



Department of  
**Primary Industries and  
Regional Development**

# Food Industry Innovation

Growing the value of Western Australia's  
premium food and beverage industry



# Food and beverage value-add: a national growth industry

**Value-adding by transforming agricultural produce into consumer packaged food is a key industry for Australia — one with tremendous growth potential.**

Food and beverage value-add is a major contributor to the Australian economy, providing about 250 000 jobs and generating \$26 billion in export value. The industry has increased by 30% in the past seven years.

It is crucial that food and beverage sector opportunities are captured to generate new drivers of jobs and growth for food producers, regional communities and the broader economy.



# Growing the value of Western Australia's premium food industry

Western Australia (WA) has traditionally produced and exported bulk quantities of raw produce and has a reputation for its pristine environment, warm climate and delivery of clean, safe, high-quality food.

A growing middle class among WA's trading partners in Asia is demanding food and beverages of the highest standard, indicating the export growth potential for local producers.

WA is in a strong position to capitalise on the growing global demand for food, but risks falling behind in the share of premium, value-added consumer-ready products it exports compared with other states and wealthy developed countries.

**'Premium' products are defined as those achieving higher prices than the 'mainstream everyday' category average.**

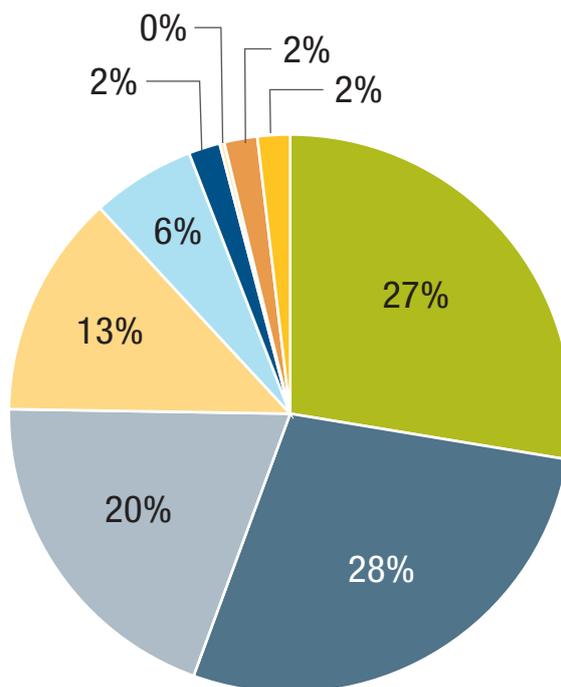
In 2015–16, Victoria and Queensland generated more than \$7 billion each per annum in export value, compared with just over \$1.5 billion in WA.

While there is an emerging value-added food and beverage sector driving innovation in WA, it is small, diverse and could benefit from targeted development.

**Figure 1 Value and proportion of food and beverage sector exports by state of origin (\$2015-16) (million)**

Queensland	– \$7259
Victoria	– \$7173
New South Wales	– \$5110
South Australia	– \$3354
Western Australia	– \$1551
Tasmania	– \$471
Re-exports	– \$493
No state details	– \$486
Northern Territory	– \$70

Source: Based on ABS customised report





## Food Industry Innovation providing access to premium market opportunities



**The government is focusing resources on supporting premium food businesses through the three-year Food Industry Innovation (FII) project.**

The FII project, supported by Royalties for Regions, aims to develop the full potential of WA food and beverage businesses that are adding value to raw produce, growing jobs and building the State's economy.

It is doing this by providing identified WA premium food and beverage businesses seeking growth, with access to targeted resources, knowledge, skills, and information on domestic and international market opportunities.

The FII project will offer WA premium food producers a range of support tools to address business needs and gaps including road mapping, competitor analysis, branding and marketing training, and links to in-market officers and case managers.





## Report identifies premium foods with billion-dollar export potential

The *Premium Agrifood Market Opportunity* (PMO) report was commissioned by the Food Industry Innovation project and completed by Coriolis Research in December 2016.

The report identifies a shortlist of 20 key food and beverage product opportunities targeting high-value, high-growth markets for WA's premium food industry — narrowed down from more than 500.

It highlights export market value of up to \$4 billion across the 20 priority opportunities and analyses the capacity for WA businesses to capture this potential value.

### 20 key opportunities identified in the *Premium Agrifood Market Opportunity* report

- Baby food (excl. infant formula)
- Specialty breads
- Organic/biodynamic beef
- Oat milk/alternative dairy
- Wagyu beef
- Premium soft drinks
- Cheeses
- Alcoholic spirits
- Dips/spreads
- Breakfast muesli/cereals
- Healthy snacking
- Cured/continental meats
- Cider
- Meat snacks
- Premium grains
- Chilled pasta
- Olives/marinated vegetables
- Fermented foods
- Nut butter
- Cooked/smoked/marinated seafood

The report uses market trend research with a focus on domestic and Asian export markets, to identify new and emerging premium food and beverage products that add value to WA's abundant raw materials.

The premium products are wide-ranging from organic beef and specialty breads, to baby food, healthy snacking and cider. These products represent real opportunities for WA producers to grow, expand and add value.





## Report a 'must-read' for Western Australian premium food and beverage producers

Within the report, gap assessments highlight improvement in marketing, awareness activities and sales capabilities as key focus areas for the growth of WA's premium food and beverage businesses.

The PMO report will influence Food Industry Innovation priorities, ensuring the project focuses on market demand and delivers tangible commercial outcomes.

This is a 'must-read' piece of work for WA premium food and beverage producers who are looking to value-add, grow their business, and stage their product for domestic and international markets.

**To view a full digital copy of the report, visit [dpird.wa.gov.au](http://dpird.wa.gov.au)**

For more information about how the Food Industry Innovation project and *Premium Agrifood Market Opportunity report* are helping drive growth within WA's premium food and beverage industry, please contact:

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