

# Tasmanian food industry ScoreCard 2005-07



Government is working in partnership with key industry stakeholders and communities in ensuring economic growth through sustainable management of our natural resources.

The first food industry scorecard (for the year 2004-05) was developed as a simple way of measuring growth and understanding how value is created along the chain.

This approach has been well accepted by industry and government as a method of describing what is a highly diversified industry with many market segments. It quantifies the processed and packaged value of foods and market destinations including interstate trade which is accounting for an increasing proportion of Tasmania's food market destination.

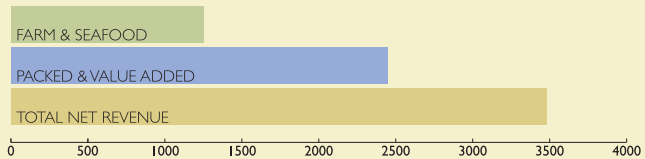
Many years ago Tasmanian foods were largely harvested, packed and marketed by Tasmanian companies. Then it would have been relatively easy to account for the value of production and what markets were being supplied. This is no longer the case because of increasing corporatisation and globalisation in the food industry.



Atlantic Salmon farming - taking advantage of Tasmania's unique island identity and clean, cool natural environment. Growth in salmon production in 2005-07 was an impressive 30% per annum. Interstate sales of salmon now exceeds \$300 million per year.

- » The sector is highly diversified – there are more than 70 major product groupings
- » Value of food at Farm Gate/Beach = \$1,247 million
- » Value of food once packed & processed = \$2,458 million
- » Gross Value of food sales (overseas exports, net interstate trade & domestic sales) = \$3,873 million
- » Net Food Revenue (Gross Food Revenue less imports) = \$3,483 million
- » Overseas Exports = \$522 million
- » Net Interstate trade = \$1,032 million (2 times overseas exports)
- » Food Retail & Food Service sales in Tasmania = \$1,997 million
- » Tasmania sells 58% of food produced interstate and overseas ie a big net surplus.

### Value along the chain (\$ million)



Beef cattle production generates in excess of \$135 million in export income for the Tasmanian economy.

## 2006-07 (\$ million)

	Field Crops	Livestock	Dairy	Fruit	Vegetables	Seafood	Wine	Confectionery	Total
<b>Food - farm gate / beach value</b>	1.5	261.6	234.3	67.2	181.0	488.0	13.2		1,246.9
<i>Total farm gate / beach value</i>	131.9	334.8	234.3	67.2	181.0	488.0	13.2		1,440.1
<b>Processed &amp; Packed Food Value</b>	286.5	364.6	319.1	74.4	424.4	616.8	21.3	350.5	2,457.8
<b>Overseas Trade</b>									
Commodity Exports	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0
Commodity Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.0	44.6	44.6
Food Exports	0.1	161.2	117.5	8.5	26.8	151.2	4.5	33.1	522.4
Food Imports	0.7	0.9	2.6	2.4	3.8	1.5	0.0		23.2
<b>Net Interstate Trade</b>									
Net Commodity Exports	0.1	45.2	0.0	0.0	0.0	0.0	5.2		50.5
Net Commodity Imports	6.6	19.1	0.0	0.0	0.0	0.0	0.0		25.7
Net Food Exports	49.6	39.0	144.6	28.5	308.2	413.8	0.0	320.0	1,303.7
Net Food Imports	29.1	57.4	2.3	43.0	0.0	31.5	65.5		302.8
<b>Tasmanian Food Sales</b>									
Retail Sales	247.2	460.6	169.7	121.3	287.5	65.3	100.1	20.0	1,396.0
Food Service Sales	217.0	79.0	3.4	28.0	82.7	121.7	88.7		600.6
<b>Net Food Revenue</b>	477.6	707.6	430.4	141.0	701.5	719.0	132.9	328.5	3,482.9
<b>Gross Food Revenue</b>	514.0	785.1	435.4	186.4	705.2	752.0	198.5	373.1	3,873.2

Net interstate trade is calculated as: Total prod'n – Exports + Imports – Domestic Consumption = Net Interstate Trade

