



Chairman's report

It is my privilege to present AMPC's *Annual Report 2022-23* on behalf of the board and the team.

Operating environment

Over the past year, the operating environment has been challenging for the Australian red meat processing industry. A range of factors have contributed to this such as the spread between domestic livestock prices and the cost of finished product, which was compounded by significant levels of animal protein being available globally. The Australian industry also has significant challenges off the back of COVID in attracting and retaining people in a highly competitive labour market.

The good news is that we are seeing a rebuilding of the local herd in Australia, and we are well placed heading into 2024 to maximise opportunities in the domestic and international markets. On the labour front, the current Federal Government has addressed the significant backlog of visas, combined with the introduction of the Pacific Australia Labour Mobility Program (PALM), which has been used extensively by AMPC members.

Moving forward, AMPC's strong policy in relation to promoting career opportunities in the Australian red meat processing industry combined with the introduction of practical technology and innovation, provides AMPC members with opportunities to address productivity and cost competitiveness issues.

From a trade perspective, the Federal Government has had success in finalising the UK free trade deal and our industry is working with the Department of Agriculture, Forestry and Fisheries on the resolution of a range of technical factors which will support improved opportunities for producers and processors in the high-value UK market.

The Australian red meat industry is also actively working with the Federal Minister for Trade around a positive outcome around a workable and favourable EU free trade deal.

In terms of biosecurity, the Australian red meat industry has worked with both the federal and state governments on responses to support the Indonesian Government in their battle against Foot and Mouth Disease (FMD) and Lumpy Skin Disease (LSD). It is important to note that Australia has strong biosecurity systems and protocols in place to mitigate the risk associated with any incursion of animal disease along with world-leading individual animal identification and industry livestock systems. The industry along with AMPC is committed to continue to support these important initiatives in partnership with the Federal Government.

More to Meat campaign

The *More to Meat* campaign is a significant investment by AMPC in promoting the importance of red meat processing operations in local communities and their significant contribution to the local, state and national economies. The initial phase of the campaign has been extremely successful, and the next stage will be rolled out from late 2023. I encourage all AMPC members to be participate in this major AMPC initiative.

Governance

The AMPC Board has adopted a best practice approach to governance. Board elections are in late 2023 and elected directors can service a maximum of three terms. I look forward to the nomination of a strong list of qualified people to be considered for AMPC board roles and the opportunity to introduce the next generation of board members.

Over the past year, AMPC has continued to refine and adapt its investment portfolio to deliver value for its levy payer members in 2023-24.

The AMPC Board and CEO looks forward to the continued valuable input of members on areas for improvement in the AMPC investment portfolio in order to deliver services and value proposition to levy payers.

Strategy

During the year, we continued to focus on the strategic challenges and opportunities in the sustainability area for the red meat processing industry. This will be a continued focus for AMPC, working with our industry and research and technology providers, to deliver practical and cost-effective solutions to industry carbon emissions, water, energy, animal welfare and people safety issues. This will continue to be an area of focus and priority for AMPC.

As this is my last term as a Director of AMPC, I would like to pass on my appreciation to those I have worked with during my time with the company. AMPC has an important and valuable role in working with its members to address real-world issues through the delivery of practical and innovative solutions.



John K Berry
Chairman



Chris Taylor,
CEO



CEO's report

The past year has seen AMPC building on the success of its R&D portfolios which were brought to life at the 2022 AMPC Innovation Showcase event. We positioned ourselves for enhanced value delivery to levy payers and there was more focus on strategic opportunities.

Our investments are continuing to deliver strong value for levy payers and our latest program evaluation for investments showed a cost-to-benefit ratio of 5.1 which is an outstanding result.

Our 2023 levy payer engagement survey showed 69 per cent of processors are satisfied with AMPC's service delivery.

In October 2022 we hosted our inaugural *AMPC Innovation Showcase* at the Melbourne Showgrounds. It attracted more than 300 attendees over three days and was an opportunity for levy payers and stakeholders to experience over 40 cutting edge, innovative technology displays. There were several panel discussions held on topics such as market access and sustainability together with keynote speakers who pushed the audience to consider the future of red meat processing, and how to be prepared.

