Overview:
'Growth through Innovation'- drivers and barriers to Agrifood industry growth in South Australia

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FOOD AND RESOURCES

FOOD
SOUTH AUSTRALIA
FEEDING CONNECTIONS

Motivation for the project

- Decline of Industrial manufacturing.

- Economic priority.

- Initiatives by SA Government and industry associations to support agrifood industry.

- Recent studies to explore opportunities.

Project Goals and Objectives

Overall Goal: To develop a 'Growth through Innovation' strategy framework for the South Australian Agrifood industry.

- Apply the SSI (Sectoral Systems of Innovation) principle to understand the South Australian food and agriculture sector.

- Identify drivers and barriers to industry growth.

- Identify growth opportunities for businesses through innovation.

- Explore opportunities for future collaboration and identify facilitators.

Methodology

- Quantitative analysis

  - 'State of the industry' survey

  - Online through Qualtrics

  - 81 respondents

- Qualitative analysis

  - In-depth interviews with food award winners

  - Nvivo 11; framework matrix approach

  - 22 interviews

Food and Agriculture – South Australia

- Gross revenue of $16.2 billion in 2015-16.

- Growth in food retail and food service sales; Decline in commodity exports.

- Growth in livestock, seafood; decline in field crops, dairy, horticulture.

- 18% of state's workforce employed by industry.

Food and Wine ScoreCard 2015-16, PIRSA

Sectoral Systems of Innovation (SSI)

Solution-seeking process in response to perceived opportunities or constraints

Social, cultural & public policies

Supporting research, education & technology

Market–based value chains

- Actors
- Knowledge base
- Institutions

Underpinned by collaboration & co-innovation

Malerba, F. (1999, May) Sectoral Systems of Innovation and Production. Paper presented at DRUID Conference on: National Innovation Systems, Industrial Dynamics and Innovation Policy, Rebild, Denmark.

SSI Question for South Australia

In South Australia, are the patterns of interaction between the actors, the knowledge base and the institutions **coordinated and cohesive**?

