



GROWTH STATE: OUR PLAN FOR PROSPERITY

FOOD, WINE AND AGRIBUSINESS

DISCUSSION PAPER

Contents

Messages	3	The 2030 Ambition	17
From the Minister	3	Vision	17
From Primary Producers SA	4	Goals	17
From Food South Australia	4	Opportunities and barriers to growth	18
From the SA Wine Industry Association	4	Case Study: The Netherlands	20
Growth State Overview	5	Our Roles	22
What is food, wine and agribusiness?	6	Role of Industry	22
Industry revenue	7	Role of Government	23
Contribution to Gross State Product	8	Alignment with Industry Plans	24
Exports	9	Measures	26
Industry Summaries	10	Consultation	28
Food and Beverage (excluding wine)	10	Summary of Questions	29
Field Crops	11		
Meat and Livestock	13		
Wine	11		
Horticulture	14		
Seafood	15		
Forestry	16		

Messages

FROM THE MINISTER

The State Government is committed to supporting our primary industries to invest, expand and grow.

To drive this, the government has set an objective to lift the sustainable economic growth rate in South Australia to an average of 3 per cent per year.

Former New Zealand Economic Development Minister, the Hon Steven Joyce, was commissioned by the Government to make recommendations that would assist industry in reaching this goal.

Growth State: our plan for prosperity will become our plan to promote industry growth by responding to industry needs and leveraging South Australia's competitive advantages.

Growth State will ensure the government stays focused on what matters to business and industry.

This plan will consist of policies, programs and projects collectively designed to develop the state's capabilities, lift the competitiveness and attract

investment, with a focus on export areas across four streams of government action – trade and investment, skills and innovation, infrastructure, and land, water and the environment.

The food, wine and agribusiness sector is one of nine priority sectors that have been identified for growth.

Each of these sectors will develop their own strategy or plan which will be forward thinking, ambitious and identify opportunities and actions needed to achieve the economic growth target.

This Discussion Paper has been prepared to help guide the development of a Food, Wine and Agribusiness Sector Plan.

Developing a whole of sector plan will enable us to build on the work already undertaken by industry and identify key targets to reach the Growth State goal.

The paper will do this by examining opportunities and challenges associated with food, wine and agribusiness, and

identifying the actions needed by both government and industry to deliver results.

Industry ownership of this sector plan is vital for success and I encourage you to contribute to this Discussion Paper.

I look forward to seeing this collaborative effort result in economic growth for the state's food, wine and agribusiness sector.

TIM WHETSTONE
MINISTER FOR PRIMARY
INDUSTRIES AND REGIONAL
DEVELOPMENT

FROM PRIMARY PRODUCERS SA

Primary Producers SA (PPSA) welcomes this opportunity to focus beyond the short term, and try and identify where we can grow food, wine and agribusiness value to the state.

Whilst this sector is the state's dominant export contributor, we need to explore how working together we can grow the value.

The industry would love to see a greater move from commodity to value add and the resulting

benefits to the state and regions. Food waste is a huge issue, and with the new Food Waste Cooperative Research Centre, we are anxious to see much of that waste put to use as food and other products.

The plan is an opportunity to come together to examine how that growth can be best achieved. PPSA encourages industry to take this opportunity to put ideas forward and share how we may achieve the growth plan.

Working together as an industry and government, I am sure through ideas, technology and the great culture of our industries we can continue to grow our contribution to the state and benefit many businesses.

ROB KERIN
CHAIR, PRIMARY
PRODUCERS SA

FROM FOOD SOUTH AUSTRALIA

The South Australian food and beverage industry has long been the engine room of the state's economy. We have seen year on year growth in food and beverage manufacturing over the past 20 years and one in five working South Australians is employed in the industry. The food and beverage processing and manufacturing sector makes a direct contribution of over \$1.5 billion to South Australia's Gross State Product.

Growth State is not just another consultation process. It is an industry led discussion which will lead to actions that will help our industry continue to grow. It won't be for every business, but for those with a focus on growth, it is your opportunity to shape the growth agenda.

I strongly encourage all food and beverage businesses to participate in the process. There are many different ways to engage. It is the industry's

opportunity to strongly influence government and partner together for future growth. The greatest outcomes for the state have always come with a strong partnership between industry and government and the final document will be the roadmap for future success of South Australia's food and beverage industry.

CATHERINE SAYER
CEO, FOOD SOUTH
AUSTRALIA

FROM THE SA WINE INDUSTRY ASSOCIATION

The South Australian wine industry continues to be successful in growing demand for its products both domestically and internationally, opening up new markets, whilst continuing research and development to challenge existing boundaries.

Having a goal and a plan to move toward annual growth of 3% to 2030 is supported and we will play our part to achieve this outcome. Importantly, effective collaboration with government is crucial to ensure policy and program settings maintain and

capitalise on opportunities while continuing to build our market position.

A strong wine industry creates new opportunities for employment. Being a regionally based industry, wine underpins many regional communities. There are growth regions that are clearly important to understand and support.

South Australia is home to globally recognised iconic brands and the industry's reputation is held in the highest regard. Our industry environmental initiatives

will ensure growth is achieved sustainably. This positioning is crucial as we grow.

South Australia is a wine information hub and provides cutting-edge innovations through its various research institutes. This spirit of innovation and collaboration will see the South Australia wine industry well-placed to continue its growth towards 2030.

BRIAN SMEDLEY
CHIEF EXECUTIVE,
SA WINE INDUSTRY
ASSOCIATION

Growth State Overview

What is the Growth State target?

To lift South Australia's
Economic Growth to

3%

average annual growth
in Gross State Product (GSP)

Growth State is a work plan to promote industry growth by responding to the needs of business and industries. At its heart, Growth State articulates what government is doing, informed by what industry needs.

What will be done?

Four streams have been identified as enablers to lift the state's competitiveness and attract investment

Trade and Investment
Skills and Innovation
Infrastructure
Land, Water and the Environment

How will growth be realised?

Growth will be realised by responding to industry needs and leveraging South Australia's competitive advantages.

Through a coordinated government commitment to real actions and deliverables, we will encourage investment to achieve sustainable growth across a number of sectors.

Food, Wine and Agribusiness
International education
Tourism
Defence
Space industries
The High-Tech sector
Health and medical industries
Energy and minerals
Creative industries

Who will be involved?

Government will work with industry to establish measurable targets that will contribute to South Australia's economic growth and identify the priority policies, programs and projects required to achieve that growth.

Example Measures

Sector GSP Contribution
Revenue
Exports
Employment
Investment

WHAT IS FOOD, WINE AND AGRIBUSINESS?

Food, wine and agribusiness is a key pillar of South Australia's economy. It is central to our identity and will continue to drive our future economic prosperity.

Food, wine and agribusiness is large and diverse covering primary production, forestry, fishing, aquaculture and processing of these products, as well as food, wine, fibre and beverage manufacturing.

In 2017–18 food, wine and agribusiness generated \$14.8 billion in revenue, directly contributed over \$8 billion to Gross State Product and produced well over half of the state's merchandise exports at \$6.7 billion, making it our largest export sector.

Food and wine is the largest manufacturing sector in South Australia – the only major manufacturing sector in the state to show steady growth in employment and revenue over the past two decades.

The strength of this sector means regional areas are a major driver of our state's economy with strong production and vibrant regional communities.

Our food, wine and agribusiness industries – which includes primary producers, processors, manufacturers and exporters – are major employers, directly and through the industry supply chains.

Food, wine and agribusiness is also a central component of the state's tourism sector, with food and wine attracting tourists and income from interstate and around the world.

The sector embraces science, adopts new technologies and fosters a culture of innovation to help industry get the job done smarter, more efficiently and more productively. Applied science delivers on-ground benefits and informs our policies and programs.