One initiative that I am immensely proud of is the industry's first ever regional reputational campaign, *More to Meat*. Underpinned by community sentiment research, we ran an integrated, multi-channel campaign in regional Australia highlighting the economic and employment contributions that Australian red meat processors make in these communities. The campaign was part of a program of work to reposition the red meat processing sector with the Australian public in regional areas. The results of the campaign saw positive shifts in attitudes towards the red meat processing industry. We will be continuing this important campaign in the coming months.

During the year we made changes to future-proof our R&D funding model following an independent review commissioned by the board. The new model increases the transparency of our funding decisions. We replaced the outdated Plant Initiated Projects funding model with a more flexible, transparent approach to funding that delivers better industry-wide outcomes, and it officially began on 1 July 2023.

A highlight of the year was continued strong engagement with our levy payers. I spent time visiting processors in the regions, discussing strategic priorities, and consulting on the changes to the funding model.

We established a newly created role — a General Manager Research, Development and Adoption and refreshed our operational R&D plans, ensuring resource allocation is consistent with levy payer expectations.

One concern often raised by levy payers is the lack of a balanced dialogue around the role of meat in society. And so we acted this year by hosting *The Good Meat Summit*, together with Meat and Livestock Australia, which brought nine scientists from around the world together in March 2023 in Sydney for a day-long summit to discuss the scientific evidence in support of red meat and livestock production in today's society. We look forward to progressing this important work into the future.

Financial performance

Over the year we have been adjusting portfolios to accommodate two years of lower levy income following decreased processing throughput.

There has been new activity in the marketing space through the *More to Meat* campaign and the AMPC Showcase.

We finished the year with a strong balance sheet within the Board's target reserves balance, and appointed an investment management firm to assist with investing our residual cash reserves.



Portfolio highlights

Advanced manufacturing

Our advanced manufacturing program aims to improve human product handling through technology advancement to reduce injury rates, maximise yield and improve processing efficiency.

The focus for the advanced manufacturing program over the year was on progressing foundational developments in carcase cutting, objective measurement, digitisation, and materials handling solutions. These developments embraced advancement in new technologies including artificial intelligence (AI), sensing, and robotics. The program has seen significant progress in automated and remote-operated developments including beef scribing, ovine intramuscular fat measurement, primal packing, and shadow robotics.

Our investment into advanced manufacturing has resulted in a world-first AI-driven automated beef scribing system being installed at Kilcoy Pastoral Company's processing plant.

Sustainability

Our sustainability program ensures Australian processors are recognised as global leaders in environmental stewardship and acknowledged as responsible businesses with positive economic and social impacts on their communities.

The focus for the sustainability program over the year was around the transition to clean energy in two areas. The first being the further development of capability around bioenergy adoption through the multi-fuel biomass boiler trials. The second being increased adoption of energy efficiency.

Our investment in sustainable fuel options has seen a multi-fuel biomass boiler delivered to several red meat processing sites for trials. The trials have been helping processors to reduce emissions by demonstrating multi-fuel biomass alternatives to the use of fossil fuel boilers.



People and culture

Our people and culture program ensures the processing sector is a diverse, safe and attractive industry for employment.

The focus for the people and culture program over the year was on delivering projects related to workforce, development, safety and wellbeing.

Our strategic investment in virtual reality training for red meat processors has resulted in it being made commercially available. Our virtual reality training provider has sold its first modules to a labour hire company for their use in training employees to work in red meat processing plants in Australia.

Technical market access and markets

Our technical market access and markets program ensures Australia is the preferred trading partner for premium red meat products globally.

The focus for the technical market access and markets program for the year has been on enhancing the international competitiveness of our meat exports by reducing regulatory burden on processors and improving market access conditions.

A risk management framework was developed to support the risk-based inspection requirements for *Cysticercus bovis* in the revised Australian standards.

Product and process integrity

Our product and process integrity program ensures the Australian red meat industry maintains and further enhances its international reputation for safe, sustainability-sourced wholesome red meat products.

The product and process integrity program's focus for the year has been on projects aimed at improving the traceability of meat products and providing scientific support for better options to demonstrate product integrity.

