A REVIEW OF MARKET INTELLIGENCE FOR THE WA BEEF INDUSTRY

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1.   Contents

2. Acronyms

WABC	WA Beef Council Inc.
MLA	Meat and Livestock Australia
DAFWA	Department of Agriculture and Food WA
NLRS	National Livestock Reporting Service
EYCI	Eastern Young Cattle Indicator
MI	Market Intelligence
MI Scoping Study	Market Intelligence & Insight Study

Clarifying terms used in the review

When referring to *marketing decision* we are meaning decisions around:

Why and when to:

- o Buy or sell cattle
- o Short term decision (ready to sell and/or buy) and long term decisions (growing for future sales or planning to buy)

When referring to *market intelligence (MI)* we are meaning any information about the current state of play or future opportunities that you take into consideration when you are making any decisions about buying or selling cattle.

It was evident from the review that the lack of consistent language, in particular, saleyard reporting, was major contributor to confusion and misunderstanding when deciphering current market information.

When referring to the *end-user* we are referring to either live exporter, processor, retailer or consumer.

3. Abstract

This review investigated the current state of market intelligence across the WA beef industry and identified the level of use, value, gaps and industry requirements that support critical marketing decisions.

The level and value that stakeholders place on market information sources is dependent largely on established relationships, the level of independence in information sources, the accuracy of analysis and access to information.

Key findings have confirmed that significant market information is available to stakeholders; however the level of awareness of what is available is generally low and not presented or packaged in a way that shows direct relevance to the WA beef industry.

The WA Beef Commentary, an initiative of the WA Beef Council and compiled by DAFWA, was highly valued for its market detail and relevance to WA; however the distribution mechanism needs to be improved to ensure wider circulation and readership.

Limited feedback and sharing of market information for both domestic and export (live and carcase) markets, is a key factor impacting on the limited connection between the producer and the end-user.

Industry requirements to support critical marketing decisions include access to meaningful historical data, forecasting trends and consistent language, in particular when analysing saleyard reports and live export demand.

The findings from this review will enable key industry stakeholders to take a leadership role, and collaborate with independent agencies and service providers to improve market information services, and facilitate access to timely, relevant and unbiased market intelligence.

4.   Executive Summary

This "Review of Market Intelligence in the WA Beef Industry" was undertaken by the WA Beef Council (WABC) between November 2014 and February 2015 with support from the Department of Agriculture and Food (DAFWA) and consultants from Clear Horizon WA. It follows a series of investigations that suggest there is an abundance of market information available in the WA beef industry but it is largely underutilised and/or deemed irrelevant to WA.

This review is the first stage of a three year project. The overall aim is to improve the WA Beef Industry's capacity to use timely, relevant and readily accessible market intelligence, and improve information quality and flow across the supply chain. The outcomes of the first year of work will inform the activities to be undertaken in 2015.

The review investigated and identified the current state of market intelligence across the WA beef industry, in terms of the level of use, value and industry requirements to support critical marketing decisions. It focused on four key review questions:

Q1. What is the level of use of market information?

Q2. What is the value of existing market information?

Q3. What is the requirement for market information relevant to WA beef industry?

Q4. What other gaps or issues are there?

The findings were attained through a desktop review, a series of three regional focus groups, thirteen one-to-one interviews and an email survey. The review process was overseen by a Consultative Reference Group.

What is the level of use of existing of market information (MI)?

Through the preparation of a market information inventory, the review found that there was a wide range of market information available to the WA beef industry in a variety of formats. However the focus groups and interviews revealed that the level of awareness of the range of available information was generally low across the industry. The exception being rural print media and radio where the level of awareness was generally high.

Interestingly, most stakeholders were aware that Meat and Livestock Australia (MLA) is a provider of market information, however the level of use was either low or stakeholders were unaware of the specific market information that is available.

Most stakeholders were unaware of the WA Beef Commentary, apart from past and current WA Beef Council members. When the Commentary was presented to the participants, the document was considered useful and of high value. It has been

accepted that distribution of the WA Beef Commentary to target groups across the supply chain must be improved.

Throughout the focus group meetings and interviews, stakeholders identified a number of market information sources that they utilised which were not listed in the market information inventory. Often the knowledge of the information source was limited to the individual who identified it. This adds evidence to the finding that there is a wide range of market information available to producers in WA; however the level of awareness and utilisation is variable across the industry.

What is the value of existing market information?

It was clear from the review that most stakeholders place the highest value on the information that they obtain through their own business relationships and established networks, and are a major factor in their decision making.

Many producers included livestock agents as the key source of market information, however, the views of many producers on the value of livestock agents was highly variable. Many producers did not trust their livestock agents as much as other personal networks established over time. Stakeholders also mentioned attendance at networking events, such as MLA Meat Profit Days, as valuable as they provide face to face discussion, visual and current information, across a range of topics.

What are the industry requirements for market information relevant to WA beef industry?

The review found that although there is an abundance of market information available, its value is determined by how easily it can be accessed, interpreted, understood and its relevance to WA. In addition, market information needs to be seen as independent and not influenced by commercial interests.

The review also found that the use of consistent language is an important factor in ensuring market intelligence information is relevant to users. Inconsistent language causes confusion and can lead to mistrust among the different stakeholders across the supply chain.

A large number of stakeholders from producers and the lot feeding sector mentioned the need for a consistent WA indicator to report market trends. However it was not clear what the basis for developing an indicator should be. Other stakeholders felt that the WA market is either too small or too easily influenced to provide an accurate indicator that meets multiple stakeholder needs.

What other gaps or issues are there?

Many participants across all review groups *valued historical trends and forward pricing information* to assist with planning and decision making. However many

participants were of the view that access to historical and forward trends was either limited or difficult to access.

There was a very strong consensus amongst stakeholders across all focus groups, interviews and surveys that there was a *significant gap in live export information*.

Participants wanted more information on live export markets, trends on breed, cattle type and performance en route and at arrival destinations. Stakeholders were critical, in general, of the short and ad hoc notice to source cattle for live export.

Limited feedback and sharing of market information is a key factor and a key influence on the limited connection between the consumer and the producer.

Livestock agents are perceived to be the major source of market intelligence but appear selective in what is communicated. Agents in general provided little feedback unless it was directly requested.

Although processors are not considered a primary source of information, some stakeholders considered processors were not forthcoming in supplying market information.

Feedback from processors (direct or via agents) was considered limited unless on request. Some stakeholders were of the view that more effort was required from producers to request feedback from processors on animal performance.

Recommendations

Clear messages and themes have emerged which provide a sound platform to continue the second phase of the projects. A key element in the next phase will be the support and collaboration of key industry stakeholders and service providers to consider the findings, and as a united group, develop strategies to improve service delivery of market intelligence for the WA Beef Industry.

This review has confirmed the thinking that there is a surplus of market information available to stakeholders across the WA beef industry. However the level of awareness of what market information is available is generally low and very little of it is used.

The level and value that stakeholders place on market information sources is dependent largely on established relationships, the level of independence in information sources, the accuracy of analysis and access to information.

The majority of market information is not presented in a way that shows direct relevance to the WA beef industry.

In contrast, the WA Beef Commentary was considered highly valuable across all stakeholder groups. It was seen as a very good broad analysis that has high relevance

to the WA beef industry. However, the delivery mechanism and timeliness needs to improve to ensure wider circulation and readership.

It was evident from the review that the lack of consistent language, in particular, saleyard reporting, was major contributor to confusion and misunderstanding when deciphering current market information.

Reccommentation1:

That the review findings be circulated to all review participants and presented to key stakeholders of the WA Beef Industry.

Recommendation 2:

For a key industry group to take on a leadership role and collaborate with independent agencies to facilitate access to timely and unbiased market information.

Recommendation 3:

Investigate the use of social media and specialised apps that provide real time information, utilising icloud based software.

Recommendation 4:

Key stakeholders meet with MLA to present findings of the review and develop a strategy on how MLA can better serve the needs of the WA Beef Industry.

Recommendation 5:

MLA investigates the requirements to provide forecasting information for the WA Beef Industry and to improve access and awareness of the availability of historical information for the WA beef industry.

Recommendation 6:

A coordinated industry group from across the supply chain is formed to provide far greater emphasis on feedback both from end consumers and direct customers.

Recommendation 7:

Develop an agreed value proposition with livestock agents, to encourage a business model based on a service focus that will assist in improving the flow and value of market information across the supply chain.

