Food and Wine ScoreCard
Overview 2015–16
PRIMARY INDUSTRIES AND REGIONS SOUTH AUSTRALIA
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ALL ENQUIRIES

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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 2015–16 performance for South Australia’s food and wine industry.

OVERVIEW – FOOD AND WINE INDUSTRY 2015–16

PERFORMANCE

The South Australian Gross Food and Wine Revenue (GF&WR) has continued to grow in 2015–16.

Key highlights for the 2015–16 Food and Wine ScoreCard include:

- Total overseas exports of food and wine increased by $6 million (or 0.1%) to reach $5.22 billion (or 45% of total merchandise exports). Finished (or processed) food and wine exports increased by $144 million (or 4%) to $3.4 billion. This is on track to reach the $3.6 billion, 2016–17 target.

- Gross Food and Wine Revenue increased by $443 million (or 2%) to reach record levels of $18.64 billion, with increases in revenue generated by the wine, livestock, horticulture and seafood industries.

- Finished food and wine retail and service sales continue to grow with an increase of $315 million (or 3%) to reach record levels of $10.68 billion due to growth in the value of all industries.

- Interstate finished food and wine sales increased by $182 million (or 8%) to $2.49 billion.

Table 1 shows how results along the value-chain contributed to the 2015–16 South Australian GF&WR growth. GF&WR increased by over $443 million (or 2%) to reach a record $18.64 billion. Growth categories as shown in Table 1 include finished food and wine exports, retail and food service sales and interstate processed food and wine sales.

Table 1: South Australia’s food and wine revenue summary, 2015–16

<table>
<thead>
<tr>
<th>Indicator</th>
<th>$ million</th>
<th>Change ($ million)</th>
<th>Percentage change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finished food and wine exports</td>
<td>3 393</td>
<td>144</td>
<td>4%</td>
</tr>
<tr>
<td>Food commodity exports</td>
<td>1 833</td>
<td>-138</td>
<td>-7%</td>
</tr>
<tr>
<td>Interstate finished food and wine sales</td>
<td>2 494</td>
<td>182</td>
<td>8%</td>
</tr>
<tr>
<td>Interstate food commodity sales</td>
<td>238</td>
<td>-110</td>
<td>-32%</td>
</tr>
<tr>
<td>Retail trade sales</td>
<td>8 306</td>
<td>153</td>
<td>2%</td>
</tr>
<tr>
<td>Food service sales</td>
<td>2 375</td>
<td>162</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Total food and wine revenue</strong></td>
<td><strong>18 638</strong></td>
<td><strong>443</strong></td>
<td><strong>2%</strong></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 2% growth in GF&WR in 2015–16 is under the average annual trend growth of 3% experienced since 2001–02.

Figure 1: South Australian Gross Food and Wine Revenue, 2001–02 to 2015–16

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 year’s food and wine export result is similar to the previous year.

A key objective of the Premium Food and Wine Produced in our Clean Environment and Exported to the World economic priority was to grow differentiated and finished food and wine exports from $2.8 billion in 2013–14 to $3.2 billion in 2016–17. This target was exceeded in 2014–15 and was revised to $3.6 billion for 2016–17. In 2015–16 the value achieved against this target was $3.39 billion.
Figure 2 shows the split between finished food, food commodity and wine and commodity exports between 2001–02 and 2015–16.

**Figure 2: Finished food and wine and food commodity exports**

![Chart showing the split between finished food, food commodity and wine and commodity exports between 2001–02 and 2015–16.](chart)

Figure 3 shows the trends in employment across the South Australian agriculture and food industry for the past 14 years. This represents one in five working South Australians. For the 12 months ending August 2016, 147,400 persons were employed in agriculture, food and beverage industries, an increase of 3,400 (or 2%). Compared to the previous year there was growth in food service 3,000 jobs (or 7%), wholesaling/retailing 3,100 jobs (or 8%) and manufacturing, 2,500 jobs (or 11%). The primary activity sector recorded a decline of 5,200 jobs (or 13%).

**Figure 3: Food industry employment, 2001–02 to 2015–16**

![Chart showing the trends in employment across the South Australian agriculture and food industry from 2001–02 to 2015–16.](chart)
3. 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.

Finished food value (measured in wholesale prices)

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.

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.

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.