We are managing research into remote auditing. Remote auditing allows for various audits to occur remotely through the use of smart glasses technology that can live stream to an auditor or a vet located elsewhere.



Looking to the future

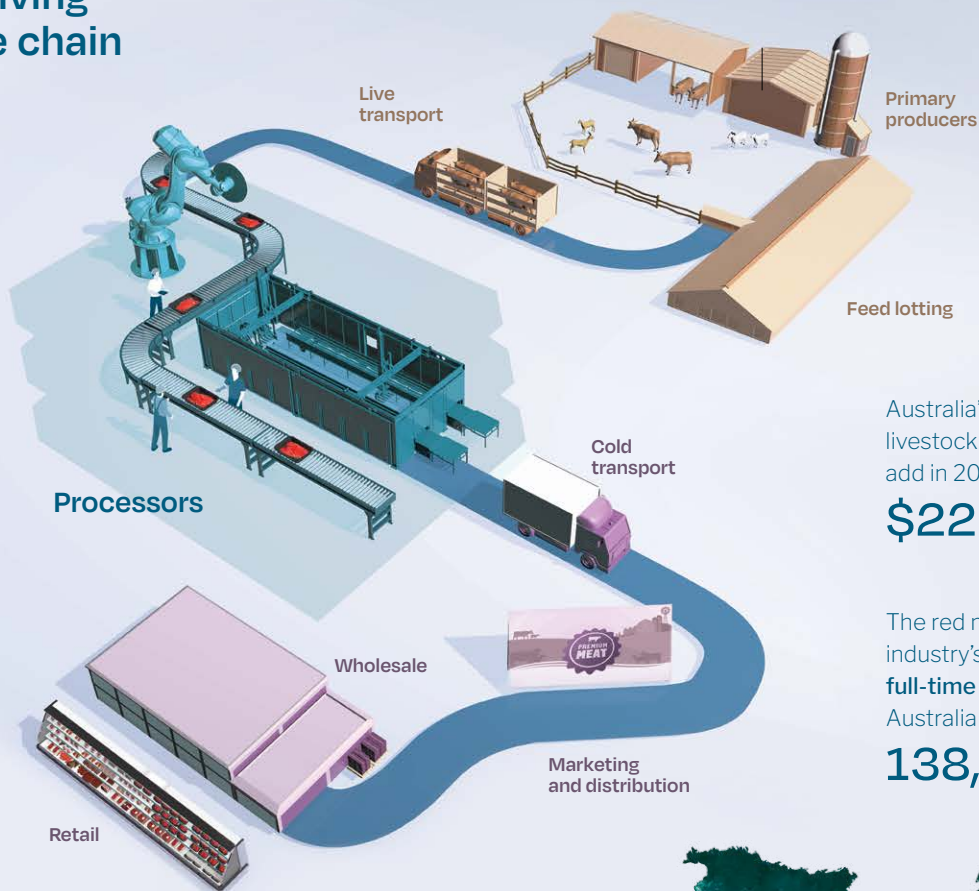
Our focus is on increased engagement with levy payers and to increase their participation in R&D activities. We will delivery value through supporting the adoption of R&D.

I want to thank AMPC employees, board, members, stakeholders, and research partners for the value we have delivered for the processing industry in Australia.

Chris Taylor
CEO

Our industry

A thriving value chain



Australia's red meat and livestock **industry value** add in 2021-22 was
\$22.5 billion

The red meat processing industry's contribution to **full-time employment** in Australia totalled more than
138,000 jobs

Nearly **80%** of red meat processing employment is **located outside of capital cities**

The red meat processing industry is estimated to **generate more than \$21 billion** in industry value added in 2020-21

Processors account for **29%** of total direct employment in the **agriculture, forestry, and fishing sector** in 2020-21

17.6 billion red meat and livestock **export value** in 2021-22

Australia is a **key exporter** in global red meat markets

Australia was the **world's largest** sheep and goat meat exporter in 2022

In 2022, Australia was the **fourth largest** beef exporter after Brazil, India and the USA

The red meat processing industry's total contribution to **household income** is estimated to be more than **\$7.6 billion**

Sources:

- MLA State of the Industry Reports 2022 and 2023
- Evaluating the socio-economic benefit of the red meat processing industry in regional Australia — [Read the full report on the AMPC website >](#)

Our processors

Australian red meat processors



110
processors

140
processing plants



Align with customers to maximise returns

- Processors have built a network of global and domestic customers that guarantees the industry's access to 100+ markets.
- With a view across the value chain, they help align the industry with customers to maximise returns.
- Processors find growth opportunities and diversify into niche areas, then work with producers to guide innovative product value-adds.