Recommendation 8:

Increase the level of education to assist with the development of a standardised language across the industry to enable consistency of reporting.

5. Introduction

An initial investigation suggests that there is limited coordination of market information, products or services in the WA beef sector. While there is an abundance of market information available it is largely underutilised and deemed irrelevant to WA.

The "Review of Market Intelligence in the WA Beef Industry" was undertaken by the WA Beef Council (WABC) between November 2014 and February 2015 with support from DAFWA and Clear Horizon WA. The review included a consultative reference group, a literature review, a series of regional focus groups, one to one interviews and an email survey.

The review is the first stage of a three year project. The overall aim is to improve the WA Beef Industry's capacity to use timely, relevant and readily accessible market intelligence, and improve information flow across the supply chain. The outcomes of the first year of work will inform the activities undertaken in subsequent years.

The impetus for this project began in 2011 when the WA Beef Council held a series of regional producer forums to identify key issues that are impacting on supply chain communications and existing and new market development.

The key issues identified included:

- ❖ Improve the availability of market information to include commentary on all WA saleyards, live export and processor information.
- ❖ Improve the utilisation of current market information (MLA emails and website)
- ❖ Lack of market information across the supply chain to address the issue of seasonality of supply.
- ❖ Boyanup saleyard weekly sales to be included in the NLRS market reports.

As a result of industry feedback for market information to be more relevant, timely and independent, the WA Beef Commentary was developed by the DAFWA in consultation with the WABC. The first issue was published in 2011.

Currently nine editions of the WA Beef Commentary have been published to provide current market information relevant to WA. The Commentary is valued by its current users however there is no feedback mechanism to evaluate its level of use so it is unclear the value it provides to the WA Beef Industry.

The purpose of this review is to ensure a consultative process across the whole supply chain that will enable a balanced view on the current state and industry requirement to assist in the development of improved market information services for the WA beef industry.

The four specific questions that were addressed through this review are:

Q1. What is the level of use of market intelligence information?

Q2. What is the value of existing market intelligence information?

Q3. What is the industry requirement for market intelligence information relevant to WA beef industry?

Q4. What other gaps or issues are there?

To guide the data collation and ensure the necessary information was collected, sub questions were within the four main questions (appendix 1)

This report is structured against these questions and provides recommendations for future activities based on the findings.

A reference group was established to guide the investigation and consultative process. The reference group members included representatives from MLA, DAFWA, WABC and Clear Horizon Consulting. The reference group met at the commencement of the project to guide and agree on the implementation process. The Group met again to review the findings and provide input into suggested recommendations and the final report.

6.   Background Research

6.1.   Current Situation

The boxed beef export market represents a major opportunity for the Western Australian (WA) beef industry to achieve real growth. The WA domestic beef market has stabilised, demand from Asia is growing, and China is emerging as a key export market opportunity.

Research has identified that Australian food producers pursuing growth in export markets are constrained by a lack of accessible, meaningful and targeted intelligence and consumer insight data (MLA 2013).

The nature of the beef industry and the continuous change in conditions adds to the complexity of the decision making process. Whilst it is not possible for the whole supply chain to be market experts, a degree of understanding of what is taking place on the world, interstate and local beef market can support critical management decisions.

Anecdotal evidence from interviews in the Market Intelligence and Consumer Insights Scoping Study (MI Scoping Study), suggest that a deep understanding or consideration of the consumer is very rare in the WA Beef sector, and not typically factored in new growth or product development decisions.

There is a significant amount of market information available to the WA beef industry; however, it is ensuring that the market information is accurate, accessible, independent and relevant to the Western Australian Beef Industry that is the real challenge.

MLA is the national organisation for sheep and beef industries, funded from industry levies. MLA is a major provider of market information, products and services.

A MLA report conducted in January 2011 identified a number of issues pertinent to WA which included:

- ❖ Much of the MLA information and activity is eastern states focussed.

- ❖ A lot of the information about production is not relevant (to WA).

- ❖ Some suggested a separate newsletter more relevant to them (WA).

Currently in WA there is limited coordination or integration of current market intelligence, and the effectiveness on buying and selling behaviours is unclear.

Research aligned with this study

Investigative research was conducted in 2013 as part of a collaborative project between MLA, DAFWA and the WABC to better understand the capacity of the WA beef industry to capitalise on export market opportunities.

The research conducted was relevant to this review and included a state-wide industry survey conducted by Gattorna Alignment and a MI Scoping Study on "Market Intelligence and Consumer Insights for the WA Beef Industry".

Gattorna Alignment conducted 184 state-wide phone interviews to better understand supply chain relationships of producers and lot feeders. The key information derived from the interviews, as it relates to market intelligence, is the significant reliance on agents to source market information.

Of the producers interviewed by Gattorna, 63 per cent in the north use an agent to market cattle versus 41 per cent in the south. Security of payment and security of markets appear to be a major factor in the significant use of agents.

The MI Scoping Study concluded that it may be of value to better understand the specific market intelligence and intermediary roles provided by the agent network, in order to assess the impact on future growth opportunities for the sector.

Another relevant piece of evidence is that in March 2014 the WA Lot Feeders Association partnered the WABC to host the Better Beef Forum. 89 participants (beef producers, lot feeders, backgrounders) were surveyed and asked which sources of market intelligence information they use the most. 27 per cent of respondents use rural, regional and national media publications, 23 per cent use direct contact with processors, 19 per cent use livestock agents, 17 per cent use internet and email via desktop and 15 per cent use internet and email access via smart phone.

The most widely used form of market intelligence was rural, regional and national media publications. Internet, email and smart phone use was low; however this could be a result of the region where internet access and mobile reception are very poor.

6.2. Supply chain stakeholder map

As part of the review process a key stakeholder map was developed to identify the key stakeholders across the supply chain. The review captured the views of the major stakeholder groups. The Key Stakeholder Map (diagram 1) shows many different pathways from producer to consumer. The number of arrows out of a box is an indication of the number of options the seller has in the supply chain.
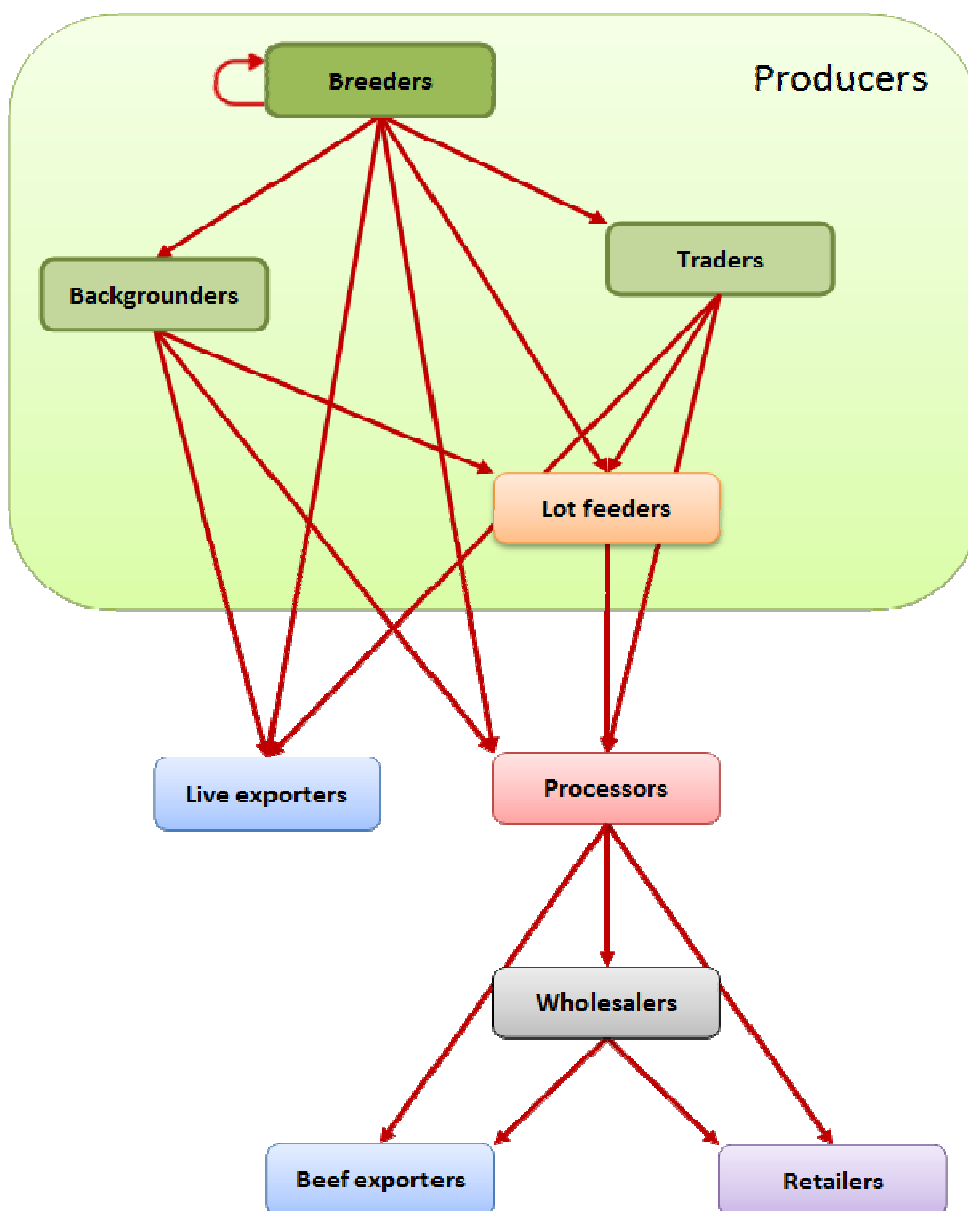
Diagram 1: Key Stakeholder Map - depicts the flow of physical product (cattle and meat) along the supply chain, specifically flows that involve a change of ownership.