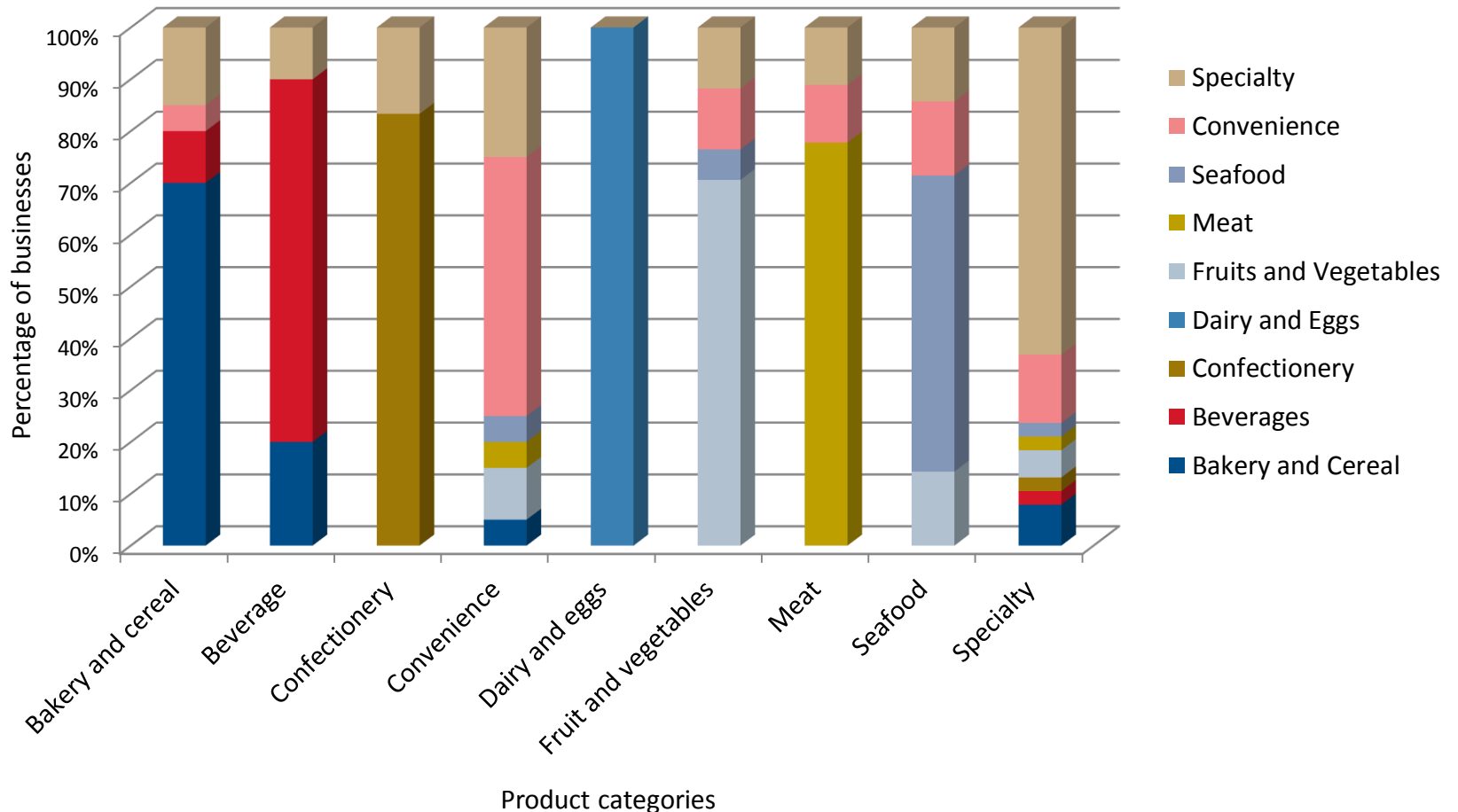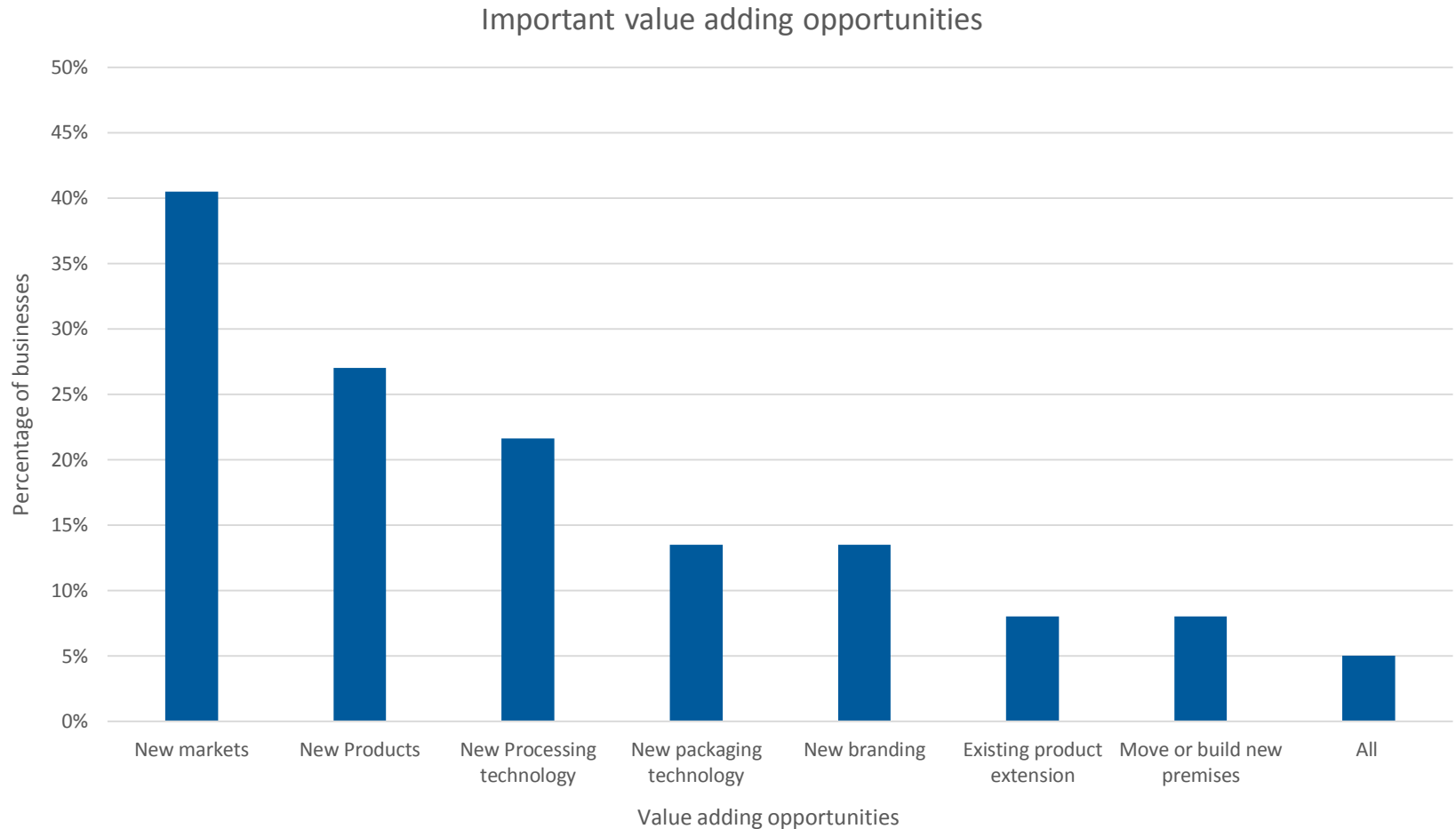# Insights to Industry Development through Innovation

