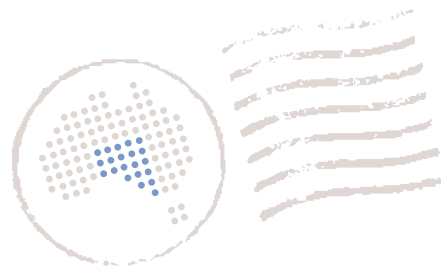


FUTURE Food



reviewing south australian food industry and future opportunities

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TASTE!

SOUTH AUSTRALIA

SA FOOD on show

South Australia's Food Industry will be on show at this year's Royal Agricultural Show.

"Taste South Australia" will be a vibrant, modern market inspired showcase, promoting the many quality products grown and produced across the State. It will also educate a potential show audience of six

hundred thousand people about the significance and value of South Australia's Food Industry.

PIRSA and Food for the Future are major sponsors of the showcase.

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FOOD Awards

Nominations are now open for the 5th Premier's Food Awards. The prestigious event recognises the hard work and foresight of South Australia's Food Industry Achievers and Leaders.

The Young Leader will receive 2 return airfares to Malaysia, courtesy of Malaysia Airlines.

Individuals or companies are encouraged to nominate themselves or others in the industry.

The Award's dinner will be held in November at Adelaide's Hilton Hotel.

Awards will be presented in 10 categories, with a new award being given for Innovative Services to the Food Industry.

"The awards raise the profile of companies within the Industry and the trading environment," says Awards Co-ordinator Justin Ross.

"It is recognition that they are a leaders within the Industry."

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INNOVATION Awards

The South Australian Government's Food for the Future Program has been recognised for Innovation by the Jaguar/Gourmet Traveller Awards for Excellence in food and travel.

Each year, 20 individuals or small businesses with an exceptional focus on excellence and innovation in every aspect of their business are chosen for awards in 4 categories.

Food for the Future has been recognised for developing innovative organisational structures and processes that enable effective working partnerships with the Food Industry and across Government agencies.

Other South Australian winners for innovation include Beech's Quality Fruit at Barmera in the Riverland.

Tony and Jenny Beech have

developed a "secret" recipe to combine the best qualities of dried and glace fruit.

Dr Maarten Ryder, a research scientist with CSIRO Land and Water has also been recognised for his native food plant cultivation project.

The project is designed to trial the suitability of native food species for viable commercial production.

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Beech's Quality Fruit, Cnr Thelma and Evans Roads, Barmera SA 5345 Telephone/fax +61 8 8588 2038

A UNIFIED APPROACH to environmental assurance

The growing issue of "Environmental Assurance" will be addressed at a National On farm Food Safety and Quality Assurance Conference in Tasmania in July.

Conference organiser Jane Lovell believes its time Australia developed a unified approach to environmental assurance and linkages with existing farm management systems.

"Increasingly, international customers are seeking assurances that our products meet exacting specifications and additionally that the produce is grown in an environmentally sustainable manner," Ms Lovell said.

"We have already had some experience with the

requirements of the United Kingdom's Tesco supermarkets with the implementation of Nature's Choice on over 60 onion growing properties."

Ms Lovell says having too many systems is the biggest deterrent in getting growers to adopt quality assurance.

EUREPGAP has been selected as a useful benchmarking system because of its broad acceptance by many international retailers and its ease of integration with existing quality assurance systems.

For more information on the conference contact:
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QUALITY COLD CHAIN LOGISTICS to Boost Exports

South Australian food exporters are being told an integrated approach to cold chain logistics will pay dividends.

Food for the Future and Transport SA are sponsoring a series of workshops to improve the cold chain logistics skills of growers, packers, processors, exporters and road, sea and air transport operators.

“Better cold chain management by all parties in the food export logistics chain is essential for exporters who want to maintain and grow their market share,” said Dr Susan Nelle, Director of Food for the Future.

“Knowing what needs to be done is essential but it needs to be underpinned by consistently good performance so that the product arrives on time and in peak condition every time.”

To ensure this happens Transport SA is managing the Australian Quality Logistics No1 (AQL1) pilot program on behalf of all the States and Territories and the Commonwealth.

The AQL1 project is developing performance standards for use by all members of the cargo chain from the time the product is ready for export through to delivery to overseas supermarkets.

“It’s not rocket science but it’s sure to make a difference by ensuring product quality isn’t compromised during transport” said Freight Transport Coordinator and AQL1 National Project Manager, Ian Lovell of Transport SA.

