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Prepared by: Dale Miles
V&V Walsh Pty Ltd
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V&V Walsh Value Chain Capability Development Program

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1 V&V Walsh Value Chain Capability Development

1.1 Project Background

In August 2014 a joint venture was developed between V&V Walsh (Western Australia) and Grand Farms (China), one of the largest red-meat importers in China. Initial market forecasts estimated that there was capacity for increased scope for the export of lamb and mutton product to China through Grand Farms Chinese distribution channels from V&V Walsh supplying WA processed and packed sheep meat products.

The alliance presented an opportunity for the sheep meat industry in WA to increase production to supply rapidly growing emerging markets in China. This was an entirely new market and represented a growing demand for WA sheep meat product and would require expansion of livestock production as well as development of new supply relationships and new sheep production enterprises to achieve the increased volume requirements.

MLA identified that the V&V Walsh-Grand Farm supply chain offered an ideal opportunity to develop a pilot program and to test a range of projects which together would aim to sustainably increase lamb production in response to a developing marketing opportunity, improved supply chain efficiencies and ultimately returns to farmers and the WA sheep industry as a whole.

The V&V Walsh Value Chain Capability Development Program (the Project) was established in 2016 with the project was jointly funded by V&V Walsh, Meat and Livestock Australia (MLA) and the then Department of Agriculture and Food WA (DAFWA, now DPIRD). A dedicated resource in the form of a supply chain manager within V&V Walsh was appointed (Dale Miles, November 2016) to facilitate implementation of the agreed strategy with the objective of developing value offerings through novel value chain design and business model innovations to consider alternative procurement options for increased livestock supply to satisfy developing market opportunities.

The scope of the value chain innovation strategy included initiatives in the following key business areas:

- Whole of value chain innovation;
- Innovation resource planning;
- New products and markets;
- New business systems; and
- New value chain designs.

1.2 Project Objectives

As per the program schedule executed between V&V Walsh, MLA and DAFWA, the primary focus of the Project with the support of the Supply Chain Manager and the senior leadership team within V&V Walsh was originally designed to work across the 'whole of value chain' within and external to the business to present and implement activities including but not limited to:

- Develop new value chain strategies that align with the business' objectives i.e. (growing the supply base year-round, improved producer/agent feedback and

relationships, improved pricing mechanisms, longer term supply arrangements, alignment with grower groups);

- Review current procurement strategies and make recommendations as to the changes required, including structural arrangements, contracting, annual supply schedules, field days, establishment of producer groups, communication content and delivery mechanisms, information feedback loops;
- Develop and manage appropriate interventions and business structures to achieve strategic goals;
- Develop and co-ordinate an agreed number of substantial value chain projects that will be ongoing during the initial two-year period;
- Communicate V&V Walsh's international business growth strategy and vision for the future to producers, producer groups and feed lotters;
- In collaboration with MLA and DAFWA determine appropriate funding mechanisms for new agreed projects;
- Support and coordinate value chain Research and Development initiatives;
- Manage external relationships with research partners;
- Participate in MLA and DAFWA organised network meetings and collaborate with other industry Innovation Managers as appropriate;
- Retain a detailed knowledge of Australian and international research providers in the field of value chain development;
- Maintain active (but balanced in terms of budget considerations) access to various sources of information including conferences, journals, networks, various internet blogs, wikis, chat rooms and other connectivity options to ensure clients are well served in terms of the provision of relevant information;
- Attend professional development courses and conferences, and report on key trends and specific innovations to the remainder of the Australian red meat industry.

1.2.1 The Objectives of the Supply Chain Manager

- Implement the value chain innovation strategy in the key business areas of:
 - Whole of value chain innovation;
 - Innovation resource planning and people management;
 - New products and markets;
 - New business systems and models (e.g. value chain innovation; new strategic alliances); and
 - New value chain designs
- Make quantifiable improvements in company innovation measures as agreed with the Steering Group;
- Efficiently deliver projects in accordance with budgets and timelines;
- Submit reports to MLA in accordance with MLA's style guide and report guidelines; and

- Contribute to MLA's Innovation Managers Network.

“The supply chain manager's role was not engineered to replace/substitute the function of the existing V&V Walsh buying team or to directly procure livestock; but rather work within the business and across the value chain at an enterprise level to develop innovative business models that”:

- Provide V&V Walsh with greater transparency and foresight on forward lamb procurement;
- Raise the profile/reputation and relationships between V&V Walsh and the WA sheep industry - most notably producers, grower groups, feedlotters, agents, farm consultants and industry bodies;
- Consider a more integrated procurement strategy between producers, backgrounders, finishers of lamb;
- Build the confidence of producers to increase lamb production and consider alternative production models (eg: lamb joining, turnoff time and/or finishing systems) to grow the supply base (esp. counter seasonal supply); and
- Challenge the status quo - i.e. take a more strategic and proactive approach to procurement within V&V Walsh **vs** the current transactional (and highly reactive) day to day 'buying' pattern.

1.3 Planned vs achieved outcomes - Summary

At the initial project kick-off and within the first reporting cycle (January 2017), the following was provided as a proposed outcome activity-based summary (**Table 1**) 'at the macro level with the initial focus areas for the position of the supply chain manager'.

Table 1: Summary of proposed activities – planned (Jan 2017) vs outcome (Nov 2018)

THEME	ACTIVITY	DESCRIPTION / OUTCOME STATUS "what we said we would do" in Jan 2017 / "outcome" (Nov 2018)
V&V Walsh (VWV) Business Overview	Internal review and induction to the VWV Business	<ul style="list-style-type: none"> • Gain an oversight of the VWV operational business units • Key personnel engaged: <ul style="list-style-type: none"> ○ Business Manager, Adrian Harrod ○ Plant Manager, Peter Cody ○ Export Manager, Paul Crane ○ Operations Manager, Rhys Devitt
		<ul style="list-style-type: none"> • Improved understanding and line of sight of procurement processes, buyer strategies • Key personnel engaged: <ul style="list-style-type: none"> ○ Snr Buyer, Robert Cockman ○ Buyer, Adam Becker ○ Operations Manager, Rhys Devitt ○ Leading livestock agents, Elders, Landmark, Primaries and West Coast Livestock
		<ul style="list-style-type: none"> • Overview of operational linkages between procurement/buyer teams, livestock managers (receival), kill floor, boning room • Initial understanding of linkages (and blockages) and potential for improved information, process and systems integration
		<ul style="list-style-type: none"> • Introduction to domestic market (retail) dynamics, pricing grids and livestock costing methodologies • Early understanding of dynamics influencing pricing grids, how and when these are influenced and how often and what impact changes in pricing grids have on margin, volume and customer loyalty (price sensitivity of customers)

Demographic profiling of the VVW supplier base	Baseline the current supplier network	<ul style="list-style-type: none"> • Develop supplier profile database and baseline 2016 calendar year supply information – reconciled to daily buyer reports • Full demographic profile developed of the VVWalsh supplier base determined by <ul style="list-style-type: none"> ○ Region (eg Eastern wheatbelt, northern Agric region, great southern, southwest, central wheatbelt) ○ Local shire (town) ○ Agent ○ Vendor ○ Date supplied, number, price, category (direct, agent, feedlot)
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THEME	ACTIVITY	DESCRIPTION / OUTCOME STATUS “what we said we would do” in Jan 2017 / “outcome” (Nov 2018)
		<ul style="list-style-type: none"> • Matrix supply base on vendor, agent, area and region • Year-on-year supply matrix developed 2016,2017,2018 and continuing to understand historical patterns, vendor and agent loyalty, and used as a forecasting tool
		<ul style="list-style-type: none"> • Develop a whole of state supply profile • Developed and implemented (categorised and sorted by region, area, vendor, date, volume, specification)
		<ul style="list-style-type: none"> • Rationalise demographics on supply volume, seasonality of supply and region • Developed and implemented as a supply reporting tool to filter on time of year supplied across local regions and shires (vendor and agent filtered)
		<ul style="list-style-type: none"> • Commence target listing and engagement of preferred agent/producer networks from demographic profile • Completed – based on supply information resulting from demographic profiling
Engagement Strategy	Develop engagement strategy informed by demographic profiling activity	<ul style="list-style-type: none"> • Target list of producers (Top 10, 20 and 100), preferred agent networks and; • VVW’s contracted feedlotter • Full supply profile of top 100 producers, agents and feedlotter completed
		<ul style="list-style-type: none"> • Distribute communication brief on the VVW supply chain strategy to supplier base (producers / agents) – high level summary and introduction to the supply chain manger • Completed directly with leading agents, producers, grower groups, industry and media
		<ul style="list-style-type: none"> • Strategic and targeted weekly/monthly engagement direct on farm with producers (sorted regionally) • Best form of contact with producers was noted as being achieved indirectly with support of grower groups and industry field days and in some instances through preferred agent networks.

		<ul style="list-style-type: none"> Identify preferred / prospect grower groups – engage on procurement and aggregation strategies Satisfactorily completed and continued engagement with a range of grower groups <ul style="list-style-type: none"> Direct participation at grower group field days, presentation to members and on-site field days at V&V Walsh hosting grower groups and their livestock members on a regular and consistent basis
		<ul style="list-style-type: none"> Develop client relationship management (CRM) tool (database) to track and evaluate vendor/agent engagement, progress and feedback Developed through a newly developed procurement Dashboard in conjunction with Greenleaf Enterprises to be utilised by buyers and procurement team to manage the supplier database in a similar to CRM format – genesis of this CRM was developed as a consequence of the earlier supplier demographic profiling modelling completed. The dashboard 'OptioBuy' currently under testing and validation for release as a working tool for the V&V Walsh procurement team in 2019.
		<ul style="list-style-type: none"> Manage external relationships with research partners aligned to the VVW Innovation Program Regular and consistent engagement and collaboration with research partners including but not limited to (MLA, AMPC, Sheep CRC, DPIRD SIBI project, UWA, Murdoch Univ, Milne Agri Feeds, Sheep Producers Australia, Grower Group Alliance, Livestock Consultants, University of Queensland)

THEME	ACTIVITY	DESCRIPTION / OUTCOME STATUS “what we said we would do” in Jan 2017 / “outcome” (Nov 2018)
	Internal / External Engagement	<ul style="list-style-type: none"> ‘Walk the Chain’ - Internal – VVW hosted field day onsite (4-6 per annum) targeted to champion producers/groups and prospect grower groups Completed and continue to engage producers and agents on a regular basis with transparent and open walk the chain exercises through the processing facility as a two-way exchange of information between processor and supplier.
		<ul style="list-style-type: none"> Field Days – External – Engage and present at targeted industry field days across the calendar year (4-6 per annum) Successfully completed with a high degree of success to profile, present and gain feedback from producers, industry and stakeholders across several service sectors to the sheep industry in WA (Refer table of Industry engagement)
		<ul style="list-style-type: none"> Industry engagement – participate in industry supported events and workshops to profile the VVW and supply chain integration project and industry benefits Completed to a high degree of satisfaction and success in reaching out to industry and presenting at several workshops and field days
		<ul style="list-style-type: none"> Grower group contact and support – present and develop closer relationships with aggregated grower groups (existing and new) Complete and continue to grow the relationship with grower groups across the state with some joint and collaborative project planning and execution.

		<ul style="list-style-type: none"> Engage prospective new entrants and investors to the lamb production systems in WA to grow the supply base – particularly counter seasonal supply solutions (e.g.: investment in new/expanded contracted feedlotter/backgrounders) New entrants and investors to the sheep industry engaged and continue to work closely with VVWalsh to increase turnoff and improvement of on-farm systems to meet specifications and achieve value gain on farm (eg: Pasture finished and assisted lambs in the high rainfall zone of the SW, Corporate Agri investors, and contract feedlotting programs)
		<ul style="list-style-type: none"> Work with suppliers to be the processor of choice through alliances that encourage collaboration beyond the farm gate Partially completed and work in progress as we grow the Amelia Park brand in export markets this activity is gaining traction and some suppliers now more than ever aware of the value of collaboration and long-term supply arrangements as the volume of export product increases to preferred export customers.
Supply chain analysis	High level supply chain mapping	<ul style="list-style-type: none"> Visual supply chain mapping of current VVW supply chain from producer through to end market (macro supply chain mapping) Completed supply chain mapping – visual depiction of supply chain including demographic profiling of supply base
		<ul style="list-style-type: none"> SWOT analysis of current supply chain map Completed
		<ul style="list-style-type: none"> Identify potential supply chain interventions/change management for consideration / implementation Completed and continuing – change management remains a challenge to the sheep industry in WA.

THEME	ACTIVITY	DESCRIPTION / OUTCOME STATUS “what we said we would do” in Jan 2017 / “outcome” (Nov 2018)
	Review current procurement strategies	<ul style="list-style-type: none"> Develop new value chain networks and strategies with producers Completed and continued strengthening of relationships with core producers, feedlotter and agents.
		<ul style="list-style-type: none"> Run producer networks and feedback solutions workshops. Completed – and continue to engage producers either directly, through preferred livestock agents, grower groups and industry bodies/organisations both onsite at V&V Walsh and externally on-farm.
		<ul style="list-style-type: none"> Ensure industry awareness & desire to participate by communicating VVW's international vision & business growth strategy to current & future producers, producer groups & backgrounders/feedlotter Completed successfully – producers and producer groups now more aware than ever before of the growth strategy of V&V Walsh – including the real and perceived impacts of the strategic investment made by partners Craig Mostyn Group
	Develop value chain strategies	<ul style="list-style-type: none"> Develop and manage interventions and proposed structures to achieve innovation program strategic goals A number of interventions and proposed structures were developed (and continue to be developed) – challenge remains to successfully achieve real adoption and execution of positive interventions. Ongoing and continuing efforts in this space ensue

		<ul style="list-style-type: none"> • Implement new business systems and models (value chain innovation / new strategic alliances) that either grow the supply base, develop new markets, improve procurement solutions and/or lead to new product and market development • Completed and implemented – with continuing work to be undertaken to ensure long lasting alliances are maintained including alternative procurement solutions (increase the volume of direct consignment, out of season finished lamb and store lamb to feedlot finished article)
Credible Feedback Loops	Develop and implement enhanced feedback systems	<ul style="list-style-type: none"> • Improved engagement from agents/producers/feedlotters on carcass performance and profitability • Completed – modified and improved feedback sheets developed and deployed. With a new supplier procurement dashboard to be tested and validated as a unique log-in option for vendors and agents (TBC tested and validated in 2019)
		<ul style="list-style-type: none"> • Develop and test upgraded kill data feedback sheet with plant managers, buyers and livestock manager for improved feedback and performance to producers / agents • Successfully completed – VOS and OptioBuy procurement dashboard to be deployed 2019
		<ul style="list-style-type: none"> • Integrated grid feedback data to demographic profiling database – improved performance feedback based on specification across the grid. • Completed – weekly reporting tools developed to monitor performance over the grid, % in spec supplied and recurring over/under spec delivery based on agent, region and time of year
		<ul style="list-style-type: none"> • Internal systems developed for improved livestock receipt, management and costing with VVW Livestock Manager • Completed – interactive and easy to use/apply tools to plan and forecast livestock volume that extends beyond 1 day or 1 week. Forecasting tools now by month, quarter and by year.
		<ul style="list-style-type: none"> • Develop framework/proposal for development of a producer portal for integration to the VVW website update/ • VOS dashboard (OptioBuy) to be deployed, validated and tested 2019 with the preferred functionality of enabling direct producer login to access vital information, performance and benchmarking feedback

THEME	ACTIVITY	DESCRIPTION / OUTCOME STATUS “what we said we would do” in Jan 2017 / “outcome” (Nov 2018)
Collaborative Projects	Support and/or develop collaborative industry projects	<ul style="list-style-type: none"> • Support collaborative industry, grower group and producer driven funding projects that are aligned to the VVW Value Chain Strategy • A number of collaborative producer and grower group projects supported over the 2-year project term including <ul style="list-style-type: none"> ○ Building Sustainable Value Chains that link producers to high value chilled lamb export markets in China (enterprise level engagement through the MLA/GLE project) Approved <ul style="list-style-type: none"> ○ Integrated supply networks for increased lamb production (West midlands Group) NPW ○ Generating consistent sheep and goat supply from the Southern Rangelands NPW ○ An independent production and supply chain analysis project, conducted by Farmanco Management Consultants, in consultation with V&V Walsh. FARMANCO, Planfarm, Icon Agric, Southern Dirt, MADFIG, FEAR and Asheep Group continued engagement ○ Development and application of purpose-built software for a multi-selector integrated autodrafting system for improved production efficiencies for the sheep industry through commercial RD&A deployment (UWA and Kingston Rest Feedlot)
		<ul style="list-style-type: none"> • Develop and implement leveraged funding applications for projects by VVW (with industry stakeholders/partners) across the value chain • A total of ~\$3,600,000 over and above this project (VVW Supply Chain Manager) has been successfully funded and approved including: <ul style="list-style-type: none"> ○ V&V Walsh Amelia Park branded chilled lamb product launch in Hong Kong and China (Shanghai and Beijing) ○ Building Sustainable Value Chains that link producers to high value chilled lamb export markets in China ○ V&V Walsh chilled lamb market development, brand maximisation and product promotion in country China for chilled lamb ○ Development and application of purpose-built software for a multi-selector integrated autodrafting system for improved production efficiencies for the sheep industry through commercial RD&A deployment ○ V&V Walsh - Increasing exports and value of WA chilled lamb and sheep meat to China – Asia Market Success Round1 ○ Increasing productivity, efficiency in processing and value chain feedback at enterprise level to achieve scalable systems for the WA sheep sector
		<ul style="list-style-type: none"> • Develop project proposal and outcomes aligned to MLA strategic business plans and DAFWA 2025 vision of doubling the value of the WA agri sector - leveraging state, federal and industry funding pools • Refer above – leveraged project proposals

		<ul style="list-style-type: none">• Identify opportunities to create links with other (co-complimentary) programs to maximise information-sharing for industry benefit.• Refer above – leveraged project proposals and joint collaborative grower group engagement
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1.3.1 Summary of outcomes and industry engagement

What follows is a summary of the key achievements and outcomes for the duration of the project commencing November 2016 to November 2018.