Make the supply chain work

- Without processors connecting all the complex moving parts, the supply chain would collapse.
- Processors navigate a web of requirements such as transparent labelling, integrity checks and trade rules.
- They lead on commercial issues, building relationships and taking on risks.
- They connect small businesses into the supply chain from the forklift operator to the freight driver.
- On the international stage, processors are critical in building trust in Australia as a reliable protein supplier.

Advance Aussie manufacturing in our regions

- Meat processors apply new technology and modern ways of manufacturing from their base in regional towns across Australia.
- For generations processors have been at the heart of regional communities, growing investment, employment and vibrant social bonds.



Significant Employers

- AMPC levy payers range in size from two to 2,000 employees
- Half the AMPC membership have more than 200 employees



Varied product focus

- a range of processing sizes and systems
- cattle processing is the most common activity, representing more than 80% of all member sites
- covering beef, sheep and goat



Geographically diverse

- processors are spread throughout Australia, particularly in rural and regional areas
- AMPC processors are primarily located in medium-sized rural areas of between 10,000 to 50,000 people, where they are typically one of the largest employers

Our vision and strategy



Our vision

The red meat processing industry's trusted partner in **innovation**.



Our mission

To drive world-class **innovation, adoption** and strategic **policy** development through genuine partnerships built on trust.



Our purpose

To enable Australia to build the most **competitive, profitable,** and **sustainable** red meat processing industry.

Strategic pillars and aspirations

The Strategic Plan 2020-25 contains five pillars.



Advanced manufacturing

Human product handling is halved through **technology advancement** to reduce injury rates, maximise yield and processing efficiency by 2030.



Sustainability

By 2030, Australian processors are recognised as **global leaders in environmental stewardship** and acknowledged as responsible businesses with positive economic and social impacts on their communities.



People and culture

By 2030, the processing sector is seen as a **diverse, safe,** and **attractive** industry of choice for employment.



Market access and markets

By 2030, Australia is the **preferred trading partner** for premium red meat products globally, with unrivalled access to high value markets.



Product and process integrity

The Australian red meat industry maintains and further enhances its international reputation for **safe, sustainably sourced wholesome** red meat products.

2022–2023 Year in review

AMPC's 2022-23 processor survey

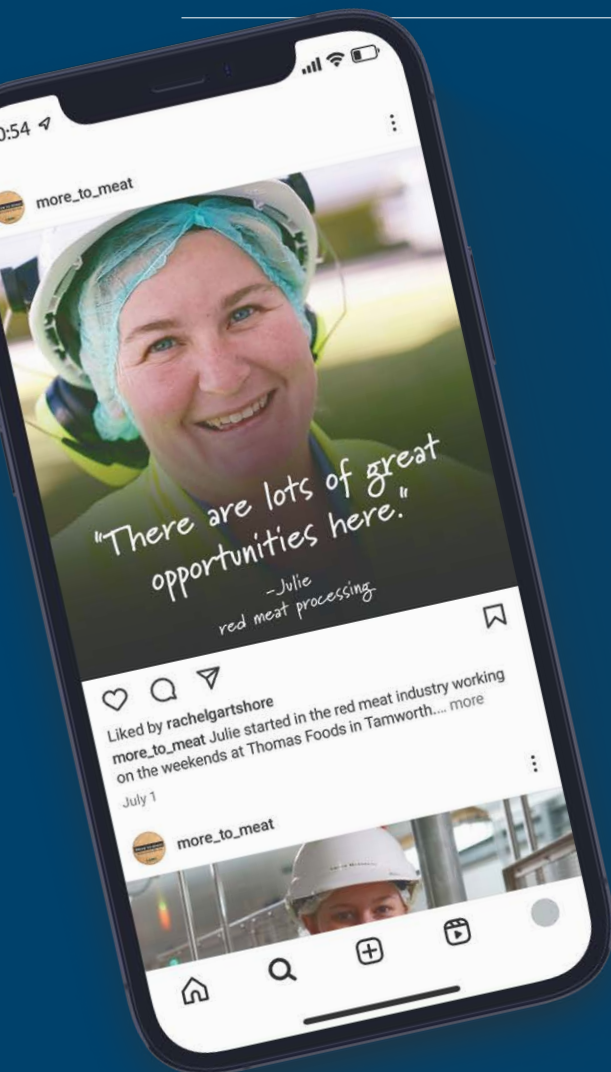
-5 Net Promoter Score
69% Member satisfaction

