

# final report

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## **Development of livestock market analysis service (Mecardo)**

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## **Abstract**

There is a vast amount of market data and information available for the Australian livestock industries. However, it is often difficult for producers filter the 'noise' to determine what's relevant to them. Moreover, the question also arises on how to interpret the information and what it means for individual businesses.

In July 2013, Ag Concepts Unlimited launched Mecardo to address this gap. Mecardo is an online subscription-based service providing independent and commercial commodity market intelligence for Australian cattle, sheep and wool producers. Mecardo is designed to complement the factual market reporting and analysis provided by Meat & Livestock Australia and others. It does this by filtering and analysing the 'important' market information, communicating it simply and concisely, and delivering only what's relevant.

Current subscriber, media and industry feedback suggests Mecardo is highly recognised and valued as a credible source of independent market intelligence underpinned by robust analysis. However, uptake has been slower than expected. Several key challenges have been identified and must be addressed for the producing sector to benefit from using Mecardo.

Being more informed will, among other things, allow producers to make more effective marketing and production decisions, allow them to assess prices on offer and assist business budgeting.

## Executive summary

There is a vast amount of market data and information available for the Australian livestock industries from Meat & Livestock Australia and others. The market information provided includes the latest news, price reporting, production and other factual market data and analysis. The information is typically at a higher industry level, has a retrospective or short term focus, and generally relates to a single commodity.

However, it is often difficult for producers to filter the 'noise' to determine what's relevant to them. Moreover, once producers have identified what's important, the predicament of "how do we interpret and use" the information emerges. Little, if any, of the existing market information focuses on commodity price outlook.

A need exists for independent, high quality, 'second-stage' analysis, which (a) builds on the reporting, data and factual analysis provided by MLA and others; (b) incorporates physical and derivative markets across a range of commodities; and (c) makes it relevant to individual enterprises (by ensuring all outputs effectively and concisely convey "What does it mean for me, and how do I use it?" to users).

The key objective of this project was for Ag Concepts Unlimited to develop and launch Mecardo, an online, independent, commercial subscription-based market analysis service for Australian livestock and wool producers.

Mecardo was launched in July 2013. Key commodities covered by Mecardo at launch were cattle, sheep and wool, with grain added subsequently in October 2013. Mecardo also launched regular market outlook webinars in July 2014.

Each week, Mecardo publishes at least two in-depth analysis articles for each of cattle, sheep and wool, and one for grain. A market comment is also published for each commodity each week. A wide range of market indicators are updated automatically on the website. In addition, video market comments are posted for wool to complement Mecardo's written market comment. This will be extended to livestock and grain in 2015.

Since launch, Mecardo has published 960 articles across the four commodities. Subscribers to Mecardo select which information and regions are relevant to them. Mecardo then sends email alerts whenever any new information is publishing matching the subscriber's preferences.

In late 2014, Mecardo reviewed the accuracy of its livestock and wool market outlooks presented throughout the year, and published articles of the same. These articles can be found at:

- Cattle – [A retrospective view of Mecardo's forecasts](#)
- Sheep – [Using logic in forecasts – how did Mecardo stack up?](#)
- Wool – [What risk in the wool market?](#)

On average, each month there are just over 3,000 unique sessions on the website by 1,321 unique users. There is an average of 8,826 page views each month (6,864 unique). Internet Explorer is the most commonly-used browser, following by Chrome and Safari. Access to Mecardo is mostly triggered via the email alerts and, surprisingly, the most access is via desktop rather than mobile.

Feedback from existing subscribers, service providers and industry suggests that Mecardo is now recognised as a provider of independent, high quality market intelligence that effectively assists producer decision-making. Mecardo's information is practical, concise and easy-to-read. Mecardo analysts are contacted on a regular basis by media for comment on topical market issues. Feedback on the website itself is that it is professional, clean and easy to navigate.

A survey of Mecardo subscribers found that 60% are producers, with a greater proportion from the southern states of Australia.

Satisfaction is high, with 96% of survey respondents indicating they were satisfied or greater, and all respondents indicated they find some value in Mecardo. The greatest value was placed on the market outlook and the 'What does it mean?'; on the quality of the analysis; and the ability for Mecardo to filter the important information from the 'noise'.

Importantly, nearly 60% of respondents indicated that they have done something differently in their business as a result of Mecardo's analysis. Key areas for practice change included (a) More strategic marketing (bringing forward or delaying selling of livestock, forward selling); enhanced decision making, with decisions supported by robust analysis (such as increasing lamb numbers; or selling down steer numbers and retaining heifers in face of drought, in anticipation for greater upside for females); and (c) changes to enterprise mix (including adjusting commodity mix, cattle trading, lamb lotfeeding).

A survey of free triallers that didn't convert to a paid subscription, together with informal feedback received, has identified several challenges to uptake:

- Some reluctant to pay for market information – not exclusively a Mecardo phenomenon
- Insufficient differentiation of Mecardo service from other information providers (market intelligence vs market information)
- Information overload – too many emails (not just Mecardo) sent to time-poor producers

Strategies identified and under consideration to address these challenges include:

1. Provide some 'free' information offering to service those reluctant to pay, with premium information offered under subscription
2. Expansion of northern Australia coverage
3. Closer engagement with service providers as conduits to producers
4. Greater use of social media to complement website and other communication

Producers will greatly benefit from access to Mecardo. Being more informed will enable:

- producers and buyers to respond effectively to market signals, adjusting specifications and production accordingly;
- buyers to set prices with greater precision;
- sellers to better utilise budgeting tools incorporating market research;
- producers to assess marketing alternatives in a more informed way; and
- all industry participants to better understand and manage risks relevant to their enterprise.

The results of this project provide clear insights into the information needs and wants of Australian livestock producers; where they go for their information; the communication channels preferred for access; and the challenges to increasing uptake of market information

by producers. Understanding this will assist MLA in its communication of programs as well as its own market information. Furthermore, increased uptake of Mecardo will increase the penetration of MLA's own information (upon which much of Mecardo's analysis is based). This will, in turn, enhance MLA's value to its stakeholders.

