

MSA – Past, Present and Future

Dr Jane Weatherley – General Manager , Livestock Productivity



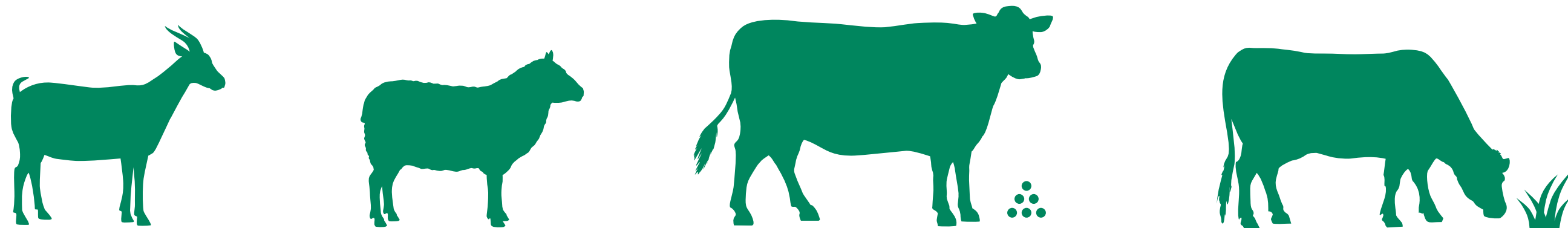
Overview

- About MLA
- MSA – In the beginning
- MSA – the past five years
- The latest developments:
 - Optimisation
 - MSA Beef Index
 - My MSA
- Future of MSA

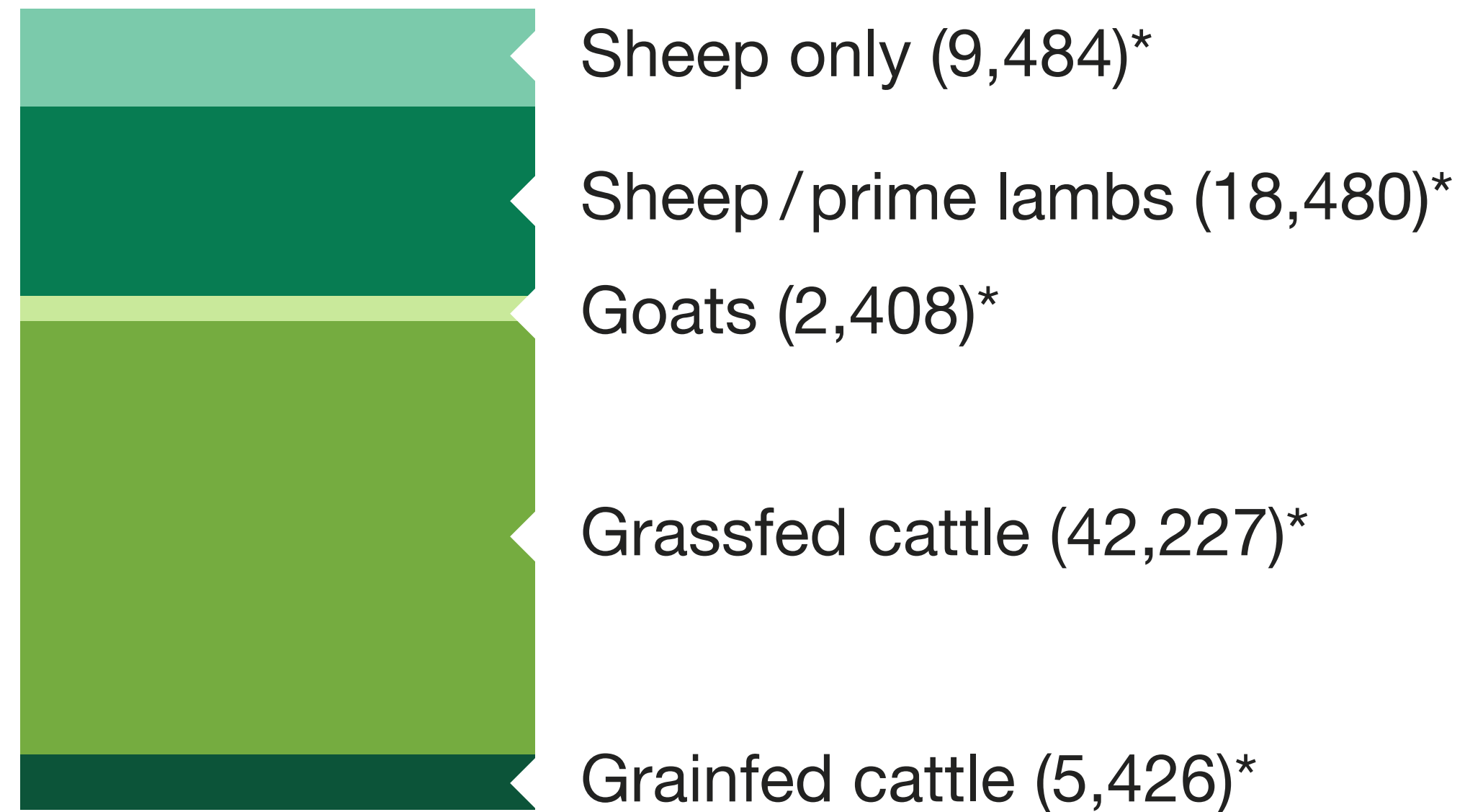
About MLA

Working in collaboration with the Australian Government and the wider red meat industry, MLA invests in initiatives that contribute to **producer profitability, sustainability** and **global competitiveness**.

MLA invests in **Research, Development & Adoption** and **Marketing**.



MLA membership



TOTAL MEMBERS 49,892
















* Includes members with mixed enterprises



What impact has MLA made to the industry

An independent assessment of MLA's research, development and marketing programs from 2010-11 to 2014-15 concluded:



			= \$6.20	Every \$1 invested by MLA in all programs yields \$6.20 in current and future returns
			= \$14.80	Every \$1 invested in maintaining and improving market access programs yields \$14.80 in current and future returns
			= \$5.20	Every \$1 invested in growing demand programs yields \$5.20 in current and future returns
			= \$4.50	Every \$1 invested in increasing productivity programs yields \$4.50 in current and future returns
			= \$3.80	Every \$1 invested in industry integrity and sustainability programs yields \$3.80 in current and future returns

Survey Results



Survey results indicated:

- 38% of consumers had difficulty buying beef to the quality they desire.
- 57% had difficulty predicting tenderness of raw beef product.
- 81% believed price was a poor indicator of beef quality.
- More than 90% perceived fat to equal poor quality.

However the same consumers said they would buy more beef and pay more for it if satisfaction could be guaranteed.

