



Premium agrifood market opportunities: Food Industry Innovation project, DAFWA

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GGA Industry Linkages Forum,
The Platform, Adelaide Terrace Perth



Supporting your success



Department of Agriculture and Food, Western Australia (DAFWA)

Grow and **protect**



DAFWA is growing and protecting WA's agrifood sector.

Global demand



DAFWA supports the WA agrifood sector to double in value by 2025 by capitalising on global demand for food.

Research and **innovate**



DAFWA is an economic development agency, backed by research, development and innovation.

Supporting your success



Food Industry Innovation

- **AGRIFOOD 2025+** - goal to double the real-term value of sales from WA's agrifood sector
- **Food Industry Innovation project** – how to move from a commodity focused sector → greater presence in premium and value-added agrifood sector
- **Western Australian Premium Food Centre (state-wide)**
- **Specialised Food Centre (Great Southern)**



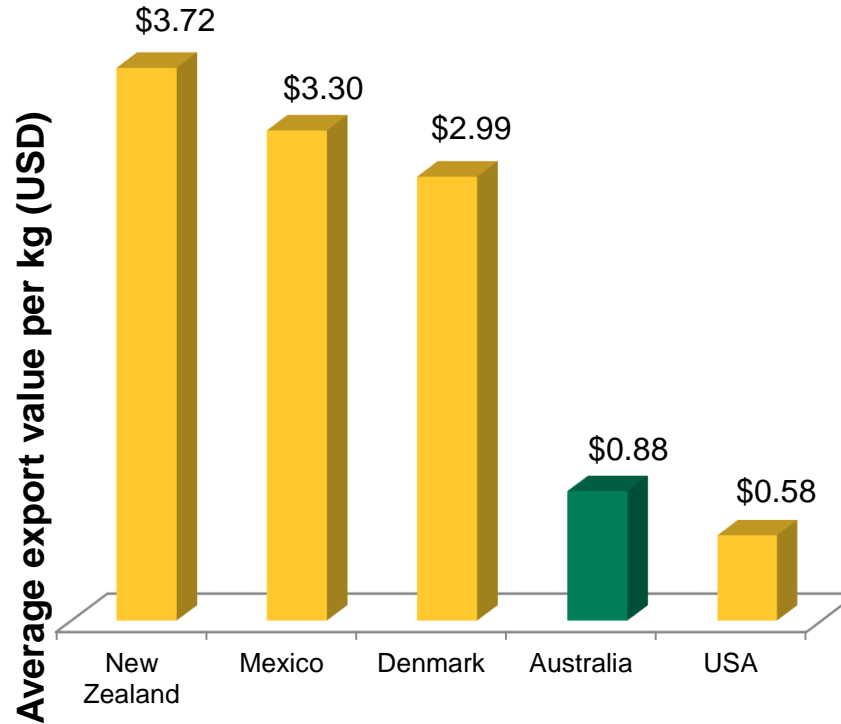
Food Industry Innovation: capturing more value from production

We plan to do this by:

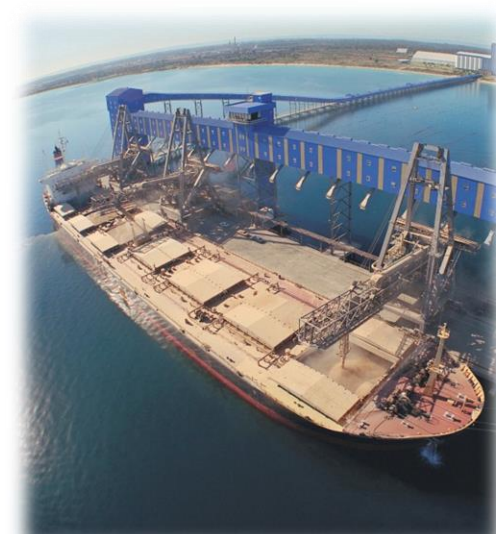
- Identifying growth markets for WA premium produce
- Making businesses aware of these opportunities and what is required to be competitive in preferred target markets
- Working with businesses and collectives to capture the market opportunities



