



REPORT

of the



Wednesday 11 July 2018

Ian McLachlan Room

Adelaide Oval

War Memorial Drive, Adelaide

Presented by Food South Australia
with the support of the
Government of South Australia



Government
of South Australia
Primary Industries
and Regions SA

The Next BIG Thing:

The 2018 Food South Australia Summit Report

What is the Next BIG Thing in food and beverage? How will it affect your business and how can you make the most of the opportunities while ensuring you can rise to meet the challenges? Our packed program of speakers and topics continued Food South Australia's tradition of combining a comprehensive update on trends affecting our industry at global and local levels with discussions designed to assist businesses of all sizes to learn from the experiences of others in key areas ranging from technology to export readiness.

Here's how the day unfolded:

The Global BIG Things

Renowned strategist Phil Ruthven (IBISWorld) gave the keynote presentation on macro trends affecting our industry. While many pundits decry the shrinking manufacturing sector in Australia, Phil says the sector is shrinking because it has done its job superbly well. We now make things faster, more cheaply and more safely than ever before. So, what next?

Phil says the next big revolution will be in agriculture, and the food and beverage industry better be paying attention because this will trigger a new era for production. Australia cannot be Asia's food bowl – we don't have enough arable land – but a change in product mix, technology and industry structure could see the sector increase output five-fold. In short, we need to become "increasingly a more-specialised niche player in terms of products and customer nations; almost certainly focused on the Asia-Pacific, although with some ultra-niche products that stretch into the Indian sub-continent and across other of the world's eight regions."

South Australia's next BIG Thing

Professor of Agricultural, Food and Resource Economics at Michigan State University Tom Reardon skyped in to share his thoughts on where to from here for South Australia. An expert in disruption in global retail, Tom told the audience to beware trusting in the continuing value of our clean/premium positioning in key export markets such as China. Local growers are catching up fast on quality, he said, and they're already ahead on price.

Manufacturers need the brand, the quality and the price, along with demonstrated food safety systems to stay ahead of the local competition. Collaboration along the supply chain in order to provide these markets with a pan-seasonal offer will also be a key factor in continuing success. Tom also questioned the extent to which 'local' is a value factor in some markets, pointing out in some instances consumers simply want the 'best' – the luxury market is a great example, where the best is the best in the world, not just the food production zone. For 'foody' countries and luxury products, a different mindset and marketing message is required.

That BIG Industry 4.0 Thing

With so many businesses working hard to get to grips with the latest technology buzzwords – the Internet of Things (IoT), Industry 4.0, big data and all the rest, HMPS CEO Shaun Westcott gave both an overview of what these concepts can mean for food and beverage manufacturing and some

The Next BIG Thing:

The 2018 Food South Australia Summit Report

advice on where even small businesses can make a start. Reminding the audience that we are “either digital or dead”, he also commented that we should never underestimate our people’s and our industry’s ability to adapt and adopt. A key point from this presentation was that automation doesn’t necessarily destroy jobs, but it certainly displaces them.

Shaun then facilitated a panel with Richard Macchiesi of Visy Industries, Stuart Hincksman from Food Processing Equipment, and Sarah Leo of Openbook Howden. Each spoke about how leading edge technology in packaging and processing is being adapted in their businesses and what they have learnt from being involved.

Food Waste: NO More

This panel session, facilitated by Professor Andy Lowe, Director of the University of Adelaide’s Food Innovation Theme, included short presentations from Dr John Carregher and Dr Richard Muhlack of the University of Adelaide and Robbie Davis of Potatoes South Australia on current research outcomes focusing on food waste. The challenge to the food and beverage industry is enormous, and so are the opportunities. Potatoes South Australia and the University of Adelaide have been involved in a research collaboration with such varied product outcomes as pure potato puree and potato vodka.

What’s Brewing?

One of the most popular regular sessions at the annual Food South Australia Summit is our ‘On the Couch’ interview. This year, facilitator David Sly chatted with Glen Cooper AM, Chairman of Coopers Brewery and icon of the South Australian food and beverage industry. Their discussion wended its way from Glenn and Tim’s initial involvement in a faltering business way back when through its growth to become an international success story, still inextricably linked to its Adelaide and family roots – not to mention the 130 year old yeast that is as much a member of the family as the Coopers themselves (and that’s contributed to yet another best beer award).