State of the industry survey

SOUTH
AUSTRALIA
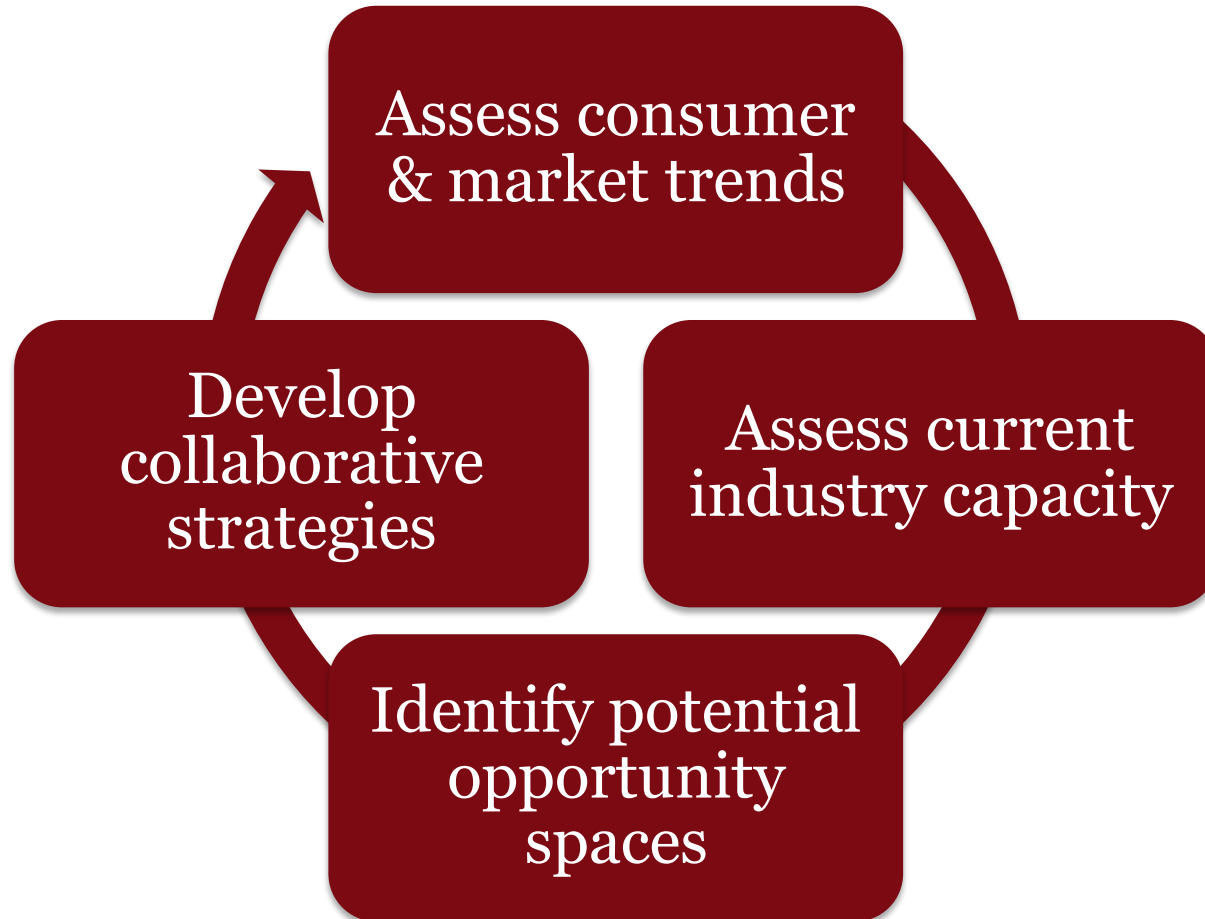
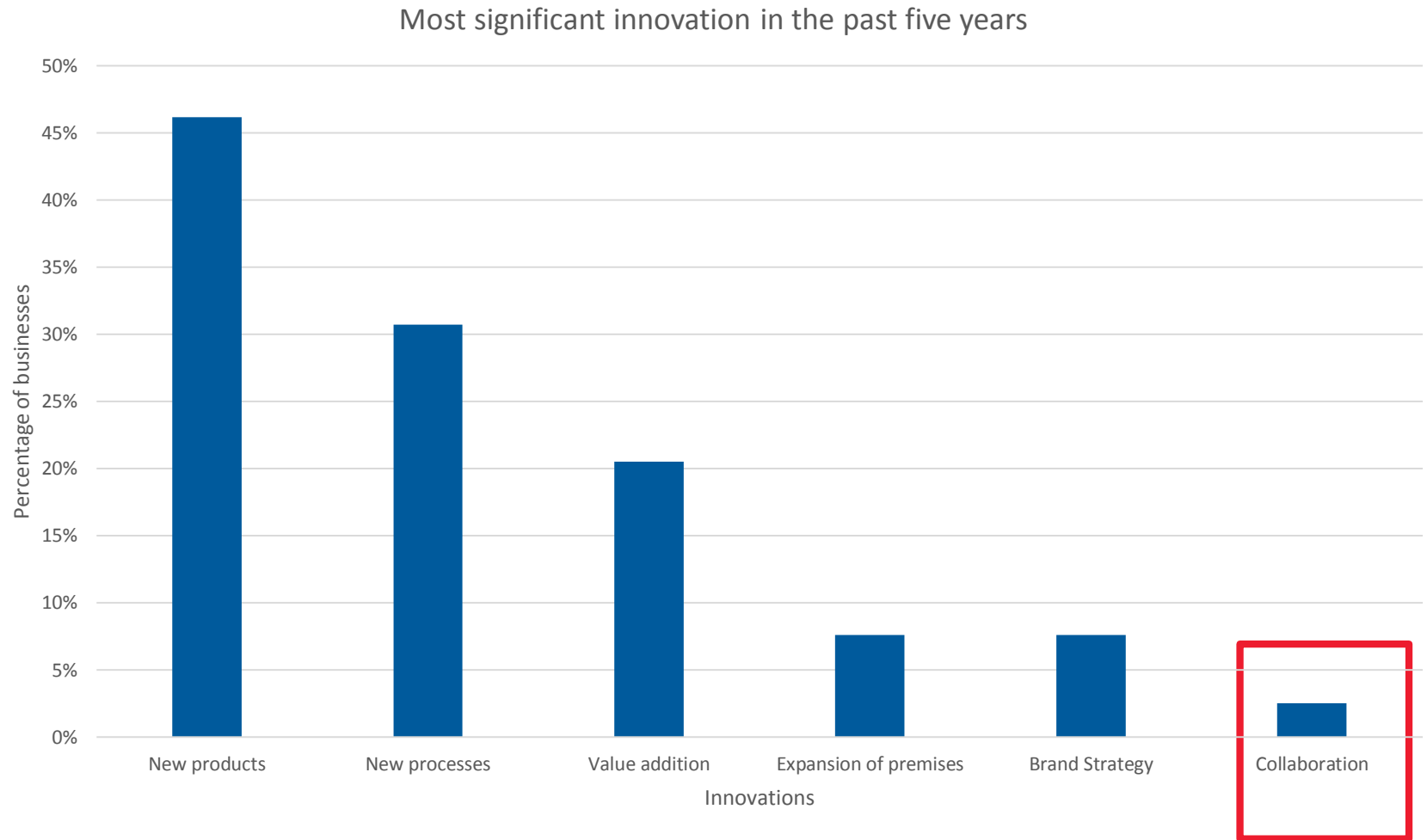# Please indicate the food products you currently manufacture or produce

What value adding opportunities have you developed in the last 2 years?

Important value adding opportunities

What do you think was the most significant innovation you have made to your business in the past 5 years?

Most significant innovation in the past five years

What was the most significant challenge you had to overcome to achieve this innovation?

