



THE ROAD AHEAD

STRATEGY 2020-2022



Droughtmaster Australia
Australia's Own Breed

General Manager's Message

The Droughtmaster breed has a proud history dating back to the early 1930s with the Society founded in 1962.

Droughtmaster cattle are a Queensland icon and were specifically developed by a group of progressive cattlemen led by Monty Atkinson also including Bob Rea, Kirknie, Home Hill, Tom Booth, Daintree (bush geneticist) and Professor John Francis, Dean of the faculty of Veterinary Science, Qld University to suit the Australian environment. Descendants of many of the breeds founders are still operating successful Droughtmaster studs today.

The cattle industry is the lifeblood of Australia and has stood the test of time, however, it has not been without its challenges and some headwinds remain in the short term.

The "Road Ahead" focuses on future proofing the Society while ensuring that industry participation and Society activities, events and sponsored sales are enhanced. In unlocking this strategy, we aim to solidify our position as one of Australia's most valuable cattle breeds and create a valued membership experience.

The Board and management are resolute in creating a sustainable future for Droughtmaster Australia and thank our members for their patience and loyalty as we now embark on this exciting next phase.

Simon Gleeson

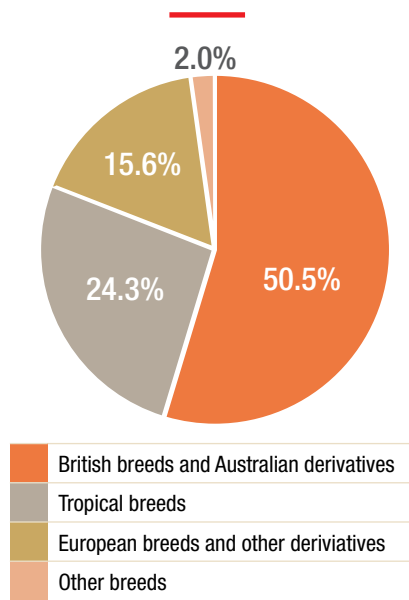
*General Manager
Droughtmaster Australia.*



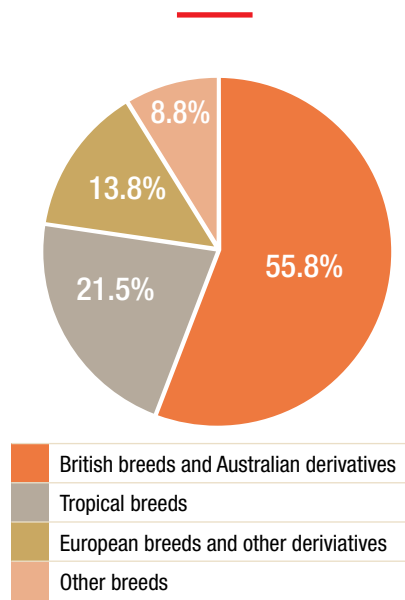
PRE-TEXT: Breeds 2009 - 2018

Tropical Breeds in decline (Primary Registrations)

*Composition of Australian Registrations
by Breed Group in 2009*



*Composition of Australian Registrations
by Breed Group in 2018*



Registered Numbers of:

*British breeds and Australian
derivatives increased
(**Angus** have driven that growth)*

Tropical breeds have contracted

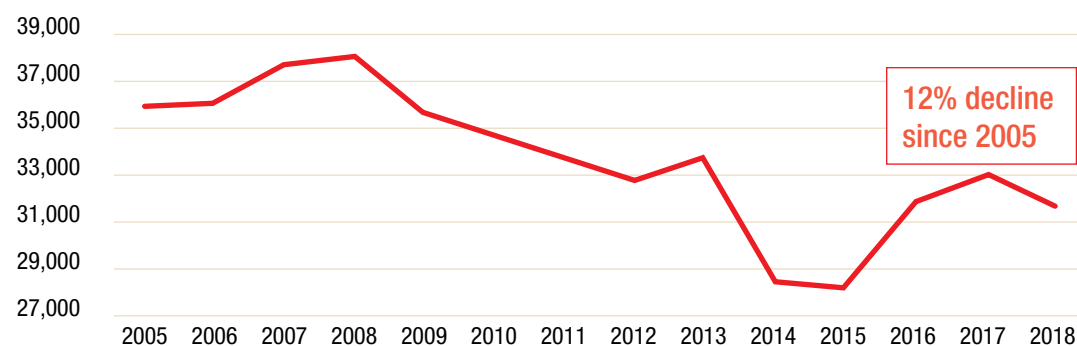
*European breeds and other
derivatives have contracted*