1.3.1.1 Supplier Demographic Profiling 2016-2018

Having a clear understanding of the supply base underpins the security of supply to ensure the minimum volumes are achieved to remain operational 52 weeks of the year for V&V Walsh.

The Project has undertaken an extensive demographic profiling analysis of the V&V Walsh lamb supply over the calendar years 2016-2018>. This data has consolidated daily kill and delivery reports, to be able to learn more about the geographical spread, timing, volumes and pricing achieved across all supply points including feedlotter, saleyards, livestock agents and direct consignment from producers.

V&V Walsh had not previously analysed the demographic spread of the supply base to such a level of detail and this data now provides an opportunity to gain an improved in-depth understanding of the breakdown of the supply across the state relevant to region and across the major livestock agent networks.

This supplier demographics analysis is generated through an 'interactive' and 'live' data set and has been designed to be used as live data model that can be queried and manipulated to provide an extensive breakdown of the supply of lamb to V&V Walsh senior management and procurement teams and can be sorted by:

- Area (local shire, regional centre or rural town)
- Region (consolidated areas based on geographic regions adapted from the Grower Group Alliance regional maps)
- Agent (network of livestock agents as service providers and suppliers)
- Vendor (producer sorted by volume, price, month of supply, agents used, area and region)
- Date (provides a day/month input that can be adjusted to quickly determine seasonal supply across all the above criteria)

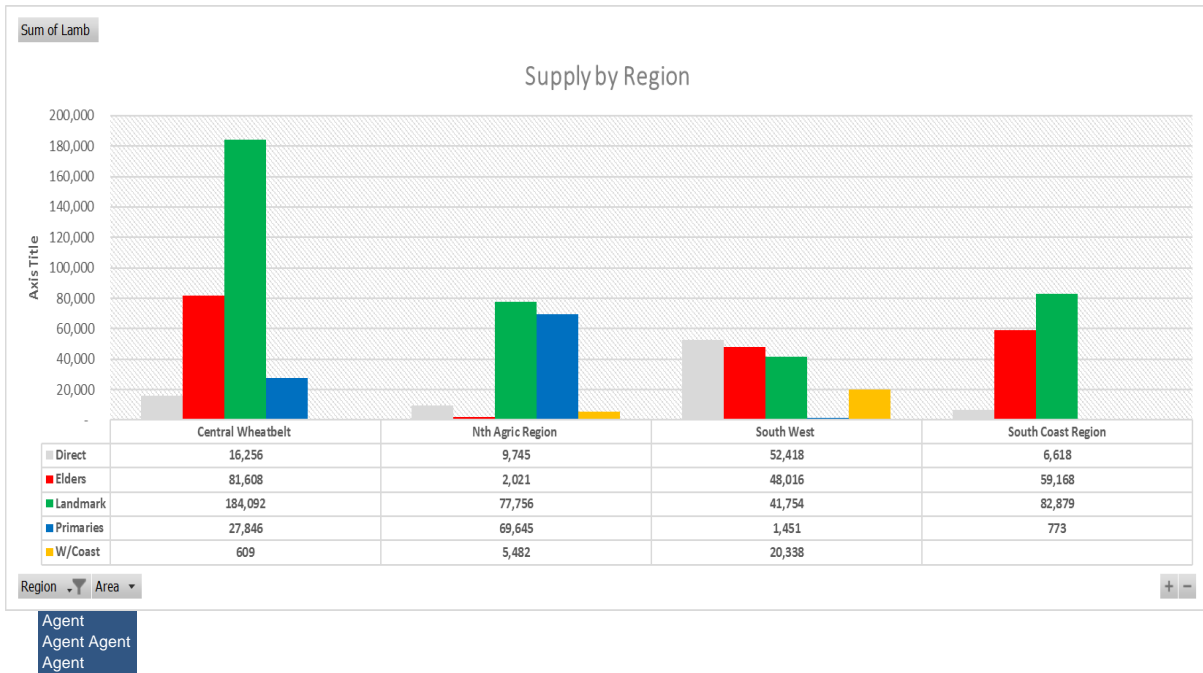
The following tables and figures are examples of some of the reporting results that have been generated and utilised by the procurement team, senior management and directors of V&V Walsh to gain a stronger understanding of the complexities of the supply base including influencing factors such as seasonal conditions, livestock agent influencers, market conditions and flexibility of production systems.

Figure 1: Consolidated Supply Data (sorted by cal year 2016)

Vendor/Agent Demographic Profiling

Sum of Lamb	Column Labels					Grand Total
Row Labels	Direct	Elders	Landmark	Primaries	W/Coast	Grand Total
Central Wheatbelt	16,256	81,608	184,092	27,846	609	310,411
Nth Agric Region	9,745	2,021	77,756	69,645	5,482	164,649
South West	52,418	48,016	41,754	1,451	20,338	163,977
South Coast Region	6,618	59,168	82,879	773		149,438
Grand Total	85,037	190,813	386,481	99,715	26,429	788,475

Agent Agent Agent Agent Agent



Vendor	Lamb	Hogget	Mutton	Price	Total	Skin	Total Skin	Agent	Area	Region	Date
Westbeef Vendor	692			111.31	77026.52	1	692	Primaries Agent	Moora	Nth Agric Region	4/01/2016
Chipndale	258			107.65	27773.7	2	516	Primaries	Moora	Nth Agric Region	5/01/2016
Tunstill vendor	171			116.09	19851.39	1	171	Primaries Agent	Moora	Nth Agric Region	5/01/2016
CA&TL Inv	274			115.86	31745.64	2	548	Landmark	Moora	Nth Agric Region	6/01/2016

Brownevend	421		113.84	47926.64	0	0	PrimariesAgent	Moora	Nth Agric Regio	6/01/2016
Browne		2	80	160	0	0	Primaries	Moora	Nth Agric Regio	6/01/2016
Westbeefvend	651		115.86	75424.86	1	651	PrimariesAgent	Moora	Nth Agric Regio	11/01/2016
Mardo	164		120.13	19701.32	1	164	Primaries	Moora	Nth Agric Regio	12/01/2016
Rosevend	188		106.34	19991.92	2	376	PrimariesAgent	Moora	Nth Agric Regio	12/01/2016
Smith	200		105.24	21048	1	200	Primaries	Moora	Nth Agric Regio	12/01/2016
Mintyvend	178		113.84	20263.52	1	178	LandmarkAgent	Moora	Nth Agric Regio	13/01/2016
Minyulo	297		112.67	33462.99	2	594	Landmark	Moora	Nth Agric Regio	13/01/2016
Mintyvend	282		115	32430	0	0	LandmarkAgent	Moora	Nth Agric Regio	20/01/2016
Minty		1	70	70	0	0	Landmark	Moora	Nth Agric Regio	20/01/2016
vend Pedo	327		111.66	36512.82	1	327	PrimariesAgent	Moora	Nth Agric Regio	20/01/2016
Hathaway	102		103.59	10566.18	1	102	Primaries	Moora	Nth Agric Regio	22/01/2016
vend John Nom	185		112.5	20812.5	0	0	Agent Primaries	Moora	Nth Agric Regio	22/01/2016
Tunstillvend	123		114.93	14136.39	2	246	Primaries	Moora	Nth Agric Regio	22/01/2016
Warra	243		119.38	29009.34	1	243	Agent Primaries	Moora	Nth Agric Regio	22/01/2016
Westbeefvend	647		116.88	75621.36	1	647	PrimariesAgent	Moora	Nth Agric Regio	28/01/2016
Westbeef		1	70	70	0	0	Primaries	Moora	Nth Agric Regio	28/01/2016
John Nomvend	187		110.23	20613.01	1	187	PrimariesAgent	Moora	Nth Agric Regio	3/02/2016
Madew	55		112.7	6198.5	0	0	Primaries	Moora	Nth Agric Regio	3/02/2016
Smithvend	128		105.37	13487.36	2	256	PrimariesAgent	Moora	Nth Agric Regio	3/02/2016
Westbeef	649		113.52	73674.48	1	649	Primaries	Moora	Nth Agric Regio	4/02/2016
Hathwayvend	109		107.19	11683.71	2	218	PrimariesAgent	Moora	Nth Agric Regio	5/02/2016
Smith	111		105.09	11664.99	2	222	Primaries	Moora	Nth Agric Regio	5/02/2016
Warra	207		104.75	21683.25	2	414	Primaries	Moora	Nth Agric Regio	5/02/2016

Date	(All)	804,940	Sum Check	-	100					
Sum of Lamb	Column Labels	Agent	Agent	Agent	Agent	Agent	Agent	Agent	Grand Total	
Row Labels	Direct									
REGION		2,769		75,154						
REGION		1,214		9,223		59,712		3,267		
REGION		596	58,773	4,951						
REGION		261	21,416	26,996		1,421		12,065		
REGION		871	12,094	45,511						
REGION		834	807	42,984		9,253				
REGION		216	152	35,653						
REGION			35,290							
REGION		571	2,432	20,360		9,380				
REGION		13,977	17,509							
REGION		25,542								
REGION				25,436		77				
REGION		8,638		15,285		444				
REGION		62		22,945						
REGION		4,181	3,930	11,674				452		
REGION			16,149							
REGION				11,440		2,135				
REGION			410	3,369		9,632				
REGION		6,387		5,799		773				
REGION				10,238		264		609		
REGION		3,740	4,973	721						
REGION					9,263					
REGION		249	1,240	3,828		3,772				
REGION				927				7,727		
REGION			7,156							
REGION		6,522								
REGION		485	4,962					94		
REGION			4,960							
REGION				3,505		665				
REGION		4,025								
REGION		1,518	15	2,157		30				
REGION		2,256		768		597				
REGION				2,868						
REGION		2,178	184							
REGION		365	1,033	927						
REGION				334				1,597		
REGION				1,926						
REGION						1,204				
REGION				1,058						
REGION		1,000								
REGION								618		
REGION			501							
REGION				444						
REGION						273				
REGION		231								
REGION		147								
REGION		84								
REGION						83				
REGION		71								
REGION							46			
REGION		20								
REGION		10								
Grand Total		85,037	190,813	7,156	386,481	9,263	99,715	46	26,429	804,940

Table 2: Supply by Area / Agent (descending order of volume)

1.3.1.2 Lot feeding: Improved understanding, planning and forecasting

A series of lamb lot feeding tools and business models have been developed and implemented as a greater focus and emphasis has been placed on the procurement of store lambs at the right time of year to underpin supply with strategic lot feeders and larger scale growers.

Throughout the 2017 and 2018 season V&V Walsh engaged a number of large volume contracted sheep feedlotter in a formal capacity to finish a larger consignment of store lambs to ensure year rounds security of supply predominantly for the domestic market and strong partnerships developed with preferred export customers.,

Year on year the volume of feedlot lambs supplied has been steadily increasing with the forecast that 2018/19 financial year alone will increase by an additional 200%.

Table 3: Feedlot planning/forecasting tables 2017

Sum of lamb	Column Labels												Grand Total
Row Labels	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Walsh's Feedlot 1	1,384	3,700			4,659	6,327	9,576	8,587					
Wellard Feedlot 2			9,424	4,542	1,069	2,097	4,296	1,970					29,574
Kingston Feedlot 3	4,756	2,149	2,990	3,748	5,688	4,461	1,058						
McDonald Feedlot 4		524	1,542	2,019	2,776	2,729	3,925						28,057
Chilwell Feedlot 5	1,932	1,107	1,670	1,136	1,148	2,960	892						
Harmony Feedlot 6			601	885	2,488	899	1,854						24,850
Taylor Feedlot 7	1,229	1,076	1,021	656	453	1,414	73						13,515
Grand Total	12,576	14,280	13,750	13,213	20,977	26,335	18,359						119,490
2016	9,199	12,821	15,214	6,075	20,558	18,091	12,618	4,977	1,110	546	1,639	5,252	108,100
2017	8,567	6,553	7,744	9,038	17,668	20,033	16,834	12,867	54	1,347	547	8,833	110,085
2018	12,688	14,309	13,750	13,213	20,977	26,335	14,064	18,026					133,362
2018 (F'cast)	15,000	9,600	9,600	11,600	14,400	25,200	25,000	5,000			15,000	25,000	155,400
YOY Chng (16>1)	8,567	6,553	7,744	9,038	17,668	20,033	16,834	12,867	54	1,347	547	8,833	1,985
YOY Chng (17>1)	4,121	7,756	6,006	4,175	3,309	6,302	-2,770	5,159	-54	-1,347	-547	-8,833	23,277
Fcast vs Actual	-2,312	4,709	4,150	1,613	6,577	1,135	-10,936						28,899

1.3.1.3 Collaborative Funding projects

The following is a summary of submitted leveraged project funding proposals and the status thereof.

Project Title	Collaborators	Status
V&V Walsh Amelia Park branded chilled lamb product launch in Hong Kong and China (Shanghai and Beijing)	MLA Co Marketing Fund (2016/17)	Approved
Building Sustainable Value Chains that link producers to high value chilled lamb export markets in China	MLA Donor Company, AMPC, Greenleaf Enterprises, DPIRD (2017-2019)	Approved
Integrated supply networks for increased lamb production	West Midlands Group, DAFWA, Sheep Genetics (DAFWA GGRD Grants)	Not proceeded with
V&V Walsh - Increasing exports and value of WA chilled lamb and sheep meat to China – Asia Market Success Round 1	DAFWA Asia Market Success (2017/18)	Approved
Increasing productivity, efficiency in processing and value chain feedback at enterprise level to achieve scalable systems for the WA sheep sector	DPIRD Export Competitiveness Grants (2018-2020)	Approved
Generating consistent sheep and goat supply from the Southern Rangelands	Goldfields Nullarbor Rangelands Biosecurity Association, V&V Walsh, MLA, AWI, Wild Dog Alliance Committee, Revell Science and Grazing, Rangelands NRM (DAFWA GGRD Grants) (2017)	Not proceeded with
An independent production and supply chain analysis project, conducted by Farmanco Management Consultants, in consultation with V&V Walsh.	Farmanco, DAFWA (2017)	Not proceeded with
V&V Walsh chilled lamb market development, brand maximisation and product promotion in country China for chilled lamb	MLA Co Marketing Fund (2017/18)	Approved
Development and application of purpose-built software for a multiselector integrated auto-drafting system for improved production efficiencies for the sheep industry through commercial RD&A deployment	Kingston Rest Feedlot, UWA, DAFWA	Approved (UWA)
Innovative Packaging Solutions for Red Meat to China Export Markets	AMPC	Not proceeded with
V&V Walsh maximising value of WA produced lamb and beef through product and packaging innovation for export markets	DPIRD – Value Added investment and attraction fund (2018-2019)	TBC

1.3.1.4 V&V Walsh Producer Consortium

Within the current operating business model (circa pre-2017), in some instances it could be argued that V&V Walsh (VVW) had a limited direct line of engagement, communication avenue or access to producers who are, crucially, suppliers to the business. The current (<2017) model was highly transactional and reactive in nature – with limited capacity to directly engage producers. The demographic profiling baseline analysis (Milestone 2) clearly demonstrates the heavy reliance that VVW have on livestock agents to secure supply. Alarming, a smaller number of ‘preferred’ livestock agents supply a large share of the annual throughput. This could be perceived as both a risk or an opportunity to the business.

Feedback from livestock agents and producers alike is clear (but not limited to):

- Producers value credible and relevant feedback from processors;
- Producers and agents would preference the security of available kill space;
- Some producers would highly value a longer-term supply arrangement;
- Agents and producers would preference alternative options/contact point for booking in/scheduling lamb into V&V Walsh; and
- Some producers indicated the need and want to ‘become part of something more than just a supplier’.