More than 15 companies around Australia and four from South Australia are participating in AQL1.

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NEW Minister

South Australia’s new Minister for Agriculture, Food and Fisheries, Paul Holloway, says the state’s food industry is well placed to build on the significant progress already made under the State Food Program.

In its first year of implementation, the four-year program has already identified around 30 new product development opportunities, while work has also begun on developing vertical alliances of regionally-based companies in the horticulture, seafood, dairy and meat sectors.

Mr Holloway became Minister for Agriculture, Food and Fisheries on the election of

the Rann Government in March. He has also served as a Shadow Minister for Primary Industries since his appointment to the Legislative Council in September 1995.

The Minister also holds the portfolio of Mineral Resources Development, and is the Leader of the Government in the Legislative Council.

Mr Holloway says the Government will be encouraging all food industry stakeholders to take advantage of the Food for the Future program’s nationally recognised innovation, following its success at the Jaguar-Gourmet Traveller Awards for Excellence.

He says Food Adelaide is also taking major steps to



secure new international markets for South Australia’s food product exporters. Work will continue to fast-track the penetration of South Australian food and beverages to international retailers and food service buyers in targeted export markets.

The Government has also announced it is committed to

the Premier’s Food Council which is a high level partnership between food industry leaders and Government Ministers.

The next meeting is scheduled for July 5th.

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YORKE Fact File

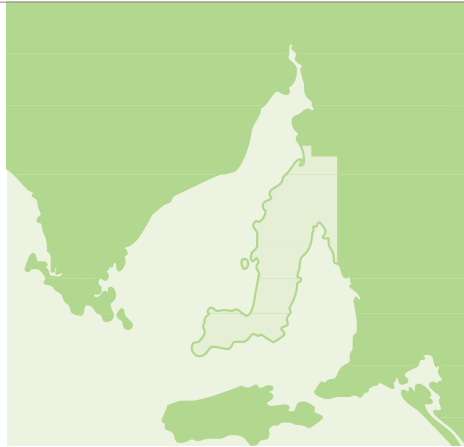
The Yorke Regional Development Board stretches across the District Councils of Barunga West, Copper Coast, Yorke Peninsula, Wakefield Regional and Mallala.

The total population of the region is around 34 000.

The key agri-food activities in the region include field crops, livestock and seafood.

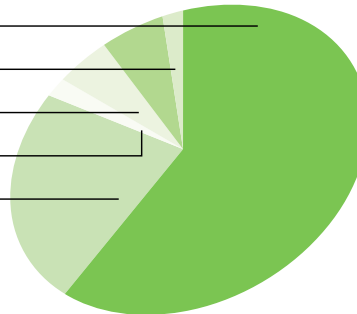
The region's food industry (including wine) is valued at \$505 million or around 5 percent of the South Australia's Gross Food Value.

Field crops account for more than 90 percent of exports, while processed pig meat is another major contributor.



Industry contributions to the gross value of food in Yorke 2000/01 \$505m

Field Crops	\$294.8m	61%
Livestock	\$115.3m	24%
Dairy	\$9.4m	9.4%
Horticulture	\$25.2m	5%
Seafood	\$31.4m	6%



NAPCO Seafoods

Robert Wilkinson of Napco Seafoods is a self confessed lobster lover.

A good thing given that from November until the end of May each year, his wholesaling business handles an average of 50 000 tonnes of crayfish before they're sent on to Hong Kong and midland China.

"I've been buying and selling lobsters for 24 years," says Mr Wilkinson.

"I never get sick of seeing them and I love eating them."

While this year's catch is down due to weather patterns, Mr Wilkinson has another venture on the boil to keep him busy.

The company will soon install a computerised smokehouse and vacuum packing machine to value add to locally caught salmon.

The Seafood Industry contributors almost 28 million dollars to Yorke Peninsula's economy

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MAKING Hay

The Balco Group, an international export company with its headquarters in the country town of Balaklava, is a major economic driver in the Yorke region.

The company was established in 1990 to develop exports of hay to Asia and today accounts for fifteen percent of Australia's hay export market. Through innovative value adding to commodity products, Balco has established loyal relationships with the Japanese market.

By compressing bales of hay and packaging it to the customers requirements, Balco is tripling the value of premium hay products which are highly sought after by the Japanese dairy industry.