*Other Breeds increased
(**Wagyu** has driven this growth)*

PRE-TEXT: Breeds 2005 - 2018

Tropical Breeds in decline (Primary Registrations)

Australian Registered Cattle (Tropical Breeds) - Total Registrations



Growth %	British breeds and Australian derivatives	Tropical breeds	European breeds and other derivatives	Other breeds
Growth/Decline (2005 compared to 2018)	-0.7%	-12.1%	-0.5%	514.8%
CAGR	0.1%	-1.0%	0.0%	15.0%

Tropical Breed	Growth/Decline (2005 compared to 2018)	CAGR
Brahman	-23.3%	-2.0%
Droughtmaster	5.8%	0.4%
Santa Gertrudis	-9.9%	-0.8%
Brangus	3.8%	0.3%
Belmont Red	98.7%	5.4%
Braford	-26.9%	-2.4%
Charbray	-59.9%	-6.8%
Senepol	-35.4%	-3.3%
Nguni	0.0%	0.0%
Boran	-100.0%	-100.0%
Bonsmara	0.0%	0.0%
Tuli	0.0%	0.0%
Total	-12.1%	-1.0%

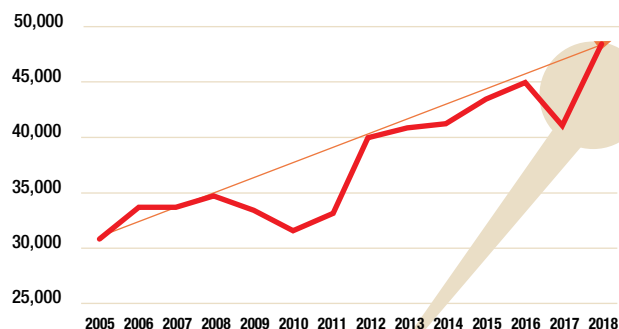
*Source ARCBA

*CAGR – Compounded Annual Growth Rate

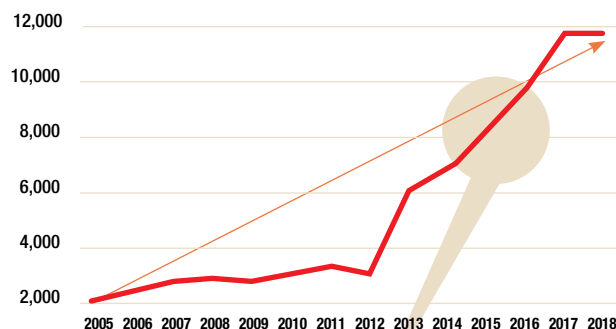
PRE-TEXT: Breed Comparison

Why have these breeds consistently increased over time?

Angus Cattle Registrations



Wagyu Cattle Registrations



"The high levels of Angus registrations are also due to their society which has the funds to promote Angus strongly so a cycle has been established," he said.



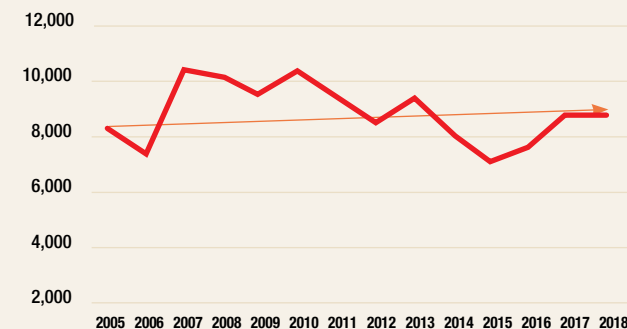
"Cattle producers are recognizing the value of Wagyu membership which allows them to record their cattle and allows access to Wagyu's innovative performance recording and genetic discovery programs which now contains carcass EBVs on more than 80,000 cattle," said AWA CEO Graham Truscott who is overseas giving presentations to Wagyu breeders in Germany and the United Kingdom.