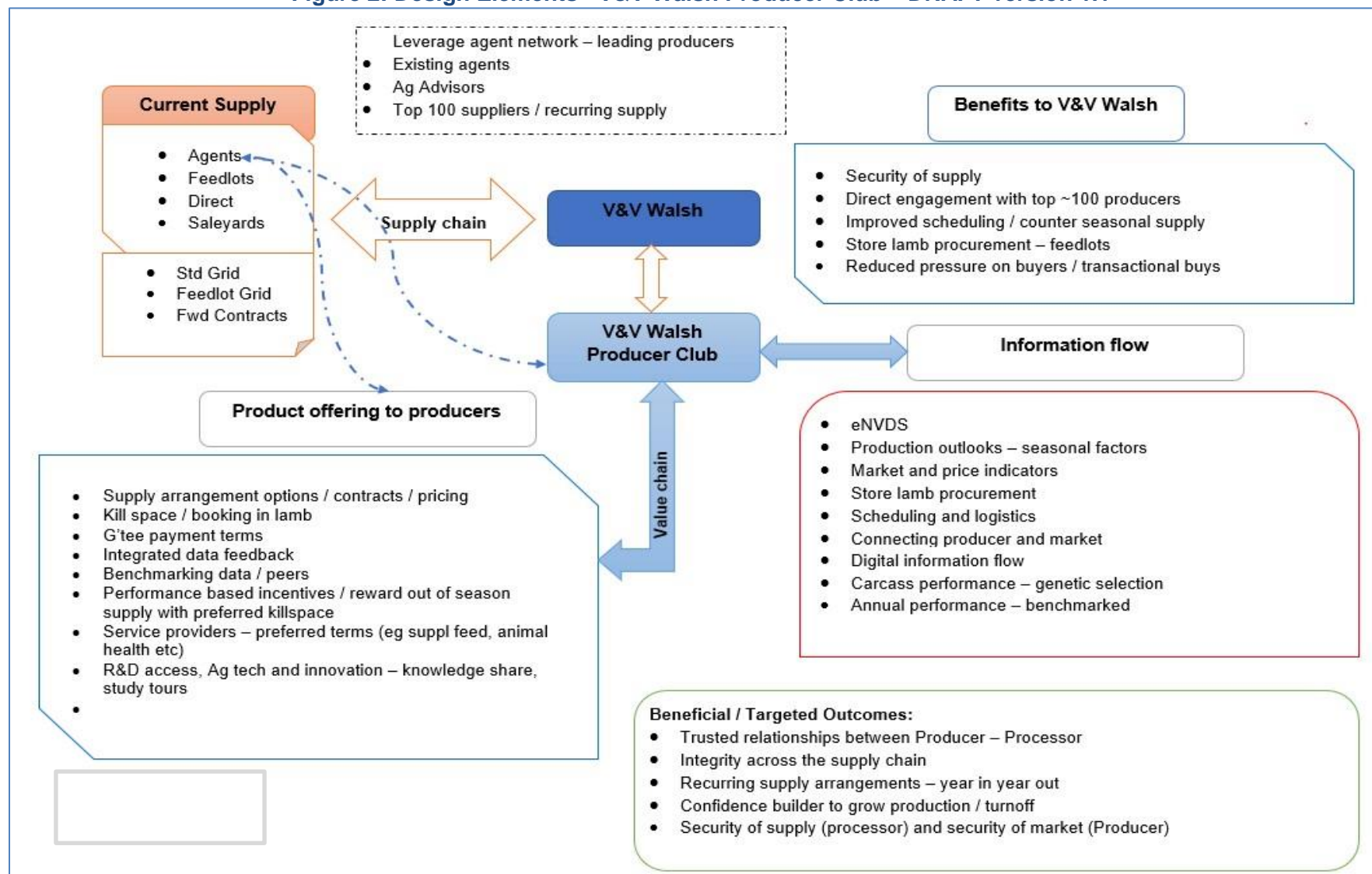
(Note the above statements are anecdotal and are indicative of general feedback and comment received from a diverse set of contact points)

The question needs to be considered as to what true and tangible ‘Value Proposition’ VVW can offer producers that extends beyond a favourable price grid?

In essence, a ‘product’ that will be the enabler for improved engagement, information sharing and supply chain efficiencies that will be the stimulus for developing better trust and collaboration between the processing and production sector, whilst at the same time not placing in jeopardy the current supply equation (i.e.: perception of agents – strategically implemented, the concept of a “VVW producer consortium” could have a demonstrated benefit for progressive and forward thinking livestock agents alike.

Within the collaborative MDC whole of value chain project, a further in-depth business case will be considered for the development of a preferred supplier “VVW Producer Club or Alliance Group”. As a starting point, and precursor to further consideration of this framework proposed through the larger collaborative project, (**Figure 2**) describes visually some of the components and value proposition of a “VVW Producer Club” that could potentially represent, at a minimum as a point from which to evolve from as a starting position for discussion.

Figure 2: Design Elements - V&V Walsh Producer Club – DRAFT version 1.1



1.3.1.5 V&V Walsh Strategic Planning Workshop

- Project implemented within leadership and operational levels across V&V Walsh
- Internal Business Strategy workshop (**Figure 3**) undertaken with senior leadership group for the joint development and sign off a five-year Strategic Plan as an innovative commercial ‘road map’ for the business
- Operational level working groups appointed within V&V Walsh to undertake targeted ‘sprint’ activities aligned to project milestones and business unit goals towards efficiency and innovation outcomes:
 - BUY (Procurement)
 - MAKE (Processing)
 - SELL (Customer/Markets)
 - DIGITAL (Technology and systems integration)
- Working groups have initially been tasked to consider short, medium and longterm blockages within their respective business units and consequently, innovative business and technology solutions to create value, save costs and growth opportunities for the business and/or our suppliers/customers.
- Regular (initially monthly, possibly moving to two-monthly or quarterly) working group sessions with the project team and steering committee to continue to ensure alignment to project outcomes and V&V Walsh goals.

Figure 3: V&V Walsh Business Strategy Workshop





1.3.1.6 DPIRD – Sheep Meat Value Chain training program

- Industry engagement event presenting to 20 tertiary qualified and new entrants to the sheep industry (**Figure 4**) with emphasis on:
 - Whole of value chain development for export markets;
 - Barriers, opportunities and lessons learnt from V&V Walsh chilled lamb market penetration to China;
 - The role of processors in the supply chain and influencers either side of the processor in the supply chain equation (growers, service providers, customers and end-consumer);
 - Podcast discussion on the state of the WA sheep industry and future prospects: https://www.agric.wa.gov.au/newsletters/sibi/sheep-industry-business-innovationupdates-volume-11?page=0%2C2#smartpaging_toc_p2_s0_h2

Figure 4: Sheep Meat Value Chain course

Consumer Aligned Value Chain

1 RAW MATERIAL SUPPLY → 2 PRODUCT PLANNING / OPTIMISATION → 3 PRODUCT MIX FOR PERIOD → 4 CONSUMER DEMAND

Product mix and promotional activity for following period confirmed

Decision support tool, Consumer buying influences, New products, Product options, Category growth, Customer insights, Buying behaviour

Source: ©Wentwood 2014

- Balance required between Supply and Demand
- 'Whole of Chain' approach required to create this balance
- Concept of Dynamic alignment (*John Gattorna*) – applies a holistic approach
- Sum of the parts of a chain form a Consumer Aligned Value Chain

V&V WALSH
MEAT PROCESSORS & EXPORTERS
1957

1.3.1.7 V&V Walsh – Growing the procurement team

- Advertorial published to the Farm Weekly and Countryman announcing appointment of the new lamb buyer Paul Gault

- Paul has been assigned the initial role of longer term and strategic procurement of store lambs for V&V Walsh contracted feedlots and to increase the volume of feedlot finished lambs from existing and new contracted feedlotter;
- Supply Chain manager and the new buyer have undertaken a review of the supplier geographic profiling work completed (MS#1 and MS#2) to identify potential growth areas for store procurement and target previously underutilised sheep production zones from a supply point of view;
- Next steps – road show with supply chain manager and new buyer to target, promote, inform and jointly develop further feedlot finished programs. **Figure 5: New Buyer Appointed**

92 Farm Weekly Thursday, March 8, 2018 LIVESTOCK

New appointment adds value to V&V Walsh

V&V WALSH has announced a new appointment to their ranks with Paul Gault joining the livestock procurement team.

Mr Gault has a robust background in the WA livestock sector, most recently with Wellard, and offers substantial industry expertise to his new role through his experience in large scale livestock management systems and sheep lotfeeding.

Hitting the ground running, Mr Gault will be spending time at the V&V Walsh plant, as well as getting out on the road, touching base with all the major producers and relevant agencies to talk about the future direction of the company.

"I'm excited to get out on the road on behalf of such a highly reputable organisation at the forefront of it's sector," Mr Gault said.

"I'll be focusing on forward planning and taking some of the guesswork out during the tougher months of the year, as well as looking to get more long term feeders on board and generally developing established and potential relationships with producers and V&V Walsh.

"I am particularly excited about working on forward planning because with more advance planning we can provide more confidence for producers and improved results on the bottom line."

V&V Walsh supply chain manager Dale Miles said the business was looking to diversify export market growth opportunities with increased supply and Mr Gault would play a major role in that effort.

"Paul will add value to the business through his strong network developed over a number of years across the sheep producing sector in WA," Mr Miles said.

"Our procurement team is taking a longer term outlook on the lamb supply base to our business and Paul's relationship approach will be focussed on working with livestock agents and growers across the State to help develop strategic supply options between growers and V&V Walsh."



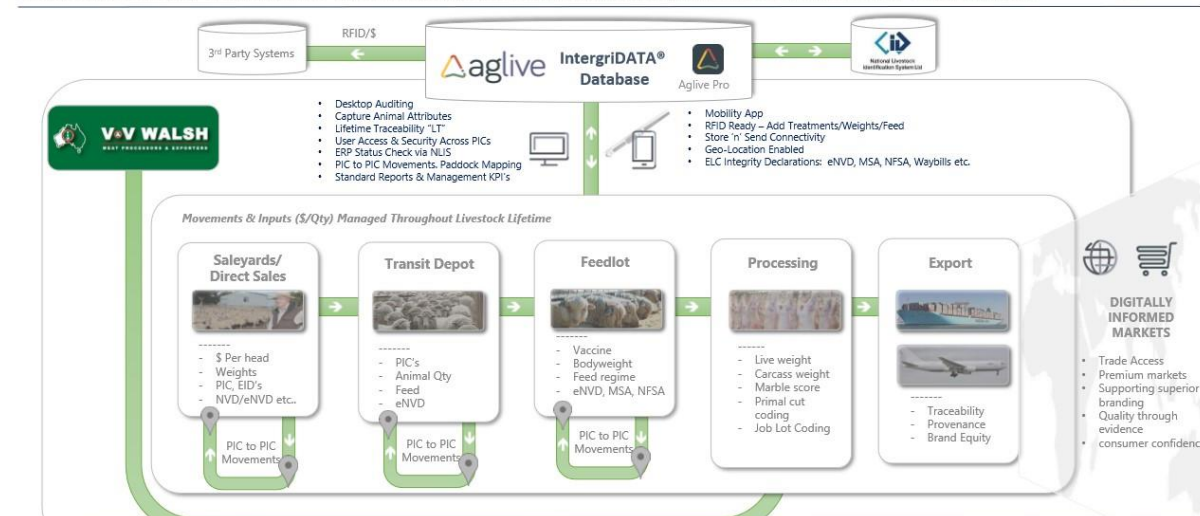
□ Paul Gault is the newest member of the V&V Walsh livestock procurement team.

1.3.1.8 AgLive Integri Pro (electronic NVDs)

- Presentation on the potential of eNVD and Livestock Integrity Data Supply Chain received from AgLive
AgLive one of only two service providers licensed for eNVDs (MLA's Red Meat Integrity Systems being the other)
- Proposal submitted by AgLive to V&V Walsh to undertake a trial and initial registration as a user – Katanning Sale Yards registered (tbc)
- Action:
 - Supply chain manager to present to Plant Management and Senior Leadership team on eNVD systems
 - Follow up meeting with AgLive
WA BDM arranged for WA circa Jan 2018
 - Outcome: the AgLive platform at time of testing was deemed inadequate to meet the needs of suppliers and V&V Walsh – further validation of the eNVD platform service offering by AgLive required. Further validated by feedback from some leading grower groups who tested the platform with producers in their own systems.

V&V Walsh - Digital Enabled Livestock Management & Consignment System


A Fully Integrated Supply Chain Solution To Capture & Manage Livestock Animal Attributes, Treatments & Movements from "Paddock to Plate"



1.3.1.9 V&V Walsh – Pricing Grids, Lamb Forward Contracts and Store Lambs

- New pricing grid template developed for distribution to growers, agents, service providers and feedlotter:
- The new pricing grid has been made publicly available (published media) and will be further included and updated to the V&V Walsh website (and social media platforms)
 - i. The initial publication of the pricing grid in the Farm Weekly 8 March 2018 was met with a significant amount of positive feedback and reaction across the industry
 - ii. The freely available grid further endorses the improved 'access' and 'transparency' between growers/agents to the V&V Walsh procurement team – this is an unprecedented move by the business within the WA sheep industry.
- V&V Walsh lamb forward contract template developed:
 - i. The new forward contract document is a much improved and enhanced two-page enforceable and binding contract
 - ii. The contract clearly states any conditions from both signing parties (buyer and seller)
 - iii. Initial discussions with Agribanks and finance providers are that there is a pathway towards using these forward contracts as bankable finance instrument for cashflow management
 - iv. One of the mechanisms in the forward contract is a 50% 'floating' price linked to the V&V Walsh standard grid price (ie: if the standard grid price at time of delivery is greater than the forward contract price at time of delivery, 50% upside is achieved)
 - v. It is anticipated that with improved transparency, forward planning and issue of contracts, there is potential for the development of a more mature forward contract market for lamb in Western Australia, similar to seasonal contracts well supported in Vic, NSW and SA.

Figure 6: Pricing Grids and Forward Contracts – Farm Weekly 8 March 2018



Autumn Forward Lamb Contracts

V&V Walsh are currently offering Trade Lamb forward contracts for May delivery
We are also sourcing Store Lambs

Please contact your livestock agent or the V&V Walsh buying team for more information and bookings

LAMB FORWARD CONTRACT

\$6.60 / 18-26kg • Delivery May 1-30, 2018
(Terms & Conditions apply)

STORE LAMB

Please contact the V&V Walsh buying team to discuss store lamb options

CROSSBRED TRADE LAMB PRICING GRID

V&V WALSH PRICING GRID					
Week Commencing: 12/02/2018		Grid Ref: 1002			
XB TRADE LAMBS					
Kg HSCW	Grade Price / HSCW Range (kg)				
	FAT SCORE				
	S1	S2	S3	S4	S5
0 - 14	\$3.00	\$2.00	\$2.00	\$2.00	\$3.00
14.1 - 17	\$3.00	\$5.00	\$5.00	\$5.00	\$3.00
17.1 - 18	\$4.00	\$5.00	\$6.00	\$6.00	\$4.00
18.1 - 26	\$4.50	\$6.20	\$6.20	\$6.20	\$4.50
26.1 - 28	\$4.20	\$5.80	\$5.80	\$5.80	\$4.80
28.1 - 32	\$4.00	\$5.20	\$5.20	\$5.20	\$4.00
32+	\$3.80	\$4.80	\$4.80	\$4.80	\$3.80

MUTTON PRICING GRID

V&V WALSH PRICING GRID					
Week Commencing: 12/02/2018		Grid Ref: 1003			
MUTTON					
Kg HSCW	Grade Price / HSCW Range (kg)				
	FAT SCORE				
	S1	S2	S3	S4	S5
14 - 16	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
16.1 - 17	\$4.00	\$4.00	\$4.00	\$3.80	\$2.80
17.1 - 24	\$4.20	\$4.20	\$4.20	\$4.00	\$3.20
24.1 - 28	\$4.00	\$4.00	\$4.00	\$3.80	\$3.00
28.1 - 32	\$3.60	\$3.60	\$3.60	\$3.40	\$3.00
32.1 - 35	\$2.00	\$2.00	\$2.00	\$2.00	\$1.00

V&V WALSH BUYERS Rob Cockman rccoc@bigpond.net.au 0428 933 146

OFFICE 08 9725 4488 Paul Gault pgault@vwalsh.com.au 0437 051 049

livestock@vwalsh.com.au Adam Becker adambeckerlivestock@bigpond.com 0458 471 816

- Store lamb procurement:
 - i. Greater emphasis and strategic planning have been implemented in the procurement of store lambs with contracted feedlotter;
 - ii. V&V Walsh plan to increase supply from contracted feedlotter by 35% over the next 12 months (2018) to ensure security of supply (Xmas (Dec) trade and Autumn-Winter months when supply has been short);
 - iii. Further downstream investment in feedlots may also become an option as new business models are implemented.
 - iv. 2019 projections forecast circa 200% increase in the volume of store lamb procured and feedlot finished lambs with the new buyer focussing on growing the base of store lamb suppliers both through direct consignment and livestock agents servicing this sector of the market.

1.3.1.10 Auctions Plus – WA Lamb Forward Contract Workshop

- Meeting and presentation to V&V Walsh procurement team on an alternative business model for the potential for March 2018 lamb forward contract online auction for winter delivery of lamb (**Figure 7**);
- Presentation and overview of the online forward contracting process provided by Auctions Plus CEO Anna Speer;
- V&V Walsh procurement team expressed potential of the online platform to be utilised as a mechanism to source store lambs for feedlot finishing – discussion ongoing;

- March 2018 online forward lamb auction proposed by Auctions Plus following a series of roadshow events throughout the region – outcome of online auction unknown.
- March – V&V Walsh hosted a training session with Primaries livestock agents on forward pricing mechanisms and online trading platforms. Session was held at V&V Walsh and followed by on farm and feedlot inspections including live weight to carcase weight dressing estimates.