The food, wine and agribusiness sector is critical to the state's economy. With new investment and considered strategy, the sector can move well beyond existing strong growth.

SECTOR BUSINESSES

14,500 primary producers

1,000 food and beverage businesses

684 wineries

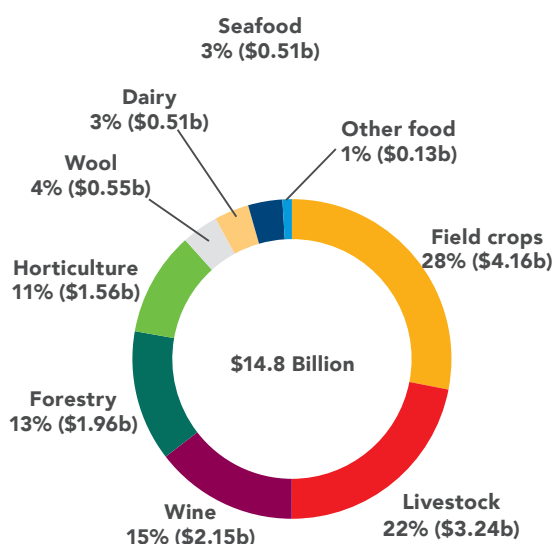
600 wood and paper product manufacturers

ABS Business Counts and Industry Sources

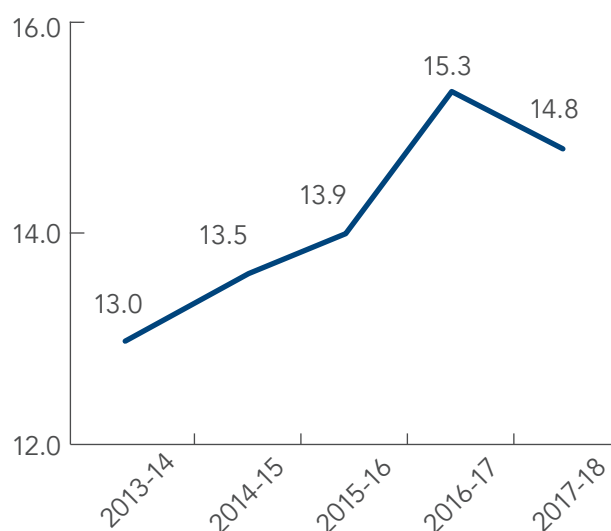
INDUSTRY REVENUE

The food, wine and agribusiness sector sells hundreds of different products into domestic and international markets.

Industry revenue has grown strongly in recent years led by increasing values of wine and livestock. Annual primary production values can be variable depending on seasonal and market conditions. For example, below average rainfall in 2017–18 saw a significant decline in field crop production, following a record crop in 2016–17.



SA Primary Industries and Agribusiness Revenue 2017–18
PIRSA Scorecard



SA Primary Industries and Agribusiness Revenue 2017–18
\$ billion, PIRSA Scorecard

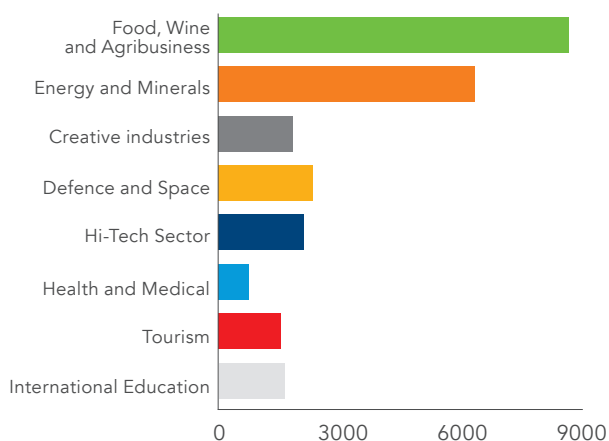
CONTRIBUTION TO GROSS STATE PRODUCT

There has been long term growth in primary production and processing, however there remain significant future challenges and opportunities to reach 3% per annum growth.

Food, wine and agribusiness is a significant contributor to the state's economy and the largest export sector.

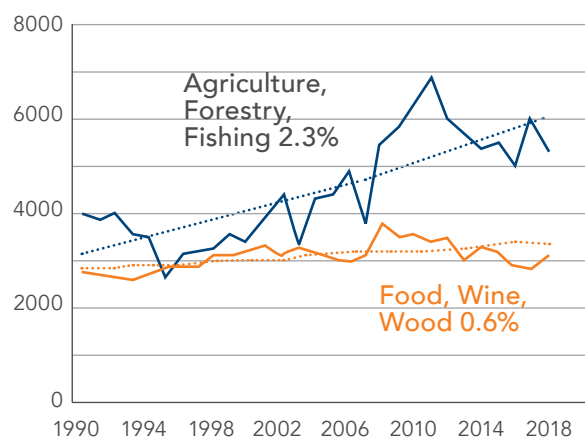
Agriculture contribution to GSP is particularly volatile reflecting the significant impact seasonal conditions (such as drought) can have on agricultural production.

Gross State Product is a measure of economic activity. For an industry it can be thought of the value the sector adds to the economy – equal to the value of goods and services produced minus the cost of inputs used in the production.



Industry Gross Value-Add (GSP Contribution)

Selected Industries, \$ million, REMPLAN 2018

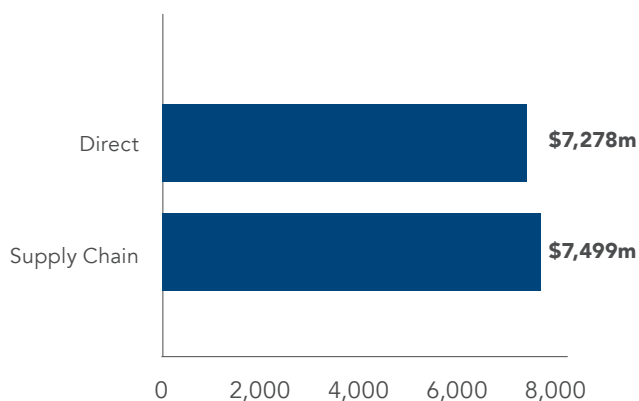


Industry Gross Value-Add (GSP Contribution)

\$ million, ABS State Accounts, Chain Volume Measures

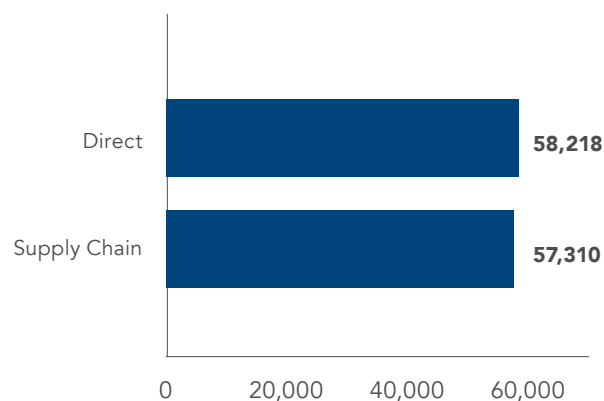
In addition to direct industry contribution, the sector supports economic activity through its supply chains.

Examples of supply chain inputs include transport, fertiliser, packaging and professional services.