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# 1 Background

There is a wealth of market data and information available for the Australian cattle and sheep industries. Key information sources include industry organisations such as Meat & Livestock Australia (MLA) and Australian Wool Innovation (AWI), as well as other providers including the Australian Wool Exchange (AWEX), livestock agents and online news services such as Farmonline and Beef Central. The market information provided includes the latest news, price reporting, production and other factual market data and analysis. The information is typically at a higher industry level, has a retrospective or short term focus, and generally relates to a single commodity.

Many producers are unaware of this high level market information; although, when made aware, there is the common response that the quality and depth of the information is exceptional. When the availability of this information is known; the predicament for livestock and wool producers of “how do we interpret and use” the information emerges.

A need exists for independent, high quality, ‘second-stage’ analysis, which (a) builds on the reporting, data and factual analysis provided by MLA and others; (b) incorporates physical and derivative markets across a range of commodities; and (c) makes it relevant to individual enterprises (by ensuring all outputs effectively and concisely convey “What does it mean for me, and how do I use it?” to users).

US livestock producers have access to a range of similar, independent analytical services, such as Len Steiner Consulting and Meat Buyers Weekly, which analyse and comment on USDA-originated data. Similarly, Brazilian livestock industry participants have access to value added analysis through the online service Beefpoint. The Australian grains industry is also well serviced, with a number of analytical services routinely analysing and reporting on, among other things, the impact of global supply and demand information on the domestic grain industry. A commercial service such as this did not exist for the Australian cattle and sheep industries before Mecardo was launched in July 2013.

## 2 Project objective

The primary objective of this project was for Ag Concepts Unlimited (ACU) to develop Mecardo, an online, independent, subscription-based market analysis service for Australian livestock and wool producers. Access to a service such as this would allow producers to make more informed and effective business decisions.

## 3 Methodology

### 3.1 Product offering

The first step was to determine what the Mecardo offering should look like. Market information provided by MLA and others is high level, retrospective analysis and market reporting. These sources can be considered ‘first-stage analysis and reporting’. It was important that Mecardo offer something different than these first stage information providers.

The aim of Mecardo was to provide 'second-stage' analysis that would build on the information provided by MLA and others. This second stage analysis would 'localise' the high level information and further analyse the market reporting and commentary. Key features that were deemed critical to differentiating Mecardo from first-stage information providers were presenting the 'What does this information mean?' for producers, as well as focusing on the market (including price) outlook.

The Mecardo offering was developed following broad consultation with producers, traders, buyers and agribusiness service providers.

Following this consultation, key attributes of Mecardo were determined as follows:

- Coverage: analysis of domestic and international livestock and meat markets; wool markets; competitor markets; grain prices; and rainfall.
- Focus on the 'what does it mean?': to ensure that producers can easily identify the relevance to their individual businesses, and use the information to make informed and effective selling, buying and other longer-term strategic production decisions.
- Emphasis on market outlook: as well as analysing key market drivers, assessing the impact of these drivers on the market outlook is key.
- Independent: while ACU relies on information provided by MLA and others, all analysis and commentary is independent.
- Holistic: inclusive of both physical and derivative markets
- Subscription-based: a subscription required by users to access in-depth analysis.
- Cost-effective: a cost-effective service, while still enabling commercial viability of the service.
- Simple, clean website: to optimise user experience and value.
- An effective conduit to related information: all providers of information used in Mecardo analysis will be clearly and appropriately acknowledged.

## 3.2 Website development

Ag Concepts Unlimited engaged Sydney-based web-developer, Wiliam Pty Limited, to develop Mecardo.

Key functionality that needed to be addressed in development included:

- Flexible content management system to allow regular, easy upload of analysis articles and market comments.
- Scalability to enable website enhancement over time.
- Ability to categorise Mecardo information by commodity and region.
- Email alert management – to allow subscribers to receive emails alerting them to any new information relevant to them.
- Subscriber management and e-commerce system, to allow subscribers to set their preferences for email alerts, to set passwords and to facilitate subscription payment.



- Simple signup funnel to direct customers through the subscription signup process.

### 3.3 Distribution

Livestock agents, agribusiness consultants, banks and other service providers are primary sources of information for producers. They also have, in most cases, extensive producer client networks for Mecardo to leverage. For these reasons, these sectors were targeted as third party distributors for Mecardo, and remain as key channels for stimulating uptake.

### 3.4 Metrics and analysis

Website analytics: Google Analytics was used to access web analytics including sessions (visits), users, page views, time on site, new vs returning users. In addition, analysis was conducted periodically to look in detail at interest in individual articles.

Subscriber feedback: seeking ongoing, regular feedback from subscribers was a mainstay of Mecardo's metrics. It is essential in order to enable ongoing improvement and enhancements, and therefore commerciality, of the Mecardo service.

Subscriber survey: Mecardo subscribers were surveyed one year after launch, to assess satisfaction, value and practice change. This survey was also used to obtain subjective feedback, which would again feed into ongoing enhancement of Mecardo.

A second survey was conducted, of people who had taken the Mecardo free trial but did not convert to a paid subscription. The key objective of this survey was to understand the reasons for not continuing their subscriptions, again to feed into Mecardo ongoing enhancement.

Both surveys were conducted online, via Survey Monkey. Results were collated over a period of one month, and compiled in Excel.

## 4 Results

### 4.1 Initial market research

Initial insight was gained at several MLA Confident Livestock Marketing (CLM) workshops conducted by Ag Concepts for producers. The CLM workshops were developed to raise awareness of MLA's market information and how to use it. From feedback and group discussion during these workshops, it became apparent that producers, in the main, were often unaware of MLA's suite of market information publications. Moreover, once they became aware, the question arose as to how to use the information to make decisions at their farm level to assist their business.

Market research was subsequently undertaken in more depth via approximately 30-40 one-on-one meetings. Meetings were held with key MLA market information staff, who recognised (verbally and in the strategic plan) the need for second-stage, commercially-driven market analysis.

Service providers, such as livestock agents, wool brokers and advisors were canvased, and highlighted the need (both internally and for their clients) for a concise, regularly-delivered, in-depth analysis of wool and livestock markets.

Finally, the other key channel for insight was through individual meetings with Ag Concepts Unlimited clients – these included wool and livestock producers, livestock traders and buyers.