Each of the boxes in the diagram represents a group that takes ownership of cattle or product. Each arrow represents a change of ownership from seller to buyer. There is a price associated with each transaction. Price discovery is important to both seller and buyer, not just for the transaction, but for business planning and scheduling.

In some cases, particular participants may not take financial ownership, but are rewarded on performance growth. For example, an animal may be owned by the producer, and the lot feeder is paid on the performance of an animal to a specification. The sale of the animal in this instance is transacted between the producer (seller) and processor (buyer).

In many cases the live exporters and processors use agents to facilitate the transaction between the buyer and seller. The agent is paid a commission on each transaction. In facilitating the transaction the agents are perceived to play a key role in the provision of market information and advice.

7. Market Intelligence Review Methodology

The methodology for the review was designed to answer the four review questions using a mixed methods approach. To do this, combinations of the following methods were used:

- Focus groups with cow/calf producers, traders, backgrounders and lot feeders
- Semi-structured interviews conducted with relevant stakeholders (e.g. agents, exporters, processors)
- Email survey (producers)

Each method is described below including sample sizes.

7.1. Focus group

Focus group methodology involves a facilitated interview involving a number of participants, usually between five and ten. The facilitator asks a number of open ended questions and facilitates the discussion around these questions. The flow of questions for each focus group differs, as it is guided by the discussion.

A focus group has the advantage of gauging the views of multiple stakeholders during one session. They also have the advantage of creating debate and dialogue around a particular point and that gives a more in-depth understanding of the issue. In addition, participants tend to be more considered and articulate in a focus group than if they were being interviewed on their own.

For this review, three beef producer focus groups were conducted with a range of producers and lot feeders in Dandaragan, Bridgetown and Bunbury. Lists of 30 participants were invited either by phone call or direct email, from shires adjacent to the focus group location. Contacts were sourced randomly from an existing industry database and input from WABC members and DAFWA regional officers. A focus group was also planned for Esperance, however not enough participants could be confirmed so the focus group was cancelled and moved to Bunbury. The Esperance group was given the option to participate in the email survey. Table 1 provides a breakdown of participants for each of the focus groups.

At the start of each beef producer focus group, participants were given an explanation of the project, the purpose of the review and an outline of the confidentially arrangements (i.e. individuals privacy will be protected and names will not be used in the report).

The focus groups aimed to gain an insight into how market decisions are made by producers and lot feeders, where information is sourced to help them make decisions, the extent to which they rely on stock agents and their own networks, what other

sources of information they currently use and value, and where they see gaps. The discussion guide (appendix 1) outlines the questions asked in the focus group..

Each focus group was audio recorded, notes were taken by the facilitators and themes were identified. All information from the focus groups is reported anonymously and quotes are de-identified.

Table 1 Focus group locations and breakdown of participants

Focus group location and date	Dandaragan (18 August 2014)	Bunbury (16 September 2014)	Bridgetown (17 September 2014)
Number of participants TOTAL - 20	6 participants	9 participant	5 participants
Locations covered by participants	Dongara, Dandaragan and Badgingarra	Pingarra, Dardanup, Brunswick, Waroona, Busselton	Bridgetown, Nannup, Boyup Brook, Donnybrook
Business types	Backgrounders and cow/calf producers for export markets and domestic market, DAFWA	Backgrounder, cow/calf producers and lot feeders for domestic and export markets, cattle traders, butcher shop owner, contract buyer, rural newspaper journalist	Cow/calf producers, stud breeder, lot feeder

7.2. Market Information Inventory (MI Inventory)

To assist with the focus group discussion around 'what are the main information sources that are currently used', a market information inventory (MI Inventory) was provided to each participant. This comprised of a list of commonly used information sources including websites, publications and media (appendix 2). Participants were asked to identify on the Market Information Inventory which information sources they were aware of and which ones they deemed relevant. In each focus group this activity led to further discussions around the use and value of currently available information.

The MI Inventory was also emailed to producers that could not attend the focus group and a total of 24 additional responses were received.

7.3. Semi-structured interviews

Semi-structured interviews are one-to-one conversations between an interviewer and an interviewee. The interview relies on the social interaction between the interviewer and interviewee and seeks to understand the perceptions and experiences of those interviewed. To ensure that the same format and topics are covered with each interviewee, interview guides are created and followed by those conducting the interviews.

In this review, the interviews were conducted following the completion of the focus groups. They were used to explore the themes raised by the focus groups at depth, and to canvass the views of other groups of stakeholders including stock agents, processors and exporters.

A total of 14 semi-structured interviews were undertaken Clear Horizon or the WABC Executive Officer to gather qualitative data of the perspectives of beef industry stakeholders. Interviewees were purposefully selected in order to capture a range of perspectives. Table 2 provides a breakdown of the stakeholders interviewed by stakeholder category.

Interview guides were used to outline interview questions and ensure all interviewees were asked the same questions (Appendix 1). Where permission was given, interviews were digitally recorded and transcribed. All information provided by interviewees is reported anonymously using de-identified quotes.

Table 2 Number of interviewees by stakeholder category

Stakeholder category	Number of informants
Pastoralist	2
Organic producer	1
Small processor	1
Large processor	1
Retailer	1
Service provider	3
Live exporter	1
Livestock agent	3
Lot feeder	1
Total	**14**

7.4. Beef producer questionnaire

Throughout the process of recruiting participants for the focus group, a number of producers expressed an interest in the project but were unable to attend a focus

group. In order to provide them with the opportunity to participate, a questionnaire was designed around similar questions as those used for the focus group, however the questionnaire relied more on closed questions (i.e. questions with a fixed set of alternative answers). A copy of the survey is provided in Appendix 3.

The questionnaire was sent to 70 producers via email and 19 responded. The questionnaire responses were analysed and the findings have been incorporated throughout the report against the relevant themes.

7.5. Data analysis

Data from the review of project documentation, focus group, focus groups and semi-structured interviews were collated and analysed against the key review questions. The quantitative data from the surveys was collated and analysed in a table. (Appendix 2 and 3). All qualitative data collected from interviews or the focus groups were thematically analysed. The quantitative and qualitative data were then analysed for key themes and patterns, and where relevant, significant convergence and divergence of findings was noted.

Limitations

While every effort was made to reduce the bias of the review, there are some limitations associated with the methodologies used.

There is always some bias in the analysis of qualitative data where it is inevitable that the views and experience of those conducting the review will influence the analysis. To reduce this bias there was regular discussion about the analysis between the people involved in conducting the review. In addition, a presentation was given midway through the review to the reference group. A final reference group meeting was held towards the end of the review to discuss the analysis and the findings. These meetings helped to validate the themes and identify gaps in the analysis, which have been considered and addressed in this report.

