



futurefood

Reviewing the South Australian food industry and future opportunities

No. 6 Dec 2001



Premier's Food and Fibre Awards winners
pages 2, 3 & 4



Singapore toasts the taste of South Australia
page 5



Produce Direct Australia
page 7



A year of achievements
page 8



Partners for growth



Mark Pye, and his wife Fiona, receive his Young Leader of the Year Award from the Premier of South Australia, Mr Rob Kerin.



Premier's FOOD & FIBRE awards 2001

Mark makes his mark in quality

Mark Pye might be bashful by nature, but he's not the type to shy away from a challenge.

His determination to build a major food-producing empire in South Australia's Murray Mallee region has earned him the title of Malaysia Airlines Young Leader of the Year at last month's prestigious Premier's Food and Fibre Awards.

"Winning this award is recognition for 12 years of hard work out here in the Mallee," Mr Pye said. "It is not one of the easiest climates in which to grow fresh produce.

"My wife Fiona, my family and our staff built this business from scratch. We have all worked hard to get to where we are today."

Mr Pye, 34, arrived in the Mallee at the age of 22 after leaving his family's vegetable growing property in New Zealand. His 7000-hectare Parilla property now produces three different vegetable crops throughout the year, as well as cereal crops, beef and lamb. Traditionally, the Murray Mallee is known for producing fine wool.

"To be honest most people were pessimistic and thought we'd be gone in a year or two. After the first 12 months we had substantial losses. Our accountant suggested we should sell up and go back to New Zealand. But I was confident we could turn it around," he said.

"We saw lots of opportunities. Land in the Mallee was much cheaper than in New Zealand. Australia's population is much bigger and there was an opportunity for us to market our products into supermarkets and major food processors."

Up to 50,000 tonnes of onions, potatoes and carrots are grown and packed by the company each year for major supermarket chains in Australia and overseas.

In order to supply customers throughout the year, Parilla Premium Potatoes has formed an alliance with Zarella Holdings, another major vegetable growing and processing company at Virginia near Adelaide.

Mr Pye owns 50 per cent of Zarella and sits on the board.

"This partnership allows us to supply everything from half a kilogram to 10,000 tonne orders, domestically and internationally," he said.

"We also believe it's important to meet regularly with our customers to make sure they're satisfied with the products we deliver and to keep up with market trends."

Contact: Mark Pye
Managing director
Parilla Premium Potatoes
Telephone: + 61 8 8576 6093
Mobile: 0419 816 341

For details
of all other
award winners,
see pages 2-4

AWARD WINNERS

Premier's Food and Fibre Awards winners at a glance



Premier's FOOD & FIBRE awards



Mark Pye, Managing director, Parilla Premium Potatoes, left, with Richard Green of Malaysia Airlines



Paul DePoi of DP Exports Pty Ltd, left, with Des Lilley, Chairman of Adelaide Produce Markets



Eckhard Huebl of Tatiara Meat Company Pty Ltd, left, with Tania Carey of FPE



David Puglisi, left, of Stolt Sea Farm Pty Ltd with James Robinson of PIBA



Lindy Cook, left, of Blue Lake Milling Pty Ltd with Andrew Lindberg of AWB Ltd



Ray Kabbaz, left, and Michael Demetriou, centre, of Copperpot Dips and Pate with Taso Kouro of National Foods



Jono Ashby, left, of Southrose Merino Stud with Dennis Mutton, CEO of PIRSA



Clifford Ashby, right, of Yandilla Park Ltd with Derrick Casey of Regency Hotel School, Regency Institute of TAFE



Clifford Ashby, right, of Yandilla Park Ltd with Theo Simos, Project director, Supermarket to Asia