Direct and Indirect Industry Value-Add (GSP Contribution)

\$ million, REMPLAN 2018

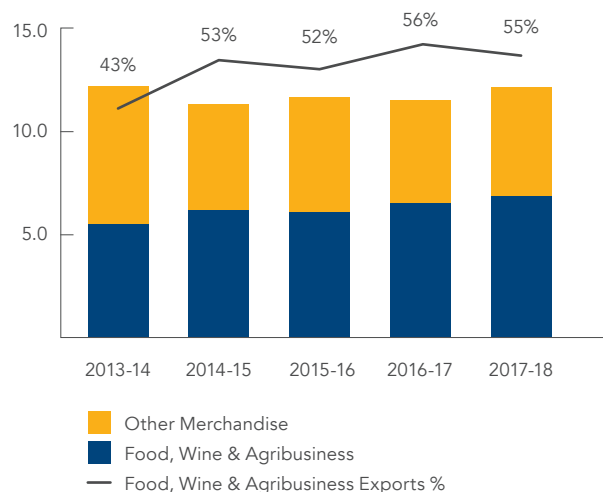


Industry Gross Value-Add (GSP Contribution)

\$ million, ABS State Accounts, Chain Volume Measures

EXPORTS

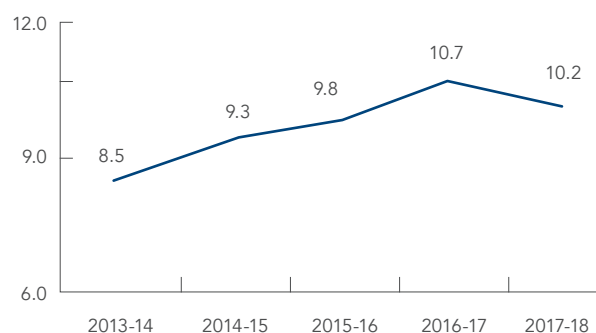
South Australian food, wine and agribusiness international exports are already worth \$6.7 billion, accounting for over half of the state's merchandise exports.



SA Merchandise Exports

\$ billion, ABS Trade via GTA Database

Interstate trade is also an important contributor to the state's economy. The food, wine and agribusiness sector accounts for 29% of total SA sales outside of SA (2018, Regional Exports, REMPLAN).

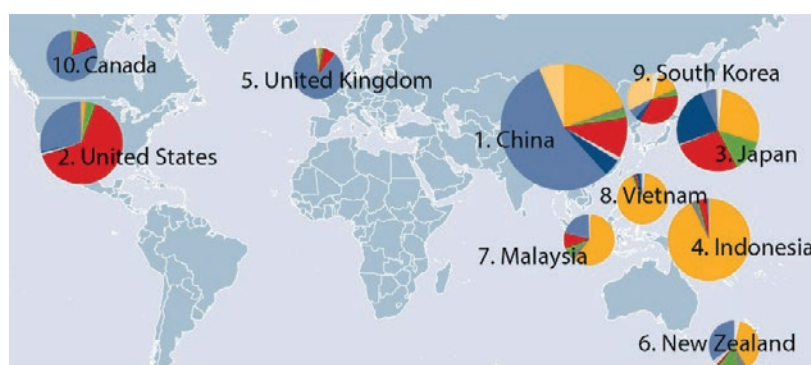
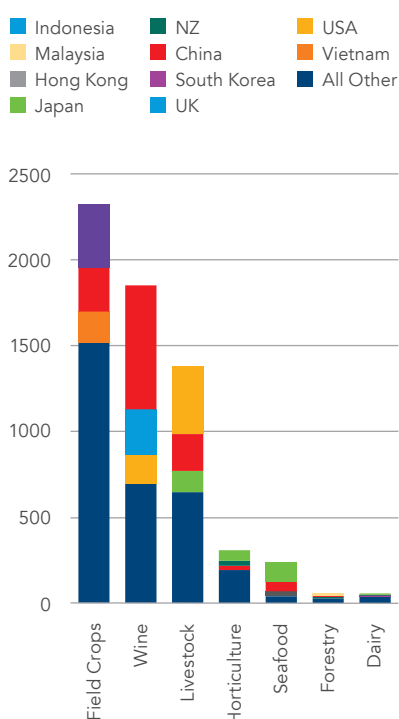


Total International & Interstate Trade plus change in inventory*

\$billion, Source PIRSA Scorecard

*change in inventory is calculated for sectors that store product beyond one season, for example grain and wine.

SA's food, wine and agribusiness products are exported to more than 100 countries, with recent growth led by exports to China. Other major markets including USA, Japan and markets throughout Asia.



SA Merchandise Exports

Top 10 SA Food, Wine and Agribusiness Markets and Top 3 Markets by Sector (2017-18)

\$ billion, ABS Trade via GTA Database

Industry Summaries

FOOD AND BEVERAGE (EXCLUDING WINE)

The food and beverage manufacturing industry showcases a wide variety of premium products that enhance the state's international reputation as a premium food and beverage producer.

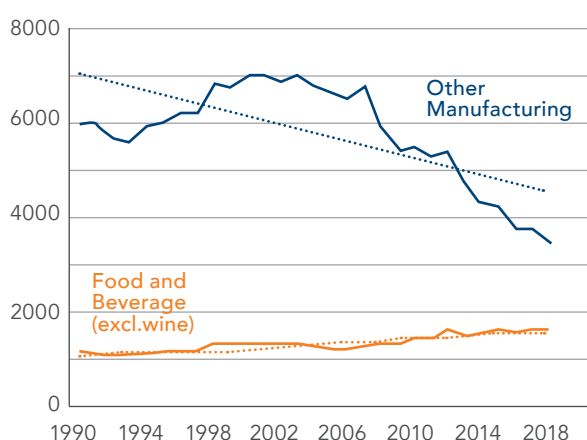
South Australia's food and beverage industry generated \$9 billion in revenue in 2017–18. While other manufacturing sectors in South Australia have been in significant decline, food industry employment, revenue and contribution to GSP has trended up in recent decades.

In addition to the value-adding of SA's primary products (detailed on the following pages), the local food and beverage industry includes a wide range of food production such as confectionery, alcoholic and non-alcoholic beverages, convenience and other specialty foods.

South Australian food and beverage brands and products are renowned internationally for our quality and the rigorous systems and standards for food safety. In a challenging and competitive manufacturing environment, the food and beverage industry in this state has significant opportunities to grow, particularly through innovation and collaboration.

There is significant investment in research and development to support the food manufacturing industry to create innovative, new products and new or improved manufacturing solutions. The development of innovative food products is crucial to attracting more consumers and creating effective business processes to open new markets and increase exports and profitability.

South Australia's food and beverage industry has evolved to become one that is both a developer and adopter of innovation. Our food industry has a range of new ideas around packaging, value-adding through functionality, and harnessing technology to optimise food production.



Selected SA Manufacturing Industry Gross Value-Add (GSP Contribution). \$ billion, Source: ABS State Accounts

WINE

In 2017–18, South Australia’s wine industry generated \$2.15 billion in revenue with 535 million litres of wine exported, worth \$1.85 billion.

South Australia has an estimated 76,000 hectares under vine, produces 50% of all bottled wine in Australia and almost 80% of the country’s premium wine.

There are 18 wine regions in South Australia. It maintains 684 wine producers, more than 3,300 vineyard owners, and 350 cellar doors – 200 of which are within an hour’s drive of Adelaide.