**Definitions**

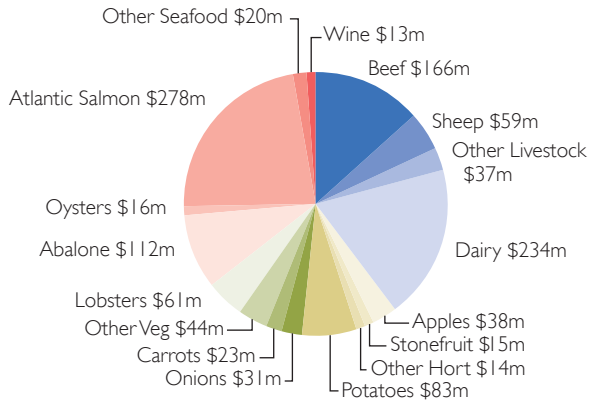
**Commodity** items are those requiring transformation prior to consumption eg live cattle and sheep, wine grapes, ingredients for confectioneries.

**Food items** are those foods packed & processed ready for consumption eg fresh fruit and vegetables, meats, bakery and wine.

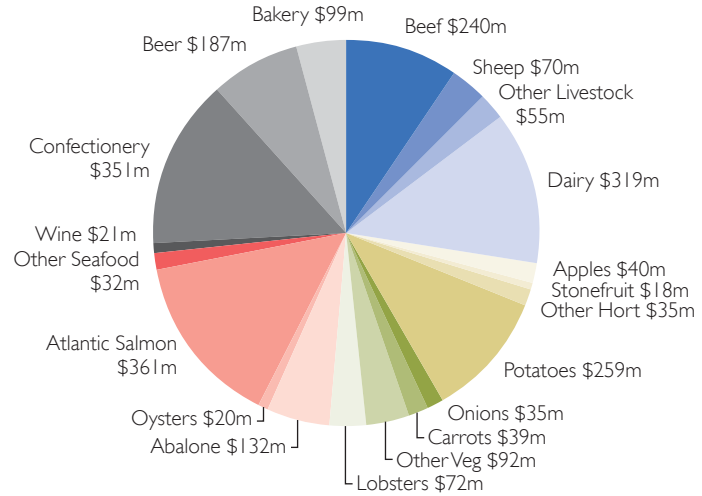
2005-06 (\$ million)

	Field Crops	Livestock	Dairy	Fruit	Vegetables	Seafood	Wine	Confectionery	Total
<b>Food - farm gate / beach value</b>	2.7	257.5	209.1	46.4	178.9	417.7	14.2		1,126.5
<i>Total farm gate / beach value</i>	186.1	333.3	209.1	46.4	178.9	417.7	14.2		1,384.5
<b>Processed &amp; Packed Food Value</b>	273.3	337.5	285.7	60.5	449.1	527.9	24.4	344.7	2,299.6
<b>Overseas Trade</b>									
Commodity Exports	0.0	4.8	0.0	0.0	0.0	0.0	0.0		4.8
Commodity Imports	0.0	0.0	0.0	0.0	0.0	0.0	0.0	49.1	49.1
Food Exports	0.1	155.7	98.7	5.4	22.9	144.9	3.7	24.6	466.5
Food Imports	0.7	1.0	3.6	1.1	1.9	0.8	0.0		15.6
<b>Net Interstate Trade</b>									
Net Commodity Exports	0.5	37.2	0.0	0.0	0.0	0.0	5.1		42.8
Net Commodity Imports	6.7	17.9	0.0	0.0	0.0	0.0	0.0		24.6
Net Food Exports	38.3	24.3	127.2	19.1	297.7	337.1	0.0	330.0	1,173.7
Net Food Imports	28.5	57.3	1.6	43.0	0.0	19.4	61.2		247.5
<b>Tasmanian Food Sales</b>									
Retail Sales	245.0	451.0	161.0	116.2	280.6	56.8	97.2	20.0	1,350.0
Food Service Sales	215.0	78.3	3.3	27.6	80.9	114.1	86.2		590.4
<b>Net Food Revenue</b>	463.1	675.3	385.0	124.2	680.1	632.7	131.0	325.5	3,291.4
<b>Gross Food Revenue</b>	499.0	751.5	390.2	168.3	682.1	652.9	192.2	374.6	3,628.2

**Food - Farm gate-Beach value \$1,247 million**

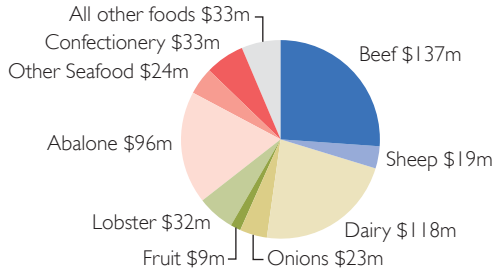


**Food - Packed & Processed value \$2,458 million**



Beer, Wine and Confectionery – value added products worth \$637 million and generating \$340 million net trade revenue.