Richard Harris, right, of Springs Smoked Seafoods with Ollie Clark of Envestra

Winners 2001

Malaysia Airlines Young Leader of the Year

MARK PYE, MANAGING DIRECTOR, PARILLA PREMIUM POTATOES

Adelaide Produce Markets Ltd Horticulture Industry Achievement Award

DP EXPORTS PTY LTD

FPE Meat Industry Achievement Award

TATIARA MEAT COMPANY PTY LTD

PIBA Bank Seafood Industry Achievement Award

STOLT SEA FARM PTY LTD

Australian Wheat Board Field Crops Industry Achievement Award

BLUE LAKE MILLING PTY LTD

National Foods Dairy Industry Achievement Award

COPPERPOT DIPS AND PATE

Michell/PIRSA Rural Solutions Wool and Other Fibres Industry Achievement Award

SOUTHROSE MERINO STUD

Regency Institute of TAFE SA Leadership through Training Award

YANDILLA PARK LTD

Supermarket to Asia Ltd Leadership through New Export Development Award

YANDILLA PARK LTD

Envestra Leadership through Innovation Award

SPRINGS SMOKED SEAFOODS

SA winners excel in tough competition

A record number of entries vied for 10 awards for excellence at the 4th Premier's Food & Fibre Awards held recently.

The Premier of South Australia, Mr Rob Kerin, said the awards attracted almost 100 entries from 52 different companies around the State.

"The judging panels had a difficult time short listing finalists for the awards because there were so many worthy candidates," he said.

"The awards not only recognise the hard work of our food and fibre producers and processors, but also give finalists and winners the endorsement and exposure to help them enter new interstate and overseas markets."

South Australia's food and fibre industries contribute more than \$9 billion to the State economy.

Under initiatives outlined in the Food Plan and Program (see story, page 6), the goal is to increase that figure to \$15 billion by 2010.

Adelaide Produce Markets Ltd Horticulture Industry Achievement Award

DP EXPORTS PTY LTD

DP Exports is a horticulture export company based at Adelaide's Produce Markets at Pooraka.

The company has been in the produce industry for the past 40 years, growing from a small business supplying independent retailers in Adelaide's old East End Market to a group of eight specialised companies with a strong focus on national and international markets.

The judges selected DP Exports for its focus on working with others to develop an integrated demand chain, ultimately supplying retailers with the highest quality fresh products.

DP Exports uses the latest technology to guarantee the sweetness of fresh produce to meet customers' expectations and gain premium prices.

Contact: Ted DePoi, Chief executive officer
DP Exports Pty Ltd
Telephone: + 61 8 8349 4177

FPE Meat Industry Achievement Award

TATIARA MEAT COMPANY PTY LTD

Tatiara Meat Company is Australia's largest exporter of chilled lamb to the United States, and has forged other markets in Europe, Asia, South Africa and New Guinea.

The company slaughters and processes up to 8000 lambs a day and is the largest employer in South Australia's Bordertown district, with about 450 staff.

The district is in the heart of one of Australia's finest lamb-producing regions. Tatiara was founded here in 1980, and continues to work closely with growers and buyers to satisfy market demands.

Contact: Stephen Fox
Human resources manager
Tatiara Meat Company
Telephone: + 61 8 8752 1233

PIBA Bank Seafood Industry Achievement Award

STOLT SEA FARM PTY LTD

Stolt Sea Farm is Australia's largest farmer and processor of southern bluefin tuna.

The Port Lincoln-based company pioneered tuna farming and the methods developed a decade ago remain in use today, setting the industry standard.

Stolt Sea Farm, which was formerly called Australian Bluefin, has been a major contributor to the development of the Australian tuna industry.

The company has demonstrated a long-term commitment to improving the industry and has proved that, with collaboration, Australia can increase its international competitiveness as a quality food supplier.

The award judges were impressed by Stolt Sea Farm's focus on customer requirements and tailoring of products to meet demand.

Contact: Dr Eythor Eyjolfsson, President
Stolt Sea Farm
Telephone: + 61 8 8682 5577

Australian Wheat Board Field Crops Industry Achievement Award

BLUE LAKE MILLING PTY LTD

Blue Lake Milling manufactures cereal-based foods both for the Australian and industrial food export markets.

