Where’s there is change, there are challenges ... and opportunities. And there’s always change.

The annual Food South Australia Summit is the food and beverage industry’s premier education event for manufacturers, producers, distributors and policy makers and is presented by Food South Australia with support from the Government of South Australia.
Change, challenge and opportunity were the key themes of the 2019 Food South Australia Summit. It’s impossible to capture all of such a full day in a report, but if you couldn’t be there, here are some changes, challenges and opportunities for you to consider.

Change, Challenge, Opportunity: Global Food and Drink Trends 2019

Shelley McMillan, Head of Consulting, Mintel

Convenience and sustainability remain strong trends, according to Mintel’s Shelley McMillan, who joined us at the Summit to provide Mintel’s annual update of global trends.

Storytelling is more important than ever, so be ready to connect with your consumers around meaningfulness (by the way, Sharon Natoli told us later that ‘meaningful’ brands are outperforming other brands in the stock market by a whopping 206%).

Tailoring products to deliver needs according to life stage is also a strong trend. And the lines between beauty and food products are blurring — watch for opportunities for products to “feed” beauty.

Global Trend Connections: How to get consumers to LOVE your brand!

Sharon Natoli, Speaker, Author and Founding Director, Food & Nutrition Australia

Noted author Sharon Natoli took up the trends challenge with some practical advice for businesses gearing up to jump on board with whatever consumers want right now.

There are trends that are a blip on the radar, she told us, and others that are going to stick around — but just grabbing hold of the latest Twitter-storm without thinking it through is a dangerous game.

Sharon recommended always putting your decision to position your products and brand in line with a consumer trend through a three part filter: relevance, regulations and research. These three R’s could save you some serious pain as you try to navigate the fast-moving world of consumer demands.

Relevance is all about evaluating whether a given consumer trend is a good fit for your brand values and positioning. Regulation is about making sure you can legally make the claims you want to make, and being very clear on what you can — and can’t — actually claim for your product.

And the research filter is about ensuring there’s solid data behind the trend you are evaluating. Is it credible, and does it have longevity? How strong is this trend? Really?

Changing up Packaging to create an opportunity

Richard Macchiesi, General Manager Insights and Innovations, Visy

Innovation in packaging is moving at breakneck speed, and Richard returned to the Summit program by popular demand this year to provide an update on Visy’s world view of the industry.

First up, forget recycling and start thinking ‘circular economy’. Richard told the Summit audience that aggregated volumes will be the secret to success for effective recycling, and the industry is now looking for opportunities to leverage value from packaging waste rather than just trying to solve the most obvious problem of keeping it out of landfill.

Richard also informed us that paper makes up an average of 50% of our waste volume per bin and glass makes up another 30%. That’s 80% of the waste — and that’s definitely an opportunity, but the key to success will be the ‘pull through’ in terms of what happens to all that paper and glass after it’s recycled. What new, desired, products will be created — and who will buy them?

Consumers and industry are both seeking the ‘LATTE’ value in the systems we create for production, distribution and recycling for re-use: Local, Authentic, Transparent, Traceable and Ethical. (And that’s definitely a challenge.)

The Social Media Challenge: Improve your reach and grab some attention!

Lauren De Cesare and Hayley Pearson, Co-Creators, Adelady

Polly Love, Marketing Manager, Robern Menz

Jessie Morris-Tooms, Brand Coordinator, MOJO Kombucha

Social media can, and often does, strike fear into the heart of a business. It can eat up your time, and does it end up increasing sales? There’s no direct correlation, but there’s also no doubt smart use of social media channels can deliver value by enhancing your brand and offering you opportunities to connect directly with your consumers.

Our panel highlighted that the playing field for social media has changed hugely in recent years — and shows no signs of settling down anytime soon.
Platforms come and go, and audiences differ between them. And these days there's much more ‘pay to play’ activity – meaning utilising the paid advertising available on key platforms such as Facebook is more accepted as a necessary cost than it used to be.

Understanding the subtleties of each different platform is vital. For example, Instagram followers respond better to a less professional look for images, so get your phone out, and don’t over-stage the shot. And it’s essential to keep activity both constant and “native” by being responsive to the content of the day rather than pre-programming every post weeks in advance.

It’s also essential to have a good strategy to encourage discontented consumers away from public posts to private messaging or an email conversation to resolve their issues.

Both MOJO and Robern Menz use their social media engagement as a version of a consumer focus group, gleaning feedback on products, promotions and branding that help them refine their overall marketing.

### Technology Trail Blazers: An emerging opportunity

**Nick Sterenberg, Operations Manager, Coopers Brewery**

**Elyse Mitani, Continuous Improvement Manager, Mitani Group**

We’ve all heard about Industry 4.0 but there’s still a lot of confusion about what it really means and where to start, which is why our Summit program this year included presentations from two local food and beverage businesses who have done just that, and have real results to show for their efforts.

If you thought Industry 4.0 was for ‘other’ businesses, think again. Elyse Mitani demonstrated eloquently how the Mitani Group have implemented an advanced digital strategy to transform their workplace efficiency and overcome a problem every business has – tracking the paperwork. At Coopers, the team have focused on production, achieving significant efficiencies and increases with their new approach. Both companies demonstrated their strategies have been successful in driving growth, reducing costs and improving efficiency.

There are many opportunities under the Industry 4.0 banner through the use of advanced technologies ranging from big data and advance analytics through to robotics, continuous production technologies, virtual and augmented reality, innovations in recyclable packaging materials, and more.

