



AUSTRALIAN
FOOD AND GROCERY
COUNCIL

Don't Hold Your Breath!

Dick Wells, Chief Executive,
Australian Food and Grocery Council

Future Foods for Future Health Conference, "*Drivers and Opportunities*"

July 2007



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Resisting change is like holding your breath



If you succeed you will die!

anon





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Presentation outline

Overview

Performance to date

Immediate Challenges

Future challenges

Summary

Australian Food and Grocery Council

Who are we?



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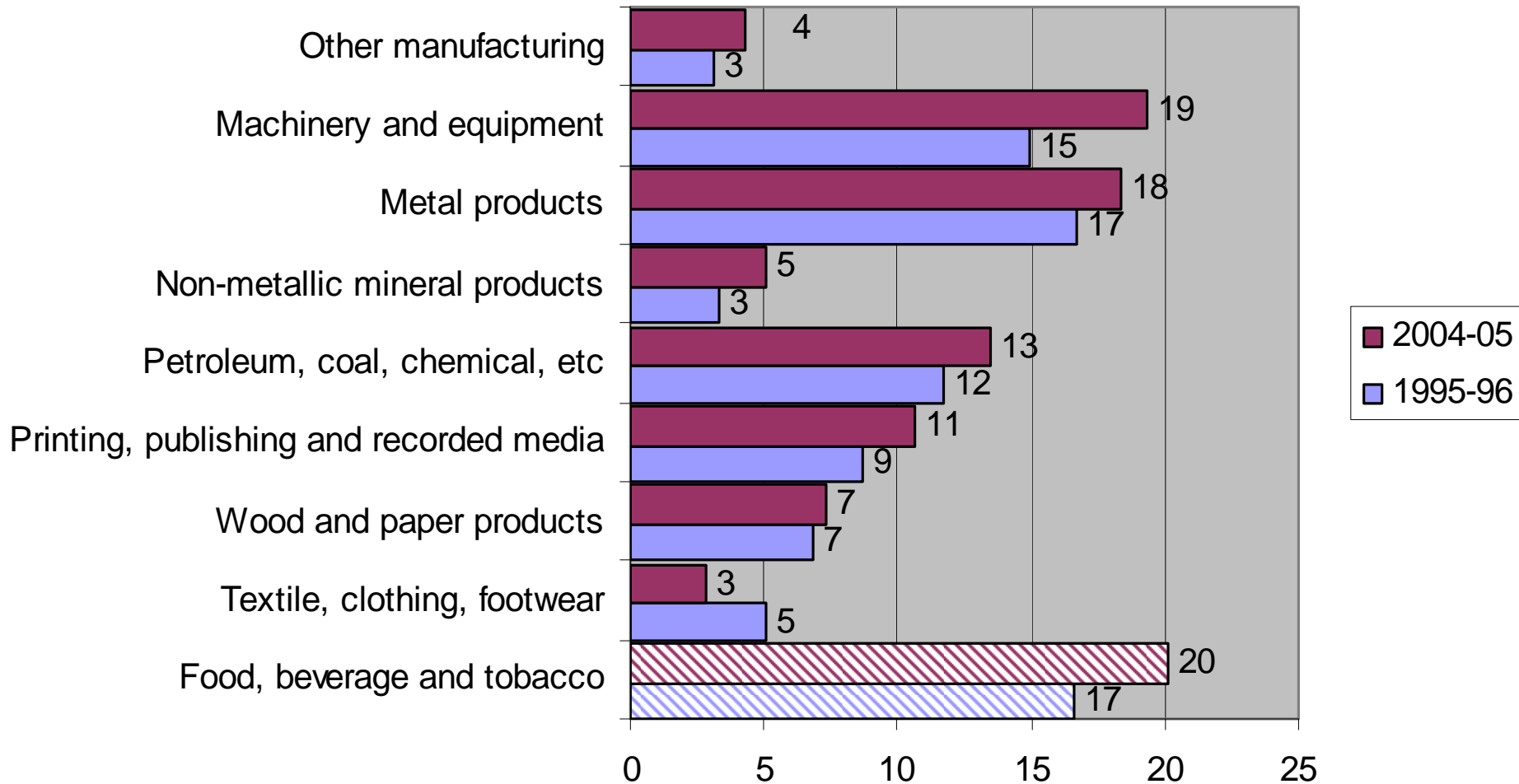


The Australian food industry then and now.....