"Australia has taken an international leadership role in the performance recording of Wagyu cattle and the production of Wagyu beef. International demand for Australian Wagyu genetics and Wagyu beef produced by some of the nation's largest pastoral and processing organizations will ensure the Wagyu growth continues," he said.

Why?

- Membership growth
- Superior marketing & promotion
- Genetic improvement & breed excellence
- International exposure
- Data & technology

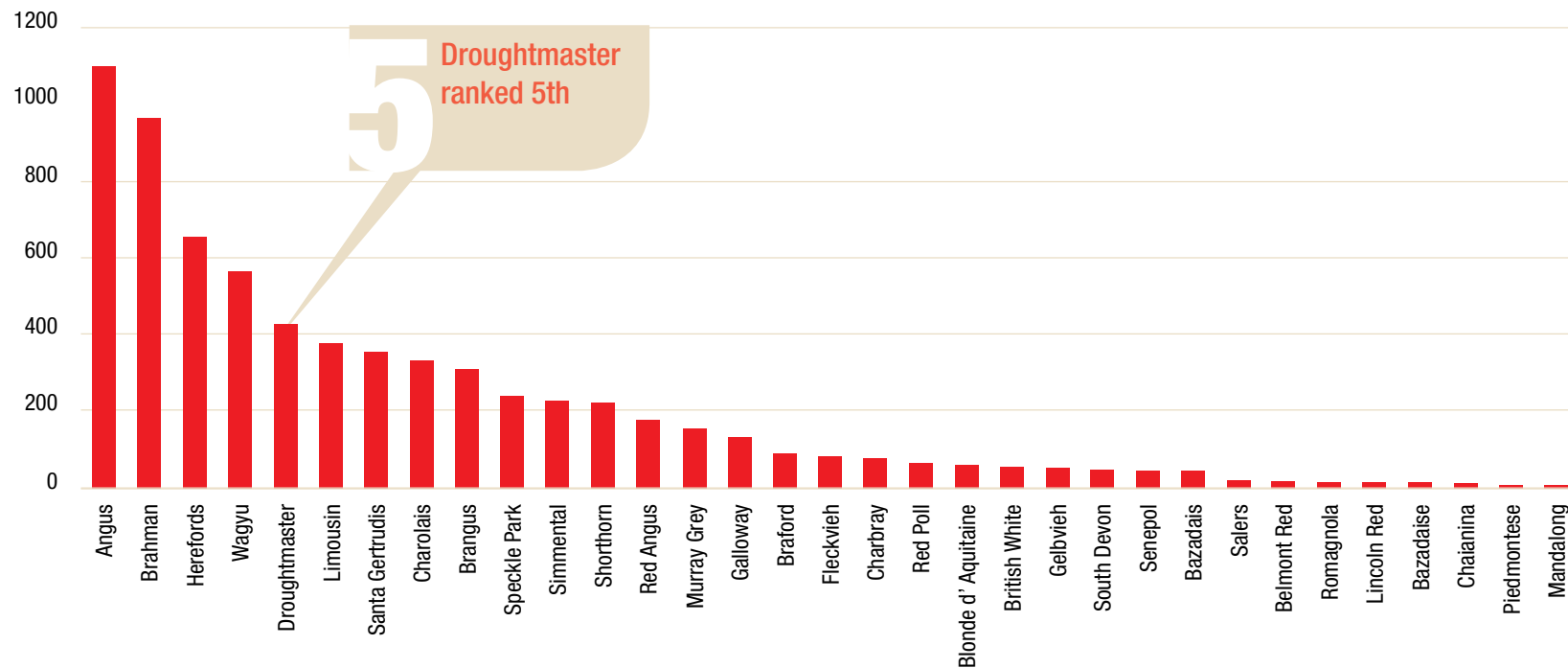
Droughtmaster Cattle Registrations



PRE-TEXT: Australian Registered Cattle Breeders Membership 2018

Based on 2018 Census of Breed Societies. The figures represent membership of individual societies at either 1/7/2018 or 31/12/2018 for full financial, financial life and term members.