Capturing more value from production

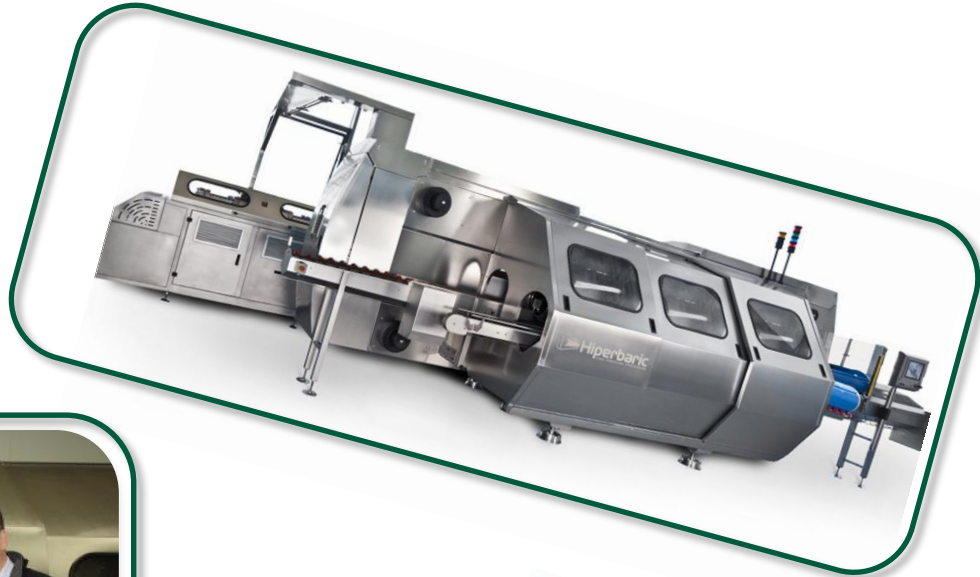


Absolute volume exported to target markets (t)





