

I am delighted to be here today to speak to you about the important work that Australian Meat Processor Corporation is doing for the processing sector and for regional and rural communities.

AMPC is the research and development arm of the Australian meat processing sector.

Our sector is made up of red meat manufacturers who employ around 30,000 people directly across the country.

Many of these processing facilities are in rural and regional towns where they are often the only major employer.

The importance of the processing sector to these communities and the national economy is often not fully understood by the broader Australian community and we acknowledge our sector has more work to do in this area.

AMPC is made up of 101 members which have 129 sites Australia wide.

We are focussed on delivering R&D to our sector to support its competitiveness and sustainability.

Customer preferences are changing and the world in which we are exporting is also changing and combined this makes it a challenging environment for our processors to be operating in. This is why our focus on R&D around our members top 10 priorities or issues remains the centre piece of everything we are doing at AMPC.

Processors represent the value adder to the red meat sector, they are a critical part of the red meat supply chain and they ship our products to 102 different countries throughout the world generating \$12.5 billion in exports per annum.

In total, the red meat processing sector generates \$21 billion in value added for the economy (including flow on effects)

There are many issues currently impacting on our sector's competitiveness, profitability and sustainability including:

- access to labour
- the cost of energy
- high certification costs and

- high waste and water costs

One of the core pieces of work we have done recently was our Cost to Operate Report which quantified the comparative red meat processing costs between major beef exporters – Australia, Brazil, USA and Argentina. The report released late last year validated and reinforced what the red meat industry has known for years – that processing costs in Australia are much higher compared with our main competitive suppliers.

The report is important and has resulted in close collaboration with the Australian Meat Industry Council (the sector's advocacy group) to help find solutions to support our sector.

This is one of the many pieces of research we produced for our members in the past financial year.

AMPC recognises the value of strong corporate governance. As a corporation responsible for the investment of statutory levies, AMPC's board ensures that levies are invested on behalf of the industry in projects which will provide the greatest benefit to its members.

AMPC currently has 111 active projects in FY19 including AMPC managed Core, Direct and JPMT projects ranging in size from \$11k-\$1.6m.

Those projects are focused on providing innovative outcomes that improve our sectors efficiency and competitiveness, enhance its sustainability, protect and secure its market access, enhance its capability and increase its overall productivity and performance.

It is only through a viable and sustainable red meat processing sector that many small towns in Australia can continue to remain strong and prosperous offering long term employment and career pathways for many of the local people.

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