Consumer Taste Tests



- The MSA program is based on over 100,000 consumer taste tests and almost 700,000 samples.
- 8 cooking methods tested
- Consumer testing has been carried out in 9 countries
- Largest consumer product testing program in the world



Consumer Score Card



PRODUCT:

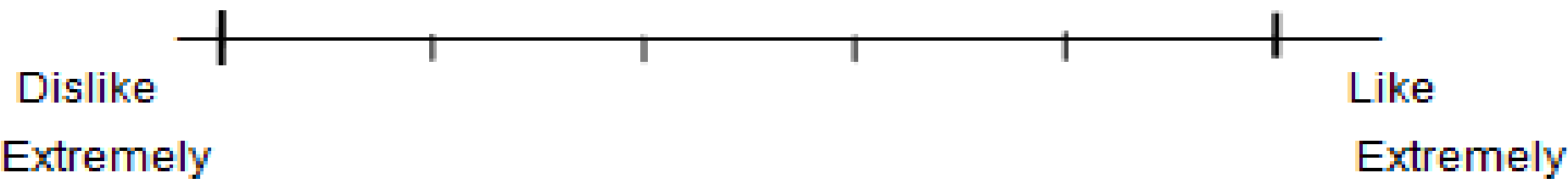
Tenderness



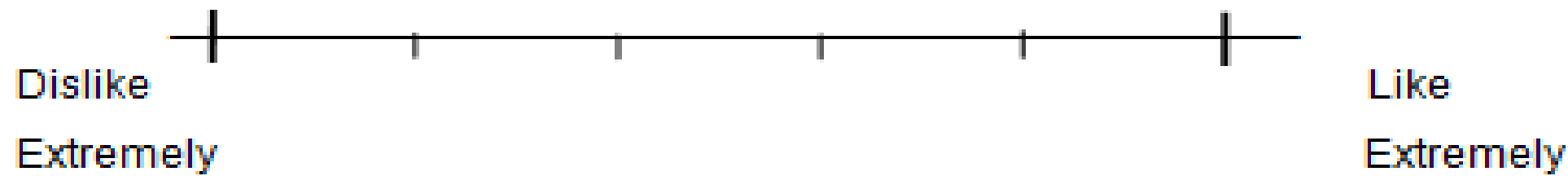
Juiciness



Liking of flavour



Overall Liking



Please tick ☒ one of the following to rate the quality of the beef sample you have just eaten

Choose one only (you must make a choice).

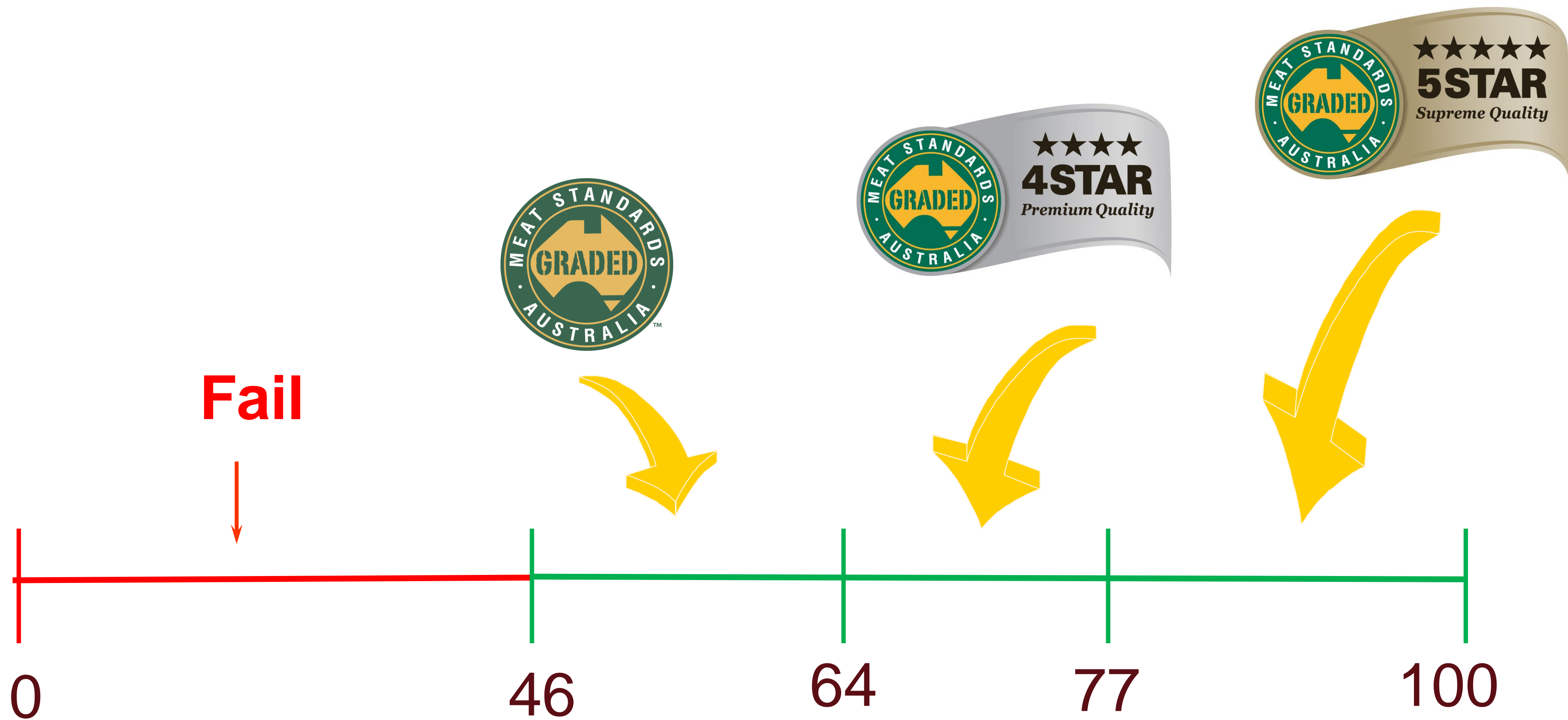
- Unsatisfactory ☐
- Good everyday quality ☐
- Better than everyday quality ☐
- Premium quality ☐