"The dairy industry in Japan employs mainly women so we changed the size of the bale so that they could lift it," says

Marketing Manager Murray Smith. "We have adapted our practices to meet the demands of our customers so that we keep them happy." Balco is also dabbling with products further along the food chain. Its latest product is "The Plunge", a vitamin rich spring water. "If you're going to value-add to commodities, you have to look at the Food Industry," Mr Smith said.

The next business venture on the horizon for Balco is a "transport hub" which it is developing to consolidate goods to service the new National rail line from Adelaide to Darwin.

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VALUE ADDING TO Port Wakefield Pigs

Primo Smallgoods Pig Abattoir is value adding to its already thriving business venture at Port Wakefield.

By mid next year, the company plans to have a rendering plant up and running.

The rendering plant will cook pigs blood, which is a waste product from the abattoir, for use as fertiliser.

Primo is also working with a nearby chicken grower and processor who will use the rendering plant facilities.

"Nothing goes to waste, even pig's ears are processed for dogs to chew on," says Plant Manager Mark Viney.

The abattoir slaughters 8000 pigs per week for both domestic and international markets.

"Sixty five pigs are flown out daily to Singapore and are there within 48 hours of being killed," Mr Viney said.

The company currently employs 200 people with more jobs to come on line when the rendering plant is up and running.

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GREGORY'S Wines

Gregory's Wines is the Yorke Peninsula's first vineyard.

Owners 'Rob and Toni Gregory planted their root stock in 1997 and released their first vintage of "Barley Stacks" wines last year.

"We couldn't believe it, the entire vintage was sold out before it was even bottled," says Toni Gregory.

"Our wines have been likened to Western Australia's Margaret River district, with distinct signs of a maritime climate."

The Gregory's will celebrate the release of their second vintage with a Gourmet Feast for customers in July.

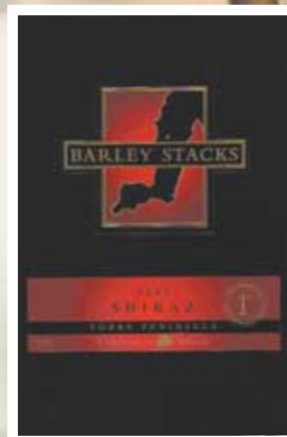
The machinery shed will be the venue of the feast which will include prawns, oysters, pork and venison.

"We want to promote the products of the region, because people have showed us a lot of faith by buying our wine before they even tasted it," Mrs Gregory said.

Two other vineyards are now being established on the Yorke Peninsula.

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RITZ PROMOTION Impresses the Japanese

Inquiries for South Australian produce have already begun, following a promotion at the prestigious Ritz Carlton Hotel in Osaka, Japan.

The promotion, which was a joint venture between Food Adelaide and Food for the Future, targeted chefs from premium Japanese food service establishments in order to increase their awareness of the quality and range of South Australia's produce.

"Most importantly the chefs who attended the cooking demonstrations are in positions of influence and are able to request the specifications of the products they use," says Food

Adelaide Project Officer, Marisa Jones

"This promotion has impressed upon them a positive image of South Australia and is establishing the region in their minds as one suited to upper-class cuisine," Ms Jones said.

The promotion also successfully trialed a compressed distribution chain, bringing suppliers and customers closer together.

"This model could easily be leveraged in developing the food service market in Japan and other countries," Ms Jones said

Adelaide chef Andrew Fielke who was chosen to be the "Food Ambassador", featured 16 export

ready products from South Australia such as Springs Smoked Salmon and Barossa Milk fed lamb for the promotion.

Food Adelaide has been working closely with a Japanese Importer to introduce new products to the market.

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BITTER SWEET Citrus Season

The Citrus Industry is faced with a bitter sweet pill this season.

While its enjoying record crops, a high percentage of the fruit is small due to a lack of rain and the cooler weather through the growing season.

Marketers are now faced with the challenge of selling the crop to export markets.

"The large quantity of undersized fruit is going to put pressure on the whole industry," says Managing Director of RiverSun, Steve Allen.

The United States buys 20 percent of Australia's citrus crop, however it demands big, quality fruit.

"We won't be able to take advantage of many market opportunities", says Yandilla Park Managing Director Clifford Ashby. "The United States has had a short crop year, but we won't be able to meet their orders."

Yandilla Park, which is a major citrus producer and packer in the Riverland will now be "fully investigating newish markets" like Bangladesh, India and Sri Lanka.