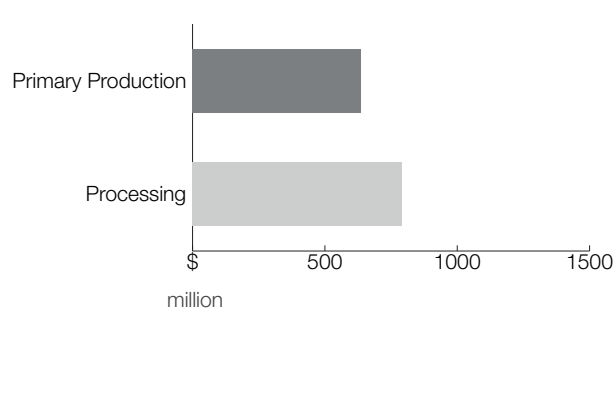
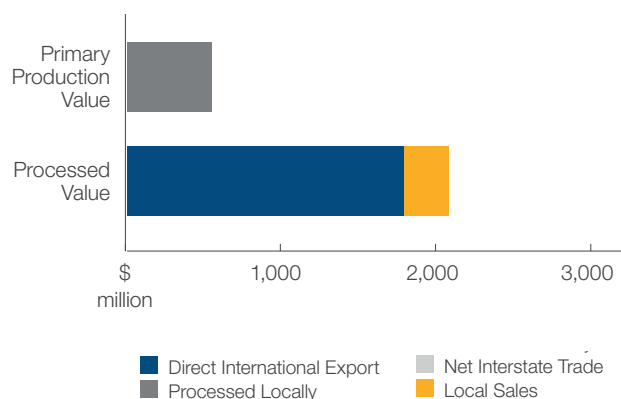
South Australia’s wine industry is internationally renowned for producing premium wines, with the state exporting to more than 100 countries.

We have some of the oldest vines in the world thanks to rigorous biosecurity measures, which have kept us free of phylloxera – a pest which has ravaged the vines in many of the world’s great wine producing regions.

South Australia is home to all major national industry representative and research bodies, including Wine Australia, the Australian Grape and Wine and the Australian Wine Research Institute – providing leadership in winemaking and viticulture intellect and expertise.

South Australia is a member of the Great Wine Capitals Global Network – a prestigious network of ten of the world’s most renowned wine growing regions including Bordeaux and the Napa Valley.

Growth opportunities remain relatively flat for wine sales in the domestic market so wine businesses seeking to grow need to access export markets. Recent growth has been driven by strong demand for premium wine in China. Additional opportunities exist in other high value markets in Asia, the United States and across the globe. It is important to spread risk by exporting to an increased number of markets.



2017–18 industry revenue, value adding and markets (PIRSA Scorecard); GSP (ABS, REMPLAN 2017/18)

FIELD CROPS

In 2017–18 the field crops industry produced 6.9 million tonnes of grain, with a total revenue value of \$4.2 billion.

About 4 million hectares of crop is sown annually, producing wheat, barley, canola, lentils, oats, peas, beans, lupins, chickpeas and seeds.

South Australia's 10-year average is about 7.9 million tonnes of grain harvested per year.

About 85% of our grain is exported, going to 55 countries around the world including India, Indonesia and Bangladesh.

South Australia's production of grain is sustainable and primarily rain fed (no irrigation) with minimal inputs of fertilisers and chemicals, achieving around 2% annual increase in grain yields over the past 30 years. Seasonal variability and global market conditions can have a significant impact on the value of annual grain production.

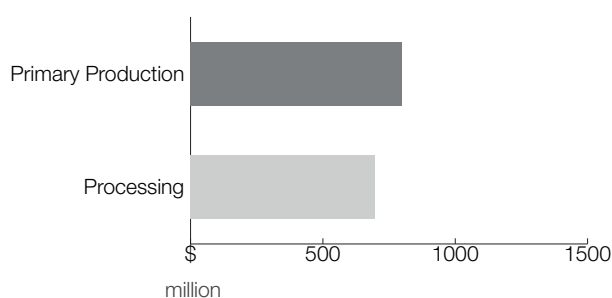
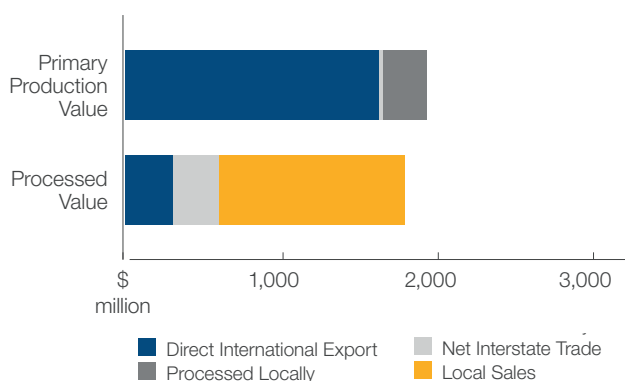
While only about 20% of production is processed locally, local processing is a significant employer in sectors including baking, milling, cereal manufacturing and malt and beverage sectors. Further increases in local processing could provide substantial growth opportunities.

State of the art, world-class research and development facilities can be found at the University of Adelaide's Waite Campus in plant breeding and plant functional genomics targeting improved plant performance and quality suited to end use of grain products.

PIRSA's South Australian Research and Development Institute (SARDI) has a \$50 million strategic partnership with the Grains Research and Development Corporation to secure the future of grain industry research in South Australia, focusing on programs of state and national importance including farming systems for low to medium rainfall areas, crop protection and crop improvement.

There are opportunities to grow productivity through soil management. Trials have shown soil modification treatments can increase crop yields by 70-200% in South Australia.

There are significant opportunities to expand exports of field crops, particularly to South East Asia. There are also opportunities to increase the value of our products through targeting high value markets and increasing local processing.



2017–18 industry revenue, value adding and markets (PIRSA Scorecard); GSP (ABS, REMPLAN 2017/18)

MEAT AND LIVESTOCK

In 2017–18, South Australian livestock industries generated approximately \$4.3 billion revenue, or about 30% of total agriculture, food and wine industry revenue.

Beef and dairy cattle, sheep, pigs, chickens, turkeys, goats, alpacas, kangaroo, deer, rabbits, buffalo and bees are among the species farmed over much of South Australia for meat, wool, hides, milk, eggs and honey.

With 11 million head, sheep are South Australia's largest livestock sector and farmed throughout the cereal and high rainfall regions and southern part of the pastoral zone.

There are one million beef cattle in South Australia, which are widely distributed from the north of the state to the south eastern pastures.

South Australia also has 75,000 dairy cows which produced more than 500 million litres of milk in 2017–18. South Australia's average milk volume produced per cow is consistently the highest in Australia.

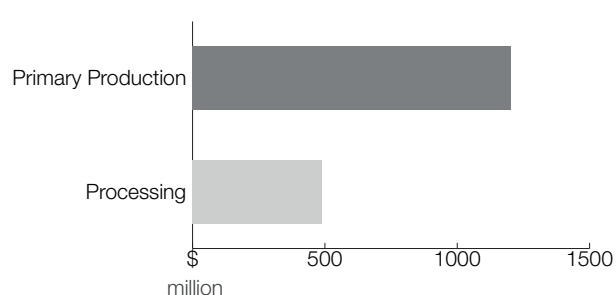
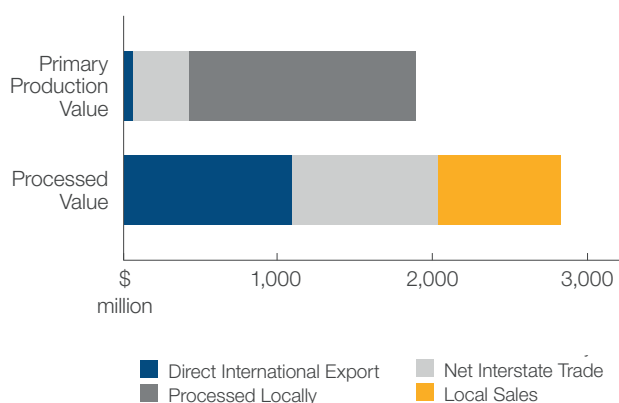
Pigs and poultry are typically more centrally located in regions offering reliable and affordable water, grain, feed-mills and processing plants, in less populated areas close to transport routes.

The state also provides significant volumes of fresh pork and chicken meat locally and across Australia.

Chicken meat and processing is the fastest growing livestock industry in South Australia.

South Australia leads the country in the development of the wild harvest meat industries, with camels processed for export markets. The state is a strong exporter of beef, sheep meat, wool, with Asian markets increasing over recent years, particularly in China.

