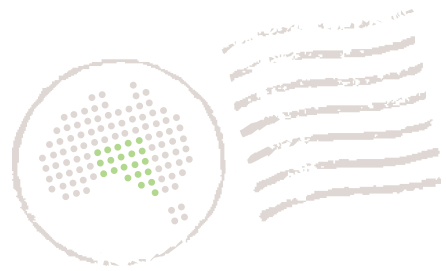


FUTURE Food

reviewing south australia's food industry and future opportunities



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NEW GROWTH for Fleurieu's Olive Industry

Olive trees have long been associated with the Fleurieu Peninsula with the first known plantings dating back to 1839.

While the trees thrived in the region's Mediterranean climate, the industry was much slower to take off.

In recent years there has been renewed interest in olives with a seventy percent increase in plantings since 1999.

This year will be the first significant harvest for these new plantings.

It's no coincidence that the region's olive producers have announced the formation of the Fleurieu Peninsula Olive Association, a group that has recently formed to help coordinate the industry.

"The main role of the Association is to produce and market quality olive products from the Fleurieu Peninsula with positive returns to its members," says Paddy O'Brien, an olive grower and founding member of the Association.

A seemingly simple mission statement but Mr O'Brien and his fellow members have no illusions about what needs to be done to achieve the Association's goal.

"Until recently some growers didn't even know what variety they'd planted or the flavour profile of the oil produced by those trees," Mr O'Brien says.

To address problems such as these the Fleurieu Peninsula Olive Association has organised a series of training sessions to increase the capability and knowledge of the group.

The response, says Mr O'Brien, has been incredible.

"We've had from 20 – 35 growers attending training on everything from olive oil tasting and sensory training to pest management."

"The olive growers are interested because it is such a new industry in Australia and all of them are keen to learn."

Mr O'Brien believes there is also a general lack of knowledge about olive oil at the consumer end.

"In the past a lot of our premium olive oil has been sent to Europe to be blended with their oil which is then sent back to us," he says.

"As a result the public doesn't know what good olive oil tastes like.

"Part of the role of this group is to let them know they can get good flavoursome olive oil from our region."

The Association's newly elected Chair Mike Lewis, says the rapid expansion of the region's olive industry has increased the need for a coordinated approach to marketing, training and networking.

"It's incredibly important that we work together to ensure the industry in the region can achieve its full potential," Mr Lewis says.

The Association currently has 20 members.

Growers interested in joining the Association can contact:

Robyn Millar

Project Manager

Mobile 0417 820 292



THE FACE OF FOOD Pip Forrester

South Australia is endowed with gastronomic pleasures and part of what makes the state's food special is the people who create it. In this, and coming editions of Future Food we will meet some of the 'faces' of our food industry – the women and men who have made food their life and business and most importantly, are doing it with passion and skill. They are the custodians of tradition and inventors of the future of South Australia's food industry. Deann Stevens spoke with Pip Forrester, the owner of Salopian Inn at McLaren Vale, one of Australia's first regionally focussed restaurants.

"Pip" is for Perfection

"I'm not completely happy with the olive oil we're using at the moment," declares Pip Forrester. "It's a bit too bitter and I think we can find better."

Undoubtedly Pip will. After all perfection and quality drive her.

In fact, she's built a reputation and a successful business on offering food at its best.

Pip's name is synonymous with the Salopian Inn but she is also a producer of quality olive oil, dukkah and chutney.

"I'm always driven by quality. The most important thing every time is quality, in the way that it's delivered and in its essence."

"One of my pet sayings is the closer it is to the back door the more I like it.

"Price isn't an issue either. I believe if you source good product and do good things with it, you can actually pass the cost on to the customer.

"I'm not looking for the cheapest product, I'm out there looking for the best product, the freshest product."

As well as 'restoring' hungry locals and travellers the Salopian Inn restaurant has become the unofficial headquarters of a food revival in the Fleurieu Peninsula.

Pip is Chair of the recently formed Fleurieu Peninsula Food, a network that is working to raise the profile of the region's food.

But getting people to understand the importance of producing and consuming good local food is a battle Pip has been fighting for years.

"We have an awful lot of work to do with quality," Pip admits.

"I'm terribly, terribly fussy and I'm not very accepting of sloppiness and non-interest by people who are in the food business and don't make it their business to know."

