



Food

Melbourne, Victoria, Australia

Victoria is central to Australia's food industry. Our industry combines the greatest natural assets of a wide variety of topography and an abundance of excellent agricultural land with advanced and experienced processing and manufacturing sectors.

Victoria's food industry includes meat, grain and horticultural processing, with global strengths in dairy. The industry has an international reputation for production in niche areas ranging from high-quality wine to seafood. Our food industry is increasingly competitive due to its capabilities in research and development, innovative use of technology and practices of sustainability, from the farm right through to the consumer.

Snapshot of the food industry in Melbourne, Victoria

- 21.4% of manufacturing industry turnover (largest manufacturing sector)
- Victoria's biggest export, worth over \$5.6 billion in 2005-06 (30% of total product exports). Dairy (A\$2.1 billion) and meat (A\$1.2 billion) are largest food exports.
- Over 2,000 food processing firms employ around 51,000 people in food, beverage and tobacco manufacturing (largest employer in manufacturing sector)
- 32,000+ farms, with gross value of \$8.7 billion; agricultural exports A\$1.7 billion in 2004-05
- Two major international packaging companies are Australian owned and headquartered in Victoria
- Largest sectors: Dairy (A\$5.6 billion), Meat (A\$3 billion), Grains (\$1.8 billion), Horticulture (A\$1.6 billion), Wine (A\$1.3 billion)

Table 1. The Victorian and Australian food industry

	Victoria (% of Aus total)	Australia	Source
Agriculture: Gross value	A\$8.7 billion (24%)	A\$36.6 billion	ABS 2004-05, Cat. no. 7123, 7106
Agriculture: Employment	77,500 (22%)	355,300	ABS Aug 2006, Cat. no. 6291
Agricultural exports	A\$1.7 billion (13%)	A\$13.1 billion	ABS 2004-05, Cat. no. 7123, 7106
Dairy exports	A\$2.1 billion (84% - 13% of world trade)	A\$2.5 billion	DIIRD 2005-06
Food processing: Employment	51,500 (27%)	193,200	ABS, Cat. no. 8221.0
Food exports	A\$5.6 billion (25%)	A\$22.1 billion	DIIRD 2005-06

ABS - Australian Bureau of Statistics

DIIRD - Department of Innovation, Industry and Regional Development (Victorian State Government)

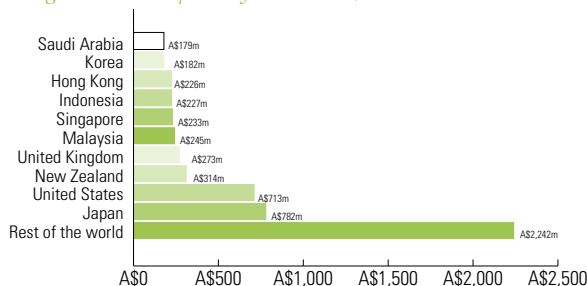
Food industry exports

The Australian market is mature and sophisticated, with demands for high quality, healthy and fresh food. The quality of the product in Victoria rivals that of any other region in the world. With a limited domestic market,

Victorian food producers are increasingly focusing on export markets. Victorian food can now be found in almost every country in the world. In 2005-06, Victorian food exports were worth over A\$5.6 billion. Figures 1&2 show the make-up and destinations of those exports.

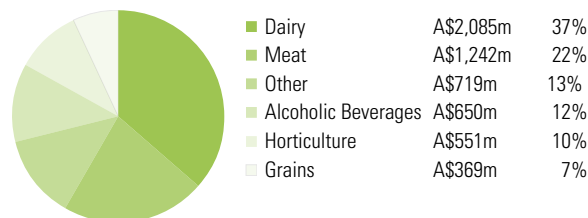


Figure 1. Food exports by destination, 2005–06



Source: Australian Bureau of Statistics

Figure 2. Food exports by sector, 2005–06



Source: Australian Bureau of Statistics

Industry participants in the Victorian food industry

The food industry is very diverse, with major multinational companies existing alongside large Australian corporations and small to medium companies also making up a large proportion of the market.

Table 2. Industry participants in the Victorian food industry

Foster's Group Limited	Foster's Group Limited is one of the world's leading brewers and a global premium wine company. Foster's is headquartered in Melbourne and has operations throughout the world. fosters.com.au
Kraft Foods Australia	Kraft Foods Australia is one of the leaders in the packaged foods industry, producing food for the local and overseas market. Headquartered in Melbourne, Kraft has two manufacturing plants located in Victoria, and is home to the iconic Australian brand <i>Vegemite</i> . Exports from Australian operations are over A\$1 billion annually. Kraft has invested over A\$350 million in new technology and plants in last decade. kraft.com.au
MasterFoods Australia New Zealand	Three Victorian factories (in Melbourne, Ballarat and Wodonga) producing global brands such as Mars, Snickers, M&M's and is also a manufacturer of high-quality pet food. Strong export focus – up to 30% of products shipped to 30 countries worldwide. masterfoods.com.au
Fonterra	The largest dairy exporter in the world. Based in New Zealand; Australian operations have focus on R&D and new technology. In 2005, Fonterra announced a A\$15 million investment for 150 person Global Consumer and Food Research and Development Centre in Victoria. fonterra.com.au
Nestlé	One of the world's largest food companies, producing dairy and confectionery; employs around 2,000 people in its Victorian factories. nestle.com.au
Sakata	A Japanese producer of rice snacks, Sakata established local operations in 1994 to service the Australian market. Competitiveness of the region has seen the Victorian operation expand to employ over 200 staff and export to USA, UK, Canada, South Africa and New Zealand. In 2005, Sakata Rice Snacks Australia was acquired by PepsiCo. sakata.com.au
Hakubaku	Hakubaku produces dried noodle products, and is recognised as the biggest selling brand in Japan. The company opened its manufacturing operations in Victoria in 1996 to have direct access to the best and purest wheat varieties for noodle production; in particular, the highly suitable Rosella strain of wheat, grown only in Australia. The company produces 2000 tonnes of noodles every year from their plant at Ballarat, and exports around 70% of the finished product both to Japan and the US. hakubaku.com
Amcor	Amcor is one of the world's top three global packaging companies. Headquartered in Melbourne, Amcor has 217 manufacturing sites in 34 countries, and derives about 80% of its earnings from outside Australasia. Amcor has substantial packaging businesses located in Australasia, North America, Latin America, Europe and Asia. amcor.com
Visy	Established in Melbourne, Visy has grown to become the world's largest privately owned packaging and recycling company. Visy now operates more than 100 packaging factories and recycling sites across Australia, New Zealand and in the South East and Midwest of the United States. visy.com.au

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