Australian Registered Stud Cattle Breeders - Membership 2018/19

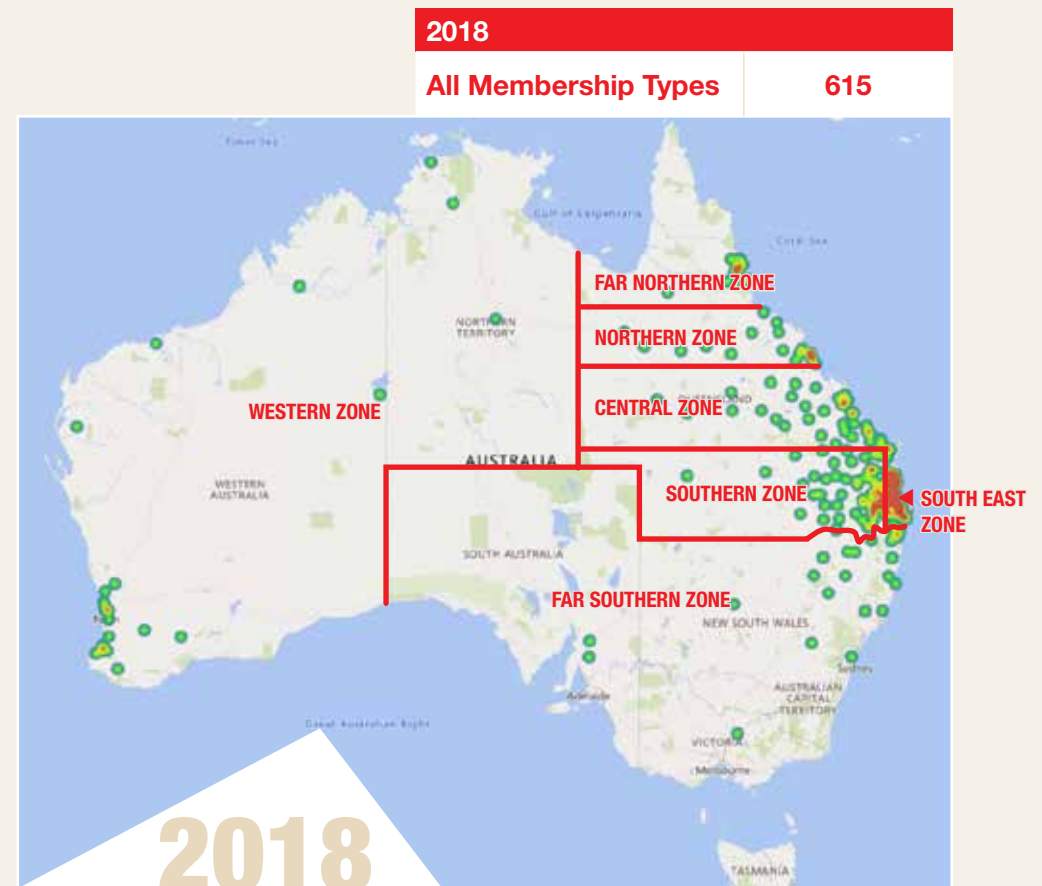
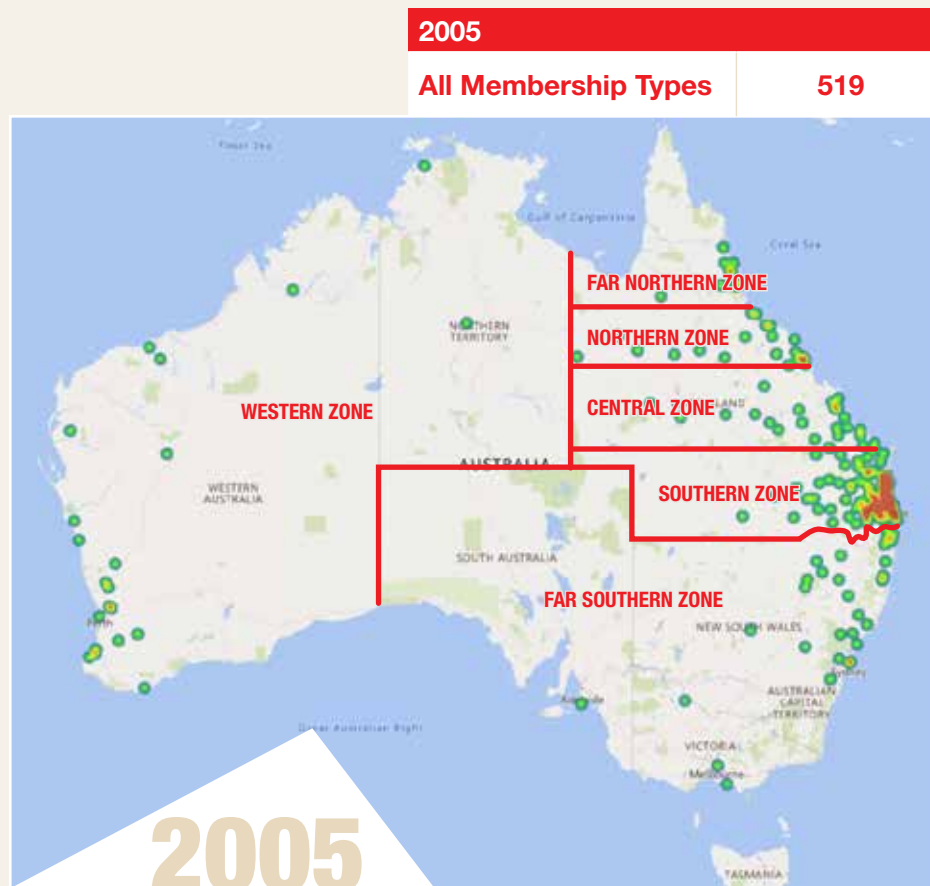