### Key needs of different sectors

Sector	Main needs
Producers and traders	Understanding of how market information relates to their specific business (ie 'What does it mean for me?'), how their prices relate to general market indicators; market outlook (including price); concise information that filters the 'important' information from the broad spectrum of information; one-stop shop for multiple commodities.
Buyers	Supply and demand dynamics; market outlook and impacts; what's a 'fair' price (now and in the future) – to assist setting price targets
Service providers	Same needs as for producers, when considering a product for their clients; a tool to value-add their existing client service; independent market analysis to support their internal information – own use and to support / spark ongoing client discussion.

## 4.2 Product development

Development of the Mecardo website ([www.mecardo.com.au](http://www.mecardo.com.au)) commenced in February 2013, and the website was launched in July 2013. The website includes sections for major commodities (cattle, sheep, wool), which then have sub-sections for weekly market comments, analysis and data. In October 2013, Mecardo expanded its offering to include grain as a major commodity.

In mid-July 2014, Mecardo launched its Mecardo market outlook webinar series. Available to both subscribers and non-subscribers, these webinars are conducted quarterly for individual commodities. Importantly, ACU engages external market specialists as a further value-add to Mecardo's information. For example, the cattle market outlook webinar was conducted shortly after the release of MLA's industry projections mid-year update. In this webinar, MLA's Tim McRae outlined MLA's forecasts. Mecardo then looked at the implications of these forecasts for cattle producers, including an outlook on price.

## 4.3 Analysis and weekly commentary

Each week, Mecardo publishes two in-depth analysis articles for each of cattle, sheep and wool, and one for grain. A market comment is also published for each commodity each week. A wide range of market indicators are updated automatically on the website. In addition, video market comments are posted for wool to complement Mecardo's written market comment. This will be extended to livestock and grain in 2015.

Since launch, Mecardo has published 960 articles across the four commodities. Subscribers to Mecardo select which information and regions are relevant to them. Mecardo then sends email alerts whenever any new information is publishing matching the subscriber’s preferences.

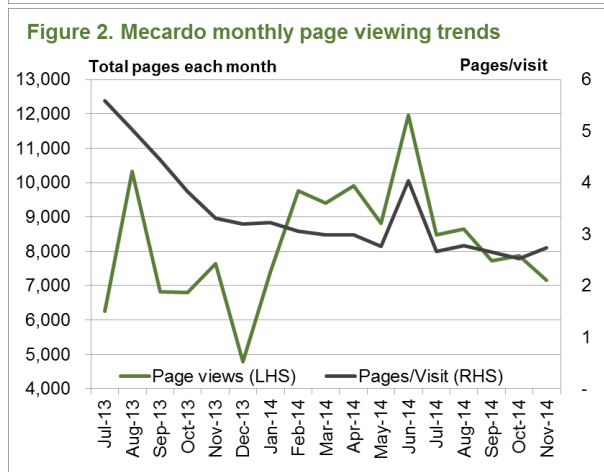
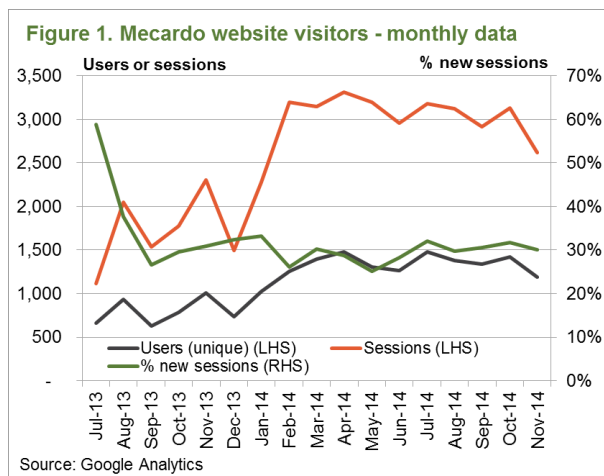
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- Cattle – [A retrospective view of Mecardo’s forecasts](#)
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- Wool – [What risk in the wool market?](#)

In 2015, Mecardo’s budget and trading strategy articles will be examined in a similar way.

### 4.4 Website analytics

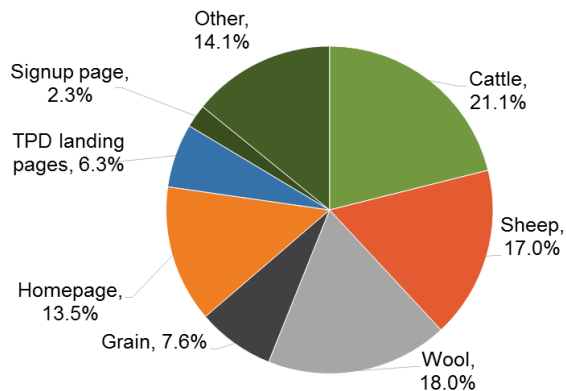
All data presented relates to the period of 1 January 2014 to 21 December 2014. On average, each month there are just over 3,000 unique sessions by 1,321 unique users (figure 1). The total number of page views each month averages 8,826 (figure 2), of which 6,864 are unique. Users visit an average of 2.94 pages per visit, taking 3 minutes of their time to do so. Thirty percent of sessions are new users, with the remaining 70% returning visitors (ie multiple sessions in month).



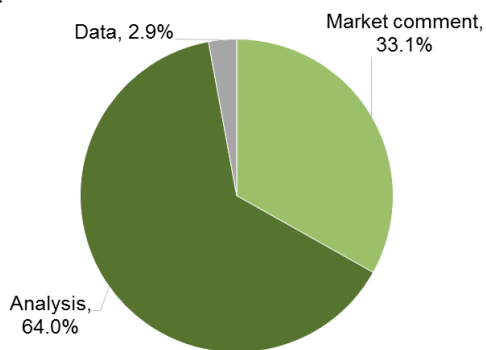
Not surprisingly, 64% of all web traffic was related to specific commodity market intelligence (figure 3). Furthermore, web traffic peaked in the 24 hours following an email alert, suggesting that subscribers use these email alerts as a trigger to access Mecardo information (rather than general browsing).