8.   Findings

The key findings are presented against the four key review questions. The themes that emerged from the study are identified against each of these review questions.

> Q1. What is the level of use of market information?
>
> Q2. What is the value of existing market information?
>
> Q3. What is the industry requirement for market information relevant to WA beef industry?
>
> Q4. What other gaps or issues are there?

Prior to addressing the key review questions, the regional focus group and individual interview participants were asked, what the key considerations were that influenced their buying and selling decisions. This discussion provided insight into the types of issues and concerns faced by stakeholders across the supply chain. For example, those stakeholders that were focused on the export market considered global market trends in their decision making.

The most frequently discussed considerations included:

- Ongoing long-term contracts with processors.
- Cattle breeding programs accommodating future marketing needs.
- Prices offered (long term planning vs short term reactive decisions making based price)
- Seasonal conditions.
- Costs of inputs (feed availability, fuel, labour)
- Ongoing supply
- Global market trends (supply and specification)

8.1. Questions 1: What is the level of use of existing market information?

> **Key findings:**
>
> ❖ There is a wide range of market information available to the beef industry in a variety of formats however the level of awareness is generally low across the industry.
>
> ❖ The majority of industry stakeholders were aware of rural print media and radio.
>
> ❖ The majority of stakeholders were aware of MLA as a provider of market information; however the level of use was either low or unaware of what information was available.
>
> ❖ The majority of stakeholders were unaware of the WA Beef Commentary. Stakeholders that were aware of the commentary were current or previous members on the WA Beef Council.
>
> ❖ Stakeholders identified additional sources of market information, which were not identified in the market information inventory and considered of high use by the participants who used it.

Desktop research was conducted to develop a MI Inventory (Appendix 2) which identified a wide range of information available via different communication and delivery methods. When presented to the focus groups, the level of awareness of most of the items on the MI Inventory was generally low apart from rural print media and radio which showed a high level of awareness. These findings are further discussed below.

Medium to high levels of use for rural press and media

It was evident from the responses on the MI Inventory Survey collected during the focus groups, that a large percentage of industry stakeholders use of print media (83 per cent of respondents were medium to high users of the Farm Weekly and 65 per cent of respondents were medium to high users of Countryman). The same can be said for the use of rural radio with 91 per cent of respondents indicating that they were medium to high users of the ABC Country Hour and 65 per cent of respondents were medium to high users of the ABC Rural Report.

The focus group discussions were useful in further exploring stakeholder views. A number of participants mentioned that they use or have used rural print media and radio to get their information, however there was some discussion around the level of overall value. Many felt that they were a good overview; however they lack detail and depth.

> *"I used to listen to the ABC Country Hour - the information is not as useful as it used to be– they don't have the same market coverage and it doesn't include Boyanup." (Interview)*

> *"The Farm Weekly is a good guide for store sale." (Interview)*

> *"Print media is always about the highest prices –that offers nothing." (Interview)*

Generally low levels of use and awareness of existing MLA market intelligence products

Stakeholders across the focus groups, email survey and interviews generally showed low levels of use for MLA market information.

Data from the MI Inventory Survey collected during the focus groups identified that MLA products had nil to low levels of use which included NLRS (54 per cent), MLA Website (66 per cent) M&L Weekly (62 per cent), Weekly Market Summary (75 per cent) and MLA Market App (41 per cent not aware, 41 per cent low level of use).

General comments on the usefulness of MLA products from focus groups and interview discussions include:

> *"Weekly WA indicator on email gives saleyard prices, pricing range. Don't use as sole indicator, but is a reasonable indicator." (Focus group)*

> *"MLA reports – some are good some are poor. The OTH pricing is irrelevant and out of date" (Interview).*

Some stakeholders found the MLA WA Market News useful because it provided a helicopter view of seasons, rates, supply and pricing on one page.

Generally low levels of use and awareness of existing market intelligence products – WA Beef Commentary

From the focus group responses on the MI Inventory Survey, the WA Beef Commentary showed very low levels of awareness (38 per cent not aware and 33 per cent low). During the focus groups, the participants were shown a copy of the WA Beef Commentary, and asked to rate its relevance. A large proportion of participants (75 per cent) rated it as having medium to high relevance. In addition, there was a lot of discussion about its potential usefulness. Many of the participants commented that it is a useful document because it was developed specifically for the WA Beef Industry:

> *"The WA Beef Commentary provides insight and commentary from a number of sources packaged for WA beef industry." (Interview)*

Low level of use of websites

The MI Inventory completed during the focus groups identified 50 per cent of respondents were low level users of the MLA website. 41 per cent of respondents were not aware and 41 per cent were low level users of the MLA app. 54 per cent were not aware or low level users of Beef Central. 66 per cent and 95 per cent of respondents were not aware or low level users of Elders and Landmark website respectively.70 per cent and 95 per cent of participants considered the Elders and Landmark website of low relevance respectively.

The stakeholders that were interviewed were also generally low level users of the MLA website and some felt that the website was difficult to navigate or source specific information:

"MLA website – don't tend to go on that." (Interview)

"MLA website - No I don't know how to touch computers." (Interview)

"MLA website – not a user friendly site." (Interview)

The Wellard (major live cattle/sheep export company) website had low levels of use – 45 per cent of respondents were not aware of the website and 38 per cent were low level users. In terms of relevance, responses were more mixed with 45 per cent of respondents believing the website had low relevance, 21 per cent medium and 21 per cent high relevance.

Consistent comments from the focus groups and interviews highlighted a general awareness of the Wellard Group website, with many believing it had high potential, but was not relevant in its current format.

"It (Wellard website) needs to improve information flow and information is not timely" (focus group)

Additional sources of Market Information

Additional sources of market information that was not included in the market data inventory but was identified by some of the respondents from the focus groups and interviews as high level of use and relevance:

Landline provides independent commodity prices (export and domestic) and general industry overview.

"If you look at landline it gives a good report and looking at the prices we get, it is pretty good" (focus group)

"Cattle facts" is an online market intelligence network owned by Queensland cattle producers. Members provide confidential information on current cattle prices and sale information. "Cattle facts" is considered a useful information source as it is interactive and provides real time data and forecasts.

Several participants monitor the United States (US) cow market.

"I monitor the US cow market regularly. The US is a major beef producer on the world market and the decline (or increase) of breeding numbers can impact significantly on the Australian market". (Interview)

Likewise the Eastern State (ES) market was viewed by some participants as an important market as their supply numbers can impact WA. The "Queensland Country life" was considered a resource that provides independent information and background on what is happening in the Eastern States market.

8.2. Q2: What is the value of existing market information?

Key findings:

❖ Relationships and established personal networks across the supply chain is highly valued and a key factor that influences market decisions

❖ Multiple sources of information are used to compare information and validate findings to enable informed decisions.

❖ The industry relies heavily on livestock selling agents for market information however their value was mixed.

❖ MLA products and services are not valued.

❖ Industry forums and networking events considered a valuable source of information.

❖ Participants at the focus groups considered the WA Beef Commentary highly valued for its current and relevant information.

The value of market information was discussed in depth during the focus groups and interviews. The email survey (Appendix 3) was made available to the WABC industry stakeholders that were unable to attend the regional focus groups. The survey identified market information that was used to make buying and selling decisions.

Several key themes emerged:

Relationships

Relationships based on trust across the supply chain consistently emerged as an important factor that influences market decisions. There was a significant reliance on interpersonal communication channels and established networks to obtain information aid decision making.

Stakeholders from the focus groups considered personal networks that have been built up over many years as a trusted source of market information. However there is a recognition that the range and intricacy of personal networks varies greatly. Some stakeholders are very well connected and have diverse networks across the supply chain. These networks are highly objective and knowledgeable enabling confidence in decision making. Others have built more informal networks (such as local personal contacts, saleyard contacts and discussion with neighbours) as their major source of market information. These sources are not always being exposed to timely or accurate information.

Relationships with buyers based on trust are particularly important:

"We are prepared to form a long term relationship that will take us through the ups and downs. I am looking at the type of people I am doing business with rather than the contract itself." *(Interview)*

"This is a relationship based business" (Interview)

Talking directly with processors, live exporters, agents and neighbours was an important consideration. However most producers trusted their neighbours and personal networks more than agents or processors:

"I have some confidence in my agent but I don't trust implicitly" (Focus group)

Some stakeholders from the focus groups felt that live exporters were more transparent than processors because they provided clear price signals and specifications. As a result live exporters were trusted more than processors.