The Bordertown-based company buys grain directly from its extensive grower base and processes it into food ingredients for cereal and snack food manufacturers and brewers.

Blue Lake Milling is now upgrading its operations to include an organic mill and flour milling equipment. It is also value adding to traditional commodity products, by developing a retail range.

The judges praised the company's development of innovative organic products in order to access new markets.

Contact: Lindy Cook, Marketing manager
Blue Lake Milling
Telephone: + 61 8 8752 2967

National Foods Dairy Industry Achievement Award

COPPERPOT DIPS AND PATE

Copperpot Dips and Pate prides itself on being a market leader with national distribution and a focus on growing into new markets interstate and overseas.

The South Australian company, which is based at Salisbury South, has developed unique packaging for its fresh, gourmet range of products. The judges were particularly impressed with the 'lunch-to-go' packs.

Copperpot's production facility uses modern techniques to develop innovative, value-added dairy products for sale around Australia.

Contact: Michael Demetriou, Director
Copperpot Dips and Pate
Telephone: + 61 8 8281 7710

AWARD WINNERS continued

Michell/PIRSA Rural Solutions Wool and Other Fibres Industry Achievement Award **SOUTHROSE MERINO STUD**

Southrose Merino Stud is a family-owned business that focuses on developing merino genetics to produce a lightweight fibre that can be worn comfortably next to the skin.

The 3075-hectare property in the South-East of South Australia has had great success in the sale of elite wool at premium prices, excellent stud sales and an increasing client base.

The judges were impressed by Southrose's plans to play a greater role in the demand chain by designing and manufacturing its own clothing label.

Contact: Jono Ashby, Studmaster
Southrose Merino Stud
Telephone: + 61 8 8757 2214

Supermarket to Asia Ltd Leadership through New Export Development Award **YANDILLA PARK LTD**

Yandilla Park is a major grower, packer and exporter of citrus and other fruits, based at Renmark in Australia's Riverland district.

The award judges said the company is at the forefront of the citrus industry in Australia and is rewriting the rules on best practice for exporting.

Yandilla Park exports more than 60 per cent of its product. Its current focus is on the Chinese market, which is presently closed, and it believes China has huge potential for the Australian citrus industry.

It is building relationships with Chinese customers who import fruit to Hong Kong for distribution into China.

Yandilla Park has developed the Vitor brand to achieve significant premiums in export markets.

The company also has fully integrated its citrus operations from growers through to customers, giving it control at critical points of the demand chain.

The judges said it is well positioned to be a successful global player.

Contact: Clifford Ashby, Managing director
Yandilla Park Ltd
Telephone: + 61 8 8586 1200

Regency Institute of TAFE SA Leadership through Training Award **YANDILLA PARK LTD**

Citrus grower and packer Yandilla Park is a major Riverland employer, with 100 permanent staff and up to 1500 casuals during the harvest and packing season.

The company believes ongoing training is vital to attract and retain skilled employees in rural areas. Despite the seasonal nature of the citrus industry, Yandilla Park has managed to achieve a relatively stable workforce.

Much of this is attributed to its human resource management and training culture. All staff are trained, regardless of their employment status.

Yandilla Park believes this is essential for staff development and career progression, and ultimately the success of the company.

Contact: Clifford Ashby, Managing director
Yandilla Park Ltd
Telephone: + 61 8 8586 1200

Envestra Leadership through Innovation Award **SPRINGS SMOKED SEAFOODS**

With a long-standing reputation for premium smoked seafood products, Springs' most recent innovation is making products from previously wasted parts of salmon.

One such product is gourmet sausages using meat from between the salmon bones.

Springs uses unique smoking techniques, and has commercialised traditional methods to retain the full flavours. Vacuum-skin packaging is used to display and differentiate the product in the marketplace.

The company works with its customers to develop and supply products to meet their specifications.

The judges were impressed by Springs' innovative marketing techniques, which include working directly with customers to increase sales.