When looking at the wool and livestock pages only, 64% of commodity information was specific analysis, 33% weekly market commentary and just 3% was data (ie market indicators) (figure 4). This is expected in light of the greater number analysis articles published each week (2-3/week) compared to a single market comment for each commodity.

**Figure 3. Web traffic - % page views by category**



**Figure 4. Web traffic - % by market information type**



*Note: wool and livestock pages only (no grain data page)*

### Website access

Internet explorer was the most frequently used internet browser for accessing Mecardo (36%), followed by Google Chrome (28%) and Safari (27%) (table1).

**Table 1. Browsers used to access Mecardo**

Browser	Sessions	Users
Internet Explorer	12,236	3,637
Chrome	9,432	2,680
Safari	9,214	3,006
Firefox	2,831	967
Android browser	576	177

Interestingly, 70% of users accessed Mecardo via desktop, compared to 18% via mobile and 12% via tablet. This is surprising in light of the general trend towards mobile usage.

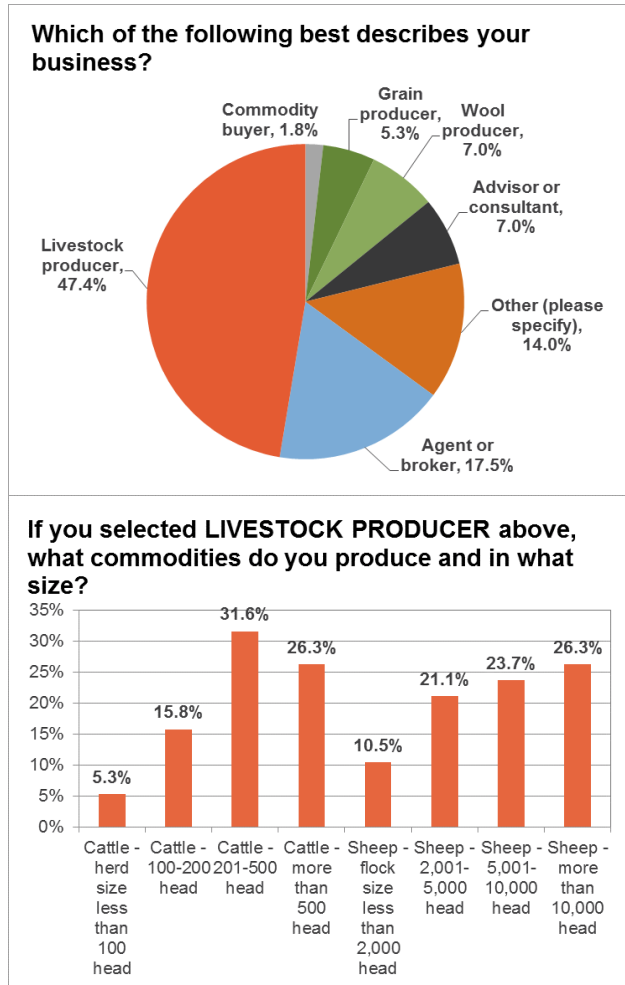
## 4.5 Survey results

A survey was conducted in September of (a) active subscribers of Mecardo and (b) free triallers who didn't convert. The key objectives of these surveys were to assess satisfaction by, and value, for current Mecardo subscribers, and to understand the reasons behind free triallers not converting to a paid subscription.

Response rates for the two surveys were 11% and 4%, respectively.

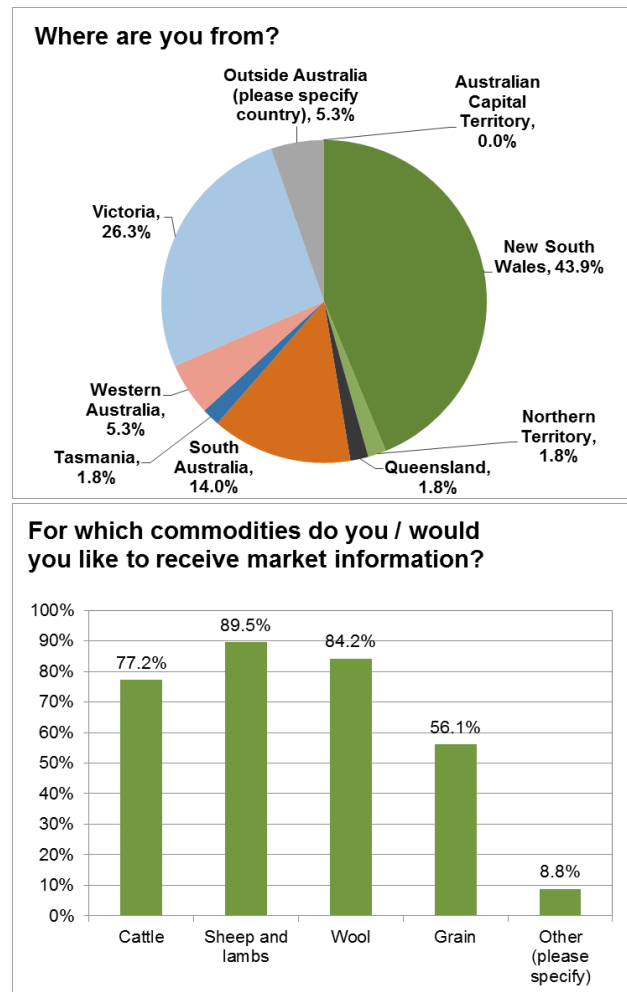
### Who are our subscribers?

Around 60% of Mecardo subscribers are producers of wool, livestock or grain, with the remainder largely agribusiness service providers. Producer subscribers tend to be larger producers.



A significant proportion of subscribers are from NSW (44%), Victoria (26%) and South Australia (14%). Less than 4% of survey respondents indicated they were from either Queensland or Northern Territory, and just over 5% were from WA.

The demographic spread of subscribers is not surprising in light of (a) the southern-centric nature of ACU's existing client base and (b) the limited availability of robust, objective market data for northern Australian livestock markets.