Part of the problem, Pip believes, is that many Australian consumers still don't understand what good food is.

Having spent her childhood in Paris with parents who "cared" about food, and then later learning the tricks of the trade at the Le Cordon Bleu cooking school and working in Parisian restaurants, Pip's palate is well-tuned.

"The people in France demand good food and if it's not good they won't buy it.

"They understand what is a good cheese and what is a bad cheese. It's in their mother's milk.

"The only way we're going to improve the quality of the food we produce is if we talk to each other and educate each other about what is good and what isn't good."

One of the roles of the Fleurieu Peninsula food group is to provide the network for people to learn and grow and work together to rebuild the viability of the food industry.

In the 16 years since Pip began her quest to promote regional food at Salopian Inn, much has changed in the region.

Vines continue to march across land which once produced food.

But at the Willunga Farmers' market there's every indication that local food production is far from being a thing of the past.

Several hundred turn up every week for a chat with the producers and to collect their supply of olive oil and tomatoes, sour dough bread and dukkahs, fresh fish, fruits, vegetables and much more.

The locals may well be embracing locally produced food but according to Pip there's much to be done to make food "a leader, not just an add-on in the region."

She dreams that one day every chef on the Peninsula will look to see what's in season before planning their menu – something that's been a reality at the Salopian Inn for almost two decades.

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THE FREE TRADE AGREEMENT

What's in it for you?

The Federal Government has struck an historic free trade agreement with the United States, which it claims offers enormous opportunities to all Australian companies in dealing with the world's largest economy.

The agreement, which is yet to be ratified by the Australian Parliament and the American Congress, is the culmination of months of discussions between the two countries.

Some of the benefits for farmers and food processors include:

- About 66 per cent of agriculture tariffs will go to zero immediately, with a further 9 percent going to zero in four years.
- Australia's beef quota, currently 378,000 tonnes, will be substantially increased – growing by 18.5 per cent over 18 years, then effectively becoming free trade.
- Australian lamb and sheep meat producers will have most tariffs reduced to zero immediately, and the rest within four years.
- Australian exports of quota-constrained dairy to the US – currently worth around \$40.5 million – will likely increase by around \$55 million in the first year and build from there into a lucrative trade for our industry.
- Australia will get immediate zero tariff treatment for horticulture products such as oranges, mangoes, mandarins, strawberries, tomatoes, cut flowers, and fresh macadamias.
- For the first time, avocados from Australia will have access to the US market, up to 4000 tonnes (subject to SPS restrictions).
- Australia will get immediate zero tariffs for wheat and cereal flour mixes.
- For processed foods Australia will get zero tariffs within four years for a range of fruit juices and baby foods.
- An industry priority of zero tariff for greasy wool, a premier Australian export industry, will be achieved within four years, and for other wool items within 10 years.
- Tariffs on all Australian wine producers will be reduced to zero over 11 years.
- Australia's peanut industry, which currently has no access to the US market, will get a quota of 500 tonnes in year one, expanding over time.
- Australian seafood exports, currently worth around \$140 million, will enter the market duty free immediately.
- Immediate removal of a 35 per cent tariff on canned tuna will provide duty free access to the \$650 million US market.

More information on the free trade agreement can be found at:
<http://www.dfat.gov.au/trade/negotiations/us.html>

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LIMESTONE FOOD DIRECTORY Promotes Regional Flavour



Dorinda Hafner, who launched the Food Directory, celebrates with food producers Malcolm and Jan Kentish

The Limestone Coast Food Group has launched a regional food directory bringing together, for the first time, a comprehensive listing of businesses involved in the region's vibrant food industry.

The *Limestone Coast Real Food Directory* is designed to promote the diversity and seasonal availability of high-quality produce grown and sold in the region.

Head of the Limestone Coast Food Group Mary Winser says the directory will be a valuable reference tool for restaurants, caterers and retail outlets interested in sourcing regional produce and value-added products to use on their menus and sell in gourmet shops.

"The Directory contains a comprehensive listing of the wealth and diversity of food available in the Limestone Coast with producers, manufacturers and processors included," Ms Winser says.

"There is also information on the different types of produce, seasonal availability, stockists and their contact details."

Restaurants, cafes, caterers and retail outlets are also listed.