While a large percentage of the fruit will go to juice, the Industry is also looking at "bagging promotions" as an incentive to sell the crop.

"We have to get consumers in Australia to understand that there is a lot of small fruit around this year and hopefully they will help us by buying it," Mr Ashby said.

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WEBSITE PROVIDING new solutions

www.safoodonline.com is branching out to provide e-business solutions to food associations such as Olives SA and Native Foods as well as providing cross-government support for the food industry.

In line with its aim to create an e-business partnership among the food industry and government bodies, the website team is building additional searching facilities to help businesses connect with one another.

To do this safoodonline.com is adding relevant information on industry sectors and

international food industry activities and developing procedures to ensure information on the site is up-to-date.

All that hard work is starting to pay off with more than 1,300 different people now looking at the website every month to find out about South Australia's food industry. Have you visited www.safoodonline.com lately?

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COUNTRY OF ORIGIN LABELLING – a knotty dilemma!

So where does it come from? Adelaide food lawyer Emanouel Gaganis looks at the issue of food labelling laws.

Labelling the country of origin of foods has been a vicious circle for some businesses. The use of terms 'made in' or 'product of' carry with them bundles of restrictions relating to their usage. Many businesses use these thorny statements without knowing their true meaning and some end up falling foul of the sharp toothed Australian Competition and Consumer Commission (ACCC).

Use of the words 'made in' or a 'product of' on your labels is

entirely voluntary. As a result, the ACCC takes an interest when businesses use these words and use them incorrectly.

We provide some further clarity to these sticky words as follows: 'Product of' – considered to be a premium statement about the origin of goods. You can only use these words if: (a) all the significant ingredients of your food come from the country that you are claiming they are from; and (b) all or almost all of the manufacturing of the food takes place in that same country.

The words significant ingredients are not related to the quantity of the ingredient in

the food. In reality, an ingredient that contributes less than 1% can still be regarded as a significant ingredient. As a tester, ask yourself whether the ingredient is a defining part of the food. For example, in an apple and cranberry juice, both the apple and cranberry ingredients are a defining part of the food and are significant ingredients.

'Made in' – if you use these words, the food must: (a) be substantially transformed in that country; and (b) have 50% of its cost of production incurred in that same country.

The words substantially transformed mean more than re-

packaging or simple processing. For a food to be substantially transformed, it must go through a fundamental change of its appearance and nature so that the resulting food is new and different from that existing before the transformation. For example, importing raw peanuts, roasting and adding flavours to them is not likely to constitute substantial transformation.

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HOTGRAPE™ on the Marc

While many would argue food and wine go hand in hand, an Adelaide based company has developed a process to extract a functional food product from grape marc.

“HotGrape™, the product we’ve developed is bringing together food and wine production in a way that has never been done before,” says Tony Hansen, Marketing Manager of Functional Food Solutions.

“The key value is the patented process used in its production.”

The grape marc extract has the potential to become a value added by-product of the wine industry.

Functional Food Solutions is producing HotGrape to be used as an ingredient in savoury or sweet sauces, spreads, breakfast bars, bread or non-dairy breakfast drinks.

Functional foods bridge the gap between vitamin supplements and tasty treats. They are growing in popularity with the health conscious for their anti-cancer, anti-inflammatory and anti-oxidant properties.

Tests have shown that grape marc contains powerful anti-oxidants.

“Our next step is to continue testing HotGrape to make sure our product is robust and standardised,” Dr Hansen says.

The company is working with a major processing facility and food manufacturer to develop the product.

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tell us a story

Do you know of any individual or company that is doing exciting things? Let us know.

Through Future Food we’re spreading the word on South Australia’s Food Industry success stories right across Australia and overseas.

Also, if you’d like more copies for your office or to pass on to friends, simply contact us.

REGIONAL food plans

A guide that will assist South Australia’s regions develop individual Regional Food Plans is being “road tested” in the Yorke and Adelaide Hills regions.

Food for the Future is developing a “toolkit” for the state’s Regional Development Boards and other regional service providers to encourage local food industry development.

The “toolkit” includes the Guide to Developing a Regional Food Plan, a ScoreCard to determine the value of the Food Industry and assistance with developing regional food groups and branding initiatives.

The Regional Food Plans are tailor made for each region, identifying its strengths and weakness and targeting opportunities for development.

The “Guide to Developing a Regional Food Plan” is an initiative of the State Food Plan and Program.

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