Consumer Taste Tests

	Beef
Tenderness	30%
Juiciness	10%
Flavour	30%
Overall liking	30%



Consumers identified grades



MSA – the last five years



Return on Eating Quality Investment – 5 years

2010-2015 MLA Eating Quality Program - MSA



Industry Impact

\$679_m

Expenditure

\$54_m

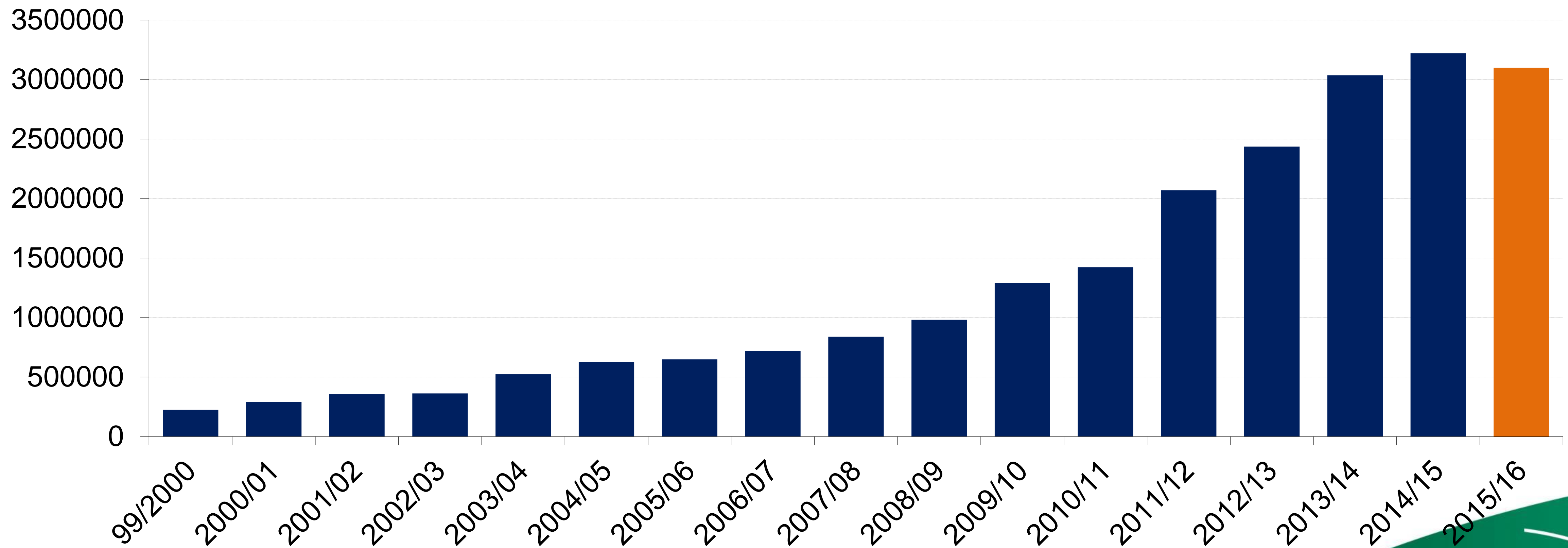
Benefit cost ratio

12.5:1

- Increased numbers of cattle graded to over 1/3 of adult cattle slaughter to 3.22 million hd graded and lamb to 7 million hd
- Increased processor and end user adoption to 54 processors
- Increased premiums paid to producers – doubled for grassfed beef producers to \$0.33/kg HSCW
- Improved consumer satisfaction with eating quality of red meat

Beef grading

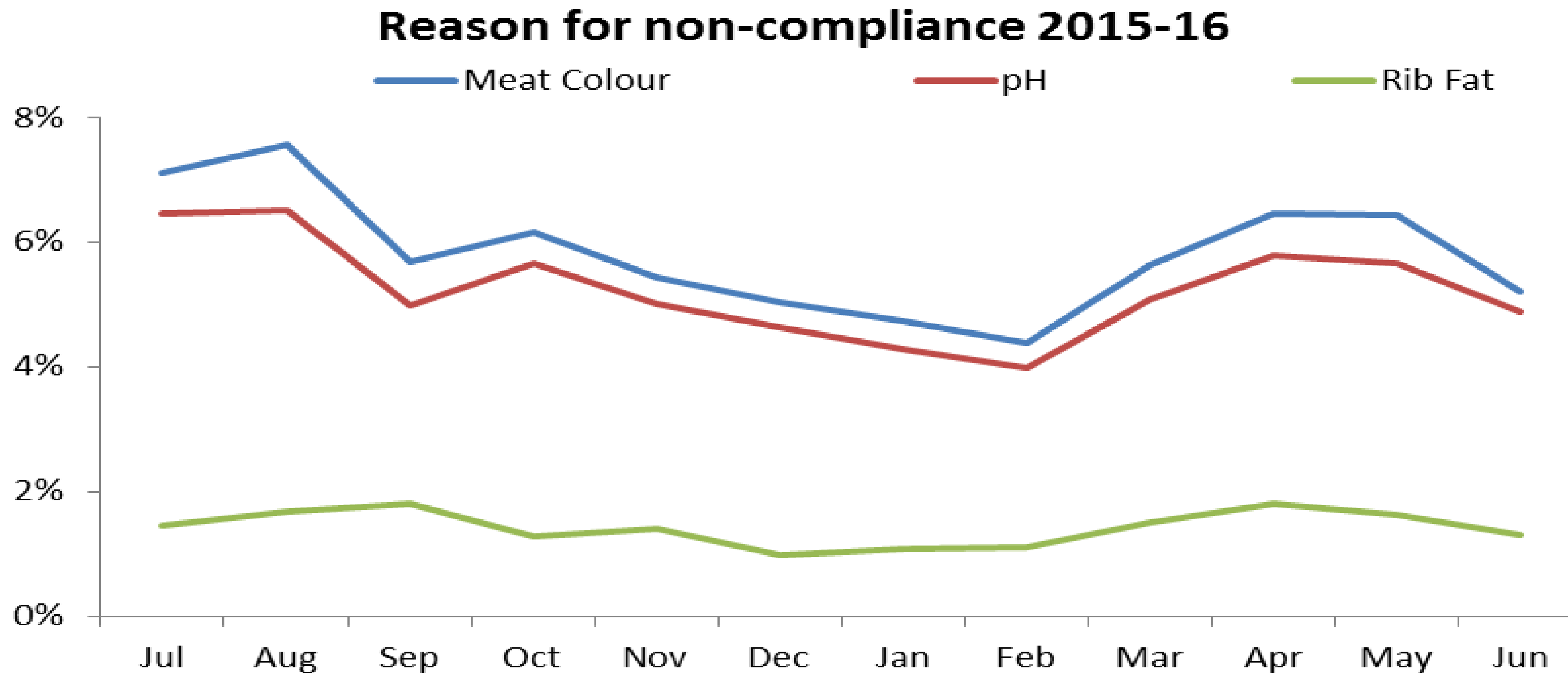
- 3.1 million cattle graded in 2015-16
- Increased share of national adult slaughter from 34% (14/15) to 38% (15/16).
- 43 MSA licensed beef processors