The *Limestone Coast Real Food Directory* is available from visitor information providers throughout the region, participating cellar door outlets and the Limestone Coast Food Group, for a cost of \$4.95.

For more information, please contact:
Limestone Coast Food Group Inc
Kate McKenzie
Project Officer
Mobile 0409 623 071
kate.mckenzie@wattlerange.sa.gov.au



PORK PLAN focussed on Strategic Growth

South Australia's pork producers are aiming to increase production volume by 50 percent and lift the wholesale industry value by more than \$190 million to \$396 million annually by 2010.

The targets are contained in the recently launched South Australian Pork Industry's Strategic Plan.

Other key points in the plan include better integration of production and processing,

improved market access and profitability through the building of new partnerships and alliances, and increasing the number of sows in production from almost 54 000 to just over 76 000.

Chairman of the South Australian Pig Industry Development Group Dr Ian Parish acknowledged the challenges the industry faces but says the plan is about the future of the pork industry.

"This plan will help us to be part of a vibrant, modern and growing industry in South Australia," Dr Parish says.

Dr Parish also highlighted the importance of industry collaboration rather than competition to continue to build on the industry's strengths.

"The industry has many advantages with significant local and global demand for product, state of the art infrastructure and an unblemished international reputation for food safety standards and product integrity," Dr Parish says.

South Australia is the only state to have developed a strategic industry plan.

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TASTE! is back at the Adelaide Central Market

Mark off March 11th, 12th and 13th in your diaries and get ready to sample the best of South Australia's regional food at the Adelaide Central Market.

Six regional food groups are partnering with Central Market stallholders to bring new and innovative products to Adelaide for the weekend.

The autumn trail will boast venison, pickled yabbies and a host of exciting new sauces, chutneys, cheeses and spices, many of which have only been available from regional outlets.

For more information:
Andrea Cast
Food South Australia
Telephone (08) 8226 1783

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THE DUTCH APPROACH to Better Supply Chains

A Dutch specialist in developing better supply chains between companies to help them be more competitive will share his expertise with South Australian food businesses and industry associations.

Food South Australia is sponsoring Henk Folkerts, the Managing Partner of the Rijnconsult Group to visit South Australia on March 9 – 11.

Lisa Nguyen of Food South Australia's market development team says South Australian

companies will be able to learn a lot from Mr Folkerts.

"The Dutch are proven leaders in the design and management of supply chains in the agriculture and food industries," Ms Nguyen said.

"They are at the forefront in the thinking and development of world food markets and their knowledge and expertise in this area helps them to compete and stay ahead of the global competition."

Ms Nguyen says this has led to the Dutch having a dominant influence on global trade in greenhouse vegetables, onions,

pork, dairy, potatoes and fresh flowers even though their economy is only of similar size to Australia.

"South Australia needs to embrace this thinking as competition in the global and Australian market place is increasingly based on who has the best supply chains in place," she says.

During his three day visit Mr Folkerts will conduct two workshops with industry and one with Industry Associations and Government to increase their knowledge of international supply chains.



Henk Folkerts

For more information contact:
Lisa Nguyen
Market Development
Telephone (08) 8226 0460

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BAROSSA SLOW is Fast Approaching

The Barossa Valley will be the venue for a special weekend event in April dedicated to 'slow food', a world-wide movement which celebrates natural ingredients, food heritage and local cuisines.



Event Manager Barbara Storey says the event is a celebration of the Barossa's food culture as well as a tool to help educate locals and visitors about its uniqueness.

"We want to draw attention to and help small traditional producers to ensure their businesses continue to grow," Ms Storey says.

"Land which was traditionally used for food production is increasingly under pressure from the wine industry and we want to make sure there is a balance."

Throughout the three day event, on April 2-4, a variety

of entertaining and educational 'journeys' will be held including the 'pig', the 'orchard' and the 'vine' focussing on the role they have played in traditional Barossa food.

A Barossa Slow Food and Wine Trail has also been created for the weekend, giving the public an opportunity to discover artisan food producers and little-known boutique vineyards.

Barossa Slow is the first Slow Food event to be held in Australia.

The full Barossa Slow program is available at www.slowfood.southaustralia.com

TASTE SA PROMOTION boosts interstate sales

A Barossa cheesemaker has doubled production following the success of the 'Taste SA' promotion in Sydney and Melbourne last year.