## Overseas Exports \$522 million



### Other food trade items:

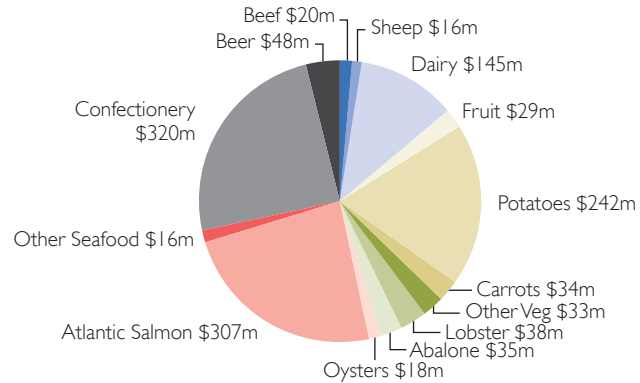
Overseas food imports \$23 million. O/seas commodity imports \$45 million (confectionery ingredients).



Abalone generate \$130 million trade income with China being the major export destination.

Vegetable production worth \$179 million ex farm and \$449 million once packed and processed. Interstate sales of vegetables are worth \$298 million net.

## Interstate Exports \$1,301 million



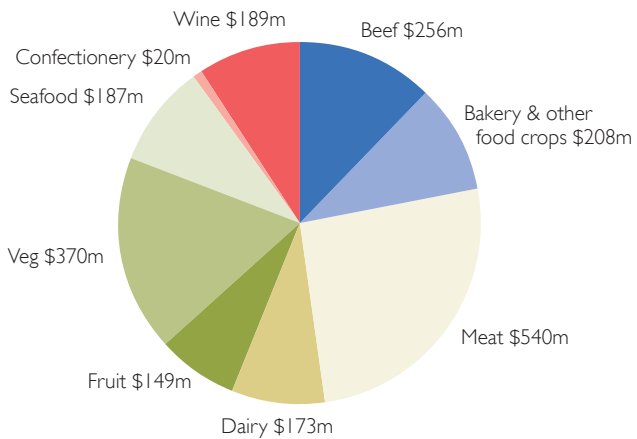
### Other food trade items:

Interstate food imports \$297 million - wine, chicken meats, citrus, prawns, other fish. Interstate commodity exports \$51 million - live cattle & sheep, wine grapes. Interstate commodity imports \$26 million - live cattle & sheep, wheat.



In 2006-07 food retail sales were \$1,396 million and food service sales were \$601 million. Combined retail and food service sales for the major product categories are shown in the following chart.

Food sales in Tasmania remain strong. Increased food service (cafes and restaurants) have been particularly strong, underpinned by continued strong tourism. It is estimated that on average some 20,000 visitors are eating out in Tasmania every day.



Food retail and food service sales in Tasmania have risen in line with growth in the population, tourism and the popularity of restaurants. Since the first scorecard was published retail food sales have increased by 3% per year and food service sales by 8% per year.



**Growth in agricultural and fisheries production in 2005-06 and 2006-07 has been about 2.5 times the long term trend. In that time farmgate/beach point sales increased by some \$263 million (27%). Some significant points are:**

- » The recent increase in production looks like being maintained into 2007-08 with salmon production (+\$12 million) and dairy (+\$98 million). While data a complete data set is not available for 2008-09 we note that dairy prices have fallen some 30% and there will be substantial impacts of the drought and late season frosts on the agricultural sector:
- » The packed and processed value of food has increased by some \$354 million after allowing for revision of the 2004-05 estimates ( eg confectionery, fresh-cut salad production) where collaboration with the processing sector has greatly improved the reliability of the estimates made.
- » The vast majority (87%) of Tasmania's food trade revenue is generated by just 8 categories - beef, confectionery, salmon, potatoes, dairy, beer, lobster and abalone. All the remaining other foods represent some 13% of trade revenue.