There remains strong demand for meat and wool, despite the herd and flock declining since 2010, with investment opportunities in all aspects of animal production and processing in South Australia. This includes further increasing the supply of red meat and wool and further increasing the production and value of high value dairy products.



2017–18 industry revenue, value adding and markets (PIRSA Scorecard); GSP (ABS,REMPAN 2017/18)

HORTICULTURE

Fruit, nuts and vegetables make up South Australia's horticulture industry, growing more than 960,000 tonnes of product per year and generating \$1.6 billion in revenue.

Tomatoes, potatoes, almonds and citrus are the largest of a vast range of fruit and vegetable crops produced in South Australia.

South Australia is the biggest producer of potatoes in Australia and has the largest area of protected cropping, with more than 1,100 hectares. Almonds and citrus are the state's largest horticulture exports.

South Australia is a major producer of quality horticulture and recognised for its excellence in environmentally clean, safe and advanced agricultural production.

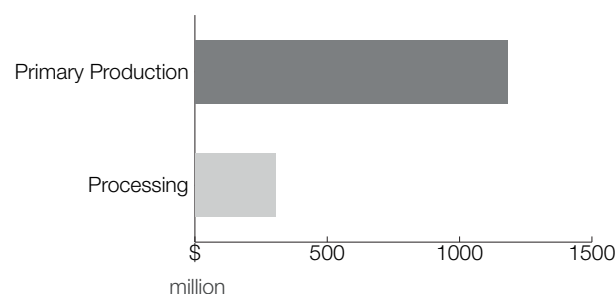
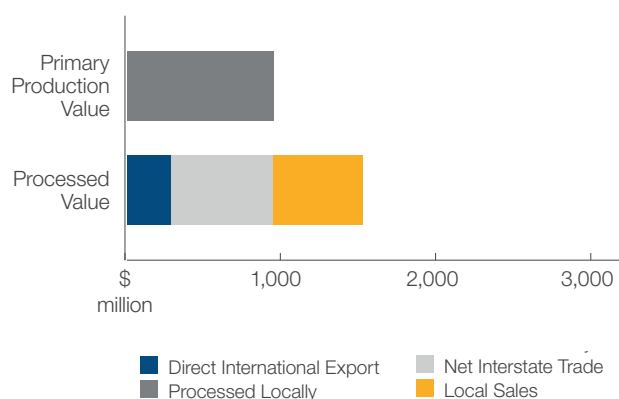
The state's fruit-fly free status is a key selling point to overseas export markets.

Almond industry growth has been driven by significant investment in major tree plantings to meet strong global demand.

The state's horticulture industry has prioritised high density orchard plantings in apples, citrus, almonds and stone fruit as an opportunity for increasing yields and automation.

The horticulture industry and the South Australian Government are investing in high-tech, sustainable horticulture technology. These innovations include the construction of the southern hemisphere's largest climate controlled glasshouse, as well as a seawater and solar fed greenhouse facility.

There are major growth opportunities for the horticulture industry, including through investment in production and packing, increasing productivity and efficiencies and increasing international exports through improved market access.



2017-18 industry revenue, value adding and markets (PIRSA Scorecard); GSP (ABS, REMPLAN 2017/18)

SEAFOOD

In 2017–18, the wild catch and aquaculture industries produced approximately 70,000 tonnes of seafood. This sector generated total revenue value of \$515 million.

Southern Bluefin Tuna is the state's largest single aquaculture product, with international exports of \$115 million in 2017–18.

Southern Rock Lobster is the state's highest value fishery valued at \$125 million.

The SA sardine fishery is Australia's single largest fishery by volume, producing up to 43,000 tonnes per year.

South Australia's clean waters are home to some of the world's most sought after seafood including Southern Rock Lobster, Southern Bluefin Tuna, Oysters, King Prawns and Abalone.

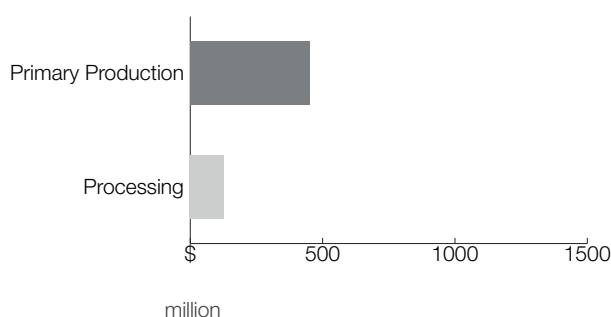
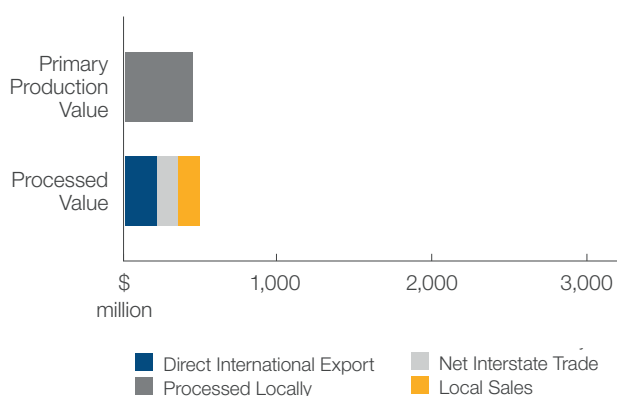
South Australia is recognised worldwide for its robust and comprehensive policy and legislative frameworks, which ensure ecologically sustainable development in our fisheries and aquaculture sectors.

South Australia's seafood industry is crucial to many of the state's coastal towns, with species such as Southern Rock Lobster and Southern Bluefin Tuna delivering significant economic returns and employment opportunities for regional communities.

Port Lincoln is home to the largest commercial fishing fleet in the Southern Hemisphere. More than 2,000 South Australians are directly employed in the seafood sector, and another almost 3,000 are employed in associated activities.

South Australian seafood is consumed across Australia and exported to the world, with international destinations ranging from Japan for tuna and China including Hong Kong for Abalone and Southern Rock Lobster.

Global demand for premium, sustainable seafood presents further opportunities for the expansion of new and existing aquaculture production regions and species in the state.



2017–18 industry revenue, value adding and markets (PIRSA Scorecard); GSP (ABS, REMPLAN 2017/18)

FORESTRY

More than 4.3 million cubic metres of logs were harvested from South Australian plantations in 2016–17 (13% of Australia’s total). In 2016–17, forestry sector revenue totalled \$1.96 billion.

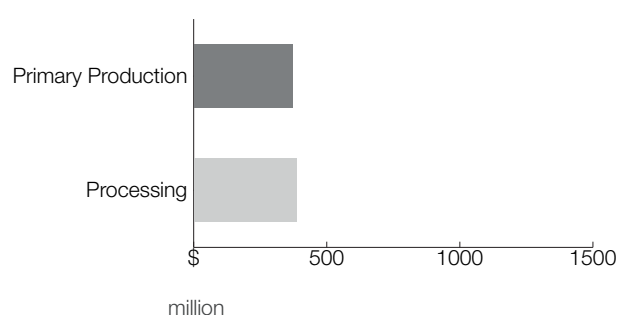
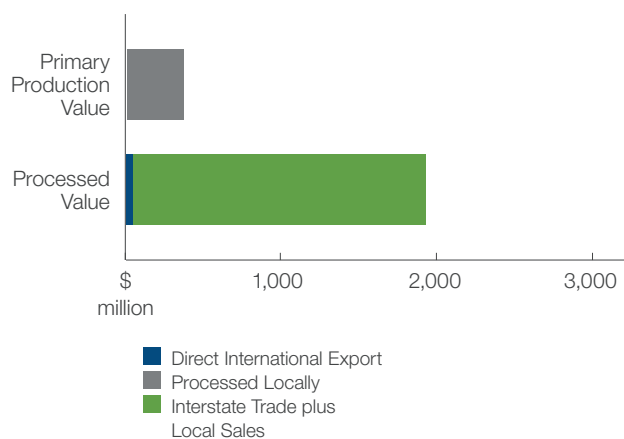
Plantations in the state cover 175,900 hectares and the main species grown are radiata pine (*Pinus radiata*) and Tasmanian blue gum (*Eucalyptus globulus*).