The Barossa Valley Cheese Company, which started production just ten months ago, says the tasting sessions in targeted gourmet food stores have been a vital part of their success.

"I think people love meeting the maker," says cheesemaker Victoria Glaetzer.

"On average, we sold 70 percent of our product as a result of the tastings."

Behind the scenes Ms Glaetzer says the 'Taste SA' promotion has helped her establish relationships with distributors.

"Going into new markets is a big leap for a small company," Ms Glaetzer says.

"By going and doing this promotion it meant that somebody was showing me how to start and steering us in the right direction."

Food South Australia Retail Food Facilitator Rachel Gemmill is planning similar promotions for 2004.

Contact:
Rachel Gemmill
Retail Food Facilitator
Food South Australia
Telephone (08) 8300 0116



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AUSTRALIAN PAVILIONS at NTUC Fairprice

The success of 'Australian Pavilions' in Singapore's NTUC Fairprice stores continues with over 5,500 square feet of floor space dedicated to Australian grocery products and additional Pavilions are planned in 2004.

The project, which began two years ago with support from Supermarket To Asia and now NFIS, currently sells in excess of \$50,000 per week of Australian groceries.

Lisa Nguyen from Food South Australia's market development team has been appointed to build South Australian food and beverage sales in Australian Pavilions.

Over the coming weeks, Lisa will be contacting existing food companies supplying the Australian Pavilions as well as potential new suppliers.

Lisa can be contacted at (08) 8226 0460 or 0439 802 088.

CLARE VALLEY CUISINE Hosts Regional Food

Clare Valley Cuisine will host the fourth Regional Food Groups Workshop at the historic Sevenhill Winery on April 15th.

Industry delegates from ten regions along with the Regional Development Boards, Food South Australia and the South Australian Tourism Commission will come together to discuss the development of food tourism.

Talks by the proprietors of Thorn Park and other thriving regional food and wine tourism businesses will provide fuel for discussion.

For more information, contact your local food group, Regional Development Board or Andrea Cast at Food South Australia on (08) 8226 1783.

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*Sevenhill Cellars
Sevenhill, Clare Valley,
South Australia*

Photo courtesy of SATC

The Food Team



Food South Australia has welcomed four new members to its food team.

Richard Heyneman, Irene Chumak, Lee O'Connor and Lisa Nguyen, former members of the Centre for Innovation, Business and Manufacturing (CIBM) food team, are now part of Food South Australia. You can now find the new and expanded Food South Australia Food Team at:

The Grenfell Centre	Level 16, 25 Grenfell St, Adelaide, 5001	(08) 8226 0585
Susan Nelle	Executive Director	(08) 8226 0585
Sonia Kowalski	Administrative Support Team	(08) 8226 1905
Tim Deer	Capability Development and Regional Partnerships	(08) 8226 1744
Andrea Cast	Capability Development and Regional Partnerships	(08) 8226 1783
Allison Bockman	Capability Development and Regional Partnerships	(08) 8226 1783
Lee O'Connor	Capability Development and Regional Partnerships	(08) 8226 1159
Richard Heyneman	Strategic Sector Development	(08) 8226 1103
Irene Chumak	Innovation Systems	(08) 8226 1171
Lisa Nguyen	Market Development	(08) 8226 0460
Sharon Kennerley	Premier's Food Awards	(08) 8226 0468
Rose Wodecki	SA Food On Line	(08) 8226 0827
Deann Stevens	Communications	(08) 8226 0324
The Food Export Centre	136 Greenhill Road, Unley, 5061	
Ian Lewis	Market Development	(08) 8300 0118
Justin Ross	Market Development	(08) 8300 0117
Rachel Gemmell	Market Development	(08) 8300 0116

NEW ASIAN MARKET in Food Exporters sights

Food Adelaide has successfully introduced a group of its member companies to a potential new premium retail and food service market in Thailand.

Twenty-five South Australian companies took part in the showcase at the Australian Embassy in Bangkok.

The showcase targeted more than 100 buyers from Thailand's supermarket, retail and food service sectors as well as chefs from five star hotels.

Food Adelaide Executive Director, Des King, says Thailand is showing increasing promise as an export destination following

the signing of the Free Trade Agreement between Australia and Thailand.

Also, many of the world's major retailers have based their Asian headquarters in Thailand.