Beef compliance

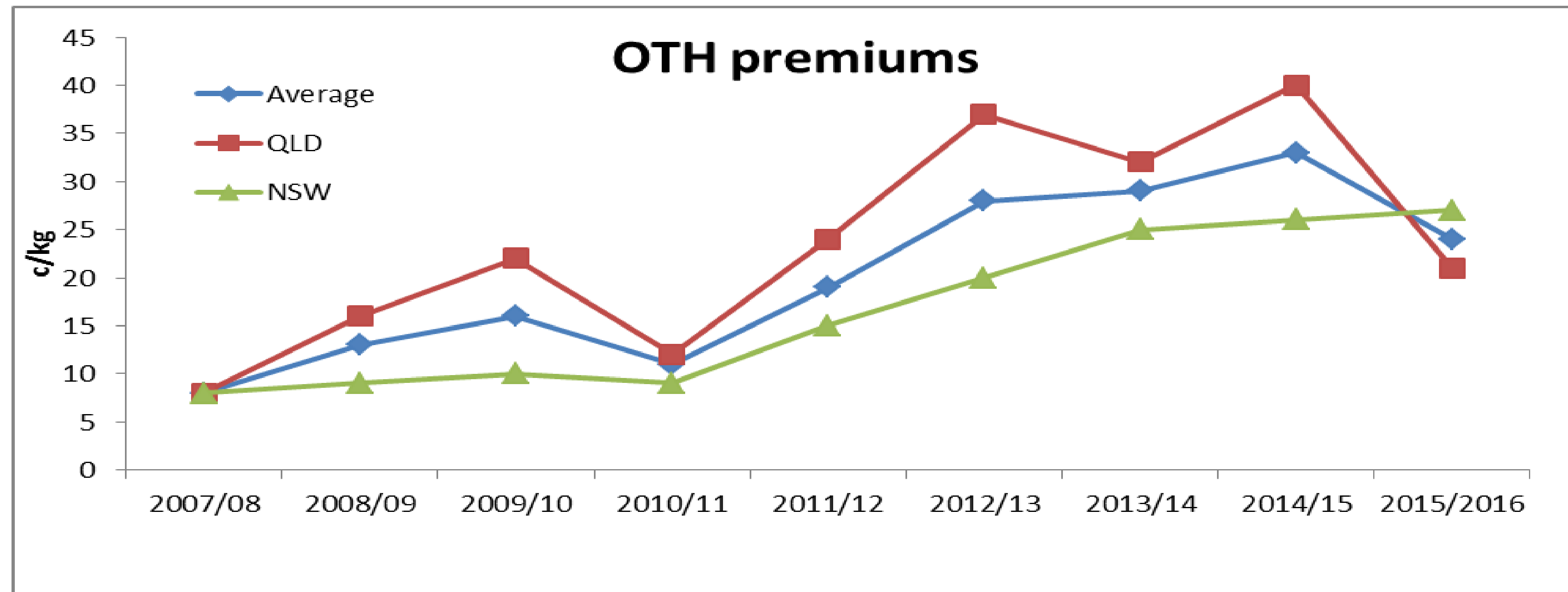
92.7% compliance in 16/17

- High pH – accounted for 72% of ungrades
- Dark meat colour accounted for 80% of ungrades
- Inadequate fat coverage accounted for 20% of ungrades



Producer premiums – young cattle

- Premiums increased from \$0.15/kg HSCW in 10/11 to \$0.24/kg HSCW in 15/16.
- Price differentials for young cattle result in an additional \$87m (\$66/head) delivered back to the farm gate.