Significant external obstacles

- Unpredictability of markets
- Consumer behaviour
- Lack of resources like time
- Balancing work and personal life
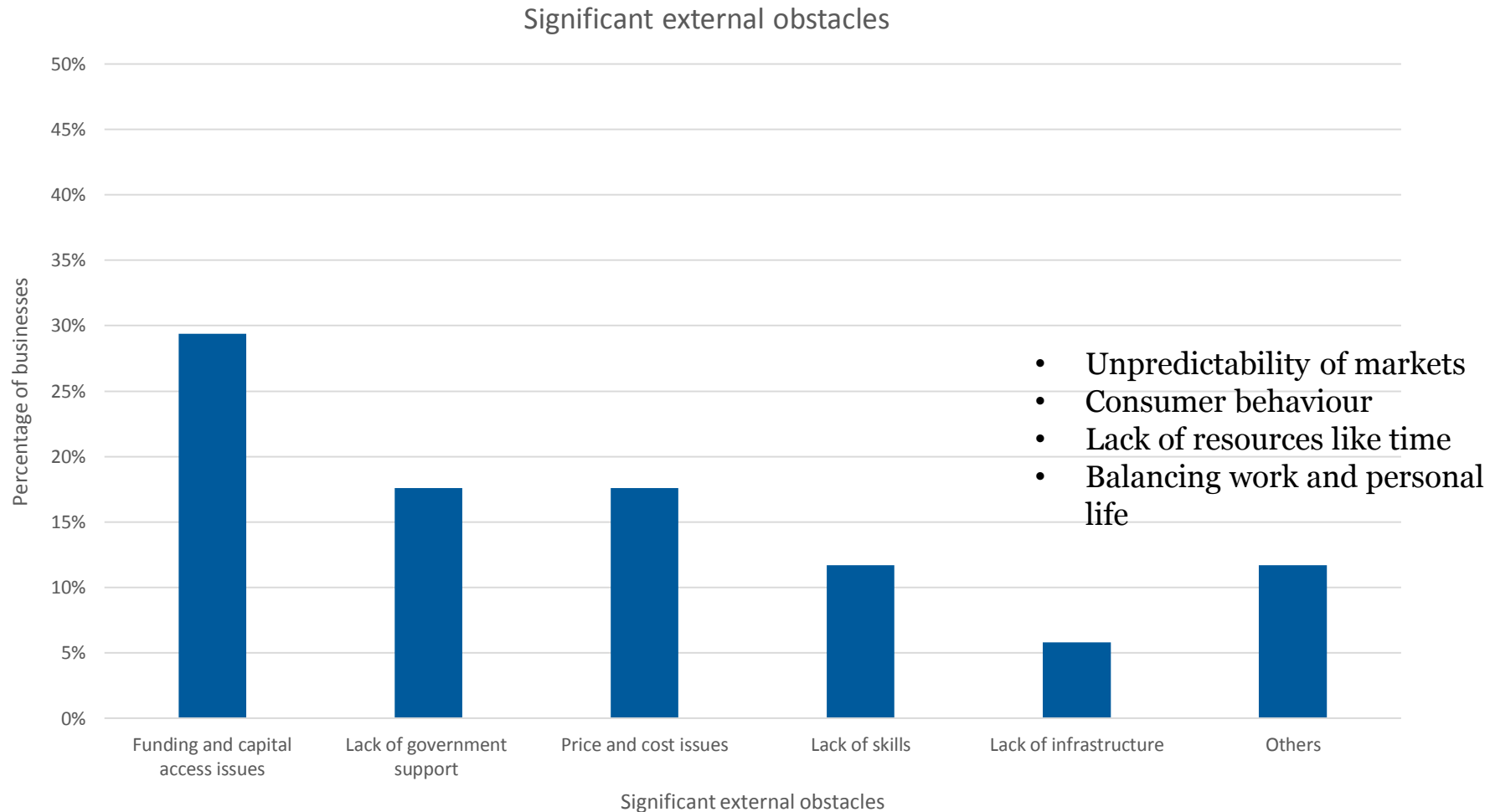
Inputs from Food Award Winners (1999-2015)