Value adding - HPP





PREMIUM AGRI-FOOD MARKET OPPORTUNITY
A PROJECT UNDER THE FOOD INDUSTRY INNOVATION PROJECT

FINAL REPORT; v1.00; December 2016



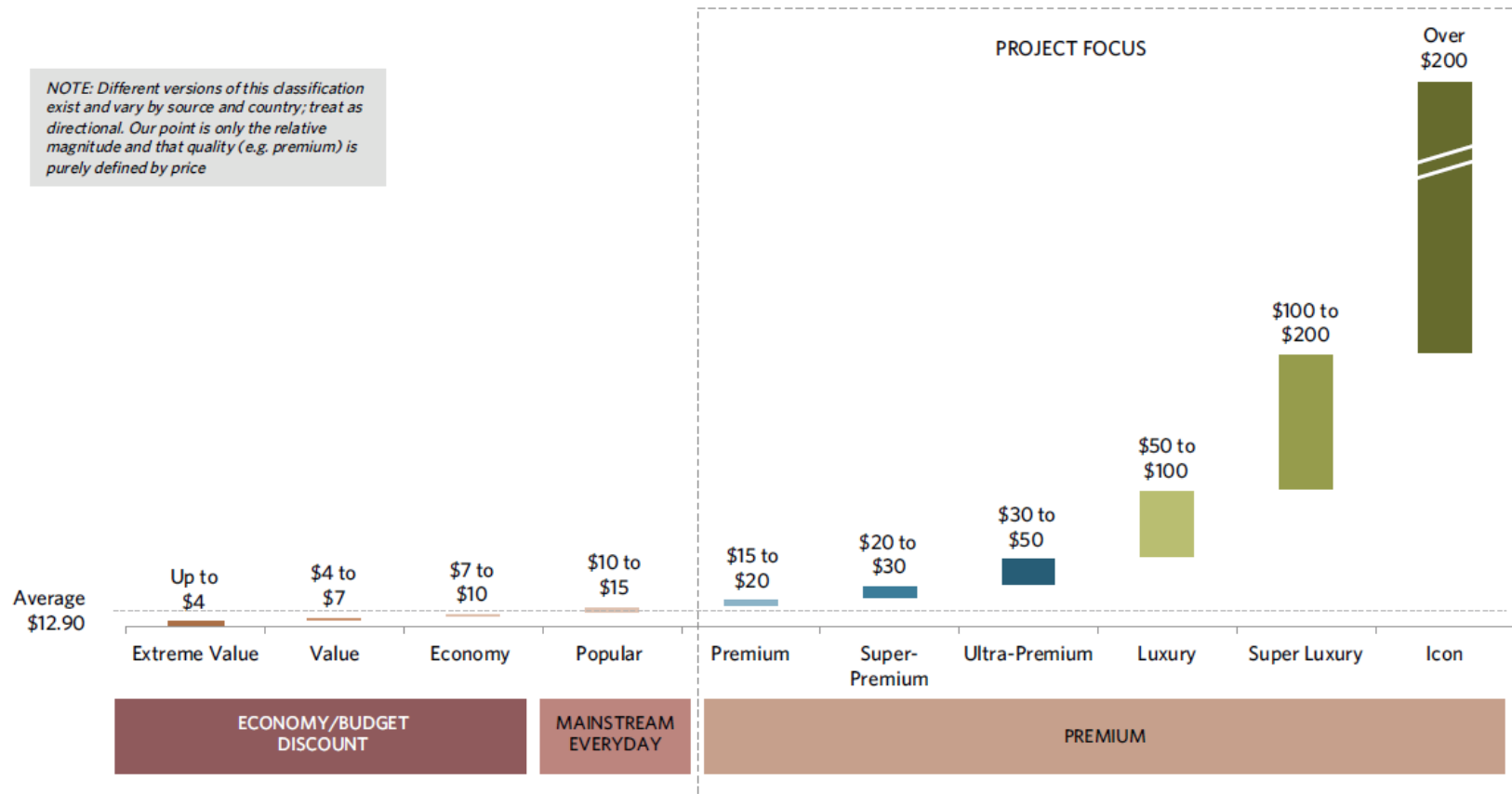


Unlike most sectors, the wine industry has clear definitions and purely defines “premium” and other quality-related phrases according to retail price

CLASSIFICATION OF WINE BY QUALITY TYPE IN U.S. MARKET BY RETAIL PRICE

US\$; actual; suggested retail price (before discounts; street price is lower); 2016

NOTE: Different versions of this classification exist and vary by source and country; treat as directional. Our point is only the relative magnitude and that quality (e.g. premium) is purely defined by price



Note: Please do not mis-read this chart; this is only price bands; it is not proportional to volume, total sales, margin, gross profit or net profit, it just shows relative price;