Among Glenn’s advice for the audience was a reminder to ensure your advertising consultants really understand your company and making sure your marketing is expressed in terms consumers understand. The challenges of exporting also came up for discussion and Glenn reminded everyone that in export markets, consumers need a position or connection with your brand for you to be successful. Exporting, he told us, should be looked at as a marketing exercise.

From Milk to Cream: The story of B.-d Farm Paris Creek’s BIG sale

It’s a rare thing to be able to hear firsthand about the mechanics behind a major business sale. Moore Stephens’ Tim Sargent and now-consultant-but-then-business-owner Ulli Spranz shared a frank discussion of the preparation for the sale of successful business B.-d Farm Paris Creek with the audience that also included tips on risk management and business strategy. Even if you aren’t planning to sell your business, keeping it financially fit and operationally sharp at all times should be part and parcel of your everyday activities.

The Next BIG Thing:

The 2018 Food South Australia Summit Report

The BIG Sugar Revolution

Two years ago Dr David Kannar, Founder and Chairman of Nutrition Innovation Group, was a university researcher reporting his research into the ever-increasing problem of sugar at the 2016 Food South Australia Summit. Now he's leading a company that is transforming food and beverage production based on that research. Their product Nucane, a 100% natural unrefined sugar, puts the good back into this essential ingredient.

And yes, there is some seriously good stuff in unrefined sugar, including benefits to gut health. It's the refining that does the damage according to David's research. Nutrition Innovation Group has been working with a number of South Australian manufacturers who are trialling Nucane in their products and are keen to hear from others who would like to be involved in trials.

The BIG Things You Need to Know About Exporting

Rightly or wrongly, export has come to be considered synonymous with success for food and beverage manufacturing businesses. For those who do want to export, our panel of experienced exporters – Brenton Woolston from Almondco Australia, Costa Group's Nick Makris, Ed Vercoe from Oleapak Olive Oil, and Chantale Millard of Maggie Beer Products shared their lessons learned in targeting overseas markets for growth. This session, facilitated by Food South Australia CEO Catherine Sayer, emphasised there's no quick way to become an export success.

All our panellists advised using trade shows to 'dip a toe in the water' to evaluate potential markets and to check out potential customers and competing products. They also agreed you need to be persistent and not expect to get those lucrative contracts the first time round. As Ed Vercoe pointed out, persistence, and repeated appearances at key trade shows demonstrates you are serious about the chosen market. It also means you have the opportunity to evaluate your potential export partners, including distributors and retailers, in those markets. Hosting inbound buyer visits to South Australia for your key new customers also helps build that all-important relationship.

Consumers Say – The Next BIG Thing in Food and Drink 2018

Back by popular demand and bursting with energy, Mintel's Justin Nel rounded out the Summit program and the day with his presentation of the latest research into consumer trends in food and drink. As ever, there were trends to whet the appetite and others that sounded a little weird, but we ignore them at our peril!

Key consumer trends include 'trust and transparency', 'self-fulfilling practices' (focusing on health conscious objectives including mental, digestive and social health), 'permissible indulgence' (great news, given the excellent huge slab of Haigh's chocolate the delegates had been devouring earlier). 'Science fare' is a key emerging trend revealing a strong level of investment in tech-driven products such as lab-grown meat and 'plant steak', while 'new sensations' shows consumers are gaining interest in texture as a vital component of novel eating and drinking experiences.

The Next BIG Thing:

The 2018 Food South Australia Summit Report

The Food South Australia Summit is an annual event presented by Food South Australia. The aim of the Summit is to provide a comprehensive program of speakers and presentations exploring issues, challenges and opportunities for the South Australian food and beverage industry.

The Food South Australia Summit is the industry's premier education event, designed to provide insights, information and inspiration. Our 2018 Summit MC was South Australian food journalist David Sly.

For more information and updates on upcoming Food South Australia Summits, visit our website at foodsouthaustralia.com.au.

Thank you to our 2018 Food South Australia Summit Sponsors:



MOORE STEPHENS



CONNECT WITH US

Food South Australia

Phone: +61 8 8303 9435
Email: contact@foodsa.com.au
Web: www.foodsouthaustralia.com.au