Contact: Richard Harris, Managing director
Springs Smoked Seafoods
Telephone: + 61 8 8398 2533



Premier's
FOOD & FIBRE
awards
Sponsors



AWB
LIMITED
The Australian Grains Marketer



NATIONAL FOODS



PIBA
Primary Industry Bank of Australia Limited



SUPERMARKET



REGENCY
Energy • Heating • Air-conditioning • Services



Natural GAS
Delivered to your door by




MICHELL



PRIMARY INDUSTRIES AND RESOURCES SA



Malaysia

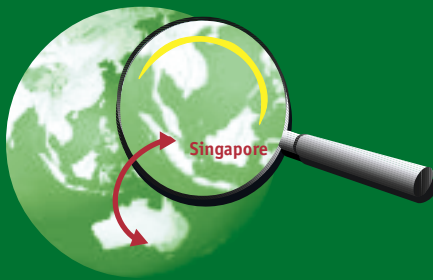


FPE



AGRICULTURE PRODUCE AUSTRALIA
PROMOTIONS

South Australian food to Singapore...



Views of the Australian Pavilion at NTUC Fairprice



South Australia passes the taste test in Singapore

South Australian companies are making a big impact in the traditionally tough Singapore marketplace.

Thirty companies producing goods ranging from beer and softdrinks to sweets and seafood are attracting major interest in Singapore's leading supermarket retailer NTUC Fairprice.

South Australian goods are a key feature of the new Australian Pavilion at NTUC Fairprice's Bukit Timah Plaza. More than 160 companies from throughout Australia have taken the opportunity to be involved in the new export-driven project.

The Australian Pavilion, an initiative of Supermarket to Asia Ltd and NTUC Fairprice Co-operative Limited, is designed to showcase a wide range of Australian food, beverages and non-food items to shoppers in the Singapore retail outlet.

South Australian brewer Coopers has had immediate success, with the Fairprice chain rolling out its beers to more than half of its 70 supermarkets throughout Singapore.

"For local companies, it is a terrific opportunity to get a feel for the marketplace in Singapore, and have their products tested in a secure shopping environment, as part of an established supply chain," Sharon Kennerley, SA State Team co-ordinator, said.

"We are committed to providing these companies with information that will help them with their export strategies, and to identify ways to improve and streamline the whole process."

The SA State Team is a specific group consisting of Supermarket to Asia Ltd project director Theo Simos, Patrick Kearins from Food Adelaide, Richard Heyneman, Linda Kwok and Mike Richards from South Australia's Centre for Innovation, Business and Manufacturing, and Serena Xie, the SA Government's Singapore-based representative.

Other States are working towards a similar structure to encourage greater export capabilities from within their own region.



South Australian goods featured in the new Australian Pavilion at NTUC Fairprice's Bukit Timah Plaza

South Australian companies already involved in the Australian Pavilion include All Natural Foods, Angas Park Fruit Company, Balfours, Beerenberg, Bellis, ChemSupport Pharmaceuticals, Coopers, Gullin Traders, Kosmea Australia, Laucke Flour Mills, Lewis Confectionery, Lifestyle Bakery, Mariani Australia, Mitani Products, Palmyra Foods, Peakfresh Products, Springs Smoked Seafoods, The Yummy Kitchen, Tip Top Bakeries, Trisum Ptd Ltd, Warrakilla Fine Foods, Yours Truly Chocolates and Bickfords Australia.

The prominent Australian-themed store is popular with shoppers, and there have been strong increases in turnover in the first three months.

The State Team is working closely with Australian consolidator, Bemco, to ensure customer demands are met and suppliers kept informed.