Premiums come from NLRs comparing MSA YG to non-MSA YG on a weighted average



Current Participation



Producers
45,217

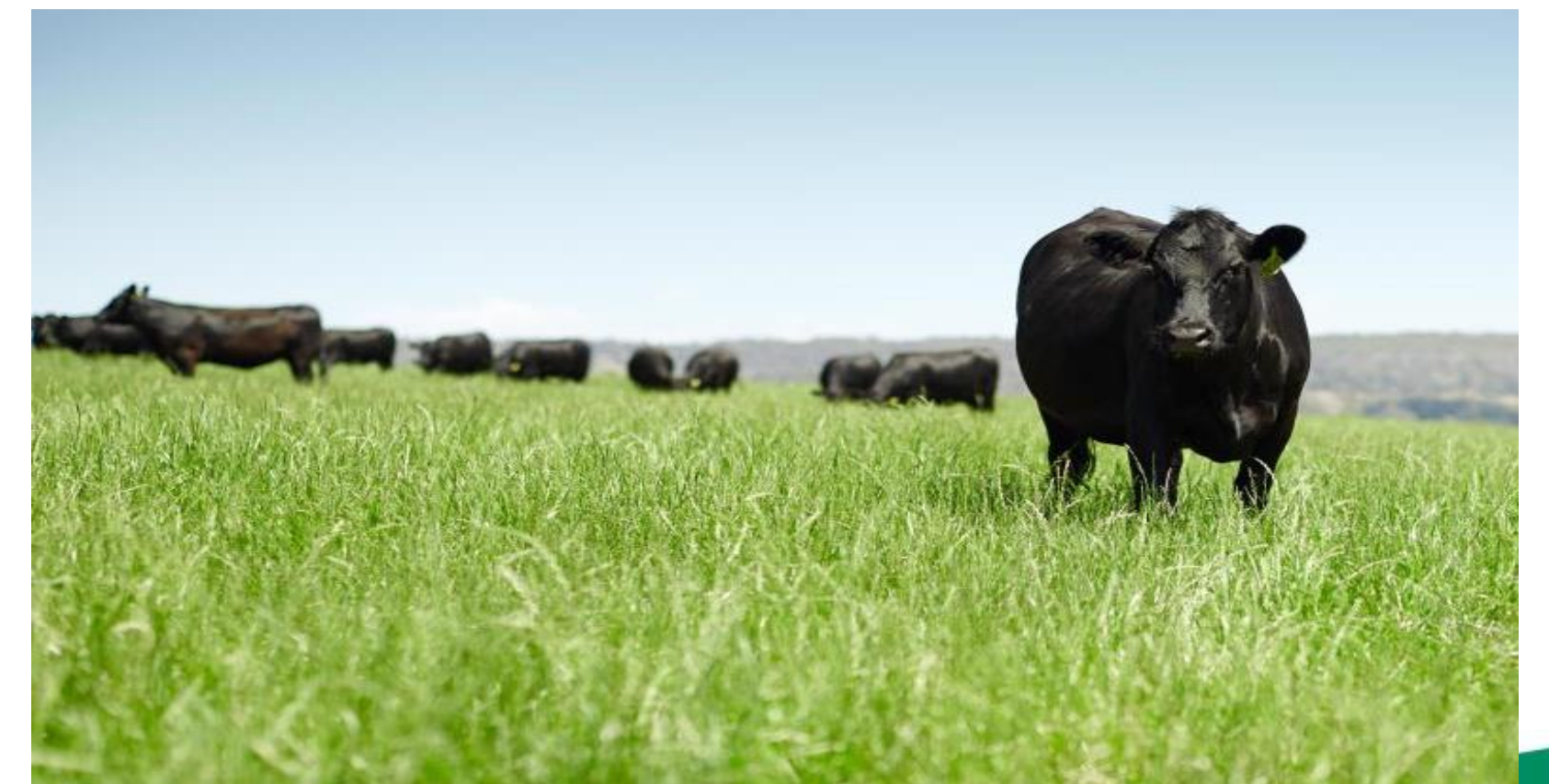
Processors
54

Brands
140

End users
3743

Figures as of 30 June 2016

MSA Latest Developments



MSA optimisation

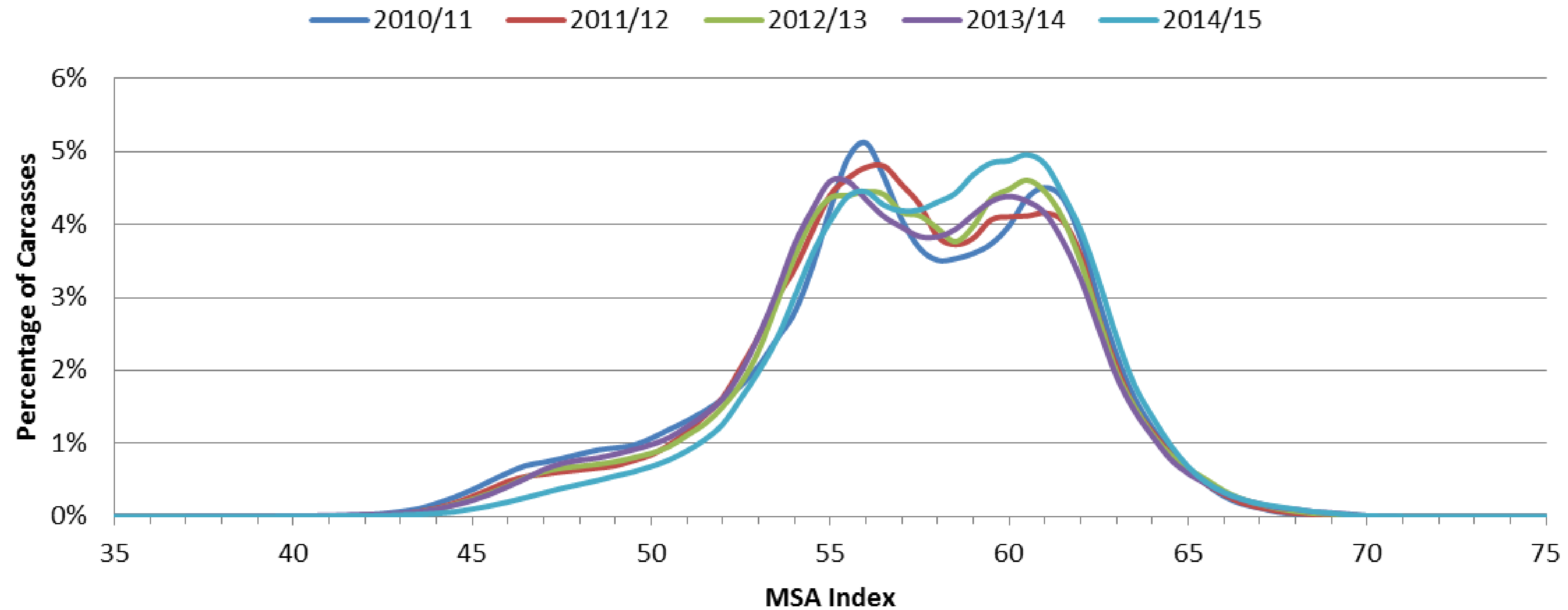
- New customised carcass sorting version of the model implemented during 2014-15
- Benefits in amount of product harvested and reduced days ageing

All MSA processors currently MSA grading have now implemented the optimisation model