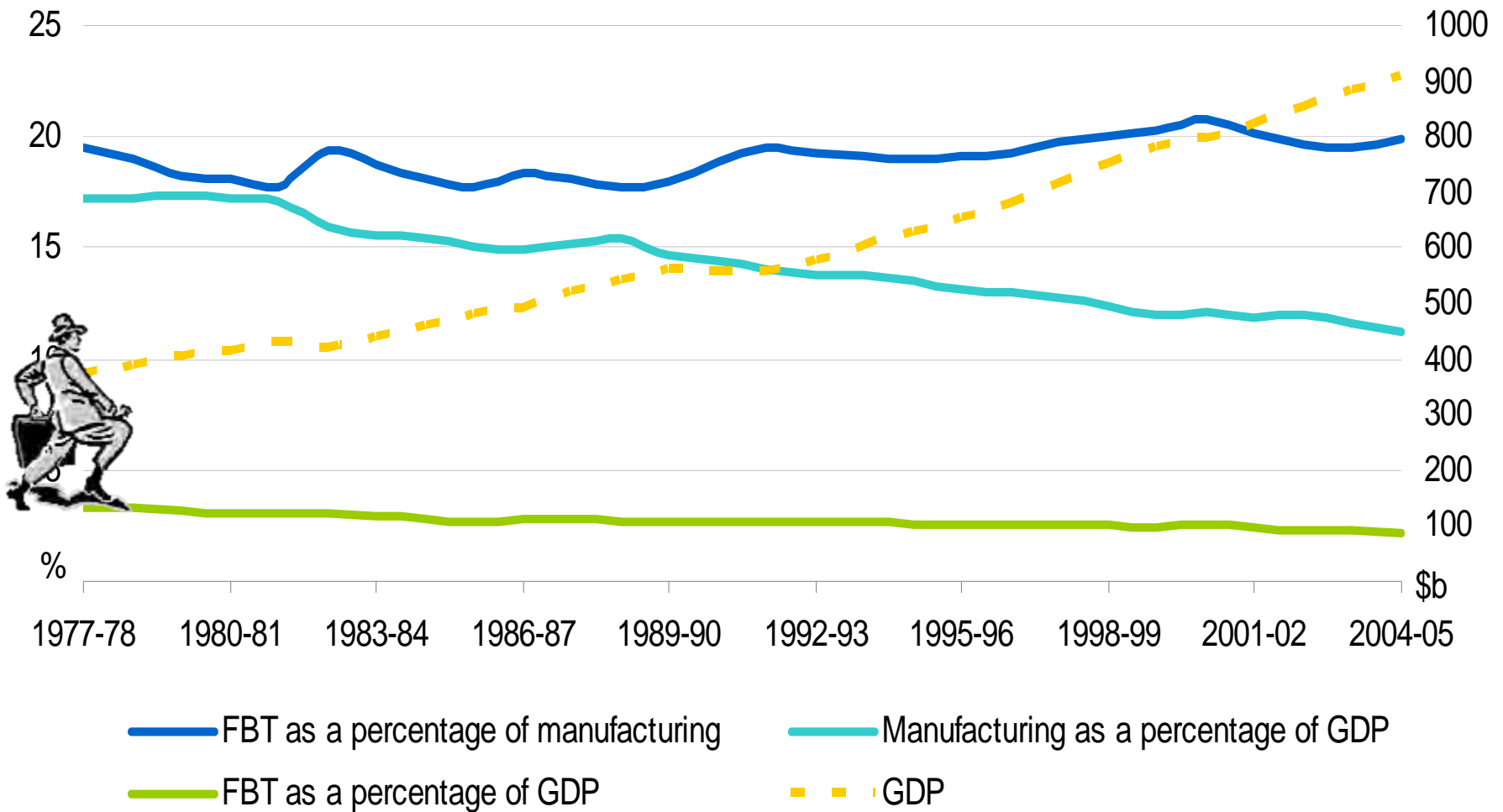
	1967	2007	1967	2007
Employees	143,000	193,000	3% of workforce	2% of workforce
Industry value add	\$ 9.8 b	\$20 b	12% of manufacturing	20% of manufacturing
Food imports	\$1.2 b	\$7 b	3% of total	3% of total
Food exports	\$9.8 b	\$23 b	30% of total	15% of total
Sector turnover	\$39 b	\$68 b		
% GDP	4%	2.5%		



