



R&D Snapshot

Industry returns on investment from APL R&D – Gilt Enhancement and Physi-Trace

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Purpose:

- To conduct a cost-benefit analyses of APL's research and development programs in gilt enhancement and Physi-Trace. Physi-Trace is a globally unique tool enabling Australian fresh pork to be accurately traced to property of origin as well as identification of ham and bacon as 'Australian or not' – supporting compliance with country of origin labelling requirements and related claims.

Take home messages:

- The net benefit or net present value of APL funded gilt enhancement R&D projects was estimated at \$15.45 million in 2017/18, with a benefit cost ratio of 7.89.
- The present value of Physi-Trace to financial year 2037 was estimated at \$263.4 million (under a 7% discount rate).
- The breakdown of benefits for scenarios assessed were \$79.8 million (for recovery of Singapore market after a residue situation), \$44.1 million (restoring consumer confidence following a falsely labelled "Australian" ham and bacon scenario) and \$139.5 million (facilitating premium offal exports to China).
- The benefit cost ratio of the Physi-Trace R&D program was estimated to be 15.83.

Additional information:

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APL Project 2016/2247 – APL Gilt enhancement and Physi-Trace R&D programs: Cost benefit analyses