Past challenges for businesses

- Finding the right people

- Compliance

- Location

- Product Demand

- Logistics

- Finding partners to collaborate

Current challenges for businesses

- Finding the right people

- Compliance

- Entry of chains like Aldi, Costco

- Dealing with supermarkets on price

- Cost of utilities

- Machinery, equipment & technology

- Not knowing who to go to for advice

Industry challenges

- Pricing strategies of supermarkets

- Finding people with the right skills and attitude

- Lack of support from the Government

- Lack of support services in South Australia

- Compliance and red tape
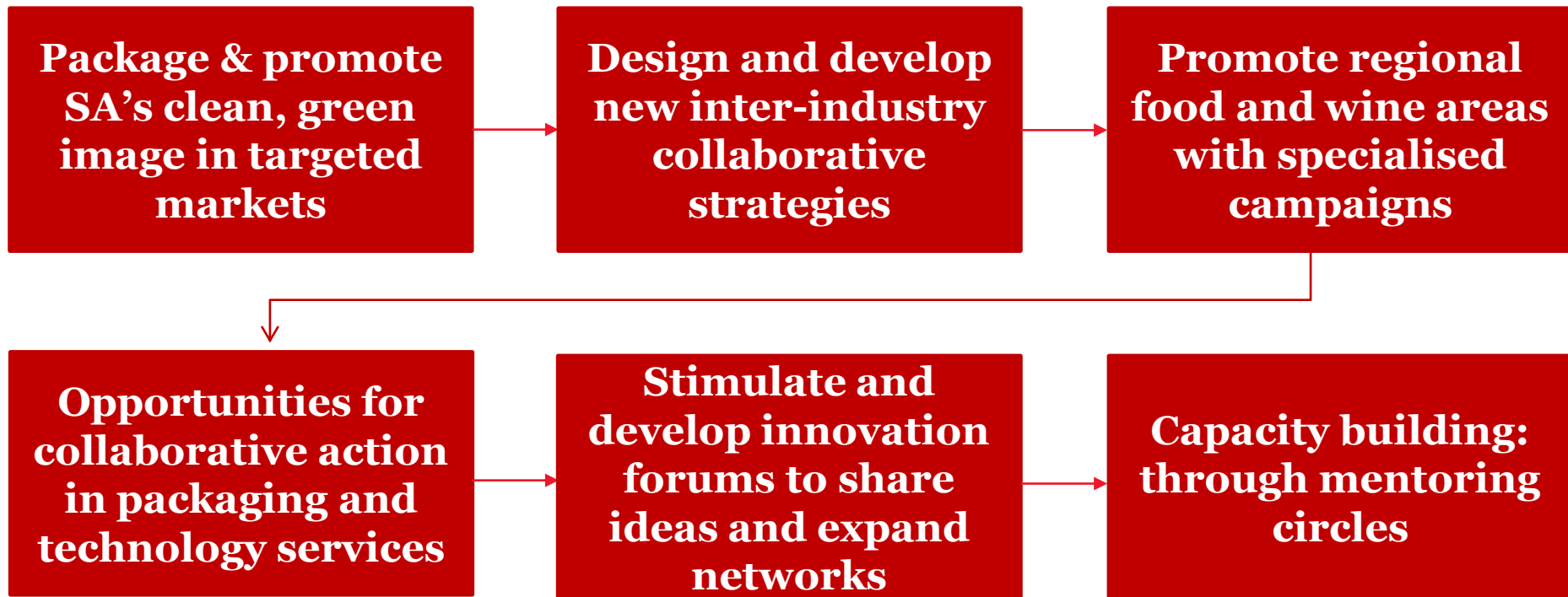
- Labour and utility costs

Industry opportunities

- Work with the tourism industry to market premium food and wine regions.

- Value adding to produce.

- Explore opportunities in fresh fruit&veg, organics, gluten free, GMO free.

- Expand focus to emerging Asian markets.

- Take advantage of new airlines flying into Adelaide.

- Develop technological expertise.

Collaboration

- Co-branding

- Marketing campaigns and promotions

- Chefs for specialty products

- Organisations like Food SA and Brand SA

- E-commerce platforms

- Collective sourcing of packaging supplies

- Consolidated freight management

Potential Collaborative Spaces

Package & promote SA's clean, green image in targeted markets → **Design and develop new inter-industry collaborative strategies** → **Promote regional food and wine areas with specialised campaigns**

Opportunities for collaborative action in packaging and technology services → **Stimulate and develop innovation forums to share ideas and expand networks** → **Capacity building: through mentoring circles**

Key takeaway messages

- Need to encourage and facilitate inter-industry collaboration.

- Loopholes with respect to skills gap.

- Streamlining and consolidating regulatory and compliance requirements.

- Encouraging and supporting small businesses through growth programs and networking platforms.

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Thank you!

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