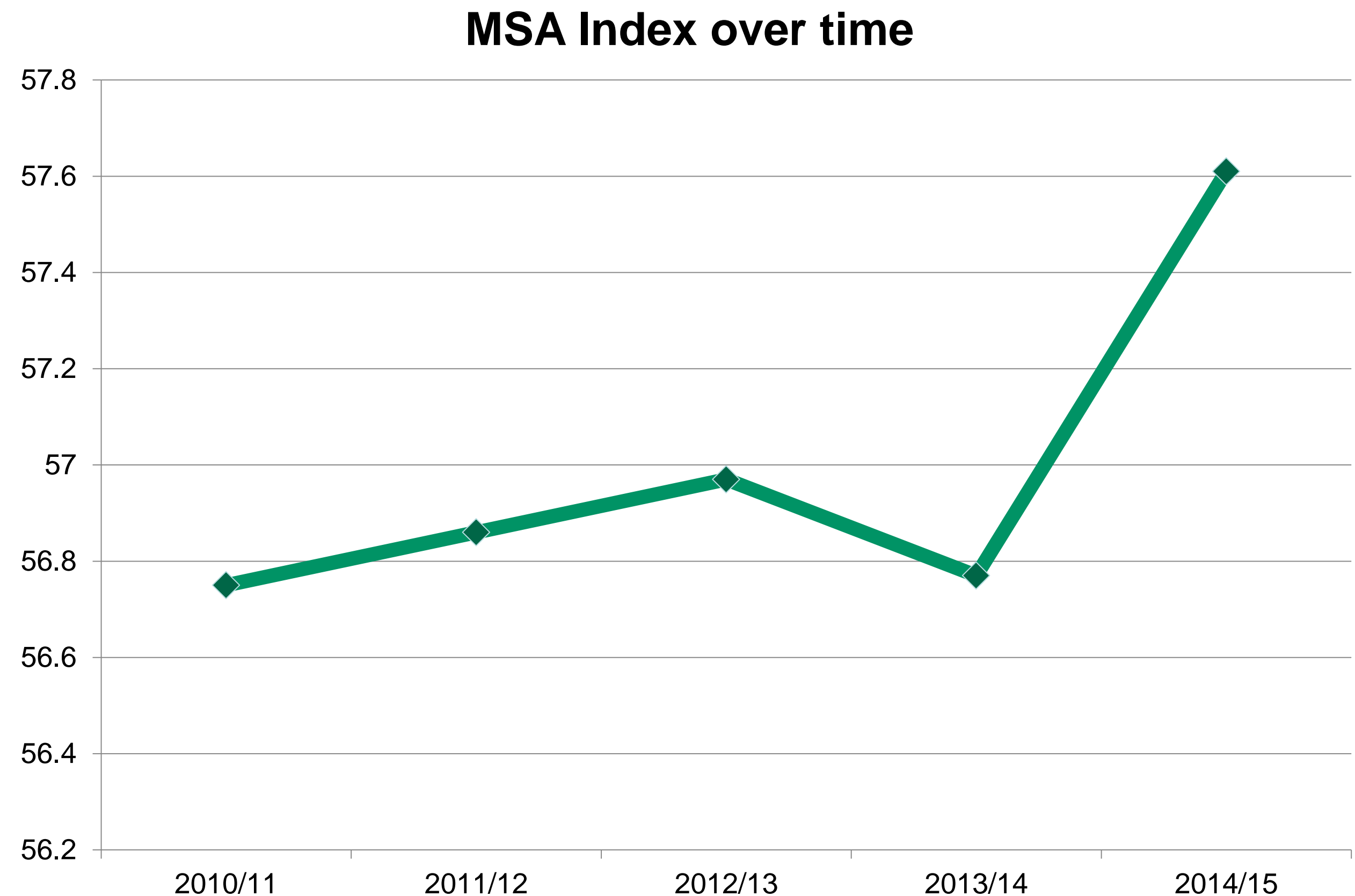
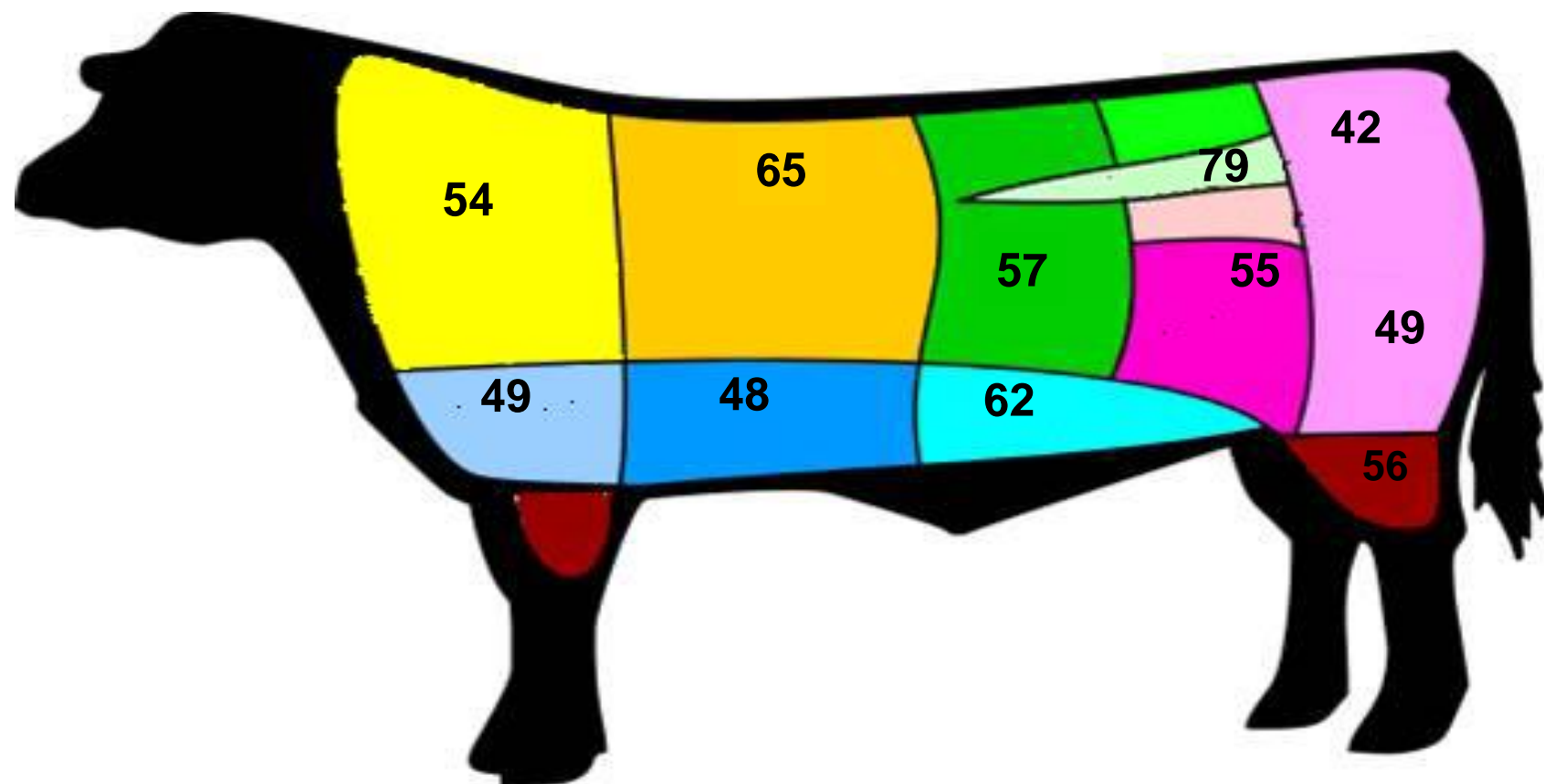
MSA Index

Financial Year Index Percentage Distribution Breakdown



MSA Index

- Average MSA index for 2014-15 was 57.61
- Increase of 0.84 points from 2013-14 – this is a significant increase in eating quality



Impact of making changes

Carcase Input or Measure	Size of effect on the MSA Index (units)	Relative Importance
HGP Status	-5	Very High
Milk-fed Vealer	4	Very High
Saleyard	-5	Very High
MSA Marbling	0.15	High
Hump Height	-0.7	High
Tropical Breed Content	Between 0 and -6.3	Very High
Ossification	0.6	High
Rib Fat	0.1	Medium
Hot Standard Carcase Weight	0.01	Low
Gender	0.3	Low

myMSA – producer feedback

Quick reports

MSA Calculator

My details

MSA Standards

Resources

What's new

Contact us

- QUICK REPORTS
- > Daily reports
- > Reports over time
- > Customise my data reports

Daily reports

Here you can view MSA grading reports for a single kill date.

Step 1. Select kill date

Kill Date

03 Feb 2015

Processor :

Step 2. Select report to view

Beef reports

Carcase feedback

MSA non-compliance

MSA graphs

Company specification non-compliance

MSA feedback

Report: Producer - Carcass feedback

Producer

M058

Kill Date

Monday, 9 March 2015

Plant

9999 MSA Research Plant

Total carcasses presented for MSA grading

10

Compliant to MSA requirements and company specifications

6

Compliant to MSA requirements, fails company specifications

2

Non-compliant to MSA requirements

2

MSA non-compliance rate

20%

Met MSA requirements and company specifications

Body	RFD	NLIS	MFV	SY	HGP	Rinse	Hang	Sex	HSCW	TBC	Hump	OSS	MSAMB	AUSMB	MC	FC	RF	EMA	pHu	Temp	FatDist	HidePD	Fa	Misc	MSAIndex
1	982 000145027348	QJWB0031XBE06587	N	N	N	N	AT	M	266,0	X	85	150	250	0	3	2	5	75	5,54	7,5	Y	N	N	N	56,16
2	982 000145017814	QJWB0031XBE07563	N	N	N	N	AT	F	290,0	X	90	160	240	0	2	2	4	74	5,60	7,4	Y	N	N	N	55,42
6	982 000145043213	QJWB0031XBE06962	N	N	N	N	AT	F	300,0	X	90	160	320	1	2	2	6	75	5,48	7,0	Y	N	N	N	57,34
7	982 000145017691	QJWB0031XBE07627	N	N	N	N	AT	M	288,0	X	110	160	300	1	3	3	5	76	5,62	6,9	Y	N	N	N	53,63
9	982 000145027095	QJWB0031XBE06955	N	N	N	N	AT	M	241,2	X	95	170	290	0	3	3	4	65	5,46	7,2	Y	N	N	N	53,63
10	982 000145043588	QJWB0031XBE06588	N	N	N	N	AT	F	288,0	X	105	180	320	1	2	3	5	77	5,59	7,1	Y	N	N	N	53,74
Total																									6