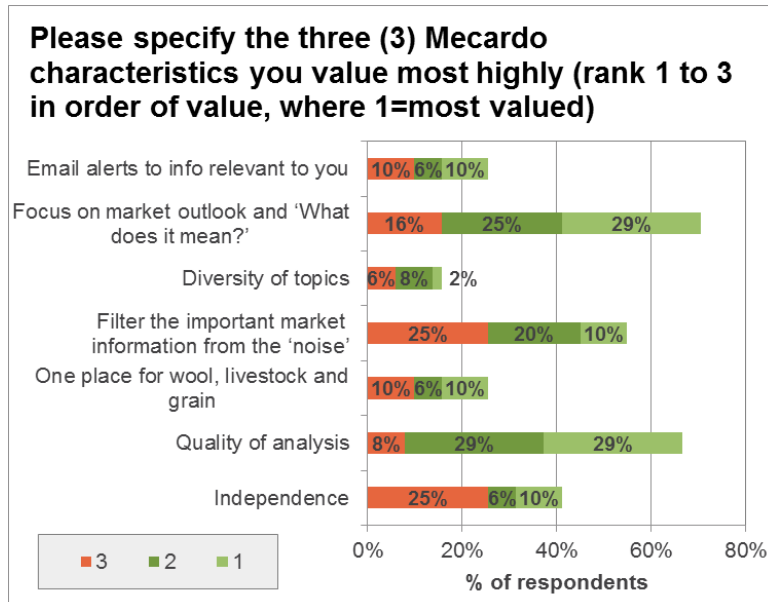
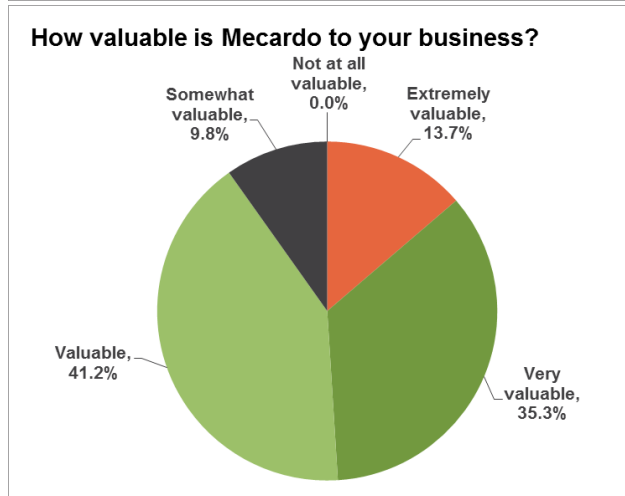
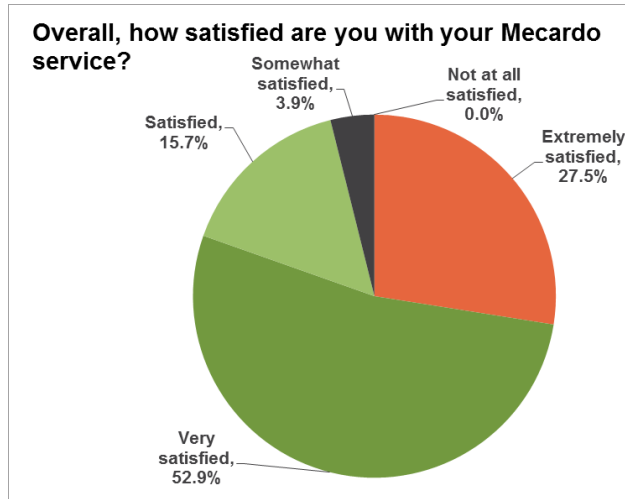


### Satisfaction, value and practice change

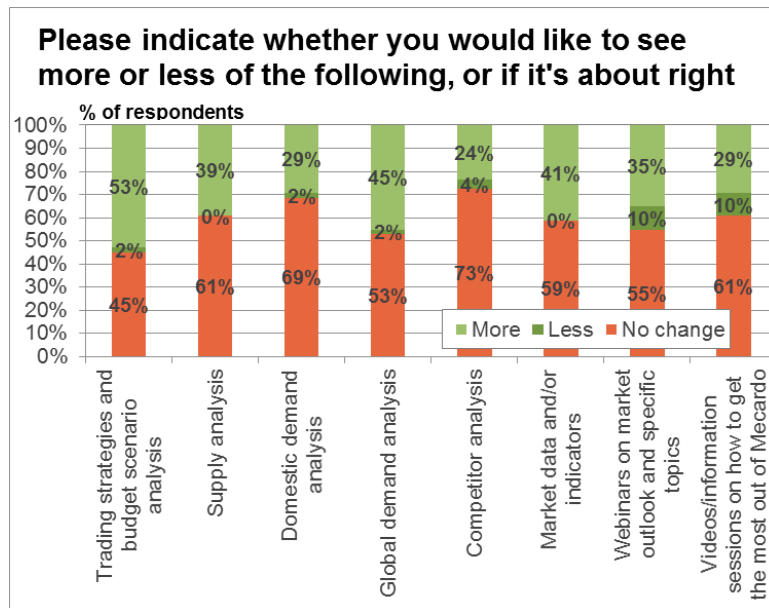
Mecardo subscribers are satisfied with their service, and value Mecardo's information highly. Ninety-six percent of respondents indicated they were satisfied or greater, with 80% either very or extremely satisfied.

All respondents indicated they find value in Mecardo, with more than 76% considering Mecardo valuable or very valuable. The greatest value was placed on the market outlook and the 'What does it mean?'; on the quality of the analysis; and the ability for Mecardo to filter the important information from the 'noise'.

Subscribers would like to see more trading strategies and budget scenario analysis (53%), global demand analysis (45%), market data and/or indicators (41%), supply analysis (39%) and market outlook webinars (35%). Only 29% wanted to see videos on how to get more out of Mecardo.