Active team engagement

124
site visits to processors

266

research, development, marketing, joint and corporate projects completed, in progress or started during 2022–23 year



Delivered inaugural **AMPC Innovation Showcase** event in October 2022 that attracted more than **300 attendees** over three days. The event showcased more than **40 pieces of technology** along with several panel discussions and keynote speakers at the Melbourne Showgrounds. Media coverage reached an audience of more than **7.7 million people** across radio, print, and digital platforms.



Ran the **More to Meat** campaign in regional Australia (over 11 months) highlighting the economic and employment contributions of Australian red meat processors.

The campaign was part of a program of work to reposition the red meat processing sector with the Australian public in regional areas. The results of the campaign saw positive shifts in attitudes towards the red meat processing sector. Support for the red meat processing industry saw a net increase of **5 points** nationally.



Modernised the AMPC funding model

- Replaced outdated Plant Initiated Projects funding model with a more flexible, transparent approach to funding that delivers better industry wide outcomes
- Engaged with all members and other impacted stakeholders
- Funding decisions are guided by transparent criteria applied individually to each project



Hosted **The Good Meat Summit**, together with MLA.

The event brought nine scientists from around the world together in March 2021 in Sydney for a day-long summit to discuss the scientific evidence in support of red meat and livestock production today.



Collaboration

AMPC levy payers are red meat manufacturers that play a specialised role in the supply chain.

The focus of our engagement with levy payers is focussed on finding the right opportunities for collaboration with stakeholders where there is a direct benefit on the sustainability of processors and the communities in which they operate.

AMPC continued to be a member of Agricultural Innovation Australia (AIA) in the 2022/2023 financial year. AIA is a company targeting transformational innovation across agriculture which is jointly funded by 15 RDCs. AIA's priorities align with AMPC's R&D portfolios in the areas of trade and export, climate resilience and digital agriculture.

We are also a member of the GrowAg innovation platform — the online gateway to Australia's agrifood innovation system. AMPC uses GrowAg as a vehicle to identify and collaborate with new global partners in research and commercialisation.

AMPC collaborated with all other research and development corporations to have a joint exhibition stand at EvokeAg in February 2022 in Adelaide.

AMPC co-invested \$7.1m or 41 per cent of its levy income, on projects with Meat and Livestock Australia (MLA) to address issues in the red meat supply chain. Those projects are seeking to find solutions for our industry in the areas of product and packaging innovation, international and domestic markets, objective measurement, and integrity systems.



Consultation

with members and stakeholders

AMPC engages with a wide range of stakeholders about its role, the work it performs and the value it adds.

It has a dedicated regionally based team of four co-innovation managers who liaise and work with up to 20 processing companies each. The team, based in NSW, Victoria, Queensland, and Western Australia, manage the levy payer relationship, extend R&D outputs directly with processors, encourage cross-fertilisation across the industry and share insights on challenges with the AMPC R&D team.

AMPC also has an extended network of 34 innovation managers embedded within processing plants across Australia to drive technology investment and adoption of research and development.

We have stakeholder engagement agreements with MLA and the Australian Meat Industry Council (AMIC) which set out shared behaviours, principals of engagement and principals for matched funding and joint activities. AMPC also has an overarching stakeholder engagement framework which sets out principles guiding AMPC's engagement processes.

AMPC conducts a twice per year consultation model where industry input sought from AMIC and industry, and AMPC presents its progress. This model enables AMPC to provide a detailed update to many stakeholders in one session, held twice per year.