Manufacturing industry value added A\$b



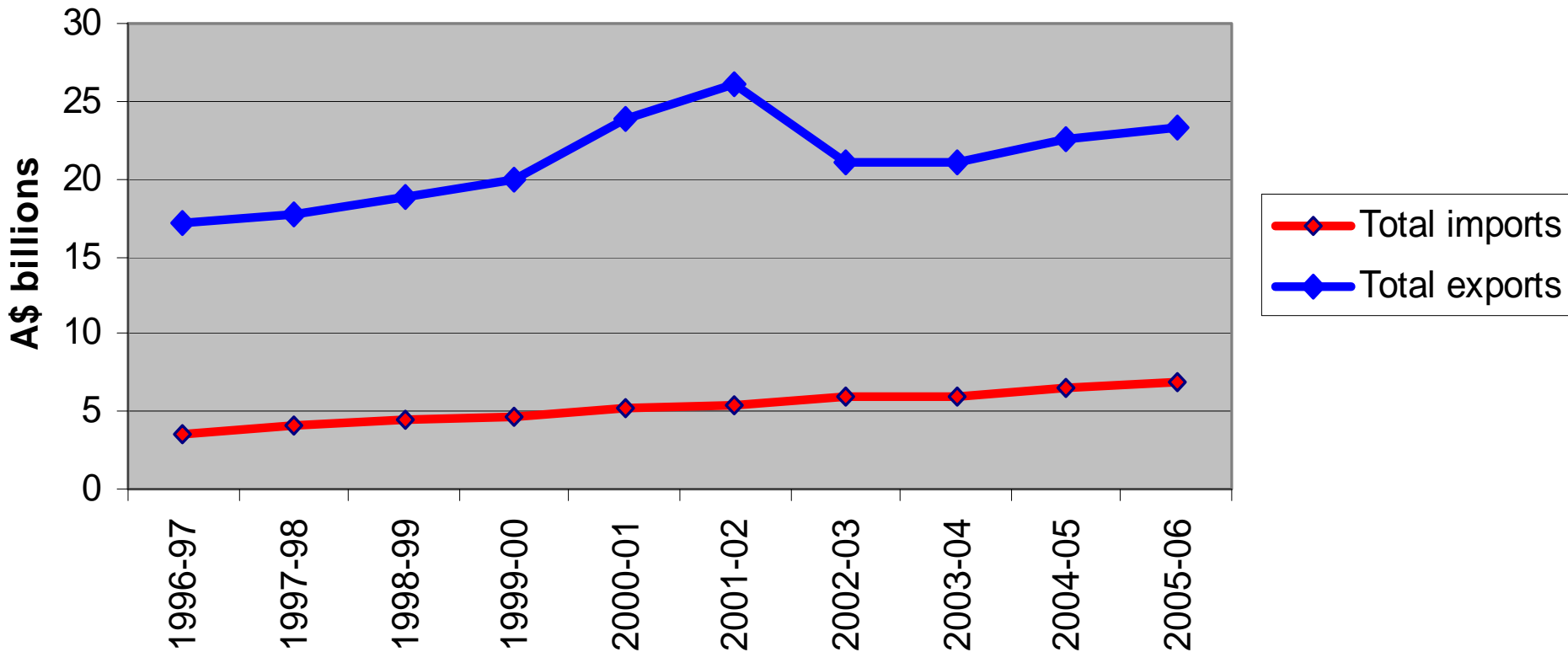
Performance to date





Trade performance

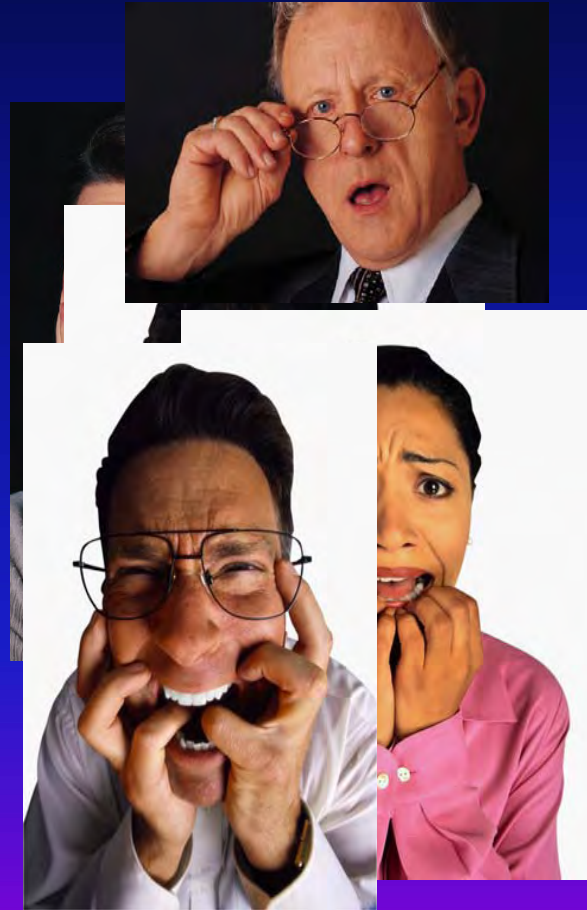
Australian food exports V imports





All is not rosy....

- R&D spend down
- Innovation down
- Growth down
- Share to GDP down
- Employment down
- Skills shortage