The Green Triangle is part of one of the most productive forestry areas in Australia and is located close to manufacturers and ports.

For more than a century South Australia has been a leader in forest development and management. The state’s forest and wood processing industries are entirely plantation-based and no native forests are harvested.

Input into South Australia’s forest and wood processing industries and overseas exports exceed more than 4 million cubic metres. All the state’s major plantations have internationally recognised environmental certification, and forestry is the only primary industry sector that absorbs more carbon dioxide than it emits.

Domestic and global demand for wood and paper products, along with opportunities to continue to add value through processing, present further prospects for South Australia.



2017–18 industry revenue, value adding and markets (PIRSA Scorecard) GSP (ABS, REMPLAN 2017/18)

The 2030 Ambition

VISION

The future vision for the food, wine and agribusiness sector needs to be developed and owned by industry.

The work of the growth agenda is complementary to other industry state and national strategies specifically focusing on how we can grow GSP, so the State Government can align its resources and work collaboratively with industry to achieve that outcome.

Examples of headline visions in existing industry plans:

National Farmers' Federation 2030 Roadmap: To exceed \$100 billion in farm gate output by 2030 (Revenue, equates to 4% p.a.)

SA Sheep Industry Blueprint: 'Increase productivity and value by 20% by 2020" (Revenue from \$1.48 billion to \$1.8 billion)

SA Wine Industry Plan: In 2020 the wine industry in South Australia is the most influential in Australia and is recognised as a global leader in wine production

GOALS

The goals of the plan should also be aligned to the vision and the strategies and actions to achieve it.

Examples of goals and measures:

SA Sheep Industry Blueprint:

- 7% increase in ewe flock
- 4% increase in weaning rate
- 4% higher average daily weight gain in lambs
- 5% increase in wool production.

SA Beef Industry Blueprint:

- Increase the supply of SA bred stock by 60,000 per year.

Other economic measures could include:

- International and Interstate Exports
- GSP Contribution
- Private Investment
- R&D Investment.

QUESTIONS

1. What does growth look like for your business?
2. What are you currently doing to achieve growth?

OPPORTUNITIES AND BARRIERS TO GROWTH

To achieve the 3% average growth target, key opportunities and barriers need to be agreed and acted on.

The sector is well placed to meet the growing world demand for quality food and agricultural products.

The diversity and quality of our food and agricultural industries and strength of our research and development underpins our sector.

The key enablers to growth provide a useful framework for assessing these opportunities and challenges.

Trade and Investment

Increasing our sector's connection to markets, its competitiveness, productivity and readiness for investment is essential to growing the sector, maintaining our current markets and realising our export opportunities.

Some of the opportunities and barriers include:

- understanding future customer and market requirements (i.e. responding to changing climate, demand for sustainability, health and wellness products and premium products)
- changing markets and distribution channels
- market access
 - market knowledge
 - free trade agreements
 - meeting technical requirements
 - in-market presence
- access to capital to drive investment
- brand awareness / building brand
- proximity to rapidly growing middle and upper class in Asia
- commitment to, and reputation for, food safety, biosecurity product integrity and environmental credentials
- producing high value, differentiated products from our state's primary production
- building scale to meet export market requirements
- building national and international competitiveness
- promoting local research and development into new technologies, crops, and climate adaptation and management approaches.

Infrastructure

Productive infrastructure will drive the expansion of existing industries and unlock new opportunities in the industries of the future.

The transport network and supply chain, water, electricity, gas and telecommunications are vital for the cost competitiveness of our industries and regions.

Some of the opportunities and barriers include:

- building efficient and cost effective supply chains
- direct and timely connections to market via air, road and sea
- ensuring the integrity of the cold chain to maximise shelf life and product quality
- improving digital communications across the state
- regional community infrastructure
- developing on-site clean energy generation and storage
- adopting emerging technologies in electric, hydrogen and biofuel powered transport.

Skills and Innovation

The food, wine and agribusiness sector has a strong history of being at the forefront of innovation through world leading research and a tradition of finding better ways to do things.

Much of the sector's success over the past decade has been through the application of scientific advances and new technology to our farming systems, genetics, water use, pest and disease management and manufacturing to increase productivity and competitiveness.

Innovation and adoption of research, technology and data use will continue to be essential to realising the sector's growth potential and addressing emerging risks.

Some of the opportunities and barriers include:

- access to and costs of skilled workforce, particularly in regions
- building business capability including in financial literacy
- research and development to drive innovation and new product development
- unlocking productivity and competitiveness
- traceability to protect IP, brands and provenance
- accelerating adoption of new technologies such as in the AgTech sector
- better use of digital technology and data.

Land, Water and Environment

South Australia's natural environment is one of our strengths, but to enable future growth these resources must be managed sustainably now and into the future. Consumers and the community increasingly expect primary producers to be active stewards of these natural assets.

Extreme weather events and changes to the climate present real challenges for primary producers. Changes in business management, production practices, product types and varieties may be required to adapt and be resilient.

Some of the opportunities and barriers include:

- growing and processing sustainably
- intensification of production for environmental outcomes
- competition for resources
 - o land use
 - o water access
- variable and changing climate posing risks to crops, animal health and assets
- carbon farming and managing soil carbon
- increasing threats of new and existing pests and diseases
- opportunities for farm businesses to receive recognition and value add for the eco-system services they provide, such as enhancing biodiversity and absorbing carbon
- innovative packaging.

QUESTIONS

3. In terms of the key enablers identified (trade and investment, skills and innovation, infrastructure and land, water and the environment) what specific actions could be taken to achieve growth now and in the future? What are the top priorities?
4. What would assist you to increase the productivity of your business and the sector as a whole? What are the top priorities?
5. What prevents new business and investment in your sector? Provide specific examples.
6. What inhibits you accessing your markets (e.g. tariffs, cold chain logistics, transport cost)? What specific actions could be taken to address these?
7. What challenges do you face with the changing needs of customers (e.g. consumer trends, product/supply chain traceability systems, sustainability practices)? What specific actions could be taken to address these?
8. Do businesses in your industry have difficulty recruiting staff with the right skills? If so, what skills gaps are the most pressing now and into the future?
9. How can innovation and the uptake of new technologies be improved in the sector? What specific technologies should we focus on? How would they assist us to achieve growth?
10. What could be done to enhance the competitiveness of the sector?
11. What are your specific research and development priorities now and into the future?
12. What are the key challenges and opportunities in adapting to a changing climate?

WHO CAN WE LEARN FROM?

CASE STUDY: The Netherlands

The Netherlands may be low in land mass but the Dutch have long had a motto of 'twice the food using half the resources'. The Netherlands is 185th the size of Australia yet produces almost three times more agri-food earnings than Australia.

With primary production spanning intensive horticulture, tree crops, dairy and pork, the Netherlands is the world's second largest exporter of agricultural products after the USA. Their 'mission to feed the world' is clearly working.

So what are they getting right?

The industry is **focussed throughout the chain**, with expertise in production, food processing, commerce, trade, logistics and research all vital to success.

The nation has clear, **long-term growth targets**. Their *Knowledge and Innovation Agenda* brings together government, private sector, universities and research centres to increase the strength of their sectors, with industry playing a central role.