Figure 7: Auctions Plus WA Lamb Forward Contract Workshop



AuctionsPlus[®]

MANAGE RISK

BEAT THE CROWD

WESTERN AUSTRALIA
FORWARD CONTRACT
PRIME LAMB WORKSHOP

Example

500 x 1st cross trade lambs, 2+ fat score, shorn,
weighing between 18-24kg for delivery May 2018.

1.3.1.11 eID Feedback Trial – Producer Clayton South

- Featured a Case Study in the February 2018 DPIRD SIBI newsletter following on-farm and carcass evaluation with Wagin Producer Clayton South (**Figure 8**);

Figure 8: eID Carcass Feedback Trial – data driven decisions



Extract from the SIBI Project Newsletter (DPIRD, SIBI February 2018)

Owner: Clayton South

Property location: 30 kilometers east of Wagin

Property size: 4000 hectares

Stock: 5000 Dohne ewes mated to Dohne rams, 1500 Dohne ewes mated to terminal rams

Technology: Electronic identification

The use of electronic identification (EID) is making commercial sheep producer Clayton South's life a lot easier when it comes to managing his 6500-strong Dohne ewe flock. The Wagin farmer first invested in the technology in 2014, in the hope of gaining efficiencies and making more money from his sheep enterprise.

Today Clayton is certainly glad he did, because the equipment – making the task of collecting data more accurate, easier and faster – has allowed him to improve the productivity and profitability of his business

“We want to see what each individual animal is producing.” (Figure 9)

Thanks to a fully automated sheep handler with automatic weighing, three-way drafting and EID reading capabilities, together with a stick reader, the main Dohne flock is managed with a strong focus on high fertility and a premium is put on twinning ewes. Ewes not suited to the central flock are drafted out and joined with White Suffolk rams for prime lamb production.

The main aim is to ultimately produce a ewe that can wean her own bodyweight in lambs by 15 weeks as well as cut a five-kilogram fleece come shearing time.

Clayton is also using the EID system to improve the reproductive performance of his flock, improve lamb weight management and allow for opportunistic ewe lamb breeding.

“If we are constantly breeding replacements from our better performing animals I have confidence we are improving production.”

Implementation of the technology by Clayton shows that over 10 years the financial return from investing in EID technology will yield \$6.60 for each dollar spent.

He also said that in poor seasons the benefits become even more significant because Clayton can sell sheep on the basis of quantitative measures rather than age or visual assessment – some of the best genetics and performance attributes may still reside in his older sheep.

Figure 9: eID Carcass Feedback Trial – data driven decisions



Clayton South – Carcass Performance Summary

2.52	48.19	23.15	48.01%
Ave FS	Ave LWT	Ave CWT	Ave Dressing %

Fat			
Score	Count	Ave Dressing % / FS Category	
2	107	47.73%	3 99 48.21%
4		5	49.91%
		48.01%	

1.3.1.12 Sheep CRC/MLA Lamb Supply Chain Group Meeting

- **13-14 March 2018 – Melbourne Summary and Key Agenda items:**
 - i. JBS Brooklyn plant tour
 - New DEXA technology (**Figure 10**) in operation including overview of install and practical challenges/benefits
 - Associated hook tracking systems(
 - **Figure 11**) and downstream eID feedback mechanisms to producers
 - ii. ALMTech Data driven decision tools including:
 - Lamb value calculator
 - Carcas optimiser tool

- Data interpretation
- Maths industry study group iii. Lean Meat Yield project updates
 - Meat eating quality
 - LMY technology iv. DEXA updates:
 - The DEXA fast track project
 - TEYS – DEXA install and validation (issues/challenges and opportunities)
- v. VION Foods – Netherlands
 - Feedback systems
 - Practical grower feedback insights
 - Product integrity and animal health
 - Internal and external stakeholder engagement vi. MSA Mark II Operational plan
- vii. MDC updates
 - Supply chain extension
 - Co-innovation partner opportunities viii. Thomas Foods
 - Arthritis in lambs – processor insights ix. eID Victoria
 - Update on roll out across the supply chain
 - Lessons learnt and how the supply chain is implementing eID

Figure 10: DEXA Specs – practical insights

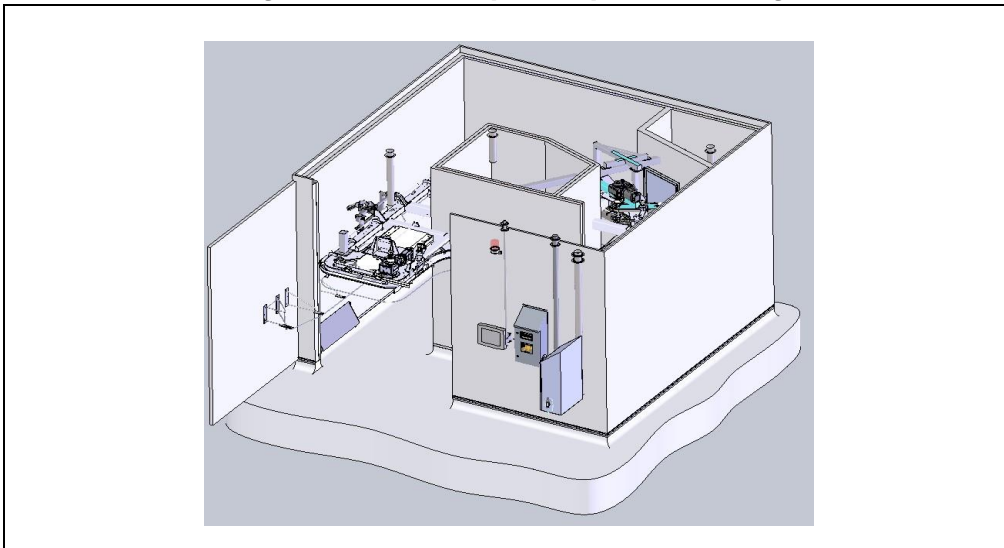



Figure 11: Hook Tracking Systems > DEXA




SKID & GAMBREL

The unique ball & cup joint allows the Fastex gambrel to move freely in all directions.
 Made from a tough thermoplastic, the skid & gambrel does NOT require any lubrication which eliminates contamination caused by dirt falling from the rail system.
 Plastic running over metal substantially reduces overall plant noise too.
 Cleaning is a simple alkali bath with no scrubbing or multi-stage washing necessary.
 A pickling stage is also no longer required as the plastic parts do not corrode.
 Suitable for working temperatures from minus 40°C to plus 120°C without stoking to frozen carcasses or staining the meat at the point of contact.
 Each part has the production date permanently embossed into it to assist with your regular maintenance program.
 The Skid & Gambrels are available in both double and single hook variations.



Double Hook Skid & Gambrel Assembled



Please note: Skid & Gambrels are sold un-assembled

ITW Fastex	Description	Material	Colour	Type	Pack Qty.
416-0064	Skid	Acetal	Black	FDA approved	90
416-0065	Double Hook Gambrel	Acetal	Black	FDA approved	45
416-0066	Locking Cup	Acetal	Black	FDA approved	90

V&V Walsh are developing the business case and strategy for considering the install of DEXA and hook tracking systems into our systems and have further engaged Scott Technology and MLA GM Innovation Sean Starling to review closer specifications, cost benefit analysis and downstream feedback to producers and how they could benefit from this technology investment.

Follow up onsite inspections with service providers including Scott Technology will follow establish detailed costings and unit specifications for management decision to be implemented on commissioning.

Subsequent to the site visit and overview of the DEXA unit at JBS, V&V Walsh have received further information from Scott Technology and will also be arranging for a presentation and discussion with Murdoch University – Graham Gardner in April to gain a full understanding of the suite of value drivers to the DEXA technology relative to V&V Walsh.

Discussions remain ongoing with Scott Technology and MLA.

1.3.1.13 DEXA, Lean Meat Yield and the Lamb Value Calculator

- Presentation and discussion by Dr Graham Gardner, Murdoch University to the senior management team and key decision makers within V&V Walsh
- Value proposition to V&V Walsh across the value chain including processing efficiencies, customer and product value creation and improved feedback down the supply chain to producers
- Challenges faced by V&V Walsh to commercialise install of the DEXA unit
- Beneficial drivers of hook tracking, automation in processing and chiller room sorting, improved carcass utilisation, yield gains, traceability to consumer and transparent and commercially relative feedback to producers

- Application of the lamb value calculator into cost optimisation tools currently under development

LMY maximises profits along the whole supply chain

LMY affects value and efficiency

- **Consumer**
 - Wants value for \$\$\$
- **Processor**
 - Paying meat price for fat (may change!!!)
 - Less meat to sell
 - Extra cost of trim = labour, disposal
- **On-farm profitability**
 - Score 2 to 4: eats an extra 40kg of green feed
 - Grow muscle not fat
 - Can grow faster & turn-off earlier, or
 - Can be finished to heavier weights



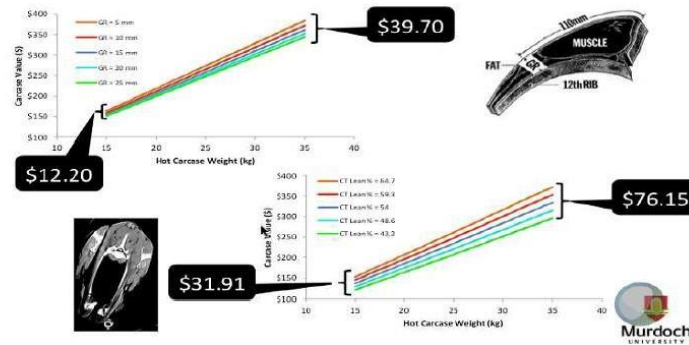
More meat, less fat = Increase lean meat yield

13

Source: Dr G. Gardner, Murdoch Univ

Extra precision gives more accurate (and wider) differentiation of carcase value

What does extra precision mean for the carcase calculator?



Source: Dr G. Gardner, Murdoch Univ

Lamb Value Calculator – Optimising tools for production and sales teams

LVC Mk II - Dashboard
×

FQ | Loin | HQ | Secondary Product

Shoulder | Fore Shank | Breast | Neck

Primals	Cut Wt (kg)	Sale Price (\$/kg)	Gross Margin		Target GM (%)	Target Sale Price (\$/kg)	Bonning Cost (\$/unit)	Total Costs (\$)
			\$	%				
Boneless Shldr Derinded, Eye out	4.17	\$14.50	\$6.29	10.4%	10.0%	\$14.44	\$3.50	\$54.22
Shldr Eye Whole	0.50	\$12.98	-\$0.45	-6.9%	0.0%	\$13.88	\$1.00	\$6.97

Breed: **X-Breed**

Yield Models: **CCW/GR Linear**

Carcase Description

HSCW **30** kg Range: 13 - 39 kg

GR **10** mm Range: 1 - 44 mm

Fatscore: FS1 FS2 FS3 FS4 FS5

Shrink% **2.5** % Range: 0 - 5 %

OCM Input

CT Lean % % Range: 47 - 65 %

OTH Trading

Carcase Trade Price **\$189.00 /hd** **\$6.30 /kg HSCW**

OTH Base Price **\$6.40 /kg of HSCW**

Carc Performance | Pre Bone Cost Analysis | Yields | Gross Margins

Pre-bonning Cost Analysis	
Variable Costs / Revenue	Cost (\$/hd)
Carcase Trade Price	\$189.00 (\$6.3 / kg of HSCW)
Pre-slaughter Costs	\$1.50
Slaughter Costs	\$13.00
Slaughter Floor Revenue	\$6.00
Bonning Room Entry Costs	\$197.50
	\$6.68 /kg of HSCW
	\$11.27 /kg of Saleable Meat

Upload Spec

Reload

Exit

Source: Dr G. Gardner, Murdoch Univ

1.3.1.14 Dynamic Supply Chains & Network Optimisation

- Industry presentation with Dr John Gattorna (<http://www.gattornaalignment.com/>), global thought leader and practitioner in dynamic supply chain alignment. An extensive piece of analysis had previously been undertaken by John and the former DAFWA in conjunction with V&V Walsh – ‘The WA Sheep Flagship Project’ that researched the behavioural segmentation of WA sheep producers and their ability and inclination to increase supply; including their motivators and constrictors.

“Every function in the enterprise must accept that they contribute to the ultimate act of serving and satisfying customers, because only in this way the enterprise can survive and thrive in today's 'new normal' of volatility.”

- Key messages and presentation were premised on the value proposition of Dynamic Supply Chain alignment using an applied case study and leadings based on V&V Walsh supply side pains experienced to meet the growing demand from middle income consumers in China; as realized through our market development program for chilled lamb to the emergent China export Market

Behavioral Segments – WA Sheep Producers

Producer Segments

<p>I - Integration <i>Relationships, long term, loyalty</i></p>	<p>D - Development <i>Innovation, new options, flexibility</i></p>
---	--

Collaborative 35%

Collaborative 62%

Transactional 41%

Transactional 48%

Opportunist 24%

With growth mindset

Price, cost, routine, precedent

Action, speed, change, low loyalty

A - Administration P - Production

GATTORNA ALIGNMENT

V&V WALSH
MEAT PROCESSORS & EXPORTERS


Greenleaf

- **Collaborative**
 - Relationship > trust
 - Pref supplier arrangement (price peaks)
 - Future plans > farm
- **Transactional**
 - Highest price > low
 - Pref supplier arrangement
 - Future plans > current happened in the past
- **Opportunist**
 - Low loyalty to specific
 - Pref supplier arrangement
 - Sheep often secret
 - Future plans > ad

Department of Primary Industries & Regional Development (DPIRD)
Principal Business Development Manager **Terry Burnage FAICD**, hosted leading supply-chain expert Dr John Gattorna last week, presenting on client and customer-focused supply chains. WA agribusinesses V&V Walsh and CBH highlighted applications in a practical and local context.

Thanks to South West Development Commission and **Rebecca Ball** for Bunbury.

<https://lnkd.in/g6sEMN5>



1.3.1.15 Victoria Sheep Study Tour (DPIRD SIBI supported)

- WA sheep study tour to Victoria 7-11 August 2017
 - Full post tour report (**Attachments**) •
 - Key highlights and impact points:
 - i. The potential for eID technology to be effectively applied in a commercial sheep production system is real and apparent (most if not all WA producers returned from the tour with a positive outlook on the potential and value of implementation of eID technology on farm)
 - ii. Likewise, from a processing sector the opportunity and value to become more tech and 'e' ready for improved data and information feedback to producers
 - iii. Ability to achieve improved production (conception, lambing, weaning rates) through a more intensive and data applied approach to ewe and flock management
 - iv. Through the implementation of eID technology there exists the real opportunity for closer linkages across the supply chain – particularly between producer (store lamb) > feedlotter > processor
- Post tour follow up between a large-scale sheep producer (store lamb) and large volume feedlotter (V&V Walsh supplier) was initiated with the option of a future project to be implemented for individual animal performance from production > store lamb > backgrounding > feedlot > processing (all using eID technology)

DPIRD SIBI tour summary: <https://www.agric.wa.gov.au/sheep/technology-tour-sheep-tourvictoria>

Figure 12: WA Sheep Study Tour to Victoria



Confined feeding options



*Value proposition of eID
(lessons learnt from Victoria)*



Lamb Feedlotting – intensive



Individual animal performance for flock improvement

Follow up and debrief from the Victoria Sheep Study Tour

- Plant tour of V&V Walsh and site visit to Kingston Rest sheep feedlot as a follow up and debrief from the Victoria Sheep study tour was undertaken on Friday 13 October.
- Valuable for WA producers to gain insights into processing side of the supply chain equation following the success of the tour and to visit a large volume dedicated prime lamb feedlot.
- Takeaways from the debrief was that it was promising to note that a processor in WA was taking steps to 'get closer' to the producer side and to start working more collaboratively with store/feedlot producers.
- eID is still a focus topic with producers as to how this can be used to direct on farm production and management decisions.

Figure 13: Debrief at V&V Walsh and Kingston Rest



V&V Walsh – Walk the chain with producers

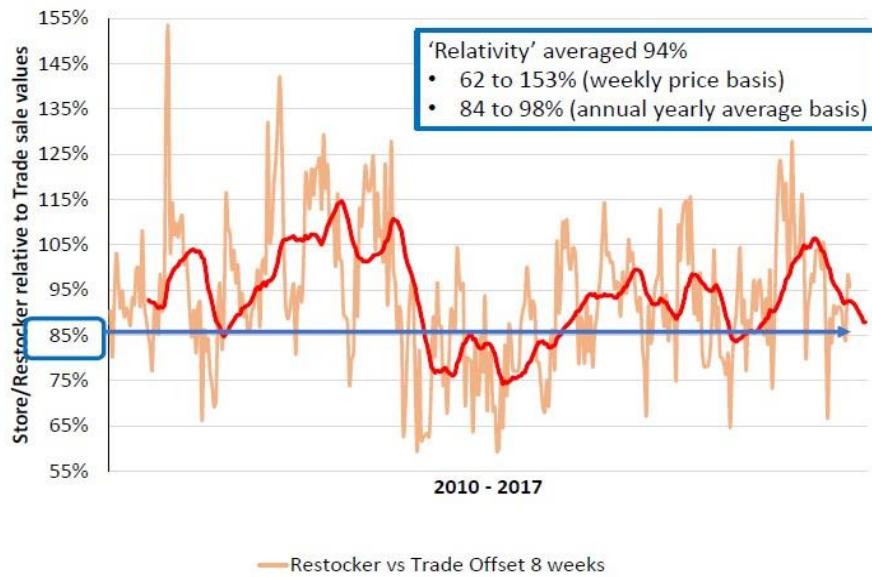


Investment in technology – Kingston Rest Feedlot – Jet spray unit

1.3.1.16 Stirling to Coast – Profitability of Sheep Finishing Systems

- Producer and industry day hosted by the Stirling to Coast Grower Group
- Opportunities and challenges for producers to increase or commence a sheep finishing system including sheep feedlotting.
- Risks and barriers of entry for producers (economic, production, management and market risks)
- V&V Walsh value proposition and our strategy to increasing the year-round supply of lamb for growing export markets
- Presentation by Geoff Duddy of Sheep Solutions and Q&A session

WA Restocker/Feeder vs Trade Lamb relativities (2010 to May 2017)



Supplementary feeding of grain/pellets using local 'out of specification' grain

– Value adding potential – grain

As an example:

- target live weight (52kg); growth rate (270g/h/d);
- carcass and skin values (\$6/kg HSCW; \$3/skin);
- total ration cost \$355/t (90% pellet/10% hay) with
- buy-in/sale values of \$110 and \$150/hd per lamb

Profit = \$7.79.