"The live export market is a lot more transparent – they just come out with a price." (Interview)

Multiple sources of information are used to compare information and validate findings to enable an informed decision.

A common theme from the regional focus groups was that stakeholders rely on multiple sources of information in making informed decisions. This includes keeping up to date with local sales information by regularly attending sales.

"I just know what the market is doing by going to the saleyards and seeing what available and talking to everybody." (Interview)

"I might pick up something on the radio but I will always correlate it with my trusted sources about what actually happened. I am always seeing the buy sheet." (Interview)

Although a variety of sources are used to compare information and validate findings, the email survey (Table 3) identified the local livestock agent, rural press and rural radio as the most widely sourced information, with accuracy of the information regarded by most as "somewhat confident".

Table 3: Email survey on market information use

Where would you usually get your market information to help you make these types of decisions? (Select all that apply)	A) Where do you get your information to help make buying and selling decisions (cross which applies)	B) Rank confidence in accuracy of information 1- very confident 2- somewhat confident 3- not very confident 4- Not at all confident 5- Don't know
National Livestock Reporting Service (NLRS)	x x x x x x x	3,1,2,2,3,2,2
WA Beef Commentary	x x x x x	1,5,2,5,2
Live export agent	x x x x	2,2,5,3
Local stock agent	xxx x x x x x x x x x x x	2, 2, 2,2, 1,1,2,3,1,2,1,1,2
Processor direct	x x x x x x x x	4 ,3, 2, 2, 2, 3, 2, 2
MLA Meat & Livestock Weekly	x x x	3,3,2
MLA website	x x x x	2,5,3,3
Beef Central	x, x, x x x x x	2,1,2, 3,2,3,1
Rural press	x,x x x x x x x x x x x	2,2,3,2,4,2,1,2,1,2,2,2,2
Rural radio (Market reporting)	x x x x x x x x x	2,2,2,2,3,2,2,2,2
Auctions plus	x x x x	5 5,2
Other (please specify)	Other producers MLA visits Attending sales	5,1,1,2

Industry forums and networking events considered a valuable source of information

The northern regional focus group considered industry events such as the Meat Profit Day as a valuable event because they provide current information that was visual and provided a diverse range of topics.

"I am more likely to absorb the information at an industry forum of some sort" (Focus Group)

"That was high quality information - the point is getting market intelligence to the ground, whether it is a producer day, information evening or interest based information source." (Focus Group)

Heavy reliance on the agent network however value of information and service was mixed

Livestock agents are a primary source of information. 72 per cent of email survey respondents used their local livestock agent to make buying and selling decisions and 92 per cent were somewhat to very confident in the accuracy of information.

Although livestock agents were considered important, the regional focus groups and one to one interviews identified a lack of trust and a feeling that livestock agents and processors withhold information from producers.

"Agents control a lot of market information and deals – very often not to maximum benefit of producers." (Interview)

Some stakeholders felt that the heavy reliance on agents affected producers' ability to understand the true value (specification and price) of their product.

"Growers rely too much on their agent for information and their buying and selling. They are not taking control of their own article." (Interview)

Live exporters rely on the agent network to source cattle for live shipments. There was a mixed response from the producer groups and interviewees on the value of agents for live export information:

"I get information and feedback from my agent (live export) because I ask for it." (Focus group)

"It is difficult to get a lot out of agents. They are not giving clear price signals and you get no feedback about what happens to the animals." (Interview)

A number of stakeholders from the focus groups and interviews mentioned attending sales at saleyards was a primary source of market information.

A general view was that the market reports produced in the media were often misinformed and/or inaccurate. Attending the saleyard auctions in person enabled a greater insight into the buying activity. It was also a valuable networking opportunity for participants across the supply chain.

"There is no MLA interface at the saleyards. Attending the sales enables you to see the activity i.e. who is buying, categories, weights, price comparisons." (Interview)

One regional focus group discussion questioned the value of agent's commission fees but felt there was little choice but to use an agent instead of dealing directly.

"The agent/processor relationship that enables block sales bookings means that you are forced to deal with agents not direct to processors." (Focus Group)

The industry is generally not confident in Meat & Livestock (MLA) information.

There was generally a very poor understanding on what market information was available from MLA and how it could be accessed.

General comments from the *focus group* identified MLA website as difficult to navigate and the market reports difficult to follow.

"I sometimes find the NLRS report hard to follow because they use terms that you can't understand. e.g. B3. The guy from WA uses terms that even I have to look up".(Interview)

The NLRS provides specific saleyard prices however it lacks detail on the actual activity which enables greater insight on what is happening in the market place and why.

"Eastern State values provide some insight but overall NLRS makes little contribution to the decision making". (Interview)

The WA Beef Commentary is highly valued for its current and relevant information.

The WA Beef Commentary is a biannual publication that provides statistical and commentary information relevant to the WA Beef Industry. Information is gathered from multiple sources including MLA, which is a major source of information. The key difference is that the WA Beef Commentary is written for a WA audience.

"For my information needs it (WA Beef Commentary) is the single most valuable document that is produced in WA specific to WA about supply chain and supply chain movement. I crave it."

When considering what market information is useful the email survey identified information relevant to WA as the most important factor (57 per cent), followed by relevance to WA (31 per cent) and level of analysis (31 per cent).

The WA Beef Commentary was considered by existing readers as a relevant and valued product. It was evident from the focus group and interviews that its circulation is not reaching the target audience. The market information inventory table identified 38 per cent were not aware of the WA Beef Commentary.

8.3. Q3 what are the industry requirements for market information relevant to WA beef industry?

Key Findings:

❖ There is an abundance of market information available; however the value will be determined by how easily the information is accessed, interpreted, understood and relevant to WA.

❖ Industry needs a range of current and relevant information that is independent and can be accessed by different methods.

❖ Market reporting lacks consistent language and detail. The lack of consistent language creates confusion, poor knowledge and understanding cattle specification.

❖ A consistent WA indicator would be a useful tool to report market trends.

Good quality, accurate and independent reporting is the key

There was a very strong consensus across the focus groups and interviews that there is an abundance of market information, however the value will be determined by how easily the information is accessed, interpreted, understood and relevant to WA.

Independent market information was a consistent theme throughout the discussions. Information sourced from the rural newspapers was not considered independent. Rural newspapers provide a general overview of cattle sales and usually report the highest prices of cattle sold and only give a range of weights and specifications.

> *"Print media is always about the highest prices – that offers nothing – we don't use that information." (Interview)*

The National Livestock Reporting Service (NLRS) is considered an independent source of market reporting however key data relevant to WA is not reported and therefore the value diminishes.

> *"NLRS give a market report but can't give an over the hook price in WA. Over east in the country papers they always give an over the hooks price."(Interview)*

After discussion with the NLRS and Market Intelligence personnel from MLA, it was clear they were eager to source more data from WA to add value to the NLRS reporting:

> *"If we could further improve our live export prices that would be great, however we could start collecting over the hook over prices as well as slaughter numbers it would greatly enhance our data collection in WA. It would also allow producers then to compare saleyard and over the hook prices to make informed decisions to either sell direct or through saleyards." (MLA, NLRS 2014)*

Some stakeholders from the focus groups considered visual information such as photos, graphs and trends as very important. Limited time is a major constraint to accessing the various forms of market information and undertaking the analysis for themselves.

> *"A picture tells a 1000 words and particularly important (visual data) as we are all time poor". (Interview)*

> *"Photos of the cattle out of Muchea would be good." (Interview)*

Diversity of needs

It was generally agreed that there was no one tool for everybody but a range of current and relevant information that is independent and can be accessed by different methods.

> *"Even the Country Hour has a Facebook page and a Twitter account. So it's the same information but you are picking up by different methods." (Interview)*

Of the email survey respondents, 94 per cent had a smart phone, internet and email and used it daily. Market information via daily texts is considered an effective and immediate means of accessing real time information compared to the rural reports on radio.

"Not often people are able to hear ABC rural reports and feel text is instant." (Interview)

However some producers have limited internet access (a common problem across various regions in the state). For example, east of Albany is a significant cattle growing area and there is no or limited internet or mobile service. The northern pastoral region is restricted by internet access and speed.