- » The significant growth in production has largely been directed towards interstate markets. Interstate food sales have been the major area of market growth (+\$266 million). Major contributors to that result were salmon (+\$206 million), dairy (\$41 million) and vegetables (\$49 million).
- » Overseas exports increased by \$46 million (10%). In 2008-09 overseas food exports fell (-\$14 million).
- » Tasmania continues to produce a large net surplus – more than 60% of food production is destined for overseas and interstate customers.
- » Trade income in 2006-07 exceeds \$1.8 billion and that underpins a substantial portion of Tasmania's economy.

#### *Food Trade Revenue 2006-07 (\$ million)*

	Overseas	Interstate	Total
Beef	\$137	\$20	\$156
Confectionery	\$33	\$320	\$353
Atlantic Salmon	\$11	\$307	\$318
Potatoes	\$0	\$242	\$243
Dairy	\$118	\$145	\$262
Beer	\$0	\$48	\$48
Lobster	\$32	\$38	\$69
Abalone	\$96	\$35	\$130
Other	\$96	\$150	\$246
Total	\$522	\$1,304	\$1,826

**What is the real value of Tasmania's food, agriculture and fishing industries? Given the importance of the sector to the State's economy it would be expected that there would be a precise answer.**

The Food Industry ScoreCard is a method developed by the South Australian Department of Primary Industries for tracking the annual growth in food production, examining the value creation the chain and identifying which markets predominate.

The value of agricultural and fisheries production is reported annually. However the packaged and processed value of Tasmanian foods has not been reported for many years. This is due to a number of reasons. Firstly industry data is suppressed in cases where only 2 or 3 companies are dominant players. Secondly it is not possible to segregate the Tasmanian component of national companies.

Similarly exports to overseas countries are reported annually. However it is only from using the scorecard method is it possible to quantify the value of interstate trade, which for many food items is a far more important market destination.

The Tasmanian Food Industry ScoreCard is based on existing Australian Bureau of Statistics and ABARE data (gross value and quantity of production), export and import data, food retail and food service sales, food consumption data and the Tasmanian population statistics.

Given this information it is possible to calculate the quantity of food available after exports have been deducted. The Tasmanian consumption is estimated using Tasmanian population statistics and food consumption data.

Net interstate trade is calculated as:

Total prod'n – Exports + Imports – Domestic Consumption =  
Net Interstate Trade

At various points in the ScoreCard information is reconciled with other reported data eg Tasmanian food retail and food service sales against ABS food retail and food service sales. In total it's a complex system that reflects the diversified nature of the food industry in Tasmania.

Behind the information in this report lies many individual calculations for all commodities such as: abalone, apples, beef, broccoli, carrots, cheese, .....wine. In total there are more than 60 major product groupings.

**Australian Bureau of Statistics (ABS):**

*Agricultural Commodities, small area data* – ABS 7125.0

*Apparent consumption of Foodstuffs* – ABS 4306.0

*Household expenditure survey* – ABS 6535.0.55.001

*Trade data (international food exports and imports)*  
– purchased from ABS

*Australian Demographic Statistics* – ABS 3101.0

While the ScoreCard has utilised trade data purchased from ABS, there are many reports that can be accessed from the ABS website free of cost, using the catalogue numbers recorded above.

Website: [www.abs.gov.au](http://www.abs.gov.au)

**Australian Bureau of Agricultural and Resource Economics (ABARE):**

*Australian Commodity Statistics* – an extensive collation of Australia food, agricultural and fisheries data and world trade information.

*Australian Fisheries Statistics*

Website: [www.abareconomics.com](http://www.abareconomics.com)

**Department of Agriculture, Fisheries and Forestry (DAFF)**

*Australian Food Statistics 2007* – a comprehensive data set on Australian food production, value adding, employment and trade.

Website: [www.daff.gov.au](http://www.daff.gov.au)

**Primary Industries and Resources South Australia (PIRSA)**

*South Australian Food Centre* – The Food Scorecard

The contribution of PIRSA in assisting the development of the Tasmanian ScoreCard is gratefully appreciated.

Website: [www.safoodcentre.com/scorecard](http://www.safoodcentre.com/scorecard)

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For further information on industry sectors – Tasmanian Rural and Marine Industry Profiles, and general industry specific information, please visit our website.

Website: [www.dpiw.tas.gov.au](http://www.dpiw.tas.gov.au)

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Tasmania

*Explore the possibilities*

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