Value adding = 26%

Ration 'value' \$355/t DM to \$447/t DM.

As an example:

- Substituting pellets for 'out of spec grain' valued at \$185/t (50% of pellet value) and
- Assuming little change in ration energy/protein etc values

Profit = \$19.59

Value adding = 110%.

Ration value (now \$207/t DM) effectively becomes worth \$434.70/t DM.

Source: Geoff Duddy – Sheep Solutions

1.3.1.17 DPIRD – Project Update to SIBI Project team

- Project summary and overview to SIBI staff members as part of the SIBI project close out and industry review including:
 - Challenges and opportunities of effective industry engagement
 - Internal and external barriers to change (industry, processor & producer level)
 - Developing industry leaders and champions within the industry at a grass roots level
 - The V&V Walsh experience including overcoming barriers to change

*“WE DON'T KNOW WHAT WE'VE GOT UNTIL WE RISK LOSING IT;
BUT ITS ALSO TRUE THAT WE DON'T KNOW WHAT WE'VE BEEN
MISSING, UNTIL WE FIND IT”*

Kicking Goals – Key Achievements

- Supply Chain Manager – Project kick-off Nov 2016
- Amelia Park chilled lamb launched in China – trial shipments
- External Investors – Craig Mostyn Group > Succession??
- MLA Donor Co – ~\$3M collaborative value chain project > Dec 2017 - Dec 2019
- New Buyer – Paul Gault > Q1 2018
- Alternative business models – Store lambs & Fwd Contracts > 2018
- Leapfrogging the 90's – DEXA, Hook tracking and all things technology/innovation
- Upgraded sheep kill floor – inverted dressing system > 2018-19
- Downstream supply chain investment – V&V Walsh feedlotting lambs > 2018
- Next Gen leaders – Operational level input/empowerment > 2018



V&V WALSH
MEAT PROCESSORS & EXPORTERS



Evolution of a Forward Contract

V&V Walsh Pty Ltd
 ABN: 96 250 509 283
 PO BOX 1713, Sunbury, VIC 3021
 1 Ringing Road / SW Highway
 Tel: 08 9725 4488

Livestock Forward Contra

Date of Agreement: / / 2018

Contact Name: _____
 Address/Location: _____
 Email: _____
 Mobile: _____
 PK No (Vendor): _____

This contract confirms the above Agent/Vendor specification of livestock as agreed in the conditions set out in the APPENDIX to this contract.

- Lamb forward contract period 1
- Contracted price of \$6.00 / 18.2
- Delivered to V&V Walsh, Sunbury
- Minimum lot size of 100
- Contract price is a 50% shared price at time of delivery.

Delivery week commencing: _____

Description: _____

MSA Approved:

Name: V&V Walsh
 Date: / /
 Signature: _____

Return completed contracts to: livestock@vvalsh.com.au
 (Office 08 9725 4488)

By execution of signatures of parties acknowledge they have read and understand the attached terms and conditions and agree to be bound by them.

APPENDIX:
V&V WALSH LAMB FORWARD CONTRACT AGREEMENT

1. This contract becomes **LEGALLY BINDING AND ENFORCEABLE** once signed by an agent returned to the Vendor/Agent, required to notify V&V Walsh to any **AT LEAST SEVEN (7) BUSINESS** days prior to the date of delivery or waiver in respect to this contract.

2. The Vendor/Agent agrees to sell schedule and in accordance with the MSA document including MSA.

3. The Vendor/Agent agrees to sell schedule and in accordance with the MSA document including MSA.

4. The Vendor/Agent agrees to sell schedule and in accordance with the MSA document including MSA.

5. The Vendor/Agent agrees to sell schedule and in accordance with the MSA document including MSA.

6. The Vendor/Agent agrees to sell schedule and in accordance with the MSA document including MSA.

7. The Vendor/Agent agrees to sell schedule and in accordance with the MSA document including MSA.

8. The Vendor/Agent agrees to sell schedule and in accordance with the MSA document including MSA.

9. Livestock delivered with seed infestation will be re-negotiated. Remainder of livestock are void of contract.

10. All haggles will be priced on the Grid for that delivery week.

11. All prices quoted are exclusive of GST.

12. The Vendor/Agent warrants to the Buyer that upon delivery the Vendor has good right and title to the livestock within the Contract schedule – free from any encumbrances.

DATE	NO.	WEIGHT	SEX	CLASS	MARK	PRICE	TOTAL
11/04	200	22.0	W	1		2.23	446.0
12/04	200	22.0	W	1		2.21	442.0
13/04	200	22.0	W	1		2.19	438.0
14/04	200	22.0	W	1		2.17	434.0
15/04	200	22.0	W	1		2.15	430.0
16/04	200	22.0	W	1		2.13	426.0
17/04	200	22.0	W	1		2.11	422.0
18/04	200	22.0	W	1		2.09	418.0
19/04	200	22.0	W	1		2.07	414.0
20/04	200	22.0	W	1		2.05	410.0
21/04	200	22.0	W	1		2.03	406.0
22/04	200	22.0	W	1		2.01	402.0
23/04	200	22.0	W	1		1.99	398.0
24/04	200	22.0	W	1		1.97	394.0
25/04	200	22.0	W	1		1.95	390.0
26/04	200	22.0	W	1		1.93	386.0
27/04	200	22.0	W	1		1.91	382.0
28/04	200	22.0	W	1		1.89	378.0
29/04	200	22.0	W	1		1.87	374.0
30/04	200	22.0	W	1		1.85	370.0
01/05	200	22.0	W	1		1.83	366.0
02/05	200	22.0	W	1		1.81	362.0
03/05	200	22.0	W	1		1.79	358.0
04/05	200	22.0	W	1		1.77	354.0
05/05	200	22.0	W	1		1.75	350.0
06/05	200	22.0	W	1		1.73	346.0
07/05	200	22.0	W	1		1.71	342.0
08/05	200	22.0	W	1		1.69	338.0
09/05	200	22.0	W	1		1.67	334.0
10/05	200	22.0	W	1		1.65	330.0
11/05	200	22.0	W	1		1.63	326.0
12/05	200	22.0	W	1		1.61	322.0
13/05	200	22.0	W	1		1.59	318.0
14/05	200	22.0	W	1		1.57	314.0
15/05	200	22.0	W	1		1.55	310.0
16/05	200	22.0	W	1		1.53	306.0
17/05	200	22.0	W	1		1.51	302.0
18/05	200	22.0	W	1		1.49	298.0
19/05	200	22.0	W	1		1.47	294.0
20/05	200	22.0	W	1		1.45	290.0
21/05	200	22.0	W	1		1.43	286.0
22/05	200	22.0	W	1		1.41	282.0
23/05	200	22.0	W	1		1.39	278.0
24/05	200	22.0	W	1		1.37	274.0
25/05	200	22.0	W	1		1.35	270.0
26/05	200	22.0	W	1		1.33	266.0
27/05	200	22.0	W	1		1.31	262.0
28/05	200	22.0	W	1		1.29	258.0
29/05	200	22.0	W	1		1.27	254.0
30/05	200	22.0	W	1		1.25	250.0
31/05	200	22.0	W	1		1.23	246.0
01/06	200	22.0	W	1		1.21	242.0
02/06	200	22.0	W	1		1.19	238.0
03/06	200	22.0	W	1		1.17	234.0
04/06	200	22.0	W	1		1.15	230.0
05/06	200	22.0	W	1		1.13	226.0
06/06	200	22.0	W	1		1.11	222.0
07/06	200	22.0	W	1		1.09	218.0
08/06	200	22.0	W	1		1.07	214.0
09/06	200	22.0	W	1		1.05	210.0
10/06	200	22.0	W	1		1.03	206.0
11/06	200	22.0	W	1		1.01	202.0
12/06	200	22.0	W	1		0.99	198.0
13/06	200	22.0	W	1		0.97	194.0
14/06	200	22.0	W	1		0.95	190.0
15/06	200	22.0	W	1		0.93	186.0
16/06	200	22.0	W	1		0.91	182.0
17/06	200	22.0	W	1		0.89	178.0
18/06	200	22.0	W	1		0.87	174.0
19/06	200	22.0	W	1		0.85	170.0
20/06	200	22.0	W	1		0.83	166.0
21/06	200	22.0	W	1		0.81	162.0
22/06	200	22.0	W	1		0.79	158.0
23/06	200	22.0	W	1		0.77	154.0
24/06	200	22.0	W	1		0.75	150.0
25/06	200	22.0	W	1		0.73	146.0
26/06	200	22.0	W	1		0.71	142.0
27/06	200	22.0	W	1		0.69	138.0
28/06	200	22.0	W	1		0.67	134.0
29/06	200	22.0	W	1		0.65	130.0
30/06	200	22.0	W	1		0.63	126.0
01/07	200	22.0	W	1		0.61	122.0
02/07	200	22.0	W	1		0.59	118.0
03/07	200	22.0	W	1		0.57	114.0
04/07	200	22.0	W	1		0.55	110.0
05/07	200	22.0	W	1		0.53	106.0
06/07	200	22.0	W	1		0.51	102.0
07/07	200	22.0	W	1		0.49	98.0
08/07	200	22.0	W	1		0.47	94.0
09/07	200	22.0	W	1		0.45	90.0
10/07	200	22.0	W	1		0.43	86.0
11/07	200	22.0	W	1		0.41	82.0
12/07	200	22.0	W	1		0.39	78.0
13/07	200	22.0	W	1		0.37	74.0
14/07	200	22.0	W	1		0.35	70.0
15/07	200	22.0	W	1		0.33	66.0
16/07	200	22.0	W	1		0.31	62.0
17/07	200	22.0	W	1		0.29	58.0
18/07	200	22.0	W	1		0.27	54.0
19/07	200	22.0	W	1		0.25	50.0
20/07	200	22.0	W	1		0.23	46.0
21/07	200	22.0	W	1		0.21	42.0
22/07	200	22.0	W	1		0.19	38.0
23/07	200	22.0	W	1		0.17	34.0
24/07	200	22.0	W	1		0.15	30.0
25/07	200	22.0	W	1		0.13	26.0
26/07	200	22.0	W	1		0.11	22.0
27/07	200	22.0	W	1		0.09	18.0
28/07	200	22.0	W	1		0.07	14.0
29/07	200	22.0	W	1		0.05	10.0
30/07	200	22.0	W	1		0.03	6.0
31/07	200	22.0	W	1		0.01	2.0

Fwd. Contract Development

Dashboard 13/04/2018 - April week 2 - All Channels

Today's KPI: 4,330 (Target: 3,800) - 114%

This Week's KPI: 14,410 (Target: 19,000) - 75%

Next Week's KPI: 12,200 (Target: 19,000) - 64%

This Month's KPI: 43,215 (Target: 76,000) - 56%

Today's Grid Summary:

Fern	\$6.20	2,600
Feedlot	\$6.40	1,240
Feed Core	\$6.75	490
Non-York	\$6.20	-
Sale York	\$6.35	-
Ave. Price	\$6.3119	4,330

Weekly Grid Price and Feedback Summary:

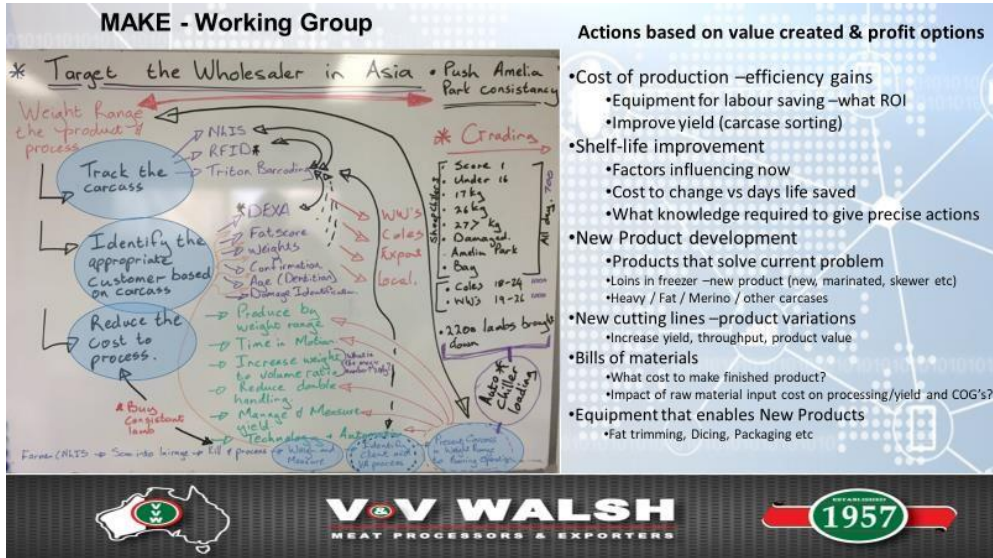
Fern	\$6.20	5,920
Feedlot	\$6.40	1,330
Feed Core	\$6.75	810
Non-York	\$6.20	230
Sale York	\$6.35	2,400
Ave. Price	\$6.2646	14,410

Heat Map: Total Sheep no. Supplied in April

- Central Wheatbelt: 3,410
- North Agri Region: 1,470
- South West: 2,235
- South Coast Region: 1,015

V&V WALSH MEAT PROCESSORS & EXPORTERS 1957

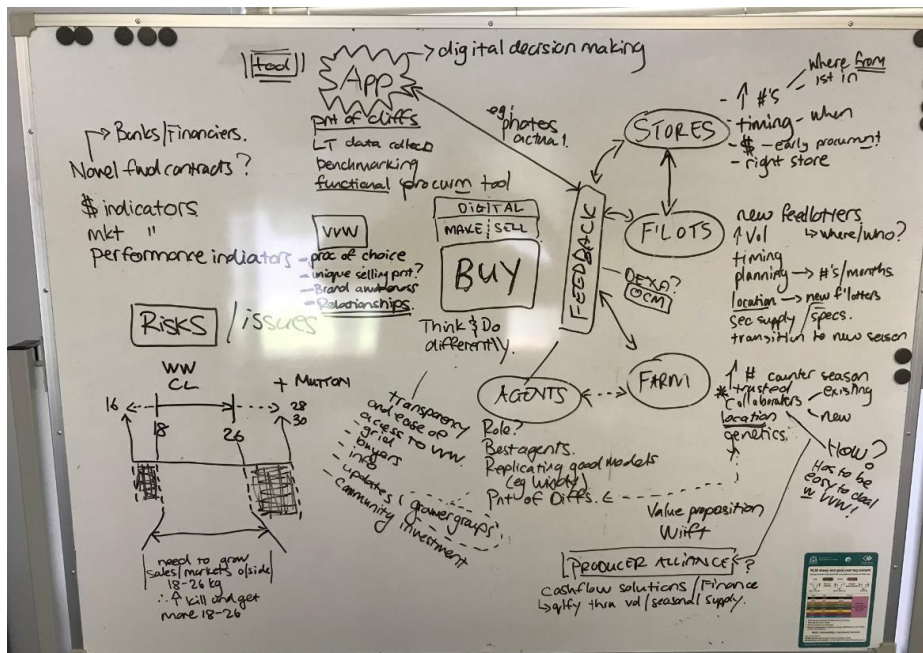
Procurement Planning



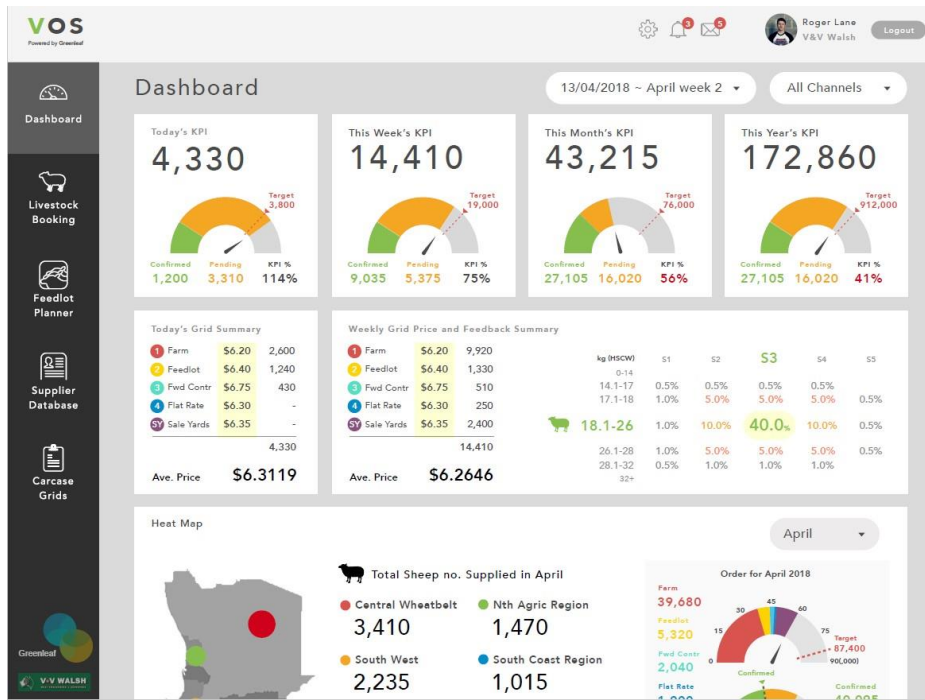
Operational Level 'buy-in' = influencers