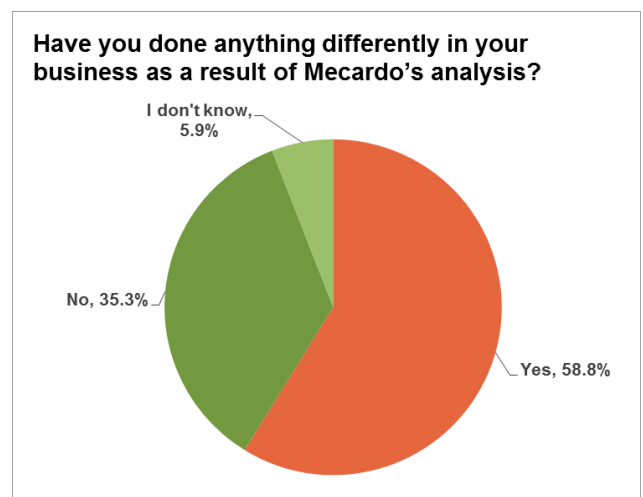




Nearly 60% of respondents indicated that they have done something differently in their business as a result of Mecardo’s analysis.

Key areas for practice change included:

- *More strategic marketing* – bringing forward or delaying selling of livestock, forward selling
- *Enhanced decision making, with decisions supported by robust analysis* – such as increasing lamb numbers; or selling down steer numbers and retaining heifers in face of drought, in anticipation for greater upside for females
- *Changes to enterprise mix* – including adjusting commodity mix, cattle trading, lamb lotfeeding



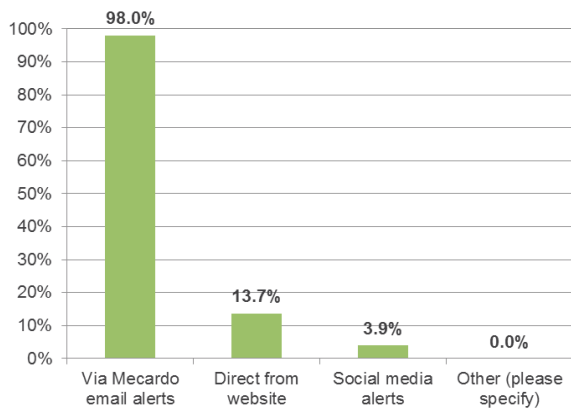
### Access to Mecardo

Mecardo sends email alerts to any new information matching preferences set by the subscriber. These email alerts are a key point of access, with 98% of respondents indicating they access Mecardo in this way.

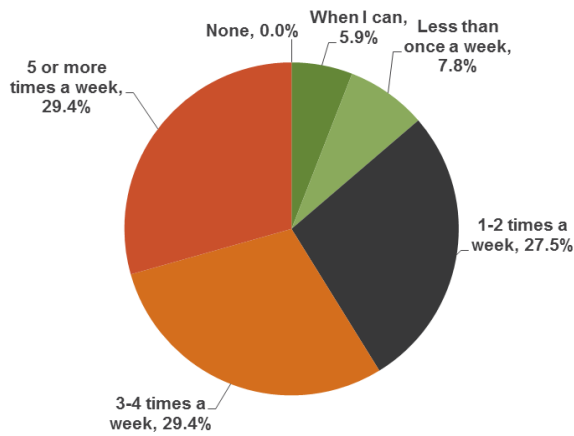
Mecardo posts social media alerts to any new information. Despite this, however, social media is little used by subscribers to access Mecardo.

The frequency with which subscribers read Mecardo varies greatly, with 28% reading 1-2 times a week, 29% 3-4 times a week and 29% more than that.

**How do you access Mecardo information?**



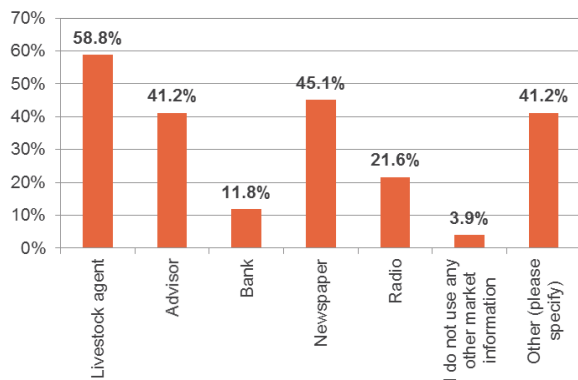
**On average, how often do you read Mecardo?**



**Other information sources**

Other key sources of market information include livestock agents and wool brokers (at least 59%, with brokers identified under 'other' category); newspaper (45%); advisors (41%) and radio (22%).

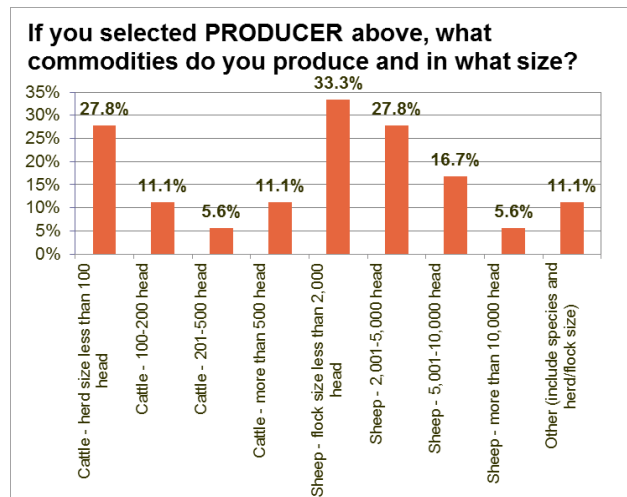
**What other information sources do you use in conjunction with Mecardo to assist with decision making?**