Contact: Sharon Kennerley
Co-ordinator

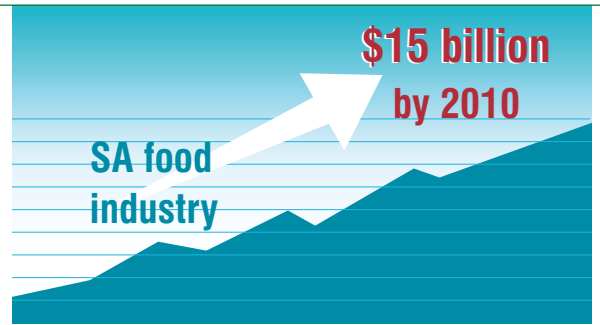
SA State Team

Telephone: + 61 8 8463 3890

Facsimile: + 61 8 463 3897

Email: kennerley.sharon@saugov.sa.gov.au

One in five work on South Australia's food success



The South Australian Government has renewed its commitment to help the State's food industry reach \$15 billion in revenue by 2010.

It has committed \$1.8 million a year for the next three years as part of the second phase of the State Food Plan, which will focus on increasing exports, processing capabilities and the number of South Australian brand names.

The State Food Plan and Program 2001-2004 was launched in September, along with a revamped South Australia Food On-line website.

The Premier, Mr Rob Kerin, said the Government took the deliberate decision to diversify the State's economy and target the industry sectors of the future, as part of the process of rejuvenating the State.

The food industry now accounts for one in every five jobs in South Australia, employing 142,000 people.

"Four years ago we set about a plan, our Food for the Future Strategy, to significantly increase our food industry," Mr Kerin said.

"As a result, the Government has formed a unique partnership with the food industry to help it become internationally competitive and capitalise on its growing reputation.

"To its credit the industry and business has backed that strategy. In the past financial year the gross state food revenue ¹ topped a massive \$8.33 billion – a 15 per cent growth over the previous year.

"This puts us clearly on track of tripling the value of food production in the State, to reach \$15 billion by 2010.

"The challenge now is to continue to build on these achievements. The State Food Plan and Program 2001-2004 is designed to do just that."

In 1999 the State's Food for the Future program introduced the ScoreCard, which measures and evaluates South Australia's food and beverage economy from production to consumption.

The 2000/01 ScoreCard shows overseas exports of food products increased by 40 per cent from \$1.54 billion to \$2.16 billion.

Dr Susan Nelle, Director of Food for the Future, said South Australia's food industry is well positioned to continue growing strongly.

"The value of commodity exports increased by 70 per cent and it is pleasing to note that processed food exports are also growing considerably," Dr Nelle said.

"But to enable continued growth in the value of processed foods, new capital investment is needed to maintain the momentum.

"We need to show that by being innovative and value-adding to commodity products,

there are benefits for all involved, from the farm gate to the plate."

The South Australian field crop industry was a star performer in 2000/01, contributing \$2.77 billion or a third of South Australia's gross food revenue.

South Australian meat products were also in demand, with the livestock industry contributing \$1.8 billion or 21.6 per cent of food revenue.

Contact: Dr Susan Nelle, Director Food for the Future

Telephone: + 61 8 8226 0591

Facsimile: + 61 8 8226 0188

1. Gross State Food Revenue consists of the value of exports and domestic sales of food and food service.

Food takes to the road



Members of the Food for the Future team will head off on a regional roadshow early next year to spread the messages of the State Food Plan and Program 2001-2004.

The updated Food Plan and Program clearly signpost industry's development priorities and the programs that the State Government will put in place to support it.

South Australia's food industry believes growth will largely be achieved through development of:

- branded, differentiated products;
- integrated demand chains;
- internationally competitive export systems; and
- innovative, value-adding of commodity products.

The Government will support industry by:

- setting up demonstration projects of value adding to commodity products;

- building regional capacity and capabilities;
- building global competitiveness and innovation; and
- new export development.

The regional workshops will help communities identify their strengths and weaknesses and opportunities for collaboration and growth. Dates and locations will be announced early next year.

Up-to-date information on the State Food Plan and Program can be accessed through www.southaustraliafoodonline.com or www.safoodonline.com

Cultural shift creates opportunities for fresh produce

A cultural change in South-East Asia has opened up business opportunities for South Australia's fresh vegetable producers.