They have also developed a **culture of open collaboration and clever innovation**. Building on their *Knowledge and Innovation Agenda*, government plays a supporting role by actively connecting complementary businesses, academics and entrepreneurs. Research at

universities and institutes is funded through a mixture of public-private partnerships that provides a basis for supporting this collaborative innovation environment.

The Dutch **invest heavily in research and development (R&D)**. It's not unusual for operators to invest 30% of their annual turnover in R&D. They are focused on the needs of tomorrow's consumers. The preservation of a family business culture focuses investment decisions based on the long-term over short-term gain.

Given the small land area in The Netherlands – 42,500 km² – the public is more mindful of agriculture and food producers are mindful of resource use. They examine the whole system to find efficiency opportunities such as turning waste into revenue.

The result of this innovation mindset? The largest segment of Dutch agri-food export earnings is technology and intellectual property (IP).

QUESTION

13. What other countries should we be looking to learn from? What are they doing that is best practice?

Our Roles

ROLE OF INDUSTRY

The vision for the food, wine and agribusiness sector needs to be led by the industry as a whole. Farmers, growers, manufacturers – and everyone along the value chain – are capable of setting aims and putting in place strategies on how to achieve greater productivity, profitability and competitiveness in their business.

The development of a plan for the Food, Wine and Agribusiness sector will seek to build on existing industry plans and targets to identify a way forward that can support industry-led economic growth and facilitate stronger government and industry partnerships to set the right conditions for businesses to thrive.

We are in a good position to do this with strong industry partnerships already in place and a number of industry groups having identified and implemented specific strategies for growth.

Foremost, it is the responsibility of industry to manage natural resources sustainably and respond to a variable climate. It must be proactive in protecting and promoting a strong biosecurity regime.

Industry leadership is fundamental to finding ways to improve methods of production, and adopting new technologies.

Industry must also be outward looking by responding to emerging consumer needs and community expectations, and confidently investing when opportunities arise.

It is also industry's role to support their representative bodies to provide the necessary leadership to help inform government of the policy and regulatory settings needed for business to successfully operate, along with the infrastructure and services it needs to facilitate growth.

ROLE OF GOVERNMENT

Government has an important role in supporting the growth of the sector.

We have well developed systems for tracking our sector's performance and contribution to the economy which we can use as an evidence base for decision making.

Government is in the best position to create the right regulatory and policy environment to facilitate this growth.

We can provide the assurance systems our markets seek and protect our biosecurity, food safety and sustainability credentials. This role also enables us to assist industry to understand and meet changing market demands and to identify and connect with new markets.

Government also has an important role in creating a thriving local economy to underpin the sector's growth. This may be through key State Government programs such as the Regional Growth Fund; Research, Commercialisation and Start Up Fund; and the Economic and Business Growth Fund.

Government can also work to support essential infrastructure and targeted reform.

Many parts of government have a role to play in this and we will ensure work is coordinated across the key enablers for growth so that there is a strategic, efficient and transparent interface with industry.

Government can also work with industry to increase awareness amongst urban populations of the important role our farming and food, beverage and wine businesses continue to play in building a stronger, better community.

QUESTION

14. What can industry and State Government do to encourage the sector to grow, support innovation, build resilience and enhance competitiveness?

Alignment with Industry Plans

Strategies for growth

Red Meat & Wool

State Strategy

- SA Beef Industry Blueprint 2018–2028
- SA Sheep Industry Blueprint 2015–2020
- Cattle Industry Fund Management Plan 2018–19 to 2022–23
- Sheep Industry Fund Management Plan 2018–19 to 2022–23

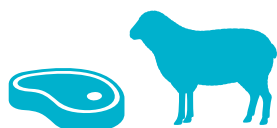
National Strategy

- MLA Strategic Plan 2016–2020
- Meat Industry Strategic Plan 2020
- Sheep Industry Strategic Plan 2020
- Beef Industry Strategic Plan 2020
- Goatmeat & Livestock Industry Strategic Plan 2020
- AWI Strategic Plan 2016–17 to 2018–19

Organisations

Livestock SA
Meat & Livestock Australia
Limestone Coast Red Meat Cluster
SA Cattle Advisory Group
SA Sheep Advisory Group
Red Meat Advisory Council
Sheepmeat Council of Australia

Cattle Council of Australia
Goat Industry Council of Australia
Wool Producers Australia
Australian Wool Innovation



Wine

State Strategy

- SAWIA Strategic Priorities 2018
- SAWIA & WGCSA South Australian Wine Industry Plan 2020
- Regional Wine Industry Fund Management Plans 2018–19

National Strategy

- Vine Health Australia Strategic Plan Towards 2020
- Wine Australia Strategic Plan 2015–2020

Organisations

South Australian Wine Industry Association
Wine Grape Council of SA
Wine Australia
• Regional Wine Associations
Vinehealth Australia

Australian Grape & Wine
Great Wine Capitals Global Network



Food and Agribusiness

State Strategy

- Ag Ex Alliance 2017–2022 Strategic Plan
- South Australian food and beverage: A framework for growth through innovation

Organisations

Primary Producers SA
Ag Excellence Alliance
Ag Bureau of SA
Natural Resource Management Boards



Forestry

State Strategy

- South Australian Forest and Wood Products Industry Policy Statement
- Blueprint for the Future South Australian Forest and Wood Products Industry 2014–2040
- Forestry SA Strategic Plan 2018–2022

National Strategy

- National Indigenous Forestry Strategy 2005
- Plantations for Australia 2020



Organisations

Forestry SA
Forest Industry Advisory Council
Australian Forest Products Association

Timber and Building Materials Association
Forest and Wood Products Australia
ForestWorks

Intensive Livestock (Pigs and Chickens)

State Strategy

- Pig Industry Fund Management Plan 2019–20 to 2023–24

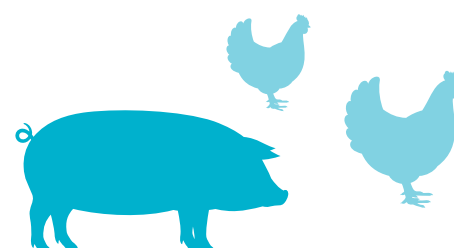
National Strategy

- APL Strategic Plan 2015 to 2020

Organisations

Pork SA
Australian Pork Ltd
SA Chicken Meat Council

Australian Chicken Meat Federation
Commercial Egg Farmers Association of SA and Tasmania



Agribusiness

National Strategy

- NFF 2030 Roadmap

Rural Business Support
National Farmers
Federation
Food South Australia



Grains

State Strategy

- GPSA Operational Plan 2018–19
- GPSA Business Plan 2013–2018
- Grain Industry Research & Development Fund Management Plan 2017–18 to 2021–22
- Grain Industry Fund Management Plan 2017–18 to 2021–22

Organisations

Grain Producers SA
Grain Producers Australia
Grain Research & Development Corporation
SA Grains Industry Trust



Horticulture

State Strategy

- Hort Coalition SA Horticulture Blueprint 2017
- Potatoes SA Strategic Plan 2018–2021
- SA Apple & Pear Strategic Plan 2015–2020
- Citrus Growers Fund Management Plan 2018–19 to 2022–23

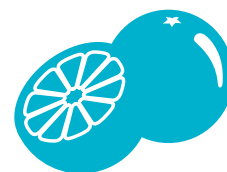
National Strategy

- HIA Strategic Investment Plans 2017–2021
- Citrus Australia strategy 2017–2019

Organisations

Ausveg SA
Horticulture Coalition of SA
Apple & Pear Growers of SA
Citrus Australia
HortEx Alliance
Potatoes SA
Onions Australia
Olives South Australia

SA Produce Market Horticulture
Innovation Australia
Cherry Growers Association of SA



Seafood

State Strategy

- WFSA Strategic Plan 2016–20
- RecFish SA Strategy 2016–17

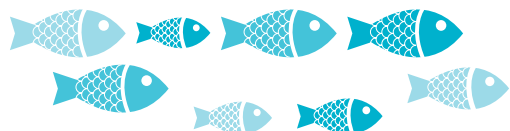
Organisations

Fisheries Research and Development Corporation
South Australian Oyster Growers Association
Wildcatch Fisheries SA
Abalone Industry Association of SA
South Australian Mussel Growers Association

National Strategy

- National Aquaculture Strategy 2017–2027

SA Rock Lobster Advisory Council
Marine Fishers Association
Australian Southern Bluefin Tuna Industry Association
RecFish SA
Spencer Gulf and West Coast Prawn Fishermen's Association Inc



Dairy

State Strategy

- SA Dairy Action Plan 2018–2023
- Dairysafe 2017–2020 Strategic Plan

National Strategy

- Dairy Australia Strategic Plan 2016–17 to 2018–19

Organisations

South Australian Dairyfarmers' Association
Dairysafe
Dairy Australia
Australian Dairy Industry Council South Australia
Dairy South Australia



Measures

What does 3% gross state product growth look like for food, wine and agribusiness?