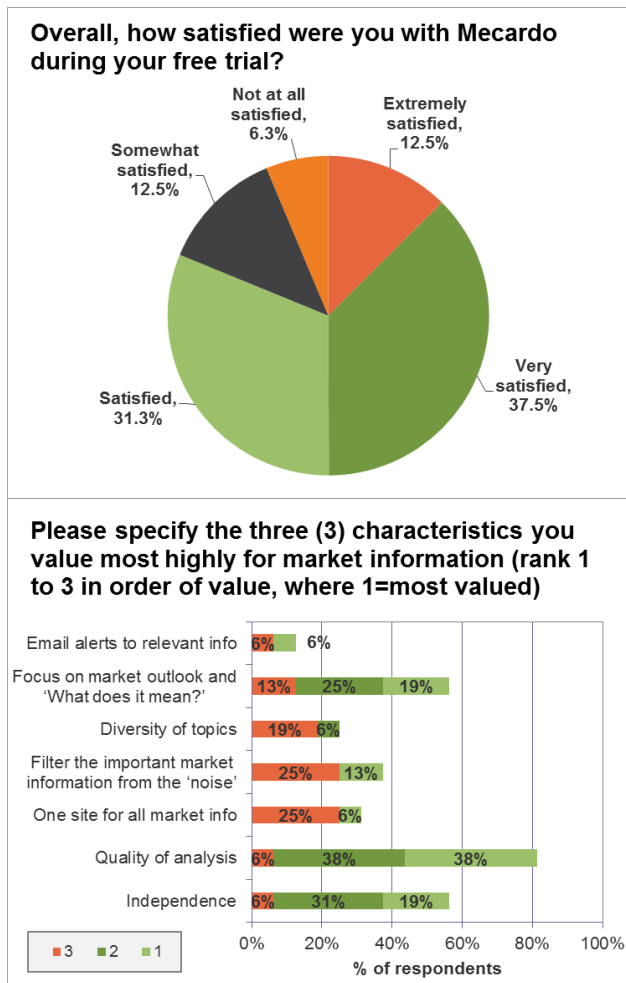
### Free trialler survey

The low response rate (4%) to this survey is not unexpected. And although it is very low, it is possible to use some of the observations to assist Mecardo’s ongoing enhancement.

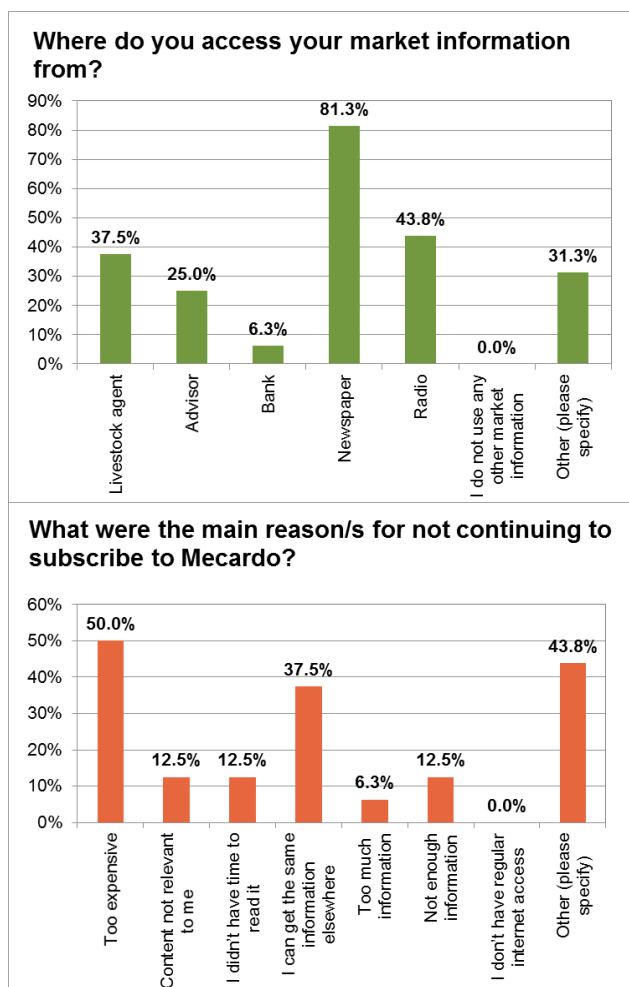
In contrast to current Mecardo subscribers, 95% of those surveyed were producers (vs 60%), suggesting service providers were more likely to convert. In terms of the producers, those that chose not to continue with a paid subscription tended to be of smaller size.



Eighty-one percent of respondents indicated they were satisfied or greater, which seems a little at odds with the low conversion rate. They valued similar market information characteristics to current subscribers.



The sources of market information used by respondents differed between current subscribers and non-converted free triallers. The latter indicated they access their market information, overwhelmingly (81% vs 45% for current subscribers), from the newspaper. As market information is primarily market indicators, and often up to a week old once published via newspaper, this suggests that non-converts are not needing or using up to the minute analysis of commodity markets in their business decision making. Radio was also a more important source of market intelligence for non-converts.



Non-converted free triallers were asked why they didn't continue your subscription, and three reasons became apparent:

1. Cost (50% of respondents)
2. Can get the same information elsewhere (38%)
3. Other (cost/value, can get information elsewhere, information frequency (44%)

## 4.6 Informal feedback

As mentioned previously, seeking ongoing positive and negative feedback is critical for Mecardo's improvement.

To illustrate how Mecardo has provided value to a farming business, one producer client contacted us following Mecardo's market outlook webinar (July 2014) presented jointly by MLA (T McRae) and Mecardo. On the basis of the information provided in that webinar, the producer was able to negotiate with his bank to finance purchases of additional cattle. So positive was the producer's response that he wrote to MLA's Managing Director commending MLA's engagement with independent, commercial information providers such as Mecardo.

Several other testimonials are included below.

- **Dr Noel O' Dempsey BVSc (Hons) – QLD, lamb / cattle producer**

I have subscribed to Mecardo for a few weeks now. Already the information provided by Mecardo has informed a couple of business decisions that I had to make (prime lamb marketing and purchasing cattle). The e-mail updates are concise and informative with fuller information available if required. Like most of us I am time poor – I soon know if I am not valuing a service when I start not reading what I have paid for – I read all the Mecardo updates even if it is only a quick gloss to keep informed.

- **Robert Hodges – Sarnia Estate, Mount Gambier, SA (Aug 2013)**

As a primary producer and agribusiness manager, the Mecardo website keeps me fully informed of the latest commodity moves and trends. The information is easy to access and I am alerted via smart phone as to any important announcements that fit my profile. This in turn allows me to make informed decisions that are critical to the success of our businesses.

- **Lachlan Campbell, Mumbil, NSW (30/8/13)**

Mecardo provides a high quality and concise overview of current agricultural markets at one website. In addition to this, it gives me excellent analysis of market trends and commentary from professionals that I would not always have access to. It has quickly become one of my primary sources of big picture information and great addition to my business.

