

7 February 2023

CSIRO Futures  
GPO Box 1700  
Canberra ACT 2601  
Via email: [Futures@csiro.au](mailto:Futures@csiro.au)

## RE: Transforming Australian Food Systems – Discussion Paper

Dear CSIRO Futures,

The Australian Meat Industry Council (AMIC) appreciates the opportunity to provide feedback on CSIRO's future research agenda with regards to Australia's food systems. AMIC is the peak industry body representing 2,000 post-farm gate red meat businesses. AMIC members include meat processors, smallgoods manufacturers, boning rooms, cold stores, wholesalers and distributors, through to exporters and independent retail butchers.

The Australian red meat supply chain makes a substantial contribution to the national economy each year, accounting for over \$13.5 billion in value-add and \$67.7 billion in industry turnover in 2020-21<sup>1</sup>. A large proportion of this value is generated through trade, with meat and offal exports valued at \$16.1 billion in 2021-22. The post-farm gate meat industry, which AMIC represents, is often the single biggest employer in rural areas, underpinning the vitality and sustainability of Australia's agricultural sector and the lifeblood of regional communities.

Australia has built a world-leading and sustainable agricultural industry, producing healthy and high-quality produce. This is an industry Australia is proud of and which consumers around the world look towards to meet their daily nutritional needs. Red meat is a major pillar of the agricultural industry and employs approximately 428,000 people directly and indirectly throughout the supply chain, representing 1.7% of Australia's key industry total employment, and 29% of Australia's direct employment in agricultural production<sup>2</sup>. While there are a handful of areas in which Australia's agricultural industry can be improved – via regulatory reform, application of new innovations/technology and world-leading research – AMIC opposes the suggestion that it is an industry in need of transformation. Delivering on CSIRO's five focus areas outlined in the discussion paper will be best achieved via incremental improvement of the key sectors that already underpin Australia's world-leading agricultural sector, creating further value and employment opportunities from a more sustainable base.

While there are many aspects of CSIRO's discussion paper that AMIC agrees with, we reject the need for transformation of the wider industry and hold concerns regarding elements of Australia's future research agenda. This letter touches only briefly on aspects of the five focus areas. AMIC is willing and open to discussing any of these points raised in greater detail.

### **1. *enabling equitable access to healthy diets***

AMIC strongly rejects the need to transform Australia's dietary guidelines to incorporate equity and sustainability considerations. While promoting sustainable practises and protecting Australia's vulnerable communities is important, the dietary guidelines should be solely focused on advising consumers on the key elements of a healthy and nutritious diet, supported by nutritional and medical science.

Public policy goals which do not directly impact the health and nutrition of the consumer, such as sustainability, are best addressed via other regulatory and industry-led programs. While Australian red meat production is based on sustainable practises, with established goals and pathways toward continual improvement (see below), we do not believe these elements should be incorporated into the dietary guidelines. Furthermore, the dietary guidelines are not a suitable or sufficient policy tool for addressing complex equity, cultural diversity, or social issues in Australia.

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<sup>1</sup> MLA (2022). State of the Industry Report: 2022. [https://www.mla.com.au/globalassets/mla-corporate/prices--markets/documents/trends--analysis/soti-report/2879-mla-state-of-industry-report-2022\\_d6\\_low-res\\_spreads.pdf](https://www.mla.com.au/globalassets/mla-corporate/prices--markets/documents/trends--analysis/soti-report/2879-mla-state-of-industry-report-2022_d6_low-res_spreads.pdf)

<sup>2</sup> Ibid

Red meat plays an important role in supporting the daily nutritional needs of millions of consumers in Australia and overseas – a clear nutritional message on the credentials of red meat as part of a healthy, balanced diet is fundamental to underpinning demand for our product.

## **2. *reducing waste and improving circularity***

Red meat processing has drastically reduced the amount of waste it produces over recent decades<sup>3</sup> and is always seeking opportunities to further reduce our environmental footprint. Future initiatives and innovations aimed at reducing packaging waste and improving circularity must also deliver on outcomes that meet regulatory and market requirements, such as maintaining food safety and shelf life.

Other opportunities to reduce waste or to improve circularity also stem from regulatory reform and adopting a risk-based approach to providing public good outcomes, such as alternative uses for wastewater and treatment of animal by-products for further processing. We encourage CSIRO to align its research agenda with Australian Meat Processor Corporation (AMPC), which has the objective of reducing waste from processing by a further 50% by 2030.<sup>4</sup>

## **3. *reducing emissions across the system***

The red meat sector has the ambitious goal to be carbon neutral by 2030 (CN30) and industry has supported this target with a concerted research agenda. Despite only contributing 2% to total greenhouse gas emissions across the red meat sector, and 0.25% of Australia's total emissions,<sup>5</sup> many red meat processing plants have incorporated renewables into their energy mix, reducing their reliance on fossil fuels, and may feasibly transition to 100% renewables in coming years.