"We struggle to get internet connection so things are a bit slow." (Interview)

Interpretation of market information and consistent language

A common issue across the focus groups and interviews was that market reporting lacked consistent language and detail. The lack of consistent language creates confusion and a poor knowledge of cattle specifications.

"The language for categories at saleyards and the way it is presented is easily misinterpreted." (Focus group)

"There is Ausmeat terminology and then there is agent's terminology. There is a fair bit of confusion there." (Interview)

"If you look at the Muchea report and what they actually got at Muchea they are two different things" (Interview)

WA Cattle Indicator

The Eastern Young Cattle Indicator (EYCI) is the general benchmark of Australian cattle prices. The indicator is a seven-day rolling average produced daily by MLA's NLRS.

"The ECYI does not relate to WA. It operates at different levels and counter cyclical." (Focus group)

Some participants felt that the EYCI is not relevant to WA and that a consistent WA indicator would help to report market trends. That includes reporting on all three major saleyards, over the hooks and live export prices.

"A WA indicator – that would be useful. The more info the better the decision and could use as a negotiating tool." (Focus group)

8.4. What other gaps or issues are there?

Historical trends and forecasting information

The WA Beef Industry recognises dynamic nature of the beef market however participants value historical trends and forward pricing information to assist with planning.

"If it wasn't for us having the sheep data we probably wouldn't see the value of what we don't get out of the beef industry data." (Interview)

"The big gap for us is that we can't look at trends because you can't get the data. Or big sections are missing" (Interview)

"There is little information on market trends in the middle east/Israel" (Email survey)

Some stakeholders from the focus groups wanted information on market demand for different breeds and type.

"Need at least 18 months from breeding to selling cattle –need to know what the market is looking like and where its heading in the longer term not just when a boat arrives. "(Interview)

"I would like to see more information on preferences of cattle for export markets such as types and breeds." (Interview)

Gap in information from live export

There was a very strong consensus amongst stakeholders across all focus groups, interviews and surveys that there was a significant gap in live export information.

"I would like to know how my animals perform on the ship" (Interview)

"On ground intelligence on export destination."(Email survey)

Stakeholders were critical of live exporters because of the short notice given to source cattle. Many stakeholders mentioned that as little as two weeks' notice is given to source large numbers of cattle. The increase in competition with the local market for cattle within a small timeframe impacts on cattle prices and this distorts the local market. The heightened activity is described as "the circus coming to town".

"When you know a boat is coming there are heaps of emails flying around. It's a knee jerk reaction. Lots of phone calls and lots of emails." (Interview)

"Export is fairly transparent but never really knows when the boats are going to turn up and late when they do." (Interview)

Disconnect between consumers and producers

There was a very strong consensus that there was limited feedback and sharing of information on animals, which is a key influence on the limited connection between

the consumer and the producer. Some participants value attending Farmers' Markets and retail butchers as a source of market intelligence from consumers.

"Essentially when we send animals to a processor all we get is a kill sheet. Selling product through retail butchers I am able to eyeball the product the whole time and know pretty quickly how we are going." (Interview)

Feedback from processors was considered limited unless on request. There is confusion between Meat Standards Australia (MSA) feedback and processor kill sheets.

"Compliance reports are provided on request and lack any evidence to back up the non-compliance." (Interview)

A common issue for stakeholders sending animals for live export was the limited or non-existent feedback. Producers wanted feedback on their cattle en route and on arrival at their destination, to ensure they are meeting the customers' requirements.

"You get no feedback on what happens to the animals." (Interview)

Live exporters rely on agents to source the cattle for the live export boats. Feedback on cattle performance is supplied to the agents and therefore it is unclear how well that feedback continues down the chain.

Secretive culture generally

Stock agents are perceived to be the major source of market intelligence but selective in what is communicated.

"Very difficult to get up to date market information and everyone is very secretive. You get this price and told no to tell anyone about it."(Interview)

The reports from Muchea that are put out by the stock agents are very inaccurate because the stock agent wants to make their sales look good. They will always talk about their top prices but rarely about their bottom prices." (Interview)

Stakeholders from the focus groups and comments from the email survey felt that agents in general provided little feedback unless directly asked for it.

"Agents are transaction focused and protective of their business so do not want to share information easily." (Interview)

Although processors are not considered a primary source of information some stakeholders considered processors were not forthcoming in supplying market information.

"Abattoirs keep the information close to their chest because what happens, if they put out a price early everyone is into the market." (Interview)

9.   Discussion and recommendations

This review is the first phase of a three year project. The review investigated and identified the current state of market intelligence across the WA beef industry, in terms of the level of use, value, gaps and industry requirements to support critical marketing decisions.

Clear messages and themes have emerged in this review to continue the work in the second phase to develop strategies to improve the service delivery of market intelligence for the WA Beef Industry.

To gain support for this review and a willingness to contribute the continuation of this project, it is recommended that the review findings be circulated to participants and presented to key stakeholders and service providers.

Recommentation1:

That the "Review of Market Intelligence for the WA Beef Industry" findings from this review be circulated to all review participants and presented to key stakeholders of the WA Beef Industry.

Key findings from this review have confirmed the thinking that there is a lot of market information available to stakeholders across the WA beef industry. However the majority of information is not presented in a way that shows direct relevance to the WA beef industry.

The level of awareness of what market information is available is generally low and very little is used. There was low level of awareness of market information and products provided by MLA and use was generally low.

The exception was print media and rural radio that are highly used sources of market information. Many stakeholders found that these information sources were convenient and provided a broad overview but are limited in detail.

There is an opportunity for an independent agency such as DAFWA or MLA to actively promote the most relevant sources whilst providing an overarching analysis of the information.

In addition the reporting on overseas markets needed to be more detailed in its analysis.

Recommendation 2:

For a key beef industry group to take on a leadership role and collaborate with independent agencies, such as MLA and/or DAFWA, to facilitate access to timely and unbiased market information.

There were few stakeholders that relied on the internet for market information and fewer that used social media. However, it was discussed that as these forms of information become more sophisticated, it is likely that their use will increase.

Those participants that used social media, such as Twitter, Facebook and industry apps to source market information, found them to be of more value than searching websites for information as it was "real time" and quick to access.

Likewise some participants valued receiving notifications via text message as it was easy and quick to access.

Recommendation 3:

Investigate the use of social media and specialised apps that provide real time information, utilising iCloud based software.

The level and value that stakeholders place on market information sources is dependent largely on established relationships, the level of independence in information sources, the accuracy of analysis and access to information.

Most stakeholders mentioned that they relied on existing relationships and networks as their main source of market information. This includes both formal and informal networks.

Recommendation 4:

Key WA Beef Industry Stakeholders meet with MLA to present findings of the review and develop a strategy on how MLA can better serve the needs of the WA Beef Industry. Suggested actions as a result of the review (but not limited to):

 * Improved awareness of, and access to, historical data

* Greater detail and strength of current market reporting

* A detailed investigation into the use of visual forecasting tools

* Assist MLA to investigate the benefits and criteria of developing a WA indicator

It was clear from the review that stakeholders did not highly value information provided from MLA. The level of analysis, although in some instances detailed, was either difficult to access or the information was not relevant to WA.

Apart from the WA Beef Commentary, most producers felt that there was little market information available to them that is relevant to WA. Most felt that the market information heavily favoured Eastern States producers. A number of stakeholders mentioned the need for a WA indicator, similar to the EYCI.

Feedback from this review has identified a willingness to establish networks with MLA to investigate the value and requirements that a WA indicator would bring to the industry.

Recommendation 5:

DAFWA and WABC meet to develop a process to ensure the sustainability of the WA Beef Commentary, to improve the publications distribution and timeliness and to maintain the documents high level of relevance to WA.

In contrast, the WA Beef Commentary was considered highly valuable once people had become aware of it. It was seen as very good broad analysis that has high relevance to the WA beef industry. It was valued by all stakeholder groups across the supply chain.

However the delivery mechanism needs to improve to ensure wider circulation and readership. Relying on email and the DAFWA website will have limited improvement.

Some stakeholders that highly valued the WA Beef Commentary would like to see the distribution biannually with a "snapshot" at key times during the intervening quarters.

Interestingly stakeholders that did not value MLA information valued the WA Beef Commentary. One of the major sources of market information for the WA Beef Commentary is sourced from MLA.

Recommendation 6:

MLA investigates the requirements of providing forecasting information, and improving access and awareness of the availability of historical information for the WA beef industry.