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Current challenges

Retailer transformations

Import competition

Regulatory pressures

Consumer health and nutrition health and wellness

Innovation





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Regulatory reform

Multitude of rules and regulations

Swift action to respond to consumers

Delays compromising capacity

Simplification required





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Future challenges

Economic

Environmental

Demographic

Technological

Regulatory





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Economic

Consolidation

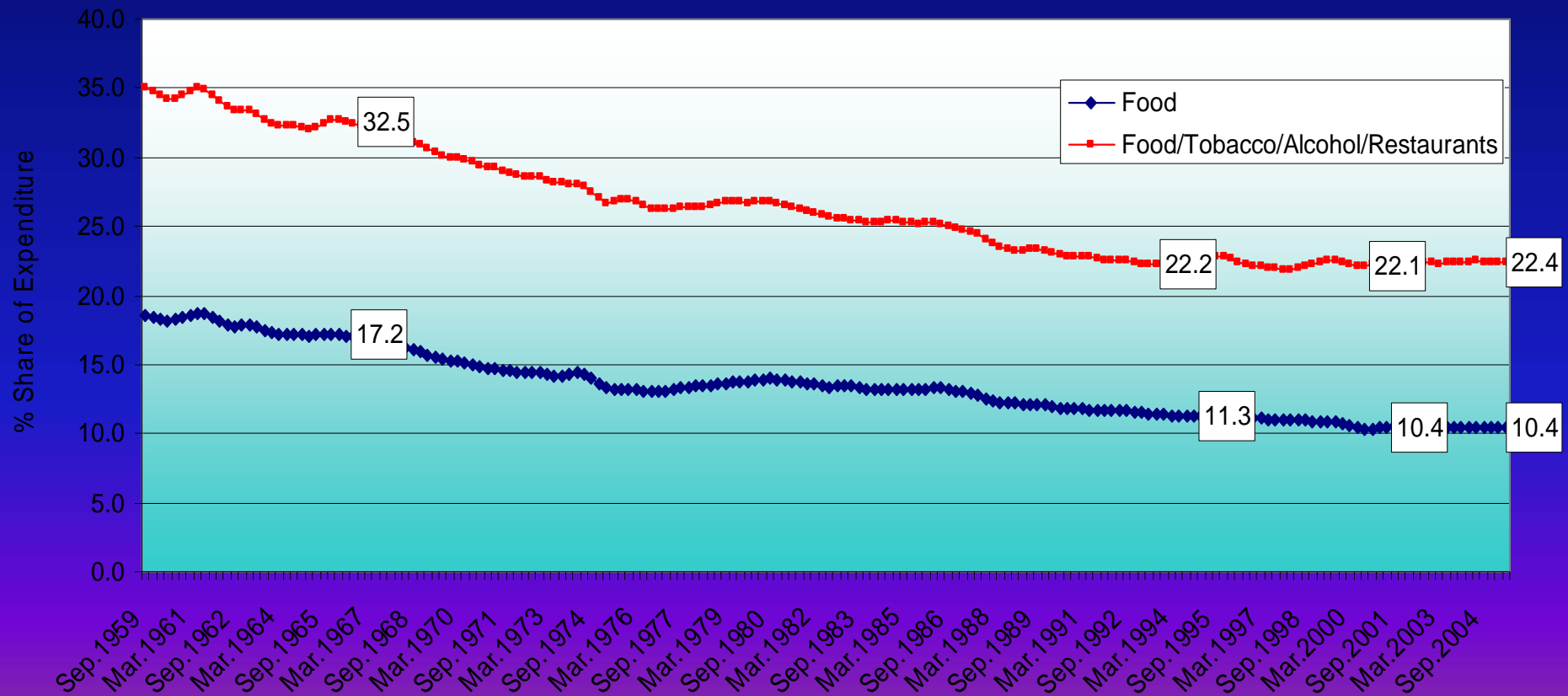
Developing economies

Gap between nations

Less spend on food



Food as a % of final consumption





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Environmental issues

Water availability

Climate change

Natural resource
management

Sustainability





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Demographics

Living longer

Declining birth rate

Slowing economic growth

Shifts in what we want from work





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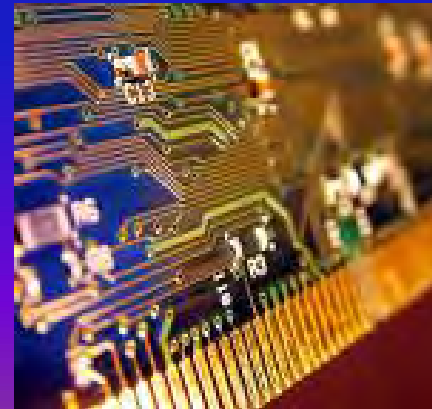