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### Social Change, Social Opportunity: Understanding how global demographic and social changes will impact the food and beverage industry

**Simon Kuestenmacher, Director of Research, The Demographics Group**

Data animation and interpretation may not have been buzzwords in the SA food and beverage industry before the 2019 Summit, but they are now!

It’s easy to see why Simon is one of the top 50 influencers globally in his field. Simon’s presentation examined demographic trends for the next ten years, and it’s safe to say he had his audience on the edge of their seats.

Forget the axiom that South Australia’s population is ageing. It is, but it won’t be that way forever. The millennials are getting older and that means there’s a boom headed our way for the consumer marketing sweet spot of age 42 in just a few short years. And did you know South Australia is the only state in the country where single person households outnumber nuclear family households? (Check out that opportunity for portion packaging, right there.)

All age groups are growing nationally and all consumer sectors will grow with them, but not equally. Our middle class is all but disappearing and that will have a serious impact on purchasing patterns and product positioning. How we eat and what we eat continues to be influenced by waves of migration – as demonstrated by our changing home cooking and dining out appetites as they have moved from Anglo to Mediterranean, to Asian, and now Middle Eastern/Persian flavours. As each group of migrants brings their flavours and dishes to our communities, demand for products with those flavours grows in our supermarkets.

There’s a new game in town too, in the so-called ‘lifestyle market’. This is the moniker for people aged 55-65, who have both cash and time to enjoy food experiences. We’re outsourcing more of our food decisions too – watch for apps to tell you when you need to hydrate, top up your protein and more.

Alongside all this, consumers are losing faith in big organisations, including big companies, which brings us back to authenticity and meaningfulness. According to Simon, Gen Y are obsessed with meaning. They want local, and they want real interaction, whereas Gen Z are just as likely to put global concerns ahead of their own desires and want to indulge – but in a healthy way.

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### Here’s an opportunity: Change how you look at barcodes and challenge your business efficiency

**Terry Papadis, Manager Training Solutions, GS1 Australia**

Terry’s fast-paced introduction to the sophisticated support a properly executed strategy using barcodes can deliver can be summed up simply: don’t think barcodes, think business!
Much more than a necessity to get your product on a retail shelf, barcodes can now give you access to comprehensive data and help you manage key risks such as recalls. In fact, with the right execution, GS1 has been able to identify all affected product for a business within half an hour. And there’s never a time when time matters more than for a food or beverage recall.

Leaders Debate: Hot topics, industry challenges, future opportunities

David Head, Chief Executive Officer, Clean Seas Seafood

Joyce Ceravolo, Business Development Manager, Ashton Valley Fresh

Ray Borda, Managing Director, Macro Group Australia

Food South Australia CEO Catherine Sayer facilitated an interesting discussion featuring three industry thought leaders, each of whom generously shared their learnings and experiences.

The discussion ranged through new markets (back yourself and don’t be afraid to charge for a premium product, but understand you can’t necessarily take the same product all over the world unchanged), to family succession (get your plan in place before the next generation arrives in the office).

David Head advised the audience to “accept that there’s always more than one way to get there”, and Joyce encouraged us to not “spend too much time looking over your shoulder — focus on being the business everyone is chasing”. Ray also talked about the importance of staying calm and positive for your team — and retaining your sense of humour.

Everyone always takes home their own ‘aha moment’ from these sessions, but all our speakers agreed the top three challenges to any food or beverage business are getting the strategy, people and capital in place. Of these, they all agreed the toughest challenge is undoubtedly all about finding and keeping the right people with the right skills and the right fit for the business culture.

Sugar snap and potato ice cream

Our program also included a brief update on innovative new sugar product Nucane from Dr David Kannar, Founder and Chairman of Nutrition Information Group. The Summit program has been tracking this innovation since David reported on his first research back in 2016, where we learnt that true unrefined sugar actually has some very positive benefits, including for gut health.

David returned to update us on progress in 2018, when a slew of South Australian manufacturers were collaborating to incorporate Nucane sugar in their products and, this year, arrived with a fascinating array of those products to display and the news that there are now two mills producing Nucane. In David’s words, Nucane is positioned to become the “Uber of the sugar industry”.

David also gave us a quick update on the World Health Organisation’s updated guidelines on sugar labelling and the clean label movement gathering momentum amongst consumers. If it wasn’t in Nana’s pantry, more and more consumers simply don’t want it in their processed food products anymore. This trend takes ‘free from’ to a whole new level, and neatly expresses the growing consumer demand for less refined, less processed food.

And while we pondered good sugar, reducing food waste, those influential 40-somethings and the learnings of our industry leaders, our Summit delegates were also invited to refresh their palates with a mango and coconut soft serve — made with potato. This is the next development in a project focusing on leveraging the value in potato waste first described at the 2018 Summit. It’s happening right here at the University of Adelaide and is a collaboration with Potatoes South Australia.

Our thanks to Dr John Carragher of the University of Adelaide and Robbie Davis of Potatoes South Australia for donning their aprons and supervising the soft serve ice cream machine on the day.

Never Waste An Opportunity!
Presented by the Fight Food Waste CRC

Dr Richard Swannell, Director, WRAP Global

Did you know that for every $1 spent reducing food waste there’s a median benefit to the business of $14? Dr Richard Swannell does. Richard heads up the successful WRAP Global initiative in the UK. His appearance at the 2019 Summit was sponsored by the Fight Food Waste CRC.
### Program at a glance

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