



# STATE OF THE INDUSTRY REPORT

METHODOLOGY

 AUSTRALIAN FOOD & GROCERY COUNCIL

# METHODOLOGY

This section details *State of the Industry Report 2019* methodology as it differs from previous years. The changes have been made to ensure proper alignment with sector definition. Readers are advised to exercise caution when comparing data in this report to that published in previous reports.

## CHANGE TO DEFINITION OF AFG SECTOR

Appropriately defining the scope of the industry for the report is critical in securing its value. Therefore, thorough research of relevant sources was conducted to obtain different perspectives on which industries should be included in the definition. The definition used to determine whether industry sectors should be included was:

*Those industries that provide value-add to agriculture, food, and other products for the purpose of producing everyday processed food, beverages and grocery products consumed and used by Australians.*

Products encompassed include packaged, shelf-stable food from all categories and non-food grocery products used by consumers for personal, home and pet care. These products share several distinguishing characteristics that enable them to be sensibly aggregated:

- they are all (generally) presented to consumers meeting strict product specifications;
- their integrity is assured by sophisticated quality systems;
- they share the same supply chains; and
- they are purchased and used daily by consumers.

The key difference to previous reports is the exclusion of the fresh food growing sub-sector and polymer film and sheet packaging material manufacturing industry. These were excluded to align the selection of industries with the definition of the sector. Three broad groupings consistent with this definition were identified as:

- food product manufacturing;
- beverage product manufacturing; and
- grocery manufacturing.

Food and beverage product manufacturing includes processed, packaged, shelf-ready food and beverages commonly found in supermarkets and other retail outlets, and the ingredients which go into their manufacture. It includes dairy, cereal and baked products, meat and fish products, and processed fruits and vegetables. It excludes, to the extent that ABS data does not include, products produced onsite in supermarkets such as onsite baking.

Grocery manufacturing refers to non-food grocery manufacturing and it includes personal care, home care and pet care products. These products have been included because they share a common supply chain with food and beverage products and they face many of the same challenges such as high input costs.

Consistent with prior years, commodities not purchased by consumers (e.g. grains, live animals, etc.) and unprocessed food and fibre commodities (e.g. wheat, coarse grains, live animals, etc.) were excluded from the definition. Where possible, tobacco products were also excluded from the definition.

The ANZSIC codes were used to help define the industry, as it was recognised that much of the data to be collected would be aggregated under these codes. Further information regarding the ANZSIC classification and inclusions/exclusions can be found within the ABS report *Australian and New Zealand Standard Industrial Classification 2006*. A full list of those sub-sectors considered in developing the final industry definition can be found in the tables below.

**Table 1: Food and beverage sub-sector (industries included)**

ANZSIC Code	Description
1111	Meat processing
1112	Poultry processing
1113	Cured meat and smallgoods manufacturing
1120	Seafood processing
1131	Milk and cream processing
1132	Ice cream manufacturing
1133	Cheese and other dairy product manufacturing
1140	Fruit and vegetable processing
1150	Oil and fat manufacturing
1161	Grain mill product manufacturing
1162	Cereal, pasta and baking mix manufacturing
1171	Bread manufacturing (factory based)
1172	Cake and pastry manufacturing (factory based)
1173	Biscuit manufacturing (factory based)
1174	Bakery product manufacturing (non-factory based)
1181	Sugar manufacturing
1182	Confectionery manufacturing
1191	Potato, corn and other crisp manufacturing
1192	Prepared animal and bird feed manufacturing
1199	Other food product manufacturing n.e.c.
1211	Soft drink, cordial and syrup manufacturing
1212	Beer manufacturing
1213	Spirit manufacturing
1214	Wine and other alcoholic beverage manufacturing

**Table C.3: Grocery sector (industries included)**

ANZSIC Code	Description
1524	Sanitary paper product manufacturing
1841	Human pharmaceutical and medicinal product manufacturing
1851	Cleaning compound manufacturing
1852	Cosmetic and toiletry preparation manufacturing

**Table Primary Activities by ANZIC Code**

ANZSIC Code	Description	Primary activities include:
1111	Meat Processing	<ul style="list-style-type: none"> <li>• Abattoir operation (except poultry)</li> <li>• Animal meat packing and freezing</li> <li>• Animal oil or fat, unrefined, manufacturing</li> <li>• Lard or tallow rendering</li> <li>• Meat extract or essence manufacturing</li> <li>• Meat manufacturing (except bacon, ham and poultry)</li> <li>• Meat or bone meal manufacturing (except fish or poultry meal)</li> <li>• Meat packing (except poultry)</li> <li>• Meat, canned, manufacturing (except poultry, bacon, ham and corned meat)</li> <li>• Meat, dehydrated, manufacturing (except poultry)</li> <li>• Meat, frozen, manufacturing (except poultry)</li> </ul>
1112	Poultry Processing	<ul style="list-style-type: none"> <li>• Frozen poultry manufacturing</li> <li>• Game bird slaughtering</li> <li>• Poultry abattoir operation</li> <li>• Poultry croquette manufacturing</li> <li>• Poultry meat or bone meal manufacturing</li> <li>• Poultry meat packing</li> <li>• Poultry meat processing (including canning)</li> </ul>
1113	Cured Meat and Smallgoods Manufacturing	<ul style="list-style-type: none"> <li>• Bacon manufacturing</li> <li>• Corned meat manufacturing (including canned)</li> <li>• Croquette manufacturing n.e.c.</li> <li>• Ham, canned, manufacturing</li> <li>• Meat speciality manufacturing</li> <li>• Pate manufacturing</li> <li>• Poultry smallgoods manufacturing</li> <li>• Smallgoods manufacturing</li> </ul>
1120	Seafood Processing	<ul style="list-style-type: none"> <li>• Crustacean, processed, manufacturing (including cooked and/or frozen) n.e.c.</li> <li>• Fish cleaning or filleting</li> <li>• Fish fillet manufacturing</li> <li>• Fish loaf or cake manufacturing</li> <li>• Fish paste manufacturing</li> <li>• Fish pate manufacturing</li> <li>• Fish, canned, manufacturing</li> <li>• Fish, dried or smoked, manufacturing</li> <li>• Mollusc, processed, manufacturing (including shelled)</li> <li>• Oyster, shelling, freezing or bottling in brine</li> <li>• Scallop, preserved, manufacturing</li> <li>• Seafood, canned, manufacturing</li> <li>• Seafood, preserved, manufacturing</li> <li>• Whole fin fish freezing</li> </ul>
1131	Milk and Cream Processing	<ul style="list-style-type: none"> <li>• Cream, pasteurised, manufacturing (except canned)</li> <li>• Milk, low fat, manufacturing</li> <li>• Milk, pasteurised, manufacturing</li> <li>• Skim milk manufacturing</li> <li>• Standard milk manufacturing</li> <li>• Ultra heat treatment milk manufacturing</li> </ul>

ANZSIC Code	Description	Primary activities include:
1132	Ice Cream Manufacturing	<ul style="list-style-type: none"