1.3.1.18 V&V Walsh Procurement Dashboard

- Creating an easy to use platform as a procurement planning and operational live buying portal
- Improved data transfer and line of sight between V&V Walsh office and Buyers
- Improved scheduling and planning
- Supplier demographics embedded within the dashboard
- Portal for improved data feedback and benchmarking



From Concept to Development to Implementation



HomeScreen

Source: Greenleaf Enterprises

Input a New Order

Vendor Name: Abraham | Agent: Direct | Vendor PIC: WA328960 | Order No.: 0051

Type of Animal: Lamb | Channel: Farm | Price (excludes GST): \$6.20 | Quantity: 0 | Delivery Date: 13/04/2018 | Status: Pending

Type of Animal: + Lamb | Channel: Farm | Price (excludes GST): \$0.00 | Quantity: 0 | Delivery Date: 13/04/2018 | Status: Pending

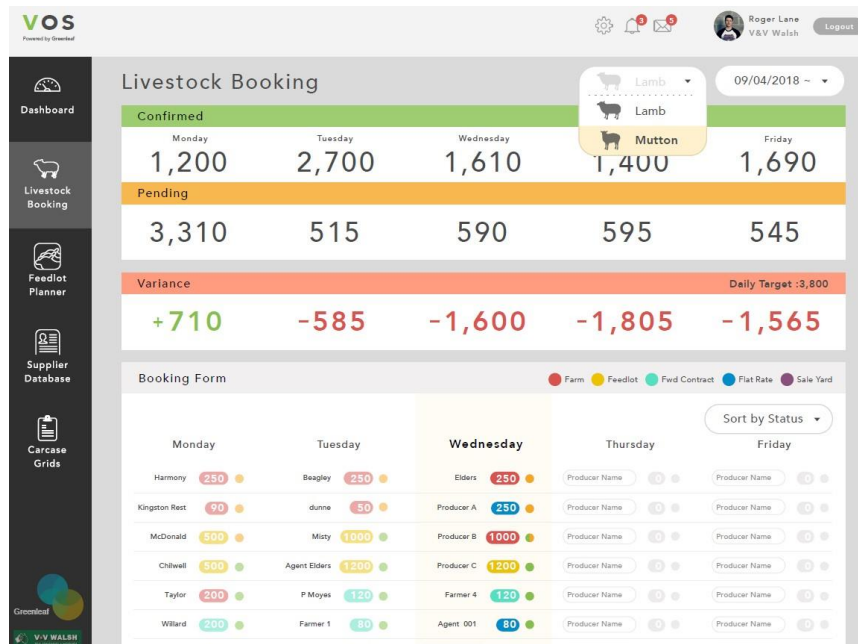
Save **Reset** **Cancel**

Carcase Grid

Animal Type: Lamb | Channel: Farm | Week start from: 13/04/2018

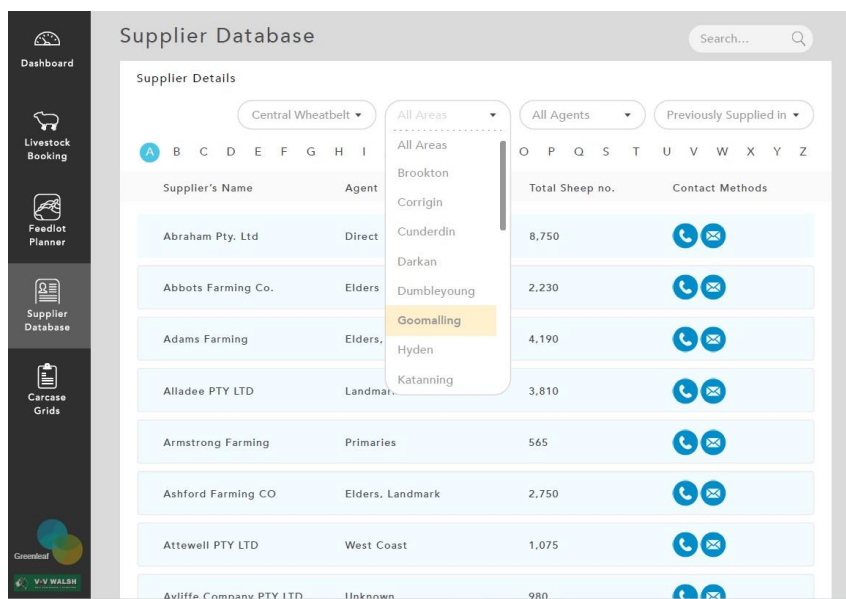
kg (HSCW)	S1	S2	S3	S4	S5
0-14	\$1.00	\$2.00	\$2.00	\$2.00	\$1.00
14.1-17	\$3.00	\$5.00	\$5.00	\$5.00	\$3.00
17.1-18	\$4.00	\$6.00	\$6.00	\$6.00	\$4.00
18.1-26	\$4.50	\$6.20	\$6.20	\$6.20	\$4.50
26.1-28	\$4.20	\$5.80	\$5.80	\$5.80	\$4.20
28.1-32	\$4.00	\$5.20	\$5.20	\$5.20	\$4.00
32+	\$3.80	\$4.80	\$4.80	\$4.80	\$3.80

Buyer interface – New orders



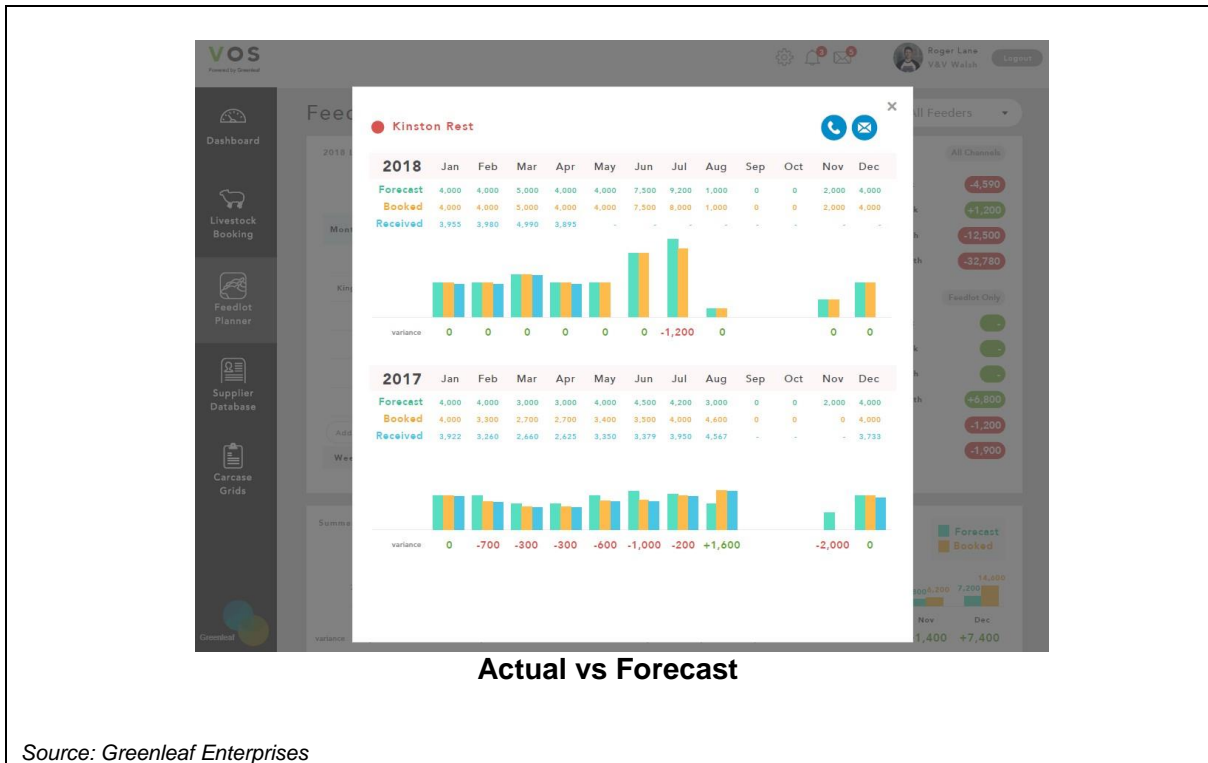
Livestock Booking Sheet

Source: Greenleaf Enterprises



Supplier Database

Source: Greenleaf Enterprises



1.3.1.19 Southern Dirt Grower Group

- V&V Walsh supply chain manager is a sitting member of the Livestock Innovation committee on the Southern Dirt Grower Group
- Livestock committee met to review project proposals including:
 - Conventional vs biological applications for improved pasture production and management
 - On-farm strategies for counter seasonal lamb supply
 - ✦ Pasture and forage types production and management
 - ✦ Alternative sheep production cycles
 - ✦ New variety trials for the medium rainfall zone
- Follow up meeting and an on-farm and tour of V&V Walsh planned for July/Aug to consider alternative market options to live export, domestic and export specifications, and lamb feedlotting (commercial challenges and opportunities).

1.3.1.20 Digital Traceability – Innovation Sprint

A facilitated innovation sprint session to explore the opportunities to implement enhanced digital traceability through the V&V Walsh supply chain from farm-gate to end consumer in an export market (China)

Key themes and points for consideration:

- Using data and feedback to increase producer feedback
- Increasing accessibility for producers to access V&V Walsh
- Enhanced producer feedback and how this builds trust and collaboration
- Producers opt in to data sharing and V&V Walsh share volume and market forecasting
- Push notifications to a producer segment (consortia of V&V Walsh producers) notifying of available kill space and/or pricing changes

- Producer-processor alignment for profit (shared risk and reward)

Protein Blockchain Network

What value propositions does blockchain enable for global protein food networks?

A kilo of protein is not a kilo of protein!

Food origins

Accountability

Global food networks

Objectives

What consumers want

"I want to know that the food I am consuming is healthy"

"I want to know that the food I am consuming is sustainable"

Linear Supply Chain vs Value Chain

Blockchain is the new buzzword

Blockchain is a secure, distributed digital ledger that records all transactions between multiple computers or devices in a peer-to-peer network.

Three components of Blockchain

Imagine a seemingly endless Local spreadsheet

Megatrends

Demographic, Economic, Environmental, Technological, Sociological

Key research question and methodology

1. Desktop Research
2. Innovation Sprint
3. Beef and Lamb Pilots

Source: Greenleaf Enterprises

ALSH'S LAMB GIVES MY KIDS THE BEST CHANCE IN LIFE (CHINA EXAMPLE)

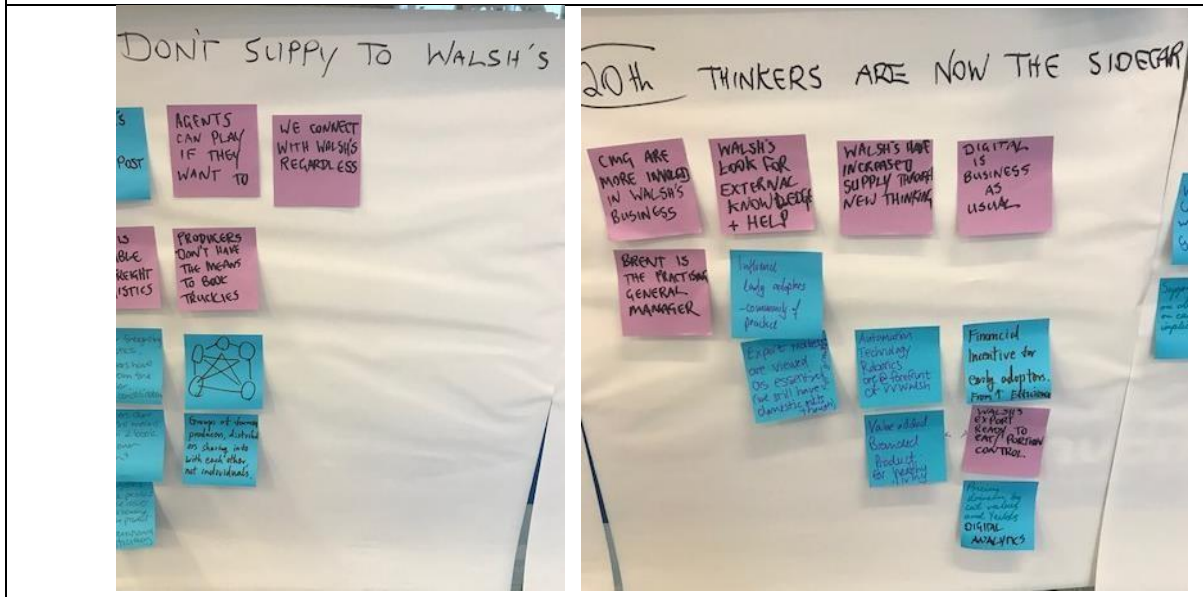
- An buying an "organic" product, there is a credible message story, hence the product purchase
- Exclusive ALSH supply membership
- Target Private School & Tech Company, California
- Complete trust in source
- Subscription-based supply of protein diet from ALSH in China
- ALSH virtual Personal Farms do exist, the wealthy China may come from Chinese Family ALSH Virtual Farm
- Increase ease of purchase of starter kit, whole product
- Subscription-based supply of protein diet from ALSH in China

③ PRODUCER / PROCESSOR - USING DATA & FEEDBACK TO INCREASE PRODUCER VALUE

- WHY SHOULD I?
- LIVESTOCK ENTERPRISE PERFORMANCE PROFIT - DATA FEEDBACK
- GENETIC IMPROVEMENT MY PROJECT
- MARKETING MY PROJECT
- MY SALES RISK REDUCED
- PRODUCER/PROCESSOR ALIGNMENT FOR PROFIT
- MY LIFE GOT A LOT EASIER
- PRODUCER CLUB DATABASE
- HOW WILL MY DATA BE USED?
- Security of the data from manipulation
- Does this need to be Blockchain or not? Central database?
- What insights can come from data? Analytics tools
- How do I manage my demand?
- How do I manage my supply?
- How do I manage my price?
- How do I manage my risk?
- How do I manage my data?
- How do I manage my supply chain?
- How do I manage my production?
- How do I manage my distribution?
- How do I manage my sales?
- How do I manage my marketing?
- How do I manage my customer relationship?
- How do I manage my financials?
- How do I manage my legal?
- How do I manage my HR?
- How do I manage my IT?
- How do I manage my operations?
- How do I manage my logistics?
- How do I manage my procurement?
- How do I manage my quality control?
- How do I manage my compliance?
- How do I manage my sustainability?
- How do I manage my innovation?
- How do I manage my future?

