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ALL ENQUIRIES

Steve Welfare
Primary Industries and Regions SA (PIRSA)
Level 15, 25 Grenfell Street
GPO Box 1671, Adelaide SA 5001
T +61 8 8429 0450
E steve.welfare@sa.gov.au
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To track the advances in the South Australian food and wine industries, Primary Industries and Regions South Australia (PIRSA) has developed a series of industry ScoreCards, which provide detailed value chain measures of annual performance. This report outlines the 2016–17 performance for South Australia’s food and wine industry.

OVERVIEW – FOOD AND WINE INDUSTRY
2016–17 PERFORMANCE

The South Australian Gross Food and Wine Revenue (GF&WR) has continued to grow in 2016–17.

Key highlights for the 2016–17 Food and Wine ScoreCard include:

- Gross Food and Wine Revenue increased by $1.33 billion (7%) to reach record levels of $19.97 billion, with increases in revenue generated by the field crop and wine industries.
- Finished food and wine values continue to grow with an increase of $334 million (4%) to reach record levels of $8.9 billion with increases in revenue generated by the wine, field crops, horticulture and dairy industries.
- Total overseas exports of food and wine increased by $419 million (or 8%) to reach $5.64 billion (or 49%) of total merchandise exports. Finished (or processed) food and wine exports increased by $23 million or 1% to reach $3.4 billion.
- Interstate food commodity sales increased by $423 million (or 178%) and interstate processed food and wine sales decreased by $81 million (or 3%).

Table 1 shows how results along the value chain contributed to the 2016–17 South Australian GF&WR growth. GF&WR increased by more than $1.33 billion (or 7%) to reach a record $19.97 billion. Growth categories, are shown in Table 1, with interstate food commodity sales showing the most significant increase.

Table 1: South Australia’s Food and Wine Revenue summary, 2016–17

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2015-2016 $ million</th>
<th>Change ($ million)</th>
<th>($ million)</th>
<th>Percentage change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finished food and wine exports</td>
<td>3 393</td>
<td>23</td>
<td>3 416</td>
<td>1%</td>
</tr>
<tr>
<td>Food commodity exports</td>
<td>1 833</td>
<td>396</td>
<td>2 229</td>
<td>22%</td>
</tr>
<tr>
<td>Interstate finished food and wine sales</td>
<td>2 494</td>
<td>-81</td>
<td>2 413</td>
<td>-3%</td>
</tr>
<tr>
<td>Interstate food commodity sales</td>
<td>238</td>
<td>423</td>
<td>661</td>
<td>178%</td>
</tr>
<tr>
<td>Retail trade sales</td>
<td>8 306</td>
<td>317</td>
<td>8 623</td>
<td>4%</td>
</tr>
<tr>
<td>Food service sales</td>
<td>2 375</td>
<td>259</td>
<td>2 635</td>
<td>11%</td>
</tr>
<tr>
<td>Total food and wine revenue</td>
<td>18 638</td>
<td>1 337</td>
<td>19 975</td>
<td>7%</td>
</tr>
</tbody>
</table>

Note: Numbers have been rounded and discrepancies may occur between sums of the component numbers and totals.
Figure 1 shows how the 7% growth in GF&WR in 2016–17 is above the longer term average annual trend growth of 3% experienced since 2001–02.

**Figure 1: South Australian Gross Food and Wine Revenue, 2001–02 to 2016–17**

Overseas exports are an important element of the South Australian food and wine industries. Figure 2 shows the growth trend for finished food and wine and food commodity exports since 2001–02. The 2016–17 food and wine export result can be attributed to increases in value of the field crop and wine exports.

**Figure 2: Finished Food and Wine and Food Commodity Exports ($ million)**
SUMMARY AND OUTLOOK

In 2016–17 Gross Food and Wine Revenue increased by $1.33 billion (7%) to reach record levels of $19.97 billion, with increases in revenue generated by the field crop and wine industries. This in part reflects the record grain harvest. The 2017–18 grain harvest is predicting a harvest closer to the ten-year average and overall prices at similar levels to 2015–16.

Total overseas exports of food and wine increased by $419 million to reach $5.64 billion in 2016–17, with food and wine exports now accounting for 49% of total merchandise exports (up from 45% in 2015–16). Finished (or processed) food and wine exports increased by $23 million (or 1%) to reach $3.4 billion, supported by strong growth in wine exports to China and Hong Kong.
GLOSSARY OF TERMS

Farmgate
This measures the value of a commodity at the local level of production, which is known as farmgate. Farmgate value is calculated by multiplying the volume of production by the price received. This represents the value of production to the farmer or fisher person.

Differentiated and finished food value
This measures finished food – the value of foods and beverages that are processed at their highest level of processing in South Australia. Finished foods may be minimally or highly processed and the value is represented by their wholesale price into the retail or export markets.

Food retail sales
Food retail sales measures the value of food sales made through all retail stores including supermarkets and grocery stores, takeaway food, meat, fish, poultry, fruit and vegetable retailing, liquor retailing, bread and cake, and specialist food retailing.

Food service sales
Food service sales measures the value of sales of food and beverages through restaurants, hotels, and tourism operations within South Australia. The calculation estimates the percentage of total sales that occur through these outlets. Prices used in this calculation are usually higher than those used at the retail level.

Free on Board (FOB)
Free on Board (FOB) is the price of a commodity or product received by a supplier, including all costs incurred in getting the commodity or product to the port of departure, at which point the buyer takes responsibility of the costs.

Gross revenue
An aggregate measure of revenue that includes international and interstate food and beverage exports and the value of food and beverage retail and service sales contributing to the South Australian economy. It is calculated by taking the sum of overseas export value (commodity and processed), interstate trade value (commodity and processed), food retail sales and food service sales. Gross revenue can be used in reference to food, wine or food and wine combined.

Interstate sales – commodity and finished food
This represents the difference in the value of goods exported interstate from those imported from interstate. A positive value represents net interstate exports – for example exports exceed imports. A negative value represents net interstate imports – for instance, imports exceed exports.
**Overseas commodity exports**

This measures the value of overseas exports of agricultural commodities sold overseas by South Australian firms, calculated by using free on board prices. Commodity exports are products that have a minimal change from their natural form – for example, live animals or bulk grain.

**Overseas imports – commodity or finished food**

This measures the value of either agriculture commodities or finished food products that are purchased from overseas. Import volumes and values are quantified at their South Australian landed value (at the port of shipment).

**Overseas finished food and wine exports**

This measures the value of overseas exports of food and wine products sold overseas by South Australian firms, calculated by using free on board prices. Finished food and wine exports are commodities that have had further value added from the point of production. For example, meat, wine, packed fruit and vegetable or fish.

**Primary activity**

Primary activity refers to primary production activity, which refers to the various activities within the agriculture, food manufacturing sectors i.e. poultry farming or dairy cattle farming.

**South Australia’s Strategic Plan (SASP)**

South Australia’s Strategic Plan (SASP) guides individuals, community organisations, governments and businesses to secure the wellbeing of all South Australians. South Australia’s Strategic Plan contains the state’s visions and goals and its 100 measurable targets reflect our priorities. SASP identifies priorities for South Australia.

**Value chain measures**

Value chain measures include all measures or indicators that are used along the value chain from the farmgate through the chain to the final point of sale.