The traditional Asian street-side marketplace, where individual growers congregate to sell their goods, is slowly making way for Western-style supermarkets.

Three major fresh produce growers at Virginia in South Australia have joined together to capitalise on the new demand. Comit Farm, Freshway Farms and the Mercorella Group have formed Produce Direct Australia (PDA), an export-marketing arm of their businesses.

Between these growers and their grower networks around Australia, PDA has the capacity to supply the volume, variety and quality that Asian supermarkets are demanding.

Mr Mick Mercorella, chairman of the PDA group, believes the alliance is unique and a huge step forward into export markets.

"PDA represents what we would have had to do individually," he said. "We're sharing the costs and the knowledge, so it is definitely an efficient way to export."

The PDA alliance has been on the drawing board for more than two years, when the City of Playford commissioned a study to look at the development of networks and export opportunities for the productive farming regions north of Adelaide.

"Between us we decided that to improve our business opportunities and satisfy customers we needed to diversify even further," Mr Mercorella said. "It works for our group because our products don't conflict."

Comit Farm is the largest potato and onion packing operation in the Southern Hemisphere, with a 12,500 hectare farm at Waikerie, in South Australia's upper Murray region, and a large washing and packing operation at Virginia.

The Mercorella Group packs and distributes carrots and most other vegetables. It is the sixth-largest privately owned company in South Australia and has an annual turnover of \$100 million.

Freshway Farms is a specialist in the growing and packaging of tomatoes, capsicums, cucumbers and zucchinis.

In September, the managers of the three companies spent 12 days in Hong Kong, Singapore and Kuala Lumpur studying markets and selling the PDA concept.

"We were pleasantly surprised by what we saw and we also learned a lot. The PDA concept was taken on board very well, it exceeded our expectations," Mr Mercorella said.

"We visited people right across the board, from supermarkets to wholesalers and airline caterers. They were excited by the concept of ringing one company to organise supply and getting delivery of five or six different products."

The first trial shipment of produce was sent to Taiwan and Hong Kong soon after their return.

Mr Noel Shield, the commercial manager of fruit and vegetables at Park 'n Shop, a Hong Kong based supermarket chain, is encouraging of the PDA concept and believes more Australian growers should stop competing among themselves.

"Asian importers love the fragmented Australian industry because they can make a lot of money out of it," he said. "Australia still hasn't got the message yet. It has to have big groups of people working together under the one brand so that it can compete."

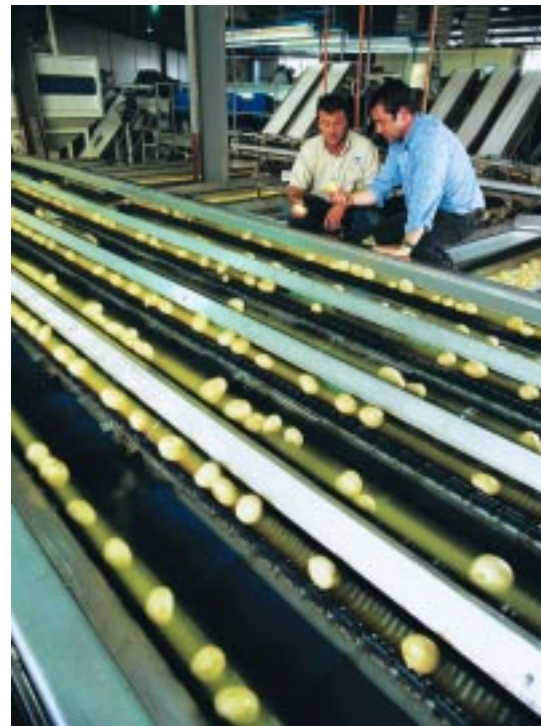
Park 'n Shop, which has more than 200 stores in Hong Kong, has already sourced produce from PDA.