AMPC engages with government through regular meetings with the Department of Agriculture, Water and the Environment, and Council of Rural RDC meetings with the minister.

In 2022-23, AMPC's CEO Chris Taylor continued to be a member of the Lumpy Skin Disease Taskforce led by the Red Meat Advisory Council which was focussed on ensuring red meat supply chain preparedness if LSD entered Australia. He is also a member of the National Agriculture Education Strategy Working Group Selection Committee. Our Industry and Government Relations Director, Veneta Chaple, joined the Emerging National Rural Issues Steering Group which provides strategic advice on cross industry investments and partnerships.

Processor survey

AMPC's 2022-23 processor survey showed strong processor satisfaction	-5	Net Promoter Score
	69%	Member satisfaction



Our performance

AMPC conducts independent evaluations of its research projects to demonstrate the benefits and outcomes that have emerged or are likely to emerge from investments.

AMPC evaluated the economic returns from a sample of ten AMPC projects completed in the 2022-2023 financial year. Evaluations were completed in line with the Council of Rural Research and Development Corporations (CRRDC) Impact Assessment Program: Guidelines (2018). They were informed by a review of project outputs, and consultation with researchers, industry representatives and other relevant stakeholders.

The assessments were completed by modelling the marginal costs and benefits from a project over a 30-year period.

All assessed projects demonstrated a positive economic return, with Benefit Cost Ratios ranging between 0.6 to 35.9. Resulting in a weighted average of 5.1.

(These results are indicative and rely on a range of assumptions.)

In addition AMPC is also measuring the environmental, social and safety outcomes.

The ten projects that were evaluated are listed below:

- | | | |
|-----|---|--|
| 1. | Food safety: end-of-line ovine carcase inspection/contamination management prototype* | Food safety: end-of-line bovine carcase inspection/contamination management prototype* |
| 2. | Ovine IMF measurement production prototype | |
| 3. | Zero waste to landfill | |
| 4. | Pinch analysis and heat integration opportunities | |
| 5. | Bio-solids upgrade stage 1 | |
| 6. | Immersive reality — equipment maintenance training — whizard trimmer*
Immersive reality — training washroom lobby* | |
| 7. | Wellbeing assessment of the red meat industry phase 1 | |
| 8. | C. bovis risk management plan and verification arrangements | |
| 9. | A cold plasma wash water technology for meat safety and shelf-life extension | |
| 10. | Real-time identification of red meat provenance and quality attributes | |

Note: * Project investments clustered together for analysis.





Extension, engagement and communication



New funding model announced

12

processor newsletters delivered to AMPC levy payers

2

industry events hosted



Innovation Showcase 2022
The future of red meat processing

The Good Meat Summit.

52

articles uploaded to the AMPC website



7

webinars hosted



443

webinar registrations



281

webinar attendees

3

appearances on national television

- ABC Landline x 2 segments
- Sky News Breakfast

7,436

people following AMPC's social media channels



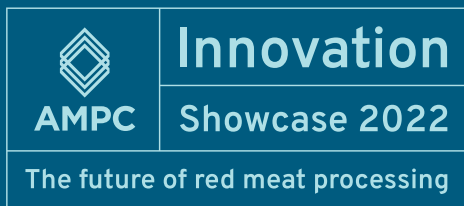
Hosted 2 AMPC embedded innovation manager workshops

34

videos shared on the AMPC YouTube channel

124

site visits to processors



AMPC Innovation Showcase

Melbourne — 11–13 October 2022

AMPC's inaugural Innovation Showcase unveiled the technology that will transform the meat processing industry. The showcase featured robot dogs and virtual reality glasses, as well as several other emerging technologies.




More than 300 red meat processors and industry participants from across Australia were given the chance to see, feel, try and test more than 40 examples of emerging technology at the inaugural event. All the innovation on display was developed and funded through investment and partnerships with AMPC.

The Showcase was more than a highlight reel of cool tech. It looked at some of the key challenges for the industry. This includes the need for new funding resources including global partnerships, and understanding how novel approaches to drive sustainability outcomes may also deliver improved bottom lines for processors.

