

# National Food Industry Strategy

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# A Shared Vision

- ◆ By 2007, the Australian food industry will be a significant global player with a sustainable and profitable role in the global food product system

# Achieving the Vision

- ◆ Four objectives

- Innovation
- Exports
- Business Environment
- Environmental Sustainability

# **Key Industry Drivers**

- ◆ **Emergence of the global consumer**
- ◆ **Changing composition of international food trade**
- ◆ **Globalisation of food processing and retailing**
- ◆ **Innovation – product and process development, packaging and marketing**

# The Global Consumer

## Trends

- ◆ **More affluent, discerning and cautious**
- ◆ **Food safety and quality the price of market entry**

## Challenges

- ◆ **Prove our claim to be 'clean & green' and meet ethical requirements**
- ◆ **Develop a whole of food chain ethos**

# Changing Composition of International Food Trade

## Industry trends

- ◆ Global processed food trade now 75% of food trade
- ◆ Growth in processed food trade twice that of primary products

## Challenge

- ◆ Increase Australia's share of the global processed food trade from 3%

# **Globalisation of Food Processing & Retailing**

## **Industry trends**

- ◆ **The world is one market**
- ◆ **Economies of scale**
- ◆ **Around one third of processed food trade intra-firm**
- ◆ **Global retail sales to be controlled by handful of retailers**

# **Globalisation of Food Processing & Retailing**

## **Challenges**

- ♦ **Long term strategic global supply chains**
- ♦ **Justify Australia as a strategic location for investment**
- ♦ **Rationalise and restructure to increase competitiveness**



# Innovation

## Industry trends

- ◆ **Competitiveness relies increasingly on innovation**

## Challenges

- ◆ **Increasing industry investment**
- ◆ **Increased responsiveness to consumers demands and expectations**

# Food Industry Action Agenda

- ◆ A Government and Industry Partnership
- ◆ To sustain the competitiveness and profitability of the food industry

**Vision:**  
By 2007, the Australian food industry will be a significant global player with a sustainable and profitable role in the global food product system.

**Environmental Sustainability**

- National Packaging Covenant
- Environmental impact per unit output

**International Food Market Entry Strategy**

- Funding Initiatives**
- Continuation and expansion of the Technical Market Access Program (\$3.42m/year)
  - Food Market Development program (\$1.06m/year)
  - Pursuing Australian objectives in international food standard-setting bodies (\$0.46m/year)

**Competitive Business Environment**

- Funding Initiatives**
- National Food Safety and Quality Initiative (\$1.04m/year)
  - Supply Chain Initiative (\$2.08m/year)

**S&T Innovation**

- Funding Initiatives**
- Food Innovation Grants Program (\$6.94m/year)
  - Centres of Excellence Program (\$2.48m/year)
  - Graduate Management School (one-off grant)

# Strategy Implementation

- ◆ **Model with strong industry ownership**
  - **National Food Industry Council**
  - **National Food Industry Strategy Limited (NFIS Ltd)**

# **National Food Industry Council**

- ◆ **Oversee the growth and development of the food industry and drive the implementation of the Strategy**
- ◆ **Replaces The Supermarket to Asia Council**
- ◆ **Membership is key Commonwealth Ministers and food industry CEOs**
  - **Minister Truss chairs**

# **National Food Industry Strategy Ltd**

- ◆ **A “revamped” STA Ltd**
- ◆ **Supports the Council and implements the major funding programs:**
  - ◆ **Food Innovation Grants Program**
  - ◆ **Food Centres of Excellence**
  - ◆ **Food Market Development Program**
  - ◆ **Food Chains Program**

# AFFA

- ◆ **AFFA has the policy role and will deliver government to government initiatives:**
  - ◆ **Technical Market Access Program**
  - ◆ **International Food Standards Initiative**
  - ◆ **Food Safety and Quality Initiative**

# **National Food Safety And Quality Initiative**

- ◆ **National integrated food safety auditor framework**
- ◆ **Scientific Integrity of safety and quality systems**
- ◆ **Emerging trends in global food safety and quality systems**



# **AFFA's Objective**

- ◆ **Profitable, competitive and sustainable agriculture, fisheries, forestry and food industries**
- ◆ **Industry / Government partnership**