- Developing a value proposition through to end consumer
- How will producer and processor use and share data
- What's in it for them (producer) – over and above current status quo

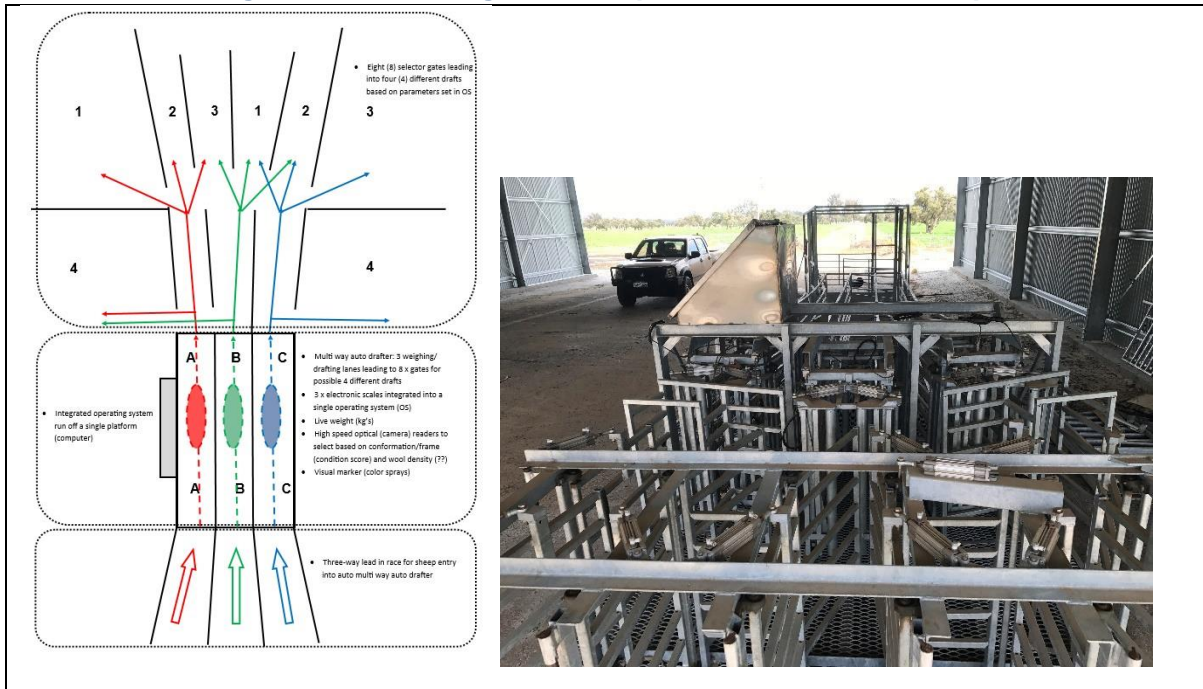
- What does success look like in 4 years for Walsh's?
 - Increased supply
 - Direct linkages to consumer
 - Engaged producer consortium
 - Less transactional – longer term supply arrangements
 - Digitally plugged into a supply chain where whole of supply chain has visibility
- **Elephant in the room! Is BLOCKCHAIN necessarily the solution. TBD**



1.3.1.21 Kingston Rest R&D Proposal

- Proposal: Development and application of purpose-built software for a multiselector integrated auto-drafting system for improved production efficiencies for the sheep industry through commercial RD&A deployment (**Figure 14**).
- Proposal submitted (**Attachments**) through the DPIRD SIBI university scholarship program with initial interest well received from Dr Andrew Louis Guzzomi, UWA, Senior Research Fellow in Agricultural Engineering, Senior Lecturer in Mechanical Engineering Design and School of Mechanical and Chemical Engineering.
- Proposal submitted to MLA GM of R&D and Innovation Sean Starling with indicative approval for 50% leveraged support through MLA Donor Co.
- Status – Proposal has been submitted to the DPIRD SIBI scholarship program – next steps are to site visit and present to prospective post graduate students, draft the project budget and leverage accessible funding through MLA Donor Co (as per Sean Starling informal endorsement).

Figure 14: Flow diagram for triple auto drafter – Concept



1.3.2 Project summary of Industry Engagement

A key element of the Supply Chain manager's function is to maintain relevant and appropriate industry stakeholder engagement (**Table 4**).

Grower groups and industry bodies remain a critical, direct method for engaging producers in a commercially 'neutral' manner.

The Grower Groups and Industry bodies individually and as a collective continue to be strong mechanism for engagement with producers, industry leaders and supply chain innovators.

Table 4: Key Industry Engagement (Jan – Mar 2018)

When	Who	What
Dec 2016	Fonda Group (China)	Meeting onsite with potential China customer for Amelia Park chilled lamb into retail and food services.
Jan 2017	DAFWA/Univ Qld Katanning	Supply chain presentation and talk to post graduate students participating in S/C course through DAFWA and Univ Qld. Walk than chain WAMMCO and Katanning Sale Yards
Jan 2017	Landmark National Livestock Manager Bunbury	Introduction meeting on V&V Walsh whole of procurement strategy and supply options
Feb 2017	Greenleaf Bunbury	Development of whole of value chain proposal. Ongoing and submitted.
Feb 2017	West Midlands Group Badgingarra	Grower group presentation Livestock backgrounding options (Sheep v Cattle)
Feb 2017	WA Trade Office Bunbury	Meeting – WATIO rep from China meeting with V&V Walsh on China brand launch and support from WATIO office
Feb 2017	DAFWA Albany	Meeting and review – WA flock numbers and trends incl seasonal and market influences
Feb 2017	Elders Zone Reg Manager Bunbury	Introduction meeting on V&V Walsh whole of procurement strategy and supply options
Feb 2017	MLA/DAFWA Dandaragan	Field Day, Perennial pasture (tedera) and the options for counter seasonal lamb supply
Feb 2017	Fonda Group (China)	Follow up meeting on potential China market entry to premium retail channel – on hold

Mar 2017	Wagin Woolerama Wagin	Field day – VVW stall and presentation Industry, producer, agent and consultant engagement opportunity (DAFWA hosted)
Mar 2017	West Midlands Group	Presentation – WMG Livestock field day

When	Who	What
	Badgingarra	VVW China supply chain development update, critical supply options and market synopsis
Mar 2017	Agri Bankers Forum Bunbury (NAB)	Alternative finance options for increased livestock production. Supply options and forward contracting.
Mar 2017	MLA Lamb supply chain group meeting (Colac VIC)	Industry forum on current R&D activities including barriers to change and overcoming supply chain issues for adoption and implementation.
Mar 2017	MLA Sheep forecasting meeting (Melbourne)	National sheep data and forecasting update meeting on the current state of the national and state flock numbers.
Apr 2017	ASHEEP Grower Group Esperance	Attend and present at the ASHEEP group Autumn update – producer and industry engagement. VVW key sponsor to the ASHEEP group. Engage with key suppliers and agents to VVW
Apr 2017	MLA Co Marketing Prog Bunbury	Meeting MLA (SJamieson) Co-marketing program and update on China strategy and launch events in May/June for Amelia Park chilled lamb into China
Apr 2017	DAFWA Bunbury	Q Lamb program – lessons learnt. Take outs for the opportunity of developing VVW alliance program – discussions ongoing
Apr 2017	FARMANCO Perth	Meeting – Collaborative opportunities to provide a value add to producers, counter seasonal lamb supply options and effectively applying/using the FARMANCO profit series benchmarking analysis as an effective tool – ongoing
Apr 2017	Primaries WA Bunbury	Introduction meeting on V&V Walsh whole of procurement strategy and supply options
May 2017	Sirona Capital (Perth)	Meeting and presentation. Investment pathways for new entrants to the land bank and sheep production sector in WA. Market influences and profit drivers for counter seasonal supply
May 2017	Westbeef (Kalannie)	Meeting and onsite – potential of the northern Agric region as a supply base and a contracted volume feeder to V&V Walsh – ongoing
May 2017	Hong Kong / China Adrian Harrod	Amelia Park brand launch HK and fup planning and prep for June China launch of branded product to China – Adrian Harrod.

Apr 2017	ASHEEP Grower Group Esperance	Attend and present at the ASHEEP group Autumn update – producer and industry engagement. VVW key sponsor to the ASHEEP group. Engage with key suppliers and agents to VVW. Emma Graham and Simon Fowler.
Apr 2017	MLA Co Marketing Prog Bunbury	Meeting MLA (SJamieson) Co-marketing program and update on China strategy and launch events in May/June for Amelia Park chilled lamb into China
Apr 2017	DAFWA Bunbury	Q Lamb program – lessons learnt. Take outs for the opportunity of developing VVW alliance program – discussions ongoing. Bruce Mullan and Peter Trefort

When	Who	What
Apr 2017	FARMANCO Perth	Meeting – Collaborative opportunities to provide a value add to producers, counter seasonal lamb supply options and effectively applying/using the FARMANCO profit series benchmarking analysis as an effective tool – ongoing. James MacFarland & Keith Symonds CEO
Apr 2017	Primaries WA Bunbury	Introduction meeting on V&V Walsh whole of procurement strategy and supply options. Paul Mahoney.
May 2017	Sirona Capital (Perth)	Meeting and presentation. Investment pathways for new entrants to the land bank and sheep production sector in WA. Market influences and profit drivers for counter seasonal supply. Kelvin Flynn
May 2017	Westbeef (Kalannie)	Meeting and onsite – potential of the northern Agric region as a supply base and a contracted volume feeder to V&V Walsh – ongoing. Stephen Meerwald and Ivan Rogers.
May 2017	Hong Kong Adrian Harrod	Amelia Park brand launch HK HOFEX2017 and fup planning and prep for June China launch of branded product to China – Adrian Harrod.
May 2017	Grower Group Alliance (GGA)	GGA linkages forum – connecting agricultural communities through collaborative projects and idea generation.
May 2017	Stirling to Coast Farmers (Grower Group)	Introductory meeting and discussion with SCF grower group on the new age co-operative planned by this Great Southern farmer group for the feasibility of a feed mill and lamb feedlot. FUP session at the Livestock 2017 session planned for July 2017 at Kendenup. Christine Kershaw
May 2017	MADFIG and FEAR	Merredin and Districts Farm Improvement Group Far Eastern Agricultural Research Group Introductory meeting and project overview to identify opportunities in the sheep meat supply chain – FUP with development of a business analysis tool and developing supply relationships in the supply chain. Lucy Anderton & Tanya Kilminster

May 2017	Field day / plant tour Landmark Rural Services (Bunbury)	Meeting and plant tour with Landmark National Livestock Manager and key livestock agents re: seasonal outlook, forward supply options, growing the supply base and update on V&V Walsh business, procurement strategies and developing export markets. Leon Giglia and key Landmark agents
May 2017	Planfarm (Narrogin)	Counter seasonal lamb supply options in the Great Southern and Wheatbelt region. Key issues facing producers to capitalise on rising markets outside of spring season. Seasonal outlook in the wake of the poor start to the winter break in WA. Opportunity to engage Planfarm and mutual clients to consider profit drivers through livestock (sheep) production. Potential for Planfarm to promote/advise on development of a V&V Walsh supplier alliance group. Paul Omodei & Pierre Maartens
June 2017	DAFWA (Bunbury)	DAFWA Exec Dir Livestock Industries (Peter Metcalfe) and SIBI Project Manager (Bruce Mullan) – update meeting at V&V Walsh. Industry outlook and opportunity for A Harrod to update and inform on China supply chain developments

When	Who	What
June 2017	Southern DIRT (Grower Group)	Meeting and discussion on business innovation in the livestock sector. V&V Walsh opportunity to present (alternative business models and business innovation in the supply chain) and participate at the Sept 2017 Ag Innovation conference TECHSPO hosted by Southern Dirt. Lisa Hannagan & Tracey Hodgkins.
June 2017	Producer information day – Fine Tuning Meat Production	Hosted at V&V Walsh and SWCC (Sth West Catchment Council). Producer event focused on livestock profitability through efficient pasture, nutrient and animal management. (Attachments)
June 2017	Field day / plant tour Primaries Rural Services (Bunbury)	Meeting and plant tour with Primaries WA State Manager and key livestock agents re: seasonal outlook, forward supply options, growing the supply base and update on V&V Walsh business, procurement strategies and developing export markets. Paul Mahoney and key Primaries agents
June 2017	Dept Regional Development (DRD) WA Open for business	Strategy meeting – discussion on investment promotion and attraction in the WA sheep industry. FUP with draft on opportunities for investment and profiling the WA sheep industry to domestic and offshore investment. Liam O'Connell and Terry Burnage
June 2017	Milne Agri Group	Opportunities for counter seasonal lamb supply and the cost benefit of supplementary feeding options to producers – particularly in dry season breaks including summer and autumn feed shortages. Josh Sweeney. Collaborative opportunities between Milne and V&V Walsh explored. To be continued...

June 2017	ASheep Grower Group Esperance	ASheep Group AGM – grower group update on V&V Walsh. Critical factors to continued supply, year-round supply factors, store lamb procurement, update on export markets, market indicators.
June 2017	MLA / Farmanco Collaborative project development	Progressing the project proposal with Farmanco on the profit drivers using benchmarking information and lifting production/profitability of mixed farming enterprises in WA.
June 2017	Kingston Rest – Integrated software development for multi way auto drafters. Allan Garstone	Project concept and initial planning for development of a proposal for agtech innovation for the integration of software technical development of an integrated multi way automated drafting system for large volume commercial sheep producers. FUP with DAFWA SIBI on the Univ Program with potential leverage from MLA.
Jul 2017	FARMANCO and MLA	Present project proposal (benchmarking for improved sheep profitability) to MLA project officers Irene Sobotta and Renelle Jeffrey – Status WIP with FARMANCO
Jul 2017	Agricultural Logistics (Harold Sealy)	Discussion and presentation on aggregated sheep investment model in WA. Meeting and presentation to Peter Walsh and Adrian Harrod
Jul 2017	ICON Agriculture (Darkan – Grower Group)	Presentation to the Darkan based grower group on counter seasonal lamb supply, downstream integration in the supply chain and store lamb procurement
Jul 2017	MLA/PGA event (Kojonup)	Producer and industry event on accelerators in agricultural investment, read meat sector overview and growth opportunities in agriculture in WA. One on one discussion with new Minister of Agriculture and Regional Development Hon Minister Alannah MacTiernan

When	Who	What
Jul 2017	Stirling to Coast (Kendenup) Grower Group	Large commercially focussed grower group in the Great Southern region of WA. Announcement of the feasibility study for the grower group to consider a co-operative style lamb feedlot and feed mill.
Jul 2017	AgLive	Meeting and presentation on the commercial opportunities for improved feedback and traceability through the trial implementation of electronic NVD's. Discussions ongoing.
Jul 2017	Elders Rural Services (Bunbury)	Presentation and discussion with the network of Elders southwest based livestock agents. Update on V&V Walsh export markets, current seasonal outlook and increasing the supply base.
Aug 2017	WA Open for Business	Presentation and meeting: Investment readiness of commercial farmers in WA. Support required and how this links to supply chain integration (market and pricing signals)
Aug 2017	West Coast Wools (Bunbury)	Presentation and plant tour of key livestock agents and management
Aug 2017	DPIRD SIBI and WA Producers	WA Sheep Study Tour to Victoria (full report in Attachments)
Aug 2017	Grower Group Alliance	Presentation to the National Summit conference on Supply Chain Linkages (Attachments)

	(National Summit – Perth)	
Aug 2017	Elders Rural Services (Lake Grace)	Grower and producer day and presentation on V&V Walsh update and supply options yearround
Aug 2017	Bankwest (Dowerin)	Present and co-host at the Dowerin Agricultural Field Day. Sundowner and outlook on seasonal supply and engagement with sheep producers and breeders.
Sept 2017	Elders Rural Services (Newdegate)	Present at the annual Newdegate Farm Day – seasonal outlook, counter seasonal supply options and the opportunity to engage producers and suppliers.
Sept 2017	Lynford Farms (Darkan)	Meeting – options and price signals for year-round supply of grain finished lamb. Opportunity to undertake a large volume feedlot arrangement with a large-scale producer and integrated store lamb procurement.
Sept 2017	Southern Dirt TECHSPO (Katanning)	Presentation and participation the inaugural TECHSPO conference. Presentation on “Integrated Value Chains”. Producer and innovation event. Media opportunity: WA Country Hour
Sept 2017	ASHEEP Group (Southwest study tour)	Hosting of the ASHEEP Group sw study tour to V&V Walsh (Walk the chain by producers supplying lamb on the day) and visit to Kingston Rest feedlot to discuss on farm technologies and innovation.
Sept 2017	Grower Group Alliance (Perth)	Meeting and discussion on the opportunity to work with the GGA on improved supply chain collaboration in the WA Sheep industry leveraging the position of the respective grower groups across the regions.
Sept 2017	Elders Rural Services (Perth Rural Finance team)	Opportunities for novel forward pricing and supply arrangements for security of supply and market for producers and processors.

When	Who	What
Sept 2017	Stirling to Coast (Mark Narustrang)	Initial discussion re Feasibility study of a co-op lamb feedlot by the SCF group. Market indicators, pricing signals and supply options. Discussion ongoing.
Sept 2017	AgLive	Follow up meeting and discussion with AgLive on the proposal to implement eNVD trial at V&V Walsh. TBC and ongoing discussions.
Oct 2017	Elders Agri-finance team	Meeting and presentation on Livestock procurement and finance options/products for increased security of supply (processor) and cashflow management options (producer)
Oct 2017	Stirling to Coast Farmers Group (SCF) Mark Narustrang	Discussion and meeting with principal consultant to the SCF on the pre-feasibility of an aggregated co-operative style sheep feedlot system in the Great Southern.

