

Research and development

Research and development is vital to the ongoing profitability, sustainability and success of the Australian sheep meat industry.

We are fortunate in Australia that there is an ongoing commitment to invest in research and development, funded by the levies sheep producers pay, which are matched by the Australian government. Approximately \$30-\$40M are spent on research and development every year.

Australia's sheepmeat levy system

Sheep producers pay two levies: a transaction levy when they sell a lamb or sheep and a wool levy when they sell wool. Sheep transaction levies are capped so they do not exceed: 20 cents for sheep and \$1.50 for a lamb.

These levies are collected by the Department of Agriculture, Fisheries and Forestry.

With Sheep Producers Australia oversight, levies are distributed to three key industry partners:

- **Meat & Livestock Australia (MLA)** which provides research and development and marketing services to Australia's red meat industry. The Australian Government contributes a dollar for each levy dollar MLA invests in eligible research and development.
- **Animal Health Australia** for biosecurity health programmes
- **The National Residue Survey** which monitors residue levels and validates Australia's system for checking the risk of chemical residues and environmental contaminants in animal and plant products.

The table below shows how levies are raised and distributed.

Commodity – livestock transactions	Animal Health Australia	Emergency Animal Disease Response	National Residue Testing	Marketing	Research and Development	Total
Sheep - sale at \$5 to \$10 per head	0.18 per cent of the sale price	0 per cent of the sale price	0.18 per cent of the sale price	0.87 per cent of the sale price	0.77 per cent of the sale price	2 per cent of the sale price
Sheep - sale over \$10 per head	1.8 cents per head	\$0.00	1.8 cents per head	8.7 cents per head	7.7 cents per head	20 cents per head
Lambs - sale at \$5 to \$75 per head	0.2 per cent of the sale price	0 per cent of the sale price	0.10667 per cent of the sale price	1.2 per cent of the sale price	0.49333 per cent of the sale price	2 per cent of the sale price
Lambs - sale over \$75 per head	15 cents per head	\$0.00	8 cents per head	90 cents per head	37 cents per head	\$1.50 per head

Table 1: Levy amounts and distribution

How research and development priorities are identified

Research and development priorities are identified via a ten-year industry plan for the red meat sector, currently RedMeat2030. MLA uses the plan's objectives to inform their annual implementation plan, which is refined in consultation with Sheep Producers Australia and a [producer consultation process](#).

Research and development program areas include animal health and welfare, environmental sustainability, livestock production, land management, biosecurity and product innovation.

Genetics and animal husbandry have a particular focus due to their potential to increase industry productivity and profitability. For example, encouraging traits that make sheep more resilient to health and disease issues, and improving reproduction and lamb survival rates are highly beneficial to the industry.

How Sheep Producers Australia contributes

Ensuring nationally and regionally relevant research, development and adoption priorities are identified and funded for the sheep industry is one of Sheep Producer Australia's key priorities.

- We oversee levy investment on behalf of sheep producers and advise the Minister of Agriculture, Fisheries and Forestry on the levy rate and its distribution.
- We contribute to the development of a ten-year industry plan and work with MLA to refine their annual research and development implementation plan.
- We monitor the spending of producer levies, ensuring all R&D investments are aligned and deliver the greatest return possible for sheep producers.

As a member of the Red Meat Panel, Sheep Producers Australia works with regional representatives to call for and agree on investment priorities identified by grassroots producers for funding with producer levies. More than \$50 million worth of projects have been funded by MLA through this process.