Meets MSA minimum requirements, fails company specifications

Body	RFD	NLIS	MFV	SY	HGP	Rinse	Hang	Sex	HSCW	TBC	Hump	OSS	MSAMB	AUSMB	MC	FC	RF	EMA	pHu	Temp	FatDist	HidePD	Fa	Misc	MSAIndex
3	982 000142724817	QJWB0031XBE07251	N	N	N	N	AT	M	200,0	X	75	130	230	0	2	2	4	62	5,46	7,3	Y	N	N	N	57,33
5	982 000145017607	QJWB0031XBE07363	N	N	N	N	AT	M	399,0	X	105	170	450	2	2	2	11	88	5,57	7,5	Y	N	N	N	59,45
Total																									2

MSA non-compliant (Fail MSA minimum requirements)

Body	RFD	NLIS	MFV	SY	HGP	Rinse	Hang	Sex	HSCW	TBC	Hump	OSS	MSAMB	AUSMB	MC	FC	RF	EMA	pHu	Temp	FatDist	HidePD	Fa	Misc	MSAIndex
4	982 000145021610	QJWB0031XBE07176	N	N	N	N	AT	F	262,4	X	100	160	240	0	2	2	3	74	5,80	7,6	Y	N	N	N	N/A

MSA feedback

Report: Producer - MSA non-compliance

Producer

M058

Kill Date

Wednesday, 1 January 2014 to Wednesday, 31 December 2014

Total carcasses presented for MSA grading :

10,702

Compliant to MSA requirements :

10,080 94,19%

Non-compliant to MSA requirements :

622 5,81%

Reason for MSA non-compliance

Reason for MSA non-compliance

Click on the MSA non-compliance reasons below for information on how to improve compliance for this attribute.

Reason for MSA non-compliance

Subcutaneous fat depth out of specification;

Reason for MSA non-compliance

Inadequate fat distribution;

Reason for MSA non-compliance

pH greater than 5,70;

Reason for MSA non-compliance

Fails to meet meat colour specifications of 1B – 3;

Reason for MSA non-compliance

Miscellaneous non-compliance, e.g., non-compliance for ecthymosis, bruising, etc.;

Reason for MSA non-compliance

Loin temperature above 11,9 C which is outside of AUS-MEAT specifications;

MSA non-compliance by attribute

MSA non-compliance

MSA feedback

Report: Producer - MSA graphs

Producer

M058

Kill Date

Wednesday, 1 January 2014 to Wednesday, 31 December 2014

Total carcasses presented for MSA grading :

10,702

MSA Index

HSCW

Hump height (mm)

Ossification

AUS-MEAT Marbling

MSA Marbling

Meat Colour

Rib Fat (mm)

Future of MSA



Where in the world does our beef go?

70% of total beef production left our shores in 2015

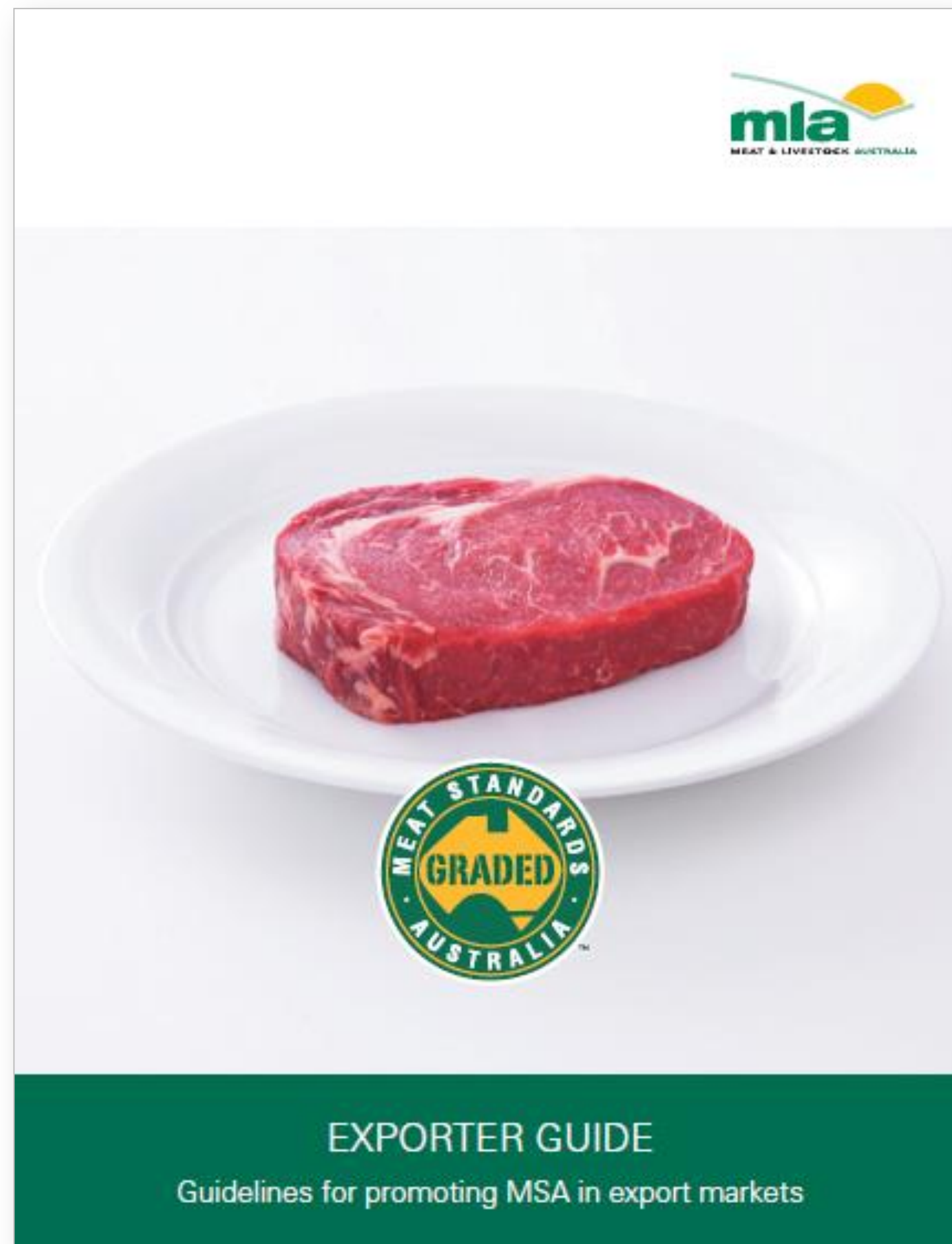
Total Beef export value in 2015 was \$9 billion (\$15 billion Total Value)