This transition, however, is more difficult for small processors, which lack the economies of scale or required inputs for alternative renewable energy sources, and for those in remote locations.<sup>6</sup> Research supporting small-to-medium enterprises to measure, understand and reduce their reliance on non-renewable energy would help overcome the many barriers to a more sustainable energy mix across the meat processing sector.

## **4. *improving environmental and economic resilience***

The red meat sector has faced repeated shocks over recent years – shocks which have been compounded by supply chains constrained by input and workforce shortages. AMIC fully supports CSIRO research to bolster supply chain resilience across Australia's agriculture sector and to mitigate the innate volatility created by varied seasonal conditions.

A resilient red meat industry is one that can adapt to changing external supply and demand conditions. This includes having a workforce that can expand to accommodate the anticipated increase in livestock turnoff in coming years. Moreover, the economic resilience of the industry will be tested to its limit if Australia ever has an emergency animal disease outbreak – ensuring biosecurity risks can be understood and mitigated should be a core pillar of the CSIRO's research priorities.

However, AMIC is cautious of calls for onshoring of critical inputs. Australia's agricultural industry has benefitted from free and open markets – which goes for both exports and imports. Co-opting production of inputs previously imported will likely add cost and cut against our calls for rules-based, free and open trade amongst international peers. Rather, resilience should be pursued by making trade easier and better understanding potential risks and bottlenecks in global supply chains, which commercial partners can look to mitigate.

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<sup>3</sup> AMPC (2015). Environmental Performance Review: Red Meat Processing Sector 2015. [www.ampc.com.au/getmedia/fb3574c8-53a1-4e35-9f28-535a97d1ef23/AMPC\\_EnvironmentalPerformanceReviewRedMeatProcessingSector2015\\_FinalReport.pdf?ext=.pdf](http://www.ampc.com.au/getmedia/fb3574c8-53a1-4e35-9f28-535a97d1ef23/AMPC_EnvironmentalPerformanceReviewRedMeatProcessingSector2015_FinalReport.pdf?ext=.pdf)

<sup>4</sup> AMPC (2020). Strategic Plan. [https://www.ampc.com.au/getmedia/4832a7b0-def8-4af4-8762-d91bb4cbac42/AMPC\\_StrategicPlan\\_2020\\_2025.pdf](https://www.ampc.com.au/getmedia/4832a7b0-def8-4af4-8762-d91bb4cbac42/AMPC_StrategicPlan_2020_2025.pdf)

<sup>5</sup> AMPC (2020). A Roadmap for the Red Meat Processing Sector. <https://www.ampc.com.au/getmedia/c0d75077-748c-42de-9f28-f64faa678649/Final-report.pdf?ext=.pdf>

<sup>6</sup> Ibid

## 5. *improving value and productivity*

The gross value of red meat production has doubled over the last decade, to an estimated \$19 billion in 2021-22.<sup>7</sup> Meat and livestock will play a major role in driving value growth and contributing towards a \$100 billion agricultural industry by 2030. While novel alternative proteins may find niches in the market, public research investment should reflect the overall size and potential of any one sector, noting many of the alternative meat protein companies are struggling to maintain sales after a period of overzealous hype.

A major driver of red meat value growth has been the expansion of export markets, thanks to a series of Free Trade Agreements, technical market access negotiations and successful industry-wide as well as company-specific marketing activities. The world loves Australian red meat and we can now send it to over 100 markets around the world. However, our product is expensive, thanks to high on- and off-farm costs. One way to reduce costs and promote trade is to make it easier and cheaper to export. AMIC supports CSIRO's research priorities towards the development and application of digital tools and procedures to reduce export compliance costs and demonstrate our credentials.

### **Potential Indicators**

In reviewing the indicators, we have concerns some may be outside the scope or control of the research priorities (e.g. affordability of a healthy diet), some may be too general to draw anything meaningful (e.g. agricultural land change) and some may tell both a positive and negative message depending on the context (e.g. fertiliser consumption). Any indicators should be subject to ongoing review to ensure they can accurately explain and track performance against the overall goals of the research agenda.

We appreciate the opportunity to provide some initial observations on CSIRO's discussion paper. While there are parts of the document that we agree with, we strongly encourage CSIRO to review its assumption that the industry needs transforming and, rather, that a sustainable, more productive, and value-creating agricultural base will stem from incremental improvement.

As you move to developing the *Australian Food Systems Roadmap*, AMIC will make personnel available to provide constructive advice and provide industry input. Please keep us informed as you progress.

Sincerely,



Patrick Hutchinson  
CEO Australian Meat Industry Council

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<sup>7</sup> ABARES (2022). Agricultural commodities: December quarter 2022 - Statistical tables - data tables.  
[https://daff.ent.sirsidynix.net.au/client/en\\_AU/search/asset/1034263/2](https://daff.ent.sirsidynix.net.au/client/en_AU/search/asset/1034263/2)