*Source ARCBA

PRE-TEXT: Droughtmaster Australia Membership

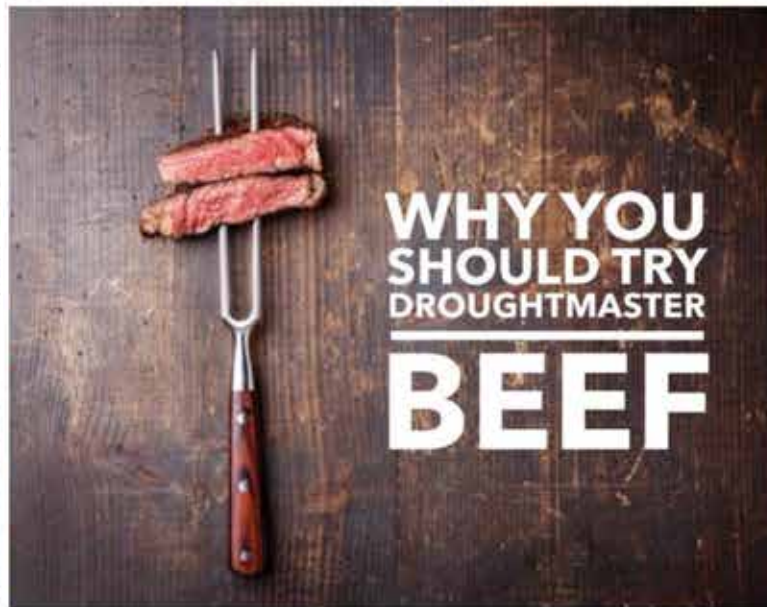
2005 & 2018

Heatmap of members



Bright

FUTURE AHEAD



PURPOSE & AMBITION



*Australia's Own
Breed*

DROUGHTMASTER AUSTRALIA

A cattle breed that consistently performs to a high standard despite adverse environments, continually producing high quality and high yielding carcasses economically.

PURPOSE

Promote, develop and protect the breed and the brand, identify activities that will further increase breed participation; and

Enhance membership of the Breed Society by delivering more efficient services, benefits and value.