Oct 2017	Grower Group Alliance	Opportunities for broader industry and producer engagement between VVW and grower groups. Integrated supply chain messaging and collaborative work opportunities – ongoing. Determine value proposition of GGA. Grower Group report due by year end on value of Grower Groups to producers.
Oct 2017	AgLive Integri Pro	eNVD and integrated data management solutions across multiple livestock management systems. Follow up opportunity and update on Katanning Sale Yard eNVD registrations. Presentation and proposal submitted to VVW.
Oct 2017	MLA Supply Chain Group (Adelaide South Australia) D Miles – apology	Summary notes – attached
Oct 2017	Lynford Farms	Prospect opportunity and meeting with producer Principal of Lynford farms for the potential for the integrated supply of store and finished lambs (approx. 20-30000 p.a) to the VVW network – discussions ongoing... Introductions made to the VVW Manager R Devitt to consider supply of counter seasonal grain fed lamb – to be fup. VVWalsh Livestock buyer has been introduced to the principal and to site assess store lambs on feed.
Oct 2017	MLA Doug McNicholl and Sean Starling	Meeting at VVW with supply chain manager and engineer of leveraged project funding opportunities in the R&D space for processing efficiency gains and MDC co-investment where appropriate.
Oct 2017	Inspired Results Justin O Heir	Social media and web marketing strategy development as a medium to reach out and engage producers, grower groups and industry. Initial meeting to develop implementation plan and target strategy. FUP required in Jan 2018 Adrian Harrod / Dale Miles

When	Who	What
Oct 2017	Producer site visit. Vic Study Tour – regroup and fup session @ VVWalsh & Kingston Rest feedlot visit	Plant tour at VVW and site visit to Kingston Rest feedlot contracted feedlot to VVW. Update on producer action and intended practice change on farms following success of the Vic Study Tour – eID implementation noted as a value-add mechanism on farm for productivity gains and S/C traceability through feedlots.
Oct 2017	Amelia Park – cookbook launch Amelia Park	Official launch of Amelia Park Lamb and beef cookbook.
Oct 2017	Brunswick Agric Show – Lamb carcass comp	VVW support for carcass comp of 130 xb lambs from Brunswick Agri Society Grading and support to stewards for the lamb carcass comp. Local community engagement and support to SME sheep producers from the SW coastal plain.

Nov 2017	Harmony Agric and Food Co (HAAFCO) Steve Meerwald, Ivan Rogers	Meet and discuss supply options for HAAFCO as a designated supplier to VVW. HAAFCO have invested in new dedicated sheep backgrounding/feed lotting assets for the background and finishing of lambs to the domestic and export markets. Opportunity to engage as large volume contracted supplier of grain fed lamb to VVW. Discussions ongoing – next step present model to VVW directors Q1 2018 and intro newly appointed VVW lamb buyer.
Nov 2017	UWA – DPIRD SIBI Dr Andrew Guzzomi UWA Justin Hardy DPIRD	Progress the opportunity for a post grad scholarship to work with Kingston Rest feedlot to develop the integrated software to manage the multi auto drafter unit developed by producer Alan Garston of Kingston Rest – proposal submitted to UWA. Candidates shortlisted for new semester.
Nov 2017	Sheep Alliance of WA Virbac Australia	Industry meeting to review/discuss the potential for the development and trial of a new vaccine to address the issue of sheep measles across the state (and Nationally)
Nov 2017	LiveXchange Conference (Perth)	Live exporters conference. Industry engagement and update on the WA sheep flock, movements, trends, growth opportunity, competing markets
Nov 2017	MLA Michael Funican	Market update meeting and global consumer trends in the red meat sector. Focus session on China and SE Asia market trends and opportunities for Aus exporters in these growing markets.
Nov 2017	Farmanco Agri Consultants	Seasonal update meeting and progressing the opportunity to engage FARMANCO in a specific producer focussed sheep production profitability benchmarking project – James MacFarlane
Nov 2017	VVW Directors and Snr Leadership presentation	Update by SC Manager to directors and snr leadership on producer trends, eID, technology and the value of shared data and s/c collaboration.
Nov 2017	Bridgetown Agric Show Lamb competition	Industry engagement and producer support. VVW support and sponsor lamb comp at Bridgetown Show. Key producers engaged
Dec 2017	Bunbury Geographe Development Project Robyn Fenich	Meeting – Bunbury port expansion plans and consequence for VVW as key local business exporting agri commodities to Asia – opportunities and challenges.

When	Who	What
Dec 2017	Milne Agri Group	Initial discussion and meeting on the potential of a dedicated supply of grain/pellet fed lambs through a co-ordinated producer group of clients for trade finished lambs to VVW Barriers and economics of substitute finished lambs for counter seasonal supply
Dec 2017	Greenleaf Consulting	VVW/GLE/MDC integrated s/c project kick-off and implementation – project initiation with key operational managers within VVW Demographic profiling of the VVW supply base work consolidated for cal years 2016 and 2017.

Jan 2018	MLA John Testrow	Muchea Saleyards Market Reports: Dressing percentage refresher, saleyard walkthrough and processor walk the chain. Estimate liveweight and HSCW to determine dressing percent across mixed lines and genetic type. Ongoing...
Jan 2018	UWA Scholarship program Andrew Guzzomi	Progressing co funded project with UWA, DPRD SIBI and Kingston Rest on multi way auto drafter
Jan 2018	DPIRD SIBI Supply Chain Course (Katanning)	Present and engage red meat supply chain students on barriers and opportunities for integrated supply chain development in a commercial sense. Lessons learnt from VVWalsh and China market penetration strategy
Jan 2018	Robert Kelly	Lamb pricing grid and forward contract meeting – improving transparency across the WA sheep industry
Jan 2018	MLA Sean Starling	Project DEXA update and next steps
Jan 2018	Duncan Anderson	Counter Seasonal lamb supply – summer irrigated pasture in the high rainfall zone of the SW of WA
Jan 2018	Auctions Plus Anna Speer	Auctions Plus update on intended fwd lamb online auction in WA and overview of the Auctions Plus platform
Feb 2018	Making profit from sheep Industry event (Wickepin)	Advantage Feeders and Milne Agri Supplementary feeding of sheep for improved profitability and counter seasonal lamb supply.
Feb 2018	SIBI review – Kimbal Curtis	Lessons learnt from the MLA Value Chain SIBI project – industry engagement and maximising state and industry funded programs in the commercial sector.
Feb 2018	eID commercial trial – Producer Clayton South	211 lamb carcasses individually tracked and sequenced back to RFID tags for individual carcass traits for further reconciliation by grower Clayton South on farm to ewe and wool production for genetic selection and production/management decisions
Feb 2018	AgLive – Mike Burrell	Industry meeting at Katanning saleyards – moving to eNVDs. Trial phase one FUP with VVW livestock team to implement trial
Feb 2018	V&V Walsh internal business strategy session.	Setting the 5-year business strategy and roadmap to becoming industry leaders in our sector.

When	Who	What
Feb 2018	New Lamb Buyer Appointed Paul Gault	New Lamb Buyer Paul Gault appointed – primary focus to take carriage of store lamb procurement and fwd planning/scheduling of feedlot lambs, including growth of feedlot numbers and provide commercial advice to suppliers on sheep feedlotting for V&V Walsh

March 2018	Media Advertorial – Fwd Contracts and new buyer appointed.	Lamb Fwd Contracts and announcement of new buyer. Published advertorial in Farm Weekly and Countryman weekly papers. Including pricing grids and fwd contracts
March 2018	Elders SW – Ross Lavington	Growing the supply base in the SW region and introduction to the new SW area manager
March 2018	WA Open for Business Liam O Connell	Investment opportunities in the WA sheep industry including potential for supply chain investment. Discussion and meeting
March 2018	AgLive	Commence trial of eNVD system with Kingston Rest, Wellard and Katanning Sale Yards
March 2018	Wagin Woolerama	Industry event – networking and grower/agent engagement
March 2018	Sheep CRC and MLA Lamb Supply Chain Group meeting – Melbourne	Refer agenda
March 2018	V&V Walsh producer day over two days onsite at Bunbury facility	V&V Walsh walk the chain with producers. Supply side direct engagement with producers, key agents and feedlotter on seasonal drivers, security of supply for remaining months to spring new season, and future planning and forecast for feedlot numbers into winter and Nov/Dec 2018. Managing the transition from old to new season lambs.
March 2018	MLA/Greenleaf Working Group	Implementation of Working Group sprint sessions across the BUY/MAKE/SELL/DIGITAL working groups. Working group steerage, direction and tools development
March 2018	Harvey Agric College	Feedlot trial and carcass evaluation. Presentation to Agric students on carcass results following their feedlot trial of approx. 120 lambs. Pricing grid, weight and fat score determination and maximising value for feedlot lambs. Approx. 75 students year 10-12
March 2018	Elders Southwest livestock update	Presentation to the Elders livestock agent network from the SW of WA. Market update, VVWalsh update (including technology and infrastructure programs). Opportunity to fup with Tim Spicer on Elders clients as dedicated feeders to the VVW supply chain.
April 2018	DPIRD, South West Development Commission, AusTrade	Industry presentation: Understanding Dynamic Supply Chains & Network Optimisation
April 2018	Stirling to Coast Grower Group	Industry Presentation: Economics of Sheep Feedlotting Challenges & Opportunities
April 2018	DPIRD – SIBI	Project Update and defining industry value and benefit
April 2018	V&V Walsh > Greenleaf	Procurement Dashboard – Innovation sprint
April 2018	Stock Direct	Livestock procurement platform – background and shared learnings
April 2018	AgVet – Investment proposal	Producer/Investor > pasture assisted trade lamb production in the high rainfall zone of the SW. Feedlot and backgrounding opportunity
April 2018	Graham Gardner Murdoch University	DEXA, Lean Meat Yield and Lamb Value Calculator Presentation and discussion to Snr Management

When	Who	What
April 2018	Ben Lyons MLA	China consumer insights: Meeting demand with the right supply and product offering.
April 2018	National Farmers Federation	Investment in Agriculture – Talking 2030 Roundtable Growing the Agric GVAP in WA – key drivers and influencers
May 2018	Hon Min Alannah Mactiernan - Meeting	Live export risks, opportunities and the role of domestic processors to 'fill the gap'
May 2018	Stirling to Coast Grower Group	Farmer to Farmer learning session and presentation by VVWalsh
May 2018	V&V Walsh > Greenleaf	Feedlot planner > refining annual forecasting planning tool for increased contract lamb feedlotting
May 2018	LOMAX productions	Concept design of virtual tour of V&V Walsh sheep floor through a producer information and educational 'walk the chain' experience – WIP
May 2018	Perth Royal Agric Society	Initial scooping of trade lamb carcass competition for later in the year
May 2018	Chairman DUAN Peter Walsh	Meeting with prospect client for chilled and value-added product into China Laoheqiao meat company in Ningxia
May 2018	Harvey Agric College	Present sheep value chain to year 11 and 12 students Scoping and prep for Agric Study Tour for Agric students including site visit to V&V Walsh
May 2018	DPIRD Application: Export Competitiveness Grant	V&V Walsh digital traceability, hook tracking system and improved producer feedback on carcass performance. Proposal submitted. \$250K value
May 2018	Greenleaf / MLA	Digital Connectivity through the Red Meat Value Chain – Sprint Innovation and Case Study development
June 2018	Southern Dirt Grower Group	Southern Dirt Livestock R&D Committee Commercial trial options for increased pasture for livestock production, alternative turnoff for counter seasonal lamb supply. Meeting.
June 2018	Perth Royal Agric Society	Branded red meat (beef and lamb) competition > Amelia Park
June 2018	Future Ewe Technologies Katanning	Field Day – Technologies that will shape the future of farming – livestock production focus
June 2018	UWA – Scholarship Multi Way Auto Drafter	Project update and next steps
June 2018	Amelia Park Lamb and Beef Social Media Plan	Social media development and deployment
June 2018	Asia Market Success DPIRD project	Project final reporting and acquittal
July 2018	Dempster Cropping / Livestock	On Farm Field Day – integrated production systems – Livestock / Cropping enterprise in the central wheatbelt zone – confinement feeding options for out of season lamb turnoff
July 2018	eID Sheep Focus Group	Hosted at V&V Walsh with 9 x producers to consider pros and cons of eID, barriers to entry and commercial benefits
Aug 2018	Dorper Lamb Co	Value proposition of a dedicated service kill for VVW on behalf of Dorper Lamb Co into and integrated supply chain of a branded product underpinned by a breed (Dorper) – discussions ongoing

Aug 2018	LambEx conference	Industry engagement, grower support of increased sheep supply, AgTech and innovation and investment within and outside of the sheep industry. MLA in market management presentation and market updates.
When	Who	What
Aug 2018	Newdegate Agri Field Day	VVWalsh supported farm day – grower engagement and profiling of the SC project at VVWalsh and med term objectives of increased sheep turnoff numbers
Sept 2018	Dowering Field Days	Grower supported Agri Field day – VVWalsh co-hosted with livestock agents and agri bank
Sept 2018	Rylington Park	Educational and demonstration field day hosted at Rylington Park – carcass traits, feeding and weaning practical notes, feedlotting and maximising VVWalsh grids
Oct 2018	Lamb Carcass Evaluation	VVWalsh carcass evaluation at Perth Royal show – 111 lamb carcasses evaluated and referenced across a range of quality traits
Nov 2018	AgPro Management	Onsite walk the chain – producer day (Boyup Brook) grower group – carcass evaluation, grading and discussion on lean meat yield, eID, out of season lamb production.
Nov 2018	Wellard Feedlot Program	Integration and reconciliation of systems between Wellard and VVWalsh for 2018/19 feedlot program (circa 250K lambs off feedlot)
Nov 2018	Harvey Agric College	Student practical walk the chain and demonstration day at VVWalsh on lamb production, processing and market penetration – end to end demonstration for Agric students in livestock management, production and red meat processing
Nov 2018	China – chilled lamb product trial	6 x product lines specifically processed/packed for consumer testing in China – planned Dec 2018 New product lines, new and innovative packaging (skin pack), equipment trial and test and product developed for multiple markets channels across china.

1.4 Supply Chain Manager - Concluding Remarks

Fundamentally the original charter of this project was to implement and achieve:

- New and innovative business models within the V&V Walsh procurement function;
- Longer term planning and forecasting tools to effectively manage forward supply;
- Instil a greater level of trust and confidence in growers to supply to V&V Walsh;
- Engage the sheep industry across multiple levels;
- Support and implement collaborative programs for the benefit of the WA Sheep industry as a whole;
- Achieve a greater level of awareness and transparency from V&V Walsh procurement team on supply dynamics (improved internal knowledge and resources);
- Higher degree of engagement to growers, grower groups and suppliers for benefit of the industry; and
- Increased collaboration with government and industry bodies including DPIRD and MLA

Notwithstanding the challenges of project, in reflection there has been a high degree of success across most if not all aspects of the project.

The V&V Walsh procurement function certainly now have more active, forward thinking and strategic outlook in terms of medium to longer term lamb supply planning and forecasting. The V&V Walsh feedlotting program has taken on a more long-term strategic approach and feedlot finished numbers are forecast to increase by up to 200% year on year (2019 v 2018) to ensure security of supply year-round.

Longer term pricing and procurement strategies are now an active function of the procurement team with some basic application of planning tools and business models now utilised daily and weekly. Increased producer feedback in the form of updated kill feedback sheets that have been developed to be more user friendly and interpretive have been implemented and will continue to evolve with investment in improved technology both onsite and at industry level (DEXA, lean meat yield, eID, electronic NVD, traceability being a sample of some features under consideration)

Lamb forward contracts continue to evolve – despite the WA market evidentially ‘young’ in the adoption of effective and commercially binding forward contracts. One of the biggest cultural and behavioural shifts to take place in the procurement function at V&V Walsh is a broader access to the supply base and information that is distributed to the supplier network through a diversity of contact points across V&V Walsh (no longer managed by a single resource).

There is a qualified and improved understanding of the supply demographics and the composition thereof in terms of regional spread, timing across the year and potential areas (zones) for increasing supply beyond traditional areas (and agents) as a result of the work produced from this project.

V&V Walsh have further benefitted from this project through the range of collaborative industry, government and leveraged funding applications that will continue to deliver on legacy outcomes beyond the term of this project. Specifically, some of the valuable product development, brand maximisation and export consumer market work that has and continues to be undertaken which is anticipated will elevate V&V Walsh to become a preferred supplier

to a range of export customers that goes beyond wholesale/commodity supply through product value maximisation.

Suffice to say, the barriers to effective and positive change (both internal and external to the business) remain and continued effort and engagement up and down (and within) the supply chains that V&V Walsh work with is critical to the continued successes of some of this early work to be sustained moving forward.

WA remains a scale challenged state with regards to year-round sheep supply and the risk of valuable export markets being removed or lost (either through political, trade or biosecurity impacts) is a real threat to the sustainability of the industry.

For V&V Walsh to remain profitable and competitive in the face of rising production costs, stable flock numbers (supply) in the state of WA, increasing competition in export markets (from other suppliers and alternative protein options) and increased cost of livestock, it is widely acknowledged by the current and future owners that the business must and will need to continue to evolve and maintain best practice to sustain itself into the next 5-10 years.

This project and the associated outcomes, benefits, identified risks, insights and alternative business models implemented can to some degree be attributed to a shift in management and operational behaviours that have been achieved as a result thereof (directly and/or indirectly). The V&V Walsh of 2019 and beyond is more agile and informed in terms of supply dynamics, procurement and alternative and smarter business models to support the growth strategy as rationalised in the V&V Walsh Business Strategy document that was developed and outlines the 3-5-year roadmap to success.

The V&V Walsh Value Chain Program (2016-1018) has and will continue to provide legacy contributions not only to the V&V Walsh business itself, but also industry, suppliers/growers, service providers, customers, consumers and government and industry bodies alike.

In conclusion, despite the challenges, the successes and outcomes of the Project have far outweighed any barriers to change or blockages experienced and it has been positive and reassuring to have the continued and 100% support of Peter Walsh (Director and General Manager), Adrian Harrod (Business Manager) who originally jointly signed off and endorsed the project and the co-support of both Bruce Mullan (DPIRD) and Josh Whelan (MLA Donor Company) as Steering Committee members to the project.

Dale Miles

V&V Walsh, Supply Chain Manager



November 2018