FTA beef tariff elimination / reduction

Market	Tariff before FTA	Tariff 2015	Tariff 2016	Final tariff
Korea	40%	34.6%	32.0%	0% (2028)
Japan	38.5%	28.5%	27.5%	19.5% (JAEPA: 2034) 9% (TPP)
China	12%	10.8%	9.6%	0% (9 years time)

MSA in international markets



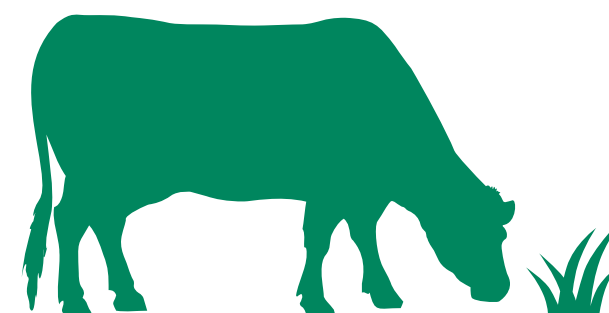
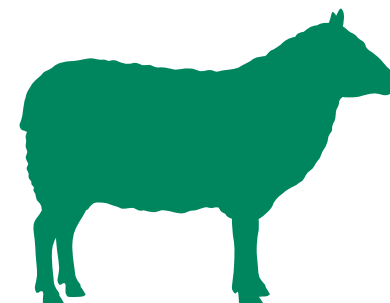
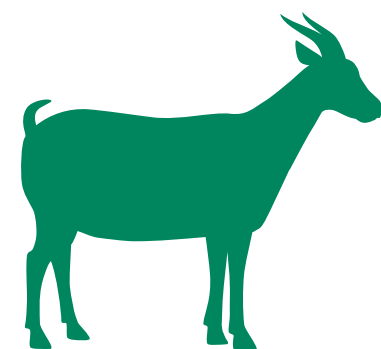
MSA Beef five year strategic priorities

- Increased adoption of MSA grading to predict the eating quality of all eligible Australian cattle
- Utilisation of MSA science to describe 'fit for purpose' for all MSA cuts, allowing for greater carcass utilisation
- Empowerment of brand owners to drive the success of MSA
- Help to lead the development of a global consumer sensory testing protocols and international standards for eating quality language description
- Identify on-farm practices that increase eating quality and improve producer compliance to both MSA and company specifications
- **2020 target – increase MSA Index by 2 points**

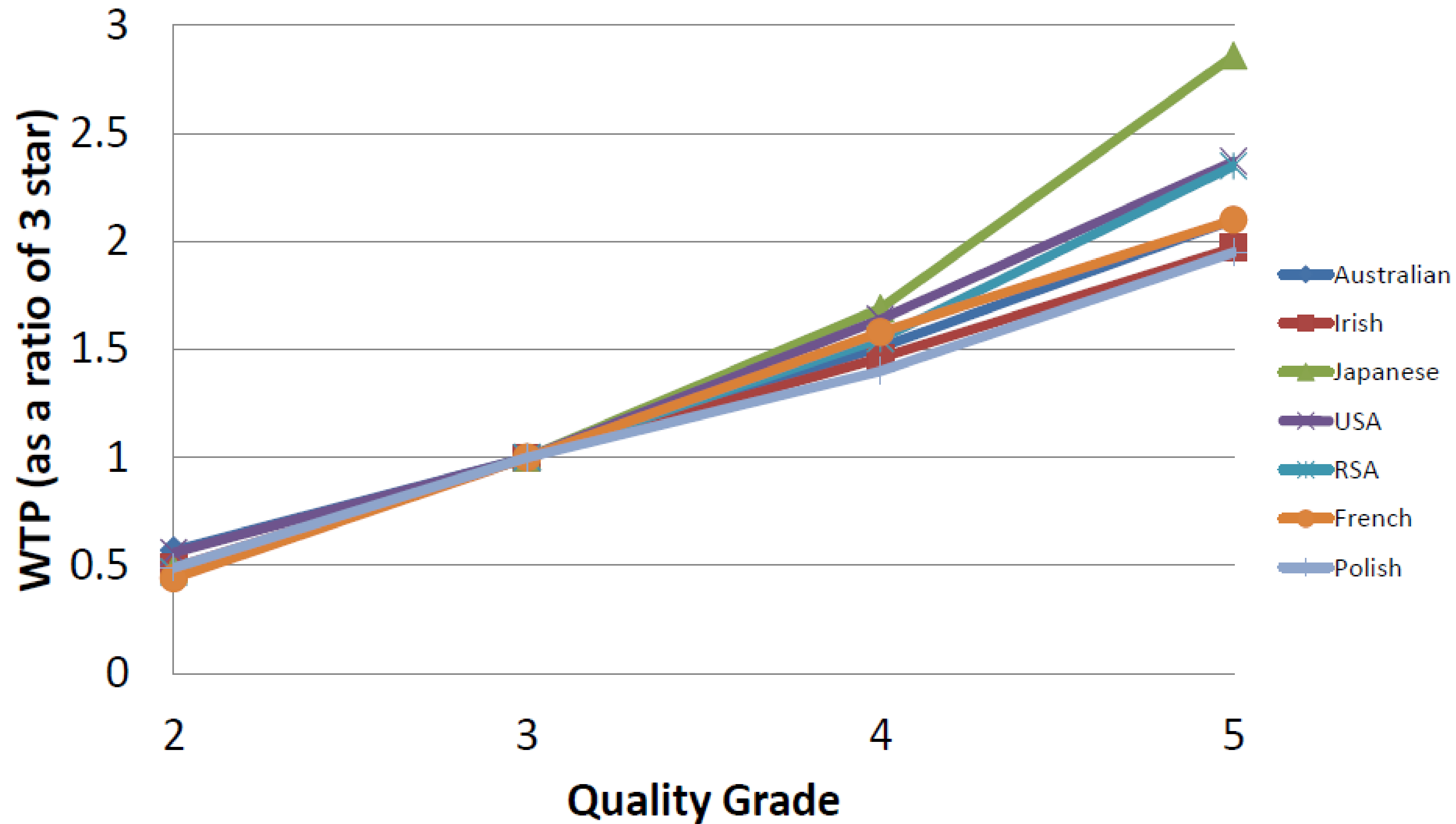
In summary

- MSA has come a long way
- MSA is going from strength to strength with greater science and sophistication across the value chain
- MSA strategic priorities will see continued growth, particularly in international markets....but Australia:
- Wants to further enhance our international collaborative efforts
- Share our standards and language to create a international language platform & continue to fully support the EQ working group

Thank you



WTP in other countries



Influencing beef eating quality