AMBITION

To be recognised nationally throughout the entire supply chain (paddock to plate) as a breed that was developed in Australia to suit the Australian environment for its resilience and exceptional meat quality.

TRANSFORMATIONAL STRATEGY

"The traditional functions of the Droughtmaster Society will always remain core, however we must continue to be relevant and evolve to remain competitive in the beef industry".

Society President - Todd Heyman



STRENGTHS & WEAKNESSES OF THE BREED & SOCIETY

STRENGTHS

- History – a breed that was developed in Australia to suit the Australian Environment
- Temperament & growth
- Adaptability and suitable to most markets
- Fertility and mothering ability
- Economical to produce
- High quality and high yielding carcass
- High quality genetics
- Society owned office
- Great Australian brand
- Society sponsored sales

WEAKNESSES

- Loss of breed standards
- High membership and inventory costs
- Promotion, marketing and communications
- Strategic direction
- Lack of data capture and utilisation
- Supply chain brand awareness
- Society culture
- Lack of progress on breed improvements and development
- Benefits to members



OPPORTUNITIES & THREATS OF THE BREED & SOCIETY

OPPORTUNITIES

- Removal of perceptions through better use of data (“from I think to I know”)
- Educational opportunities for members
- Promote advantages of cross breeding
- Overseas and export markets
- Promotional and marketing activities across the entire supply chain
- Improved communication to members
- Branded beef product
- Sponsorships and partnerships
- To grow our membership and inventory registrations
- Promotion of Society sponsored female sales
- Participation at sales from the large commercial breeders
- Growing Next Gen participation

THREATS

- Failure to strive for genetic improvement and breed excellence
- Changes in consumer preferences and taste
- Failure to improve Society culture
- Failure to evolve with technology

TRANSFORMATIONAL STRATEGY

BUILDING A SOLID FOUNDATION

- Membership retention and member benefits
- Corporate governance – refinement of sub-committees and charters
- Constitution review and update
- Cultural reset – ‘productivity, unity & positivity’
- Refresh of corporate identity and communications interface, including marketing and communications strategy
- Financial management - planning and strategy, 5 year corporate financial model
- Data capture and utilisation
- Establish sponsorships and partnerships
- Society sponsored sale reviews
- Engagement and alignment with industry stakeholders

PHASE 1

Year 1-2 | 2020 - 2021

DELIVERING CONSISTENTLY WELL

- Growth in membership and inventory registrations
- Maintain efficiencies via continued drive on strategic cost management
- Retention criteria of corporate partners and sponsorships
- Enhanced working relationship with industry stakeholders
- Up-weighting of Society events and sponsored sales
- Recognised for industry leadership and breed excellence
- Industry and Society knowledge backed by data validation
- Recognised brand throughout the supply chain
- Markets available for export

PHASE 2

Year 3-4 | 2022 - 2023

SUPERIOR PERFORMANCE

- Best practice performance against industry benchmarks
- Improved YOY visitation of Society sponsored events & sales
- Superior and sustainable financial performance & management
- Superior recognition of breed excellence
- High class operational efficiency
- Superior recognition in both domestic and International markets
- Superior brand awareness

PHASE 3

Year 5+ | 2024 - beyond

PURPOSE & AMBITION



Australia's Own Breed

Ambition

To be recognised nationally throughout the entire supply chain (paddock to plate) as a breed that was developed in Australia to suit the Australian environment for its resilience and exceptional meat quality.

Purpose

Promote, develop and protect the breed and the brand, identify activities that will further increase breed participation; and

Enhance membership of the Breed Society by delivering more efficient services, benefits and value.