Other gaps that were identified in market information were access to analyses of historical data as well as forecasting trends. It was felt that this information is available for other industries and it would be an advantage if this information was available to the beef industry.

Recommendation 7:

A coordinated industry group from across the supply chain is formed to provide far greater emphasis on feedback from end consumers and direct customers.

Consumer feedback from domestic and export sales was considered a gap in information. There is significant reliance on agents to provide feedback information to clients and it appears that the information provided is either very limited and/or selective. Some producers have started attending local farmers' markets or the retail butcher shop to obtain market information directly from consumers.

In addition, information on live export markets was considered a gap. Producers particularly mentioned that they would value market information on export markets as well as feedback on animal quality.

Recommendation 8:

> Develop an agreed value proposition with livestock agents, to encourage a business model based on a service focus that will assist in improving the flow and value of market information across the value chain.

It is evident in this review that agents could play a greater role in providing timely market information and relevant feedback on animals, both live and carcase. However a cultural shift in the livestock agency business is required, from one of transaction focus to service delivery.

There is a major gap in live export information and it is evident that this information is not being passed onto producers. Producers need to be encouraged to be more proactive and demand feedback from their agent via the live exporters and processors.

It was evident from the review that the lack of consistent language, in particular, saleyard reporting, was a major contributor to confusion and misunderstanding when deciphering current market information.

Some stakeholders suggested an agreement across industry and an education program to assist in the implementation of a standard language across the supply chain.

Recommendation 9:

> Increase the level of education focused on the importance of understanding and complying with specifications, widely used industry language of MSA, and processor feedback sheets that will also assist with the development of a standardised language across the industry to enable consistency of reporting.

10. Appendices

Market Intelligence in the WA Beef Industry

Focus Group Discussion Guide

About the program

The review of Market Intelligence in the WA Beef Industry project aims to improve the WA Beef Industry's capacity to use timely, relevant and readily accessible market intelligence to encourage a market driven approach and improve information flow across the supply chain.

This project will enable the identification and evaluation of current data, information and services to determine the level of use, the value to the WA beef industry and determine what industry needs in making critical marketing decisions. The outcomes of this stage of the project will inform the activities undertaken in the subsequent two years of the project.

What we want to know?

- What is the level of use of market intelligence information?
- What is the value of existing market intelligence information?
- What are the industry requirements for market intelligence information relevant to WA beef industry?

Do I have to take part?

It is your choice to participate in the discussion. If you choose not to participate, it will not affect you in any way. If you decide to take part, you are free to change your mind at any time. You can contact Lauren or Carina if you later decide you do not want your comments to be included.

Will my comments be confidential?

Your responses will be kept confidential and you will not be personally identified in any of the evaluation products. To ensure this, the following protocols will be followed:

- all comments made by interviewees will be de-identified to ensure anonymity
- there will be no discussion between the evaluators and any other interviewees about the comments you have made

With your agreement, the interview will be taped by the interviewer. If you agree to this, your words may be quoted in documents, but your identity will be disguised. You are free to withdraw your comments at any time.

Key questions (background for the data collection)

1. What is the level of <u>use</u> of market intelligence information?

    o Which stakeholders use what MI and what types of decisions do they make?

    o What sources of MI information are currently used by the WA beef industry?

2. What is the <u>value</u> of existing market intelligence information?

    o To what extent do decision makers value the MI information/advice they receive?

3. What are the industry requirements for market intelligence information <u>relevant</u> to WA beef industry?

    o What MI information does the WA beef industry need?

    o How relevant are the existing sources of MI information to the WA beef producers?

    o What are the limitations of the existing sources of MI information/advice?

    o What other gaps are there?

Questions

Definitions

When we are referring to *marketing decision* we are meaning decisions around:
Why and when to:
- o Buy or sell cattle
- o Short term decision (ready to sell and/or buy) and long term decisions (growing for future sales or planning to buy)

When we are referring to *Market Intelligence* we are meaning any information about the current state of play or future opportunities that you take into consideration when you are making any decisions about buying or selling cattle.

A bit about you

1. To start with, would you be able to describe the type of beef business you are involved with? Prompt: who do you supply to (your market) - export, domestic market, processors, feedlot, backgrounders, retailers,
Prompt: what do you supply/type of business - young cattle, weaners, feedlot, backgrounder

Marketing decisions and sources of information

2. When you are making a decision to buy or sell cattle, what are the main factors that influence your market decisions?
Prompt – you need to sell, cattle are ready for market, there is a buyer, whether/season, amount of pasture availability, international context, long- term trends, business opportunity, family/life choices

3. What is the sort of market information you would want to know in this situation?
Prompt – price, specs, time, location, sale condition, contracts, forecasting or consumer requests

4. Where would you usually get your information from to help you make these types of decision?
Prompt:
- o Call someone (e.g. livestock agent, processor, live export agent) and ask for advice.
- o market information available on the MLA website, rural press, Media (radio/TV)
- o As a friend or family

5. If you call someone or speak to someone about a marketing decision, who do you consult?
Prompt: livestock agent, processor, live export agent, directly to the retailer
Prompt:
- What kind of advice to do you get (specific or general)?
- How much do you value this advice?
- Is it what you needed?
- How confident do you feel about the advice or support you get?

- Where do they source their information from?
- Do you rely on other information sources as well?

Usefulness of existing products

6. Of the information sources you have just looked at, which one did you rank as highly useful? Why was that?

7. Which ones to you rank as low? Why was that?

8. What makes the information products useful or not useful?
   o How it is presented and packaged
   o The level of analysis
   o Timeliness
   o Relevance to WA

9. If time - A number of people have mentioned Rural press – look through copies of the Countryman and Farm Weekly and mark which bits of market information you find useful. Discuss as a group.

Gaps

10. In your opinion, how could the delivery of market intelligence information be improved?
    Prompt - Frequency of information, relevance to WA, missing data (Boyanup Sale Yards)

11. Do you have any final comments you would like to me?

Final feedback

How did you find the session?

What was useful for you?

Do you have any suggestions for our next focus group?

WA MARKET INFORMATION INVENTORY

Sources of Market data: Level of use and relevance

Dandaragan, Bridgetown and Bunbury Regional Focus Groups

Market Information/ Product Service/Events	Provider	Description	Level of use NA = Not Aware 0=Nil L=Low M= Medium H=High	Relevant NA = Not Aware 0=Nil L=Low M= Medium H=High
WA Beef Commentary	DAFWA	Statistics on domestic/export and current climatic/industry conditions impact on WA beef market in commentary format.	NA – 9 0 – 1 L – 7 M – 5 H - 2	NA – 0 0 -1 L – 5 M – 7 H - 11
National Livestock Reporting Service (NLRS)	MLA	Independently collects market data from key auction and direct markets to provide market reporting for Over the hooks, saleyard, feeder, skins/hides weekly reports. All states	NA – 1 0 - 0 L – 12 M – 8 H - 3	NA – 1 0 -1 L – 6 M – 9 H - 6
MLA Website	MLA	Economic/consumer/market data	NA – 3 0 – 1 L – 11 M – 6 H - 3	NA - 3 0 - 1 L – 8 M – 8 H - 4
M&L Weekly	MLA	Overview of current stats, state summaries, projections and general market news	NA – 4 0 – 2 L – 10 M – 5 H - 3	NA – 2 0 – 3 L – 6 M – 5 H – 6
MLA Weekly Market Summary	MLA	Compare within and across states	NA – 5 0 – 1 L - 12 M – 4 H - 2	NA -3 0 – 3 L – 10 M – 5 H - 3
MLA Market App	MLA	MLA Website content	NA – 10 0 – 2 L – 8 M – 3 H - 1	NA – 7 0 - 2 L – 11 M – 4 H - 0
ABARES	DAFF	Publication on production and market outlook	NA – 5 0 – 1 L – 7 M – 8 H - 3	NA -4 O – 1 L – 7 M – 10 H - 2