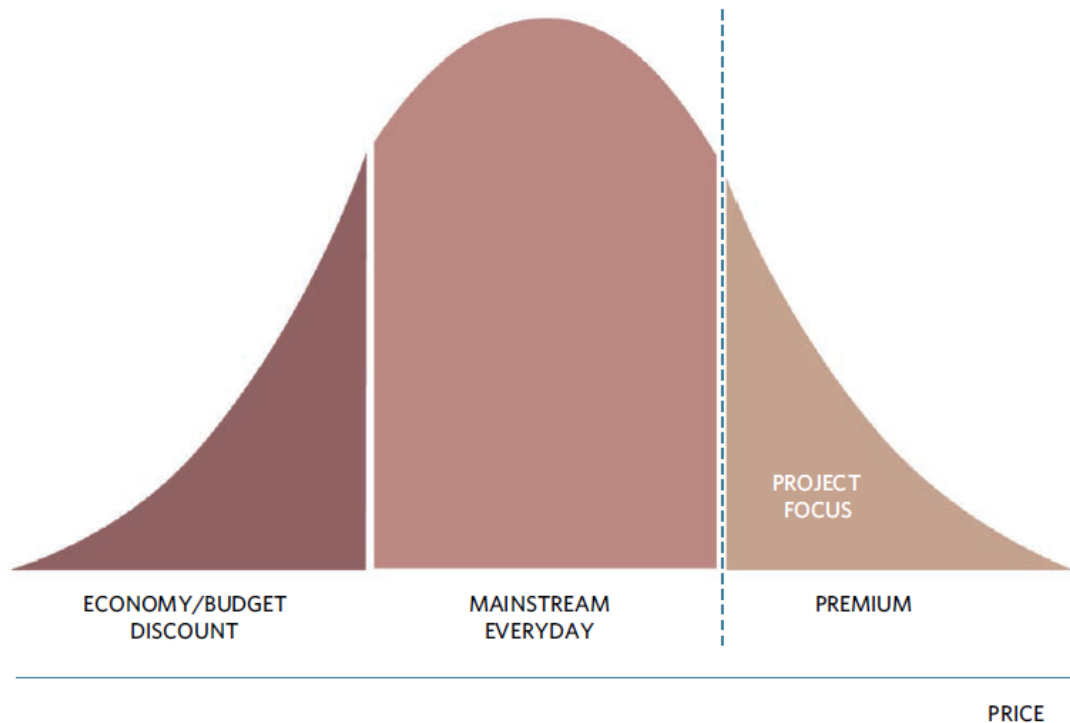
Source: Tincknell & Tincknell, Inc.; Wine Folly; Fredricks; Wine Institute; Coriolis analysis



This report defines “premium” products as those achieving higher prices than the “mainstream everyday” category average

SIMPLIFIED FOOD & BEVERAGE CATEGORY CLASSIFICATION INTO THREE PRICE BASED QUALITY SEGMENTS

Model; 2016





Applying this classification to two example categories demonstrates how it works in practice

ECONOMY/BUDGET
DISCOUNT

MAINSTREAM
EVERYDAY

PREMIUM

Yoghurt



A\$3.60 per kg.



A\$5.00 per kg.



A\$17.20 per kg.

Breakfast
Cereal



A\$1.80 per kg.



A\$5.50 per kg.



A\$33.40 per kg.



This process delivered around five hundred product categories that have potential to support premium food and beverage products

NUMBER OF CATEGORIES AND (PRODUCT SEGMENTS) IDENTIFIED

#: actual; 2016

SEE APPENDIX 1
FOR DETAILS

MEAT (27)	SEAFOOD (43)	PRODUCE (217)	BAKED (13)	FROZEN/CHILLED (34)	SHELF-STABLE (114)	DAIRY, EGGS (38)	BEVERAGES (20)
Beef, lamb, pork, goat (10)	Wild caught (33)	Vegetables (133)	Bread (10)	Chilled (18)	Jams, Honey, Spreads (8)	Milk, Alternative (7)	Alcoholic (4)
Poultry (6)	Aquaculture (10)	Fruit (77)	Cakes (3)	Frozen (16)	Table Sauces, Dressings, Condiments (10)	Butter, Spreads (4)	Soft Drinks (5)
Game, other (11)		Nuts (7)			Canned, Tinned & Packaged Foods (14)	Cheese (10)	Juices, Fruit Drinks (4)
					Breakfast Cereals (6)	Yoghurt (7)	Waters (2)
					Biscuits (9)	Desserts (3)	Tea, Coffee (5)
					Snacks (6)	Cream, Custards (4)	
					Confectionery (7)	Eggs (3)	
					Rice, Pasta, Noodles, Grains (6)		
					Cooking Sauces, Meal Kits (6)		
					Sugar, Baking Ingredients (13)		
					Oils (7)		
					Cooking Ingredients (7)		
					Desserts (8)		
					Baby Food (7)		



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Thank you

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