- **Jim Cudmore – 28/8/13**

Despite the plethora of information circulated these days, particularly in the cattle space, I have found the Mecardo material very factual and insightful.

### **Constructive feedback and suggestions**

Mecardo subscribers regularly make suggestions around topics for analysis. Where appropriate and robust data is available, Mecardo publishes articles to address the questions raised.

One key area of feedback, both informally and via survey, has been regarding the frequency of email alerts. Some subscribers have felt that the email alerts come too frequently, making it difficult to find the time to read them adequately. This is partly addressed by ensuring readers have their preferences for email alerts set to hear only about information relevant to them. However, Mecardo has also recently reduced the number of days it publishes information, so that subscribers receive, at most, three emails per week.

## **4.7 Distributor engagement**

Agribusiness service providers (livestock agents, advisors, wool brokers, banks etc) are, on the whole, very supportive of Mecardo. Mecardo is regularly called upon to provide market analysis comment or content for distributor client communications, or to participate as keynote speakers and events.

Despite that, uptake by distributor clients has been less than anticipated. This is partly a reluctance of clients to pay for market information, but also a reluctance by service providers

to actively promote a service that requires further payment by their clients. Client satisfaction is key to their business. Greatest success with distribution was found with agribusiness advisors, where clients are already comfortable paying for information and other services.

With a few exceptions, distributors wish to continue to partner with Mecardo. Of particular interest is the opportunity for distributors to send targeted messages (via advertisement) to their client base.

## 5 Discussion / conclusions

Since its July 2013 launch, Mecardo has become well-regarded and recognised as a provider of independent, high quality market intelligence that effectively assists producer decision-making. Mecardo's value to producers lies in two key areas: (1) communicating what the market information means for specific businesses (interpreting high level information), so enabling more informed business decisions; and (2) time-efficiency for producers in understanding the market. These are achieved through the following key attributes of Mecardo.

- Wool, livestock and grain – all in the one place
- Mecardo sifts through the vast amount of market information, and identifies and analyses what's important – producers are often overwhelmed with the amount of available information.
- Market (including price) outlook is a key focus for Mecardo.
- High level information is made relevant to producers ("What does this mean for my business?").
- Mecardo information is concise and easy-to-read, saving time.
- Subscribers set their regional / commodity preferences, and email alerts are sent when new information matching their preferences is published. This means they only hear about information that is relevant to them.

Mecardo analysts are contacted on a regular basis by media for comment on topical market issues. Feedback on the website itself is that it is professional, clean and easy to navigate.

From the surveys and informal feedback, it is clear that Mecardo's main challenges include the following.

### 1. Reluctance to pay for market information

This is despite Mecardo's subscription cost being very reasonable (\$270 per year). It should be noted that this barrier is not limited to Mecardo, nor commodity market information in general. This unwillingness to pay for information is a significant issue for major newspapers and other online information services.

Related to this is dissatisfaction among some in requiring the need to provide credit card details in advance of a free trial. This is a feature that will be removed in early 2015.

## **2. Differentiation – market intelligence vs market information**

Mecardo is a unique product that complements the market reporting and analysis provided by MLA, AWEX and others. However, it appears that Mecardo's unique features are not currently being sufficiently differentiated through promotional materials and the website itself (particularly the homepage). This leads to the perception by some that they "can get the information elsewhere".

Effectively differentiating Mecardo from other market news and information sources will demonstrate Mecardo's value, and increase conversion.

## **3. Information overload**

Too many emails, from Mecardo itself or in total, become overwhelming. Time poor producers don't have time to read all they receive, so they don't necessarily see Mecardo's full value. The frequency of Mecardo information has already been addressed. However, in order to minimise the pain of information overload generally, Mecardo must make sure that it's information is succinct, engaging and relevant to wool and livestock producers.

## **Benefits to industry**

Mecardo's main value for producers, and indeed the broader industry, is through a more informed market. Mecardo provides, in a context comfortable to producers, market intelligence and analysis that identifies risks and opportunities for their enterprises, and assists marketing and strategic production decision-making.

The "high level" market information provided by MLA and others is filtered and analysed, and then converted into a final message of "What does this mean and what should I do?". It is then delivered to producers according to their preferences, so they only receive information that is relevant to them. This concept assists producers to understand the implications, for their business, of the market information produced by MLA and others.

Being better informed enables:

- producers and buyers to respond effectively to market signals, adjusting specifications and production accordingly;
- buyers to set prices with greater precision;
- sellers to better utilise budgeting tools incorporating market research;
- producers to assess marketing alternatives in a more informed way; and
- all industry participants to better understand and manage risks relevant to their enterprise.

Producers and other industry participants benefit from the independence of the information provided. Further, sheep growers benefit from a single source of market intelligence where all information relevant to both their wool and sheepmeat enterprises is presented and considered in an integrated manner.

The ability for ACU to incorporate both physical (current and forward) and derivative markets in analysis and commentary, together with the risk management focus of the firm, provides users with holistic information that is considered in its approach.



Producer service providers such as livestock agents, wool brokers, advisors, industry organisations and other producer conduits benefit from Mecardo by ensuring they are well informed when communicating with their stakeholders or clients. This has flow-on benefits to their producer clients through more informed discussions and planning.

### **Recommendations for future actions**

Based on both informal and formal feedback, the following actions are currently under consideration to stimulate uptake of Mecardo.

1. *Offer 'free' information to service those reluctant to pay* - with additional features and/or 'high value' information offered to premium (paying) subscribers.
2. *Expand northern Australia coverage* – this is reliant on MLA's information development in this area.
3. *Work with producers' service providers to arm them with information* – livestock agents and wool brokers, in particular, remain a key source of market intelligence for farmers. Arming them with Mecardo will allow them to value-add their existing client service and target new business. Ultimately, arming these service providers with Mecardo information will result in their better informing of their producer clients. Of appeal to distributors is the ability to send targeted messages (via advertisement) to their client base.
4. *Social media* – to date, social media has been used in a basic manner to alert to newly-published information. In an era of increasing social media usage across the agriculture community, Mecardo will likely benefit from expanding its use of social media as a communication channel.