ABC Rural Report	ABC	Latest rural market report	NA- 0 0 – 3 L – 6 M – 9 H - 6	NA – 0 0 – 3 L – 6 M – 9 H - 6
ABC Country hour	ABC	Rural market updates and commentary on latest news for the agricultural industry	NA – 0 0 – 0 L - 3 M – 10 H - 11	NA – 0 0 – 0 L – 3 M – 11 H - 9
Elders Website	Elders Rural	Market and sales reports for beef and live cattle. (results of latest sales) Include results of latest sales and a range and top prices.	NA – 3 0 – 2 L – 12 M – 6 H - 1	NA – 2 0 – 2 L – 11 M – 8 H - 1
Landmark Website	Landmark	Market and sales reports (results of latest sales) Include and range and top prices.	NA – 6 0 – 2 L – 15 M – 1 H - 0	NA – 4 0- 3 L – 14 M – 3 H - 0
Beef Central	Website	Free online news and Market Intelligence service to Australian beef industry. Statistical market information and commentary	NA – 8 0 – 2 L – 3 M – 6 H - 5	NA – 2 0 -7 L – 2 M – 5 H - 8
Farm Weekly	Rural Press	WA rural press. MLA market information and market reports from livestock agencies	NA – 0 0 – 1 L – 3 M – 9 H - 11	NA – 0 0 – 1 L – 4 M – 11 H - 8
Countryman	The West	MLA market information and market reports from livestock agencies	NA – 2 0 – 1 L – 6 M – 10 H - 5	NA – 1 0 – 2 L – 6 M – 11 H - 4
WA Meat Industry Authority Website	WAMIA	Market reports Muchea	NA – 8 0 – 2 L - 8 M – 4 H - 2	NA – 4 0 – 4 L – 8 M – 6 H - 2
Wellard Website	Wellard	Live export information for cattle and sheep	NA -11 0 – 3 L – 6 M – 4 H - 0	NA – 3 0 – 5 L – 6 M – 5 H – 5

*note: additional sauces of market information that was identified by some participants included Auctions plus, Landline, personal contact/networks

Market Intelligence in the WA Beef Industry

Email Survey

Useful terms

The following definitions may be of help when completing the survey questions.

When we are referring to *marketing decisions* we are meaning decisions around:
Why and when to:
- o Buy or sell cattle
- o Short term decision (reaction to price or need to sell) and long term decisions (planned and considered decisions)

When we are referring to *Market Intelligence* we are meaning any information about the current state of the market (price/demand/premiums etc) or future opportunities that you take into consideration when you are making any decisions about buying or selling cattle.

Survey questions

Instructions

1. **Type answer where line is highlighted**
2. **Click on the box and 'x' will appear.**
3. **Enter numbers 1-5 in highlighted box in Question 4**

Save document and return by email: *lauren.johnston@agric.wa.gov.au*

1. Demographics

What shire is your farm/station located in? (Can name more than one)
Derby , Gingin, Narrogin, East, Pilbara/Dandaragan, Mundaring, Geraldton, Nannup/Busselton, Boyup Brook, Busselton, Esperance (6),Gingin, Brunswick, Dandaragan, Woodanilling

How would you best describe your cattle production system? (Select all that apply)

☐ Stud Breeder   x

☐ Cow/calf producer   x x x x x x x x x x x x x

☐ Cattle trader   x x x x x

☐ Backgrounder   xx x x x

☐ Lot feeder   x x x x

☐ Other (Please specify)   Wholesale and agribusiness consultant

Within the last 12 months, what was the total number of animals on your property?4300,564,1440,12000,500,140,2200,2600,1000,1800,100,50,1800, 1800, 3500

What are your main markets? (Select all that apply)

☐Live export   x x x x x x x x

☐Producing store cattle x

☐Producing finished cattle for the domestic market   x x x x x x x x x x x x

☐Producing finished cattle for export (boxed beef) x x

☐Selling to a lot feeder x x x x x x

☐Selling to a backgrounder x

☐Other (please specify)seed stock producer, selling cull cows, saleyard selling

Types of decisions

2. **What are the main factors that influence your marketing decisions: That is your decision to buy or sell cattle? (Select more than one if appropriate)**

☐Current market conditions x x x x x

☐Forecasted market conditions x x x x x

☐Current price offered x x x x x x x

☐Contractual arrangements x x x x

☐Long-term weather predictions x

☐Pasture availability x x x x x x x

☐Feed prices

☐Long term supply arrangement x x x x

☐Prefer to deal direct x x x x

☐Prefer to use an agent x x x x x

☐Other (please state) cashflow

Condition of cattle is right

3. Types of market information

Where would you usually get your market information to help you make these types of decisions? (Select all that apply)	C) Where do you get your information to help make buying and selling decisions (X which applies)	D) Rank confidence in accuracy of information 6- very confident 7- somewhat confident 8- not very confident 9- Not at all confident 10- Don't know
National Livestock Reporting Service (NLRS)	xx x x x x x	3 1 2,2, 3, 2,,2
WA Beef Commentary	x x x x x	1, 5, 2, 5,2
Live export agent	x x x x	2 , 2 ,5,3
Local stock agent	x x x x x x x x x x x x	2, 2, 2,2, 1,1,2, 3,1,2, 1,1,2
Processor direct	xx x x x x x x	4 ,3, 2, 2, 2, 3, 2, 2
MLA Meat & Livestock Weekly	x x x	3,3, 2
MLA website	x x x x	2,5, 3,3
Beef Central	x, x, x x x x x	2, 1, 2, 3,2,3, 1
Rural press	x,x x x x x x x x x x x	2,2,3,2, 4,2,1, 2, 1, 2,2,2,2
Rural radio (Market reporting)	x x x x x x x x x	2, 2, 2,2,3, 2,2,2,2
Auctions plus	x, x x x	5, 5,2
Other (please specify)	Other producers Visit MLA Attending sales	5, 1,1,2

Usefulness of existing products

4. What makes the market information products useful?

☐ How it is presented and packaged x x x

☐ The level of analysis x x x x x x

☐ Timeliness x x x x x x

☐ Relevance to WA x x x x x x x x x x x

☐ Mode of delivery x x x x

☐ Other (please specify)

5. Do you have access and use of:

☐ Smart phone x x x x x x x x x x x

☐ Internet x x x x x x x x xx x x x x x x

☐ Email x x x x x x x x x x x x x xx x x

6. How often do you use the internet/email

☐ Daily x x x x x x x x x x x x x x x x

☐ Regularly (3-4 times a week) x

☐ Infrequently (few times a month)

☐ Seldom

☐ Never

7. What are the barriers (or issues) to accessing the market information you require?_
   - Access to correct market signals (long term)
   - Information on beef breeding industry and increasing cattle numbers to make investment decisions.
   - Access to market trends in the middle east/Israel
   - Time
   - Accuracy of market reports
   - Accessibility of market information
   - Agents control of market information.
   - Distorted auction system is distorted and poorly representative of overall markets.
   - Phone reception
   - Lack of WA relevant information.
   - Processor transparency
   - Phone reception a barrier.

8. Do you have any final comments on how market information could be improved to meet your marketing needs? __
   - More daily analysis of markets and market influences
   - Daily commentary such as profarmer for the grains industry
   - On the ground intelligence on export destinations – live and carcase_
   - More information on Middle East markets._
   - Prices offered by processor over the phone is often lower than what they quote to livestock agents because they want to deal with less people. So we are a bit unsure as to what the actual prices are because what they publicly quote and what you can get if you negotiate are different. So is the market information that is being provided in regards to abattoir prices real market prices or just the prices that they want to release. Accuracy is to be questioned.
   - Commercial in confidence agreements pose a problem because no one wants to release details of what they are paying or being paid.
   - Depth of information is important eg factors that drive the live export trade into various countries. Price, politics, quality, time of year, religious festivals, stock numbers can each country absorb. We are shooting blind when we buy cattle because we don't know what demand there will be in 3-6 months' time
   - A weekly sale report (simplified) and delivered by text would be good.

   General comments
   - I plan my marketing around my feed supply. Therefore I contract little bulls to Israel 6 months out. My cull heifers go to a feedlot around 18 months of age around Christmas time and cull cows are sold in January after calves are weaned. Therefore my times of marketing are pretty much

set. So apart from minor changes due to prices, they go when they have to go.

- Long term trends – The best thing that has happened for the Beef industry is Beef Central and as soon as they start reporting on the Middle East it will be even better!! Leaves MLA for dead
- Seep/lamb market is more accountable in terms of marketing and opportunities and contracts. For example, forward supply agreements with minimum pricing at time of the year, weekly price schedules available to all. Less manipulation of markets by agents and processors.

Thanks for your participation!

References

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