"The Thai retailing scene has changed dramatically over recent years with the introduction of Western-style supermarkets operated by major chains, including Tesco

(UK), Makro and Royal Ahold (Netherlands), Delhaize de Lion (Belgium), Casino and Carrefour (France)," Mr King said.

"This event has helped Food Adelaide to identify products offering the greatest potential in the emerging Thai market.

"We are currently developing strategies to meet these opportunities." Mr King said.



Jeanette Long winner of the Rural Women's Award 2004



ARDROSSAN FARMER Wins Rural Women's Award

Ardrossan cropping and sheep farmer, Jeanette Long, is the winner of the Rural Industries Research and Development Corporation (RIRDC) Rural Women's Award 2004.

Jeanette will receive a bursary of \$15,000 to help fulfil her personal vision for establishing WEAT (Women Embracing Agriculture Together), an informal agriculture business-training project to empower women grain growers to achieve change through participation in strategic learning groups.

Jeanette owns and manages three agricultural businesses, in partnership with her husband Bill.

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Photo courtesy of Italo Vardaro

THE JOURNEY Continues

BUYERS HUB Doing More for South Australian Food

www.safoodonline.com/buyers_hub

More Features

Buyers Hub now has two great new features for South Australian food businesses listing with SA Food Online. You can now:

- add your own logo and/or product photos (up to four separate images)
- add your own brief marketing statement

Take a look at Buzz Honey or Alexandrina Cheese Company to see these new features at work:

www.safoodonline.com/buyers_hub/businesses/buzzhoney/

www.safoodonline.com/buyers_hub/businesses/alexandrinacheesecompany/

More Exposure

As of March 2004, the SA Food Online Buyers Hub will be linked with the Export SA website.

In an effort to improve the exposure for South Australia's Food Industry exporters, Food South Australia has made an



agreement with the team behind Exporting South Australia (www.exportsa.sa.gov.au) that any food exporters listed with SA Food Online will automatically be listed with the Exporting South Australia website.

New food export companies approaching Export SA to list online will be redirected by

the staff at the Department of Business, Manufacturing and Trade to list with SA Food Online to ensure there will be no duplication of companies.

Get Listed

Are you a South Australian food producer who would like to be listed with SA Food Online? Simply email: contact@safoodonline.com

A State Food Plan Summit will be held in March as a key step in the process of updating the next stage of the State Food Plan (2004–07).

Food South Australia is inviting input from food industry leaders to identify priority issues that must be tackled to ensure the continued development of the state's food industry in South Australia.

Summit participants will also be asked to prioritise potential initiatives for the next three years.

A survey to gather the opinions of national and international industry leaders has also been conducted.

A draft State Food Plan (2004–07) will be prepared for review and endorsement by the Premier's Food Council in June.

The first State Food Plan was launched in 1997 to increase the international competitiveness of South Australia's food industry.

By 2010, the goal is to increase the food industry's contribution to the South Australian economy to \$15 billion a year.

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WHAT'S ON Upcoming Events

MARKET FORUM

2 – 3 March 2004

Canberra, ACT

Australia's premier market assessment forum for the commodities sector.

ROTARY INTERNATIONAL FOOD FAIR

6 March 2004

Corner of Crush Terrace and Strangman Road, Waikerie, SA

Features numerous food stalls including Indian, Greek, Mexican, Italian and Filipino.

FOODEX JAPAN 2004

9 – 12 March 2004

Japan

Asia Pacific's defining food and beverage exhibition.

REGIONAL FOOD TRAIL

11 – 13 March 2004

Adelaide Central Markets, Adelaide, SA

Food South Australia and targeted gourmet food stalls at the Adelaide Central Market are teaming up to showcase the best of the state's regional food products.

FOOD AND DRINK EXPO 2004

14 – 17 March 2004

United Kingdom

Food & Drink Expo is the UK's biggest event for the whole food and drink industry in '04.

PAN PACIFIC PORK EXPO 2004

18 – 21 March 2004

Brisbane, QLD

The premier pork industry event in the region.

FINE FOOD QUEENSLAND

21 – 23 March 2004

Brisbane, QLD

Fine Food Queensland is the largest food industry event in northern Australia.

PINNAROO SPUD FEST

26 – 28 March 2004

Pinnaroo, SA

As Pinnaroo and the surrounding region is one of SA's largest potato growing regions many of the activities will have a potato-based theme.