PRIORITIES	MEMBERS	GROWTH	BREED DEVELOPMENT	PROMOTION & MARKETING	OTHER SOCIETY PROJECTS
ACTIONS	<ul style="list-style-type: none"> Regular and efficient communication to members Provide an annual calendar of future zone meetings and encourage member participation Provide members with educational content to assist with operating their businesses Mentor NextGen Committee and further grow the participation of youth Broaden the appeal of being a member through experience, value and benefits Celebrate our people 	<ul style="list-style-type: none"> Develop strategies to grow the geographical footprint of our membership and inventory across Australia Investigate opportunities for growth internationally and to develop pathways to export markets Develop opportunities for a branded beef product 	<ul style="list-style-type: none"> Commission a white paper on DNA and EBVs to inform our members of the pros and cons Conduct relevant research & development projects to improve the knowledge and genetic evaluation tools available to members Enhance member awareness on breed standards and relevant research and development programs Liase with key stakeholders (R&D organisations, service providers) to stay relevant with modern technologies 	<ul style="list-style-type: none"> Undertake a brand audit and develop a marketing plan/strategy to increase exposure through out the product supply chain Review and update our communications interfaces (website, e-news letters etc) and modernise our corporate identity Commission a small film production to tell "Our Story" 	<ul style="list-style-type: none"> Review and develop committee charters for all subcommittees Increase revenue for Society events and sponsored sales via partnerships and sponsorships Review and improve how the Society captures and utilises data and implement a modern web-based database system to manage membership and inventory records Review and modernise the constitution to meet statutory requirements Maintain appropriate resources and skilled personnel to support effective business systems and practices Maintain an effective and appropriate skilled Board through annual reviews Review our current Society sponsored events to maintain relevance and also so they are conducted efficiently Financial management - "every dollar counts" - cost management, revised delegated authorities, 5 year corporate financial model for planning and strategic management Review and update policies and procedures
OPERATING OUTCOMES	<ul style="list-style-type: none"> Member retention and improvements in value to members 	<ul style="list-style-type: none"> Increase in geographic footprint and exposure 	<ul style="list-style-type: none"> Genetic improvement and breed excellence, protect breed integrity 	<ul style="list-style-type: none"> Brand & breed awareness 	<ul style="list-style-type: none"> Operational efficiency and evolution



OUR VALUES

HONESTY & INTEGRITY

Accountable to the highest ethical standards, demonstrating honesty, professionalism and sincerity.

PASSION & EXCELLENCE

Striving for excellence, taking responsibility for our actions and decisions.

FAIRNESS & RESPECT

Empowering others to reach their potential, demonstrating unity, humility, grace and gratitude.

CURIOSITY & CHALLENGE

Creating an environment whereby curiosity, challenge and innovation is encouraged.

KEY THEMES – THE ROAD AHEAD

Society Culture - Members understand the key focus areas and “The Road Ahead”

FROM THIS

TO THIS

“The Road Ahead”



Observation: Lack of strategic focus



Outcome: Clear strategy on the way forward

KEY THEMES – THE ROAD AHEAD

Data Capture & Utilisation - To make informed decisions and statements, demonstrate the qualities of the breed throughout the supply chain

FROM THIS

TO THIS



Observation: “I think”



Outcome: “I know”

KEY THEMES – THE ROAD AHEAD

Promotion & Marketing – Recognition of the brand and the breed throughout the entire supply chain

FROM THIS



Observation: Promotion and marketing is limited to our bubble

TO THIS



Outcome: Need to increase promotion and marketing to include the entire supply chain

KEY THEMES – THE ROAD AHEAD

Droughtmaster Australia can learn from Cricket – Evolution & Development

Droughtmaster Australia

From cricket focused...

Droughtmaster Australia
Activities, Events,
Sponsored Sales



Sheffield Shield Cricket
Queensland Bulls

EVOLUTION

- Promotion & marketing
- Product improvement & development
- Embrace technology
- Retain & recruit members
- Cultural reset & unity
- Sponsors & corporate partners
- Operational efficiency
- Financial management



Big Bash

Observation: Cricket has had to continually evolve, innovate and reinvent to stay relevant.

Outcome: Evolve and embrace change or lose relevance.

MEASURES OF SUCCESS



- Member retention & growth through improved communications, benefits and value
- Brand awareness through improved marketing and promotion
- Improved data capture and utilisation
- Up-weighting in Society activities, events and sponsored sales
- Genetic improvement and breed excellence, protect breed integrity
- Increased partnerships and sponsorships
- Operational efficiency and financial management
- Advancement in technology

Let's go!