The event was an immersive and interactive event, allowing red meat processors to see how R&D solutions could be used in their own businesses. It was about equipping Australian red meat processors to continue delivering world-class products and creating jobs in the communities where they operate.

The event featured 12 panel discussions and presentations from innovators and futurists on topics that ranged from artificial intelligence in red meat processing plants to the evolution of the circular economy.

See more online

 [AMPC Innovation Showcase](#)



Key stats





The Good Meat Summit

Sydney — 21 March 2023

The
Good
Meat
Summit.

AMPC together with MLA brought nine scientists from around the world together in March in Sydney for a day-long summit to discuss the scientific evidence in support of red meat and livestock production in today's society.

The Good Meat Summit brought together industry leaders and producers from across the red meat and livestock sector to hear the science from experts who have published a series of research papers in the highly regarded scientific journal, *Animal Frontiers*.

The summit modelled a similar science-based event held in Dublin in October 2022 and was an excellent opportunity to bring industry leaders, producers and scientists together under one roof.



Industry leaders were given an opportunity to hear in person from some of the world's leading scientific brains working in this field.

From Professor Peer Ederer to Professors Candace Croney and Neil Mann — these scientists are leading thinkers in the field of animal agriculture and livestock production around the world. Their work is part of a growing snowball of scientific evidence that is demonstrating the immense value and contribution of the Australian red meat and livestock industry.

Animal Frontiers is the official journal of four professional animal science societies including the American Society of Animal Science, the Canadian Society of Animal Science, the European Federation of Animal Science and the American Meat Science Association.

The *Animal Frontiers* papers consolidate more than 1,000 scientific works in support of a balanced discussion on the future of animal agriculture globally.

Following that event in Dublin, more than 850 scientists from around the world have now signed the Dublin Declaration, which endorses the positive role of red meat in our society.



Key stats

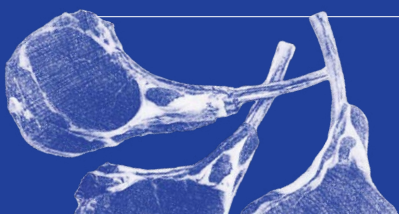
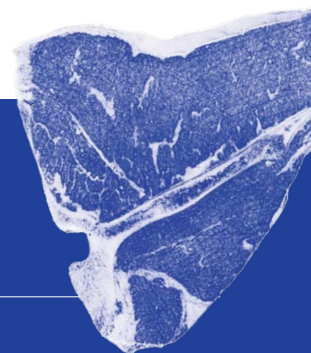
62 red meat industry
CEOs attended

9 internationally recognised
scientists delivered
presentations

100% of attendees rated the event
excellent or very good

90 Net Promoter Score
from attendees

9
scientific research papers
published in *Animal Frontiers*
confirmed the critical role red
meat and livestock play in
society





More to meat than meets the eye

More to Meat campaign

AMPC ran the *More to Meat* campaign in regional Australia (over 11 months) highlighting the economic and employment contributions of Australian red meat processors. The campaign was part of a program of work to reposition the red meat processing sector with the Australian public in regional areas.



The results of the campaign saw positive shifts in attitudes towards the red meat processing sector:



Support for the red meat processing industry saw a net increase of **5 points** nationally (from 46 to 51 points).

In communities where processors operate, **support for the industry** increased net **6 points** between December 21 and May 23 (from 43 to 49 points).

Improvements in:

Support for red meat processing plants
+12 points

The red meat industry
+11 points

The trucking industry
+9 points

Red meat processors
+8 points

AMPC
+6 points

The agriculture sector
+6 points

At both the **national** and **local community** level, those who have seen the campaign are **more supportive** of the industry compared to those who have not (+9 points to +10 points).



The campaign also weakened the intensity of disagreement that:

Red meat processing plants make the surrounding communities less attractive to live in by **12 points** (from 21 net agreement to 9 points).

The industry lacked career development opportunities by **9 points** (from 19 to 10 points).

Increased likelihood to consider working in the industry by **3 points** (from 15 to 18 points).



See more online

- [More To Meat](#)
- [More_To_Meat](#)
- moretomeat.com.au