Local, state and federal government collaborated and provided funds to get the PDA project up and running. PDA is now looking towards stage two of the project, which will involve introducing fruit businesses to supply apples and oranges.

"Once we've got the ball rolling and built a stable base, we want to bring in others," Mr Mercorella said. "Our goal is to put together a big basket of produce so our customers can order fruit and vegetables from one contact point."

All produce will be sold under a single brand, identifying it as a high-quality, consistent product from Australia.

Contact: Mick Mercorella, Chairman
Produce Direct Australia
Telephone: +61 8 8280 8150
Facsimile: +61 8 8280 8601
Mobile: 0414 327 086



Comit Farm's optical grading machine at the Virginia plant.



GROWING



PACKING



DISTRIBUTION



Left, Caroline Schaefer MLC, Minister for Primary Industries and convenor of the Premier's Food for the Future Council, and Susan Nelle, Director, Food for the Future.

Celebrate a year of food industry achievements

By Susan Nelle, Director, Food for the Future

South Australia's food industry has made significant achievements during the past year, and it is important to look back to celebrate the progress we've made.

Some of the growth highlights include:

- Gross State food revenue increased by more than 15% and is now worth \$8.33 billion (excluding wine).
- Overseas exports grew by 40%, which included an 18% increase in processed food exports.
- Total interstate and overseas exports equalled \$3.23 billion.

In October, the new State Food Plan and Program 2001-2004 was launched. The plan outlines the food industry's development priorities, and the program is the State Government's commitment to support it. This will happen by:

- Demonstration projects in innovative value-adding of commodity products;
- Building regional capacity and capabilities;
- Building international competitiveness through innovation; and
- Continuing new export development.

Food Online also was launched as an e-business tool, with portals for buyers and industry participants. More than 400 companies are now listed on the site, and help is available to develop a company site that links to Food Online. Please visit www.safoodonline.com

South Australia contributed to the development of the National Food Industry Strategy that was announced by the Prime Minister in September. We will be working with the Federal Government to assist South Australian food companies to access new innovation and export opportunities through the national programs.

It's also important to look forward and anticipate new challenges and opportunities. Some of these include:

- Supporting the development of regional food groups committed to providing food with a difference;
- Looking at how we can develop a world-class "food innovation system" to underpin the sustainable development of the food industry;
- Identifying ways to respond to consumer demands (particularly in targeted export markets) for certainty about the safety and quality of the food they buy; and
- Determining how we can underpin our claims of "clean, green" food.

The food industry is definitely on the go in South Australia – that was obvious from the quality of applicants for the Premier's Food and Fibre Awards, and the spirit on the night itself.

Our strength comes from an industry committed to be internationally competitive. In South Australia, we have built a unique partnership between industry and Government.

The journey continues!

My warmest wishes to all for a joyous holiday season and a prosperous new year.

Congratulations

Wine on way for Future Food winner

The winner of the Future Food reader survey is John Valero of Bossmark Pty Ltd, who will receive a magnum of Centenary of Federation Wine.

Thank you to the dozens of people who responded to the survey. Your valuable opinions and preferences are being collated and will help us shape the future of Future Food.

Reader survey

Future Food is a quarterly publication published by Food for the Future. Contact details:

Food for the Future
Level 16, 25 Grenfell Street
Adelaide SA 5000
Director: Dr Susan Nelle
Tel: +61 8 8226 0591 Fax: +61 8 8226 0188
Website: www.safoodonline.com

Future Food
Editor: Deann Stevens
Tel: +61 8 8226 0324
Email: Stevens.Deann@saugov.sa.gov.au

All editorial queries and story submissions should be directed to:

The Editor, Level 16,
25 Grenfell Street
Adelaide SA 5000



Government of South Australia

Disclaimer
The material in this newsletter is intended as a guide only. No liability for errors or otherwise is accepted for the material contained herein either by the Publisher, Food for the Future, its principal or its servants or its agents.