Technology

Improved quantity and quality of data

More widely communicated

Better understanding of consumers

More opportunity





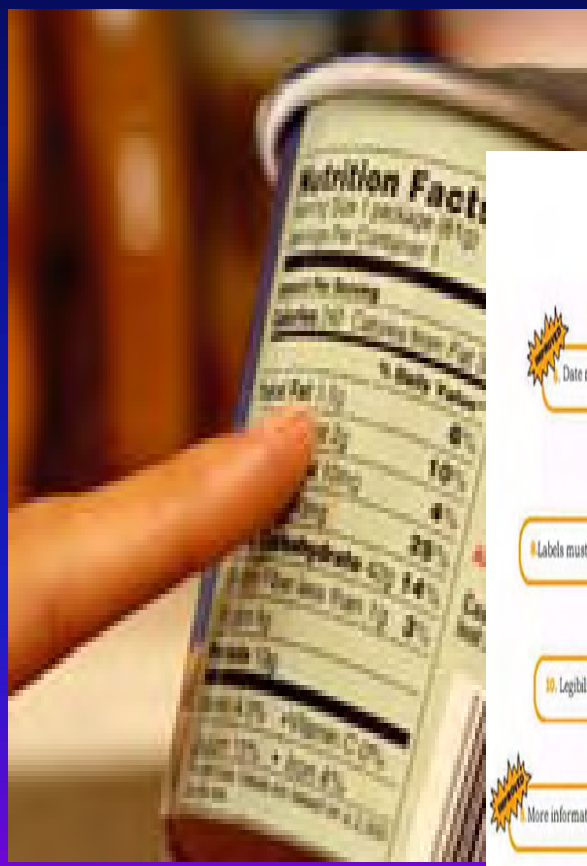
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Regulatory forces

Increased regulation

- economic
- social
- environmental
- health and wellness







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Summary

Economic

Environmental

Demographic

Technological

Regulatory





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Key challenges

Increasing efficiencies

Innovation

Collaboration

Global consolidation

Avoiding the regulatory ratchet





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Our future is in our hands..

How we respond over the next few years will have a crucial impact on our ability to retain consumers trust for our products and processes.

At the end of the day we cant hold our breath.



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One voice adding value

...

**Representing the nation's producers
of consumer food, drink and grocery
items**

www.afgc.org.au



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