BRIGHTON JETTY FESTIVAL

28 March 2004

Brighton, SA

This main street wine and food festival is for the young and young at heart.

SIAL-CHINA 2004

30 March – 1 April 2004

China

The biggest Trade Show ever in China for the Food Industry.

BAROSSA SLOW

2 – 4 April 2004

Barossa, SA

Barossa Slow celebrates the heritage, the flavours, the rituals and the region's produce in a weekend of authentic experiences.

GAWLER GOURMET & HERITAGE FESTIVAL

11 – 12 April 2004

Gawler, SA

This wonderful celebration of pioneering history, culture, heritage, fine food, wine and unforgettable entertainment will come to life.

WORLD GOURMET SUMMIT 2004

19 – 30 April 2004

Singapore

A Theatre of Taste.

FOOD AND HOTEL ASIA 2004

20 – 23 April 2004

Singapore

International Food & Drinks, Hotel, Restaurant, Bakery & Foodservice Equipment, Supplies & Services Exhibition and Conference with FHA Culinary Challenge.

ADELAIDE INTERNATIONAL BEER FESTIVAL

1 – 2 May 2004

Torrens Parade Ground, Adelaide, SA

The annual Adelaide International Beer Festival will be a showcase of Adelaide's best restaurants and premium beers from around the world.

EUROPEAN SEAFOOD EXPOSITION

4 – 6 May 2004

Belgium

The single place to meet the entire seafood industry – all the top-level decision-makers in purchasing, supplying, processing, distributing, and import – exporting.

CLARE GOURMET WEEKEND

14 – 16 May 2004

Clare Valley

An exciting country event, held annually since 1985, brings crowds of enthusiastic visitors to this picturesque area.

To add events or for more information on what's happening visit: www.safoodonline.com

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COMMERCIAL CONTRACTS are they necessary?

Emanouel Gaganis & Arthur Braiotta, Minter Ellison Lawyers

A dependable and efficient food supply chain relies upon a harmonious relationship between manufacturers, distributors, and retailers. In achieving this without compromising quality, food businesses can set up contracts to record commercial arrangements. Contracts are useful (and sometimes crucial) for deals concerning supply and distribution, contract packing and the appointment of an agent. Managing business risk in the food industry (whether it is commercial or financial) may dictate this choice.

Why are these agreements important?

Standard terms of trade may not suit a particular industry or business setting, especially in new and emerging food sectors. From wine retailers to meat wholesalers, each industry and business will have different expectations

and obligations. A business may grow in value if commercial dealings are cemented and outlined in a written agreement. The certainty of a contract also assists with planning medium to long term business goals.

In summary, contracts record the terms of the bargain and are easily referred to when needed to clarify the arrangement or sort out a dispute. They allow business deals to be conducted on resolved terms with a common understanding of how things are to be done.

Negotiating your terms

While agreements will depend on various circumstances including the particular industry and the needs of each business, all contracts should be fair and commercially realistic. Written agreements should be easily understood and not comparable in length to the Adelaide to Darwin

railway. Likewise, parties should not refrain from recording all of the essential terms in order to satisfy a "one page policy". A contract needs to adequately describe the agreed terms and assist with managing and resolving disputes.

Common disputes arising from commercial deals include supplying goods or services inconsistent with agreed specifications, inadequate (and inappropriate) storage facilities and trade mark infringement (or any other intellectual property such as recipes). Contracts can help do away with these disputes.

It is important when negotiating to be firm in your dealings, but remain flexible to accommodate the needs of other parties. In your negotiations, remember that it is illegal to require a business to break the law or seek to cause damage to

competitors. Lawyers can prepare and advise on written agreements to ensure a business's requirements are met and interests protected. It makes sense that businesses seek legal advice before signing a legally enforceable arrangement.

Where to now?

In negotiating a deal, be firm and realistic about your expectations and keep in mind that businesses are free to bargain with other suppliers and distributors. An important goal in negotiating a contract is to secure a healthy and conflict-free commercial relationship that adds value to your business and manages risks associated with trade.

Please contact Emanouel Gaganis, Senior Associate at Minter Ellison Lawyers if you would like further information about this topic by telephone (08) 8233 5514 or email emanouel.gaganis@minterellison.com

FUTURE
Food
is a quarterly publication published by Food South Australia

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