Measure	Current (2018)	Indicative yearly increase with 3% GSP Growth (building on previous year total).
Investment	\$363 million	\$11 million
Overseas Exports	\$6,843 million	\$205 million
Interstate Exports	\$1,425 million	\$43 million
Jobs	56,630	1,699

Various measures REMPLAN 2018

Food, Wine and Agribusiness – GSP Contribution

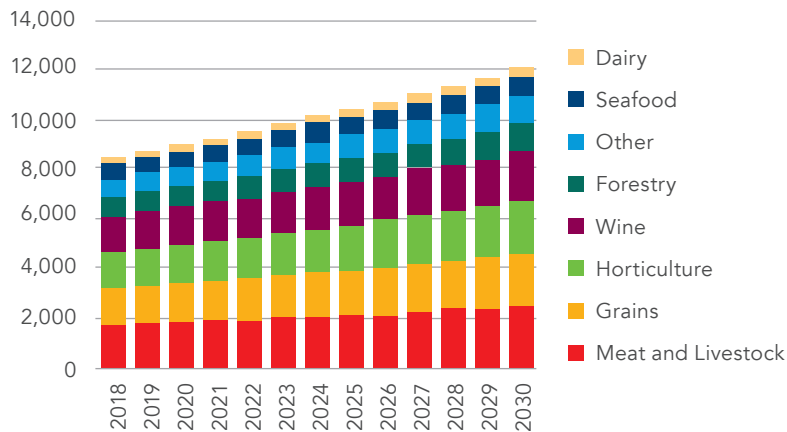


\$ million, Industry Value Add, Chain Volume Measures

Processing and Sector contributions are estimations based on REMPLAN Data

Projections are Trend growth and 3% p.a (green).

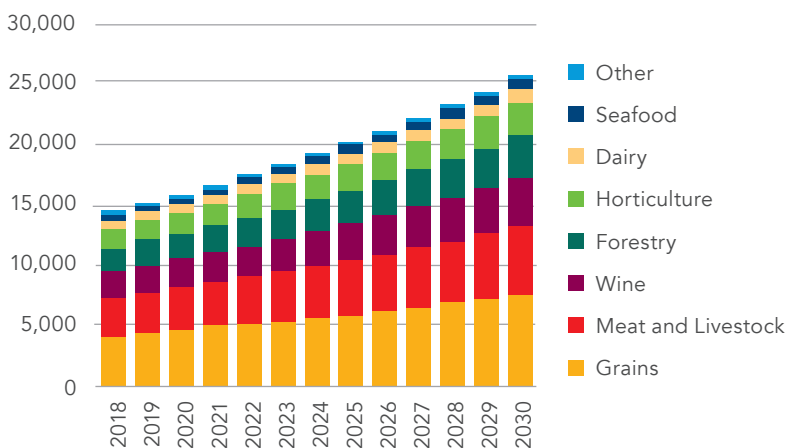
Sector GSP Contribution – 3% Growth Projection



\$ million, Industry Value Add, Chain Volume Measures

Processing and Sector contributions are estimations based on REMPLAN Data

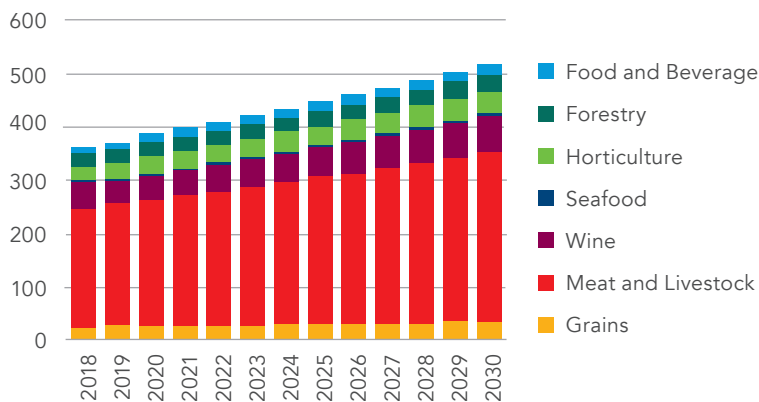
Revenue (Historically 5% Revenue Growth equates to 3% GDP Growth)



\$ million, Revenue, PIRSA Scorecard

Projection at 5% p.a.

Private Business Investment



\$ million, REMPLAN, 3% p.a. projection)

Consultation

A consultation process will be carried out in three stages:

STAGE 1 **June/July 2019**

Development of the draft Food, Wine and Agribusiness Discussion paper

Early engagement with targeted stakeholders to build awareness of the development of a Food, Wine and Agribusiness Sector Plan, discussing the ways they can contribute and test initial concepts/targets and ambitions.

STAGE 2 **Sep/Oct 2019**

Consultation on the Food, Wine and Agribusiness Discussion Paper

Engagement with key stakeholder groups along with consultation with the broader stakeholder base.

Request for submissions on the Discussion Paper, public workshops and targeted one-on-one discussions as required.

Feedback to help determine which programs, policies and projects will be needed to achieve the desired growth targets and 2030 ambition.

STAGE 3 **Early 2020**

Implementation of the Food, Wine and Agribusiness Sector Plan

Launch of the Food, Wine and Agribusiness Sector Plan. Next steps for implementation and delivery will be discussed through one-on-one meetings with high interest stakeholder groups, followed by broad communications.

Summary of Questions

1. What does growth look like for your business?
2. What are you currently doing to achieve growth?
3. In terms of the key enablers identified (trade and investment, skills and innovation, infrastructure and land, water and the environment) what specific actions could be taken to achieve growth now and in the future? What are the top priorities?
4. What would assist you to increase the productivity of your business and the sector as a whole? What are the top priorities?
5. What prevents new business and investment in your sector? Provide specific examples.
6. What inhibits you accessing your markets (e.g. tariffs, cold chain logistics, transport cost)? What specific actions could be taken to address these?
7. What challenges do you face with the changing needs of customers (e.g. consumer trends, product/supply chain traceability systems, sustainability practices)? What specific actions could be taken to address these?
8. Do businesses in your industry have difficulty recruiting staff with the right skills? If so, what skills gaps are the most pressing now and into the future?
9. How can innovation and the uptake of new technologies be improved in the sector? What specific technologies should we focus on? How would they assist us to achieve growth?
10. What could be done to enhance the competitiveness of the sector?
11. What are your specific research and development priorities now and into the future?
12. What are the key challenges and opportunities in adapting to a changing climate?
13. What other countries should we be looking to learn from? What are they doing that is best practice?
14. What can industry and State Government do to encourage the sector to grow, support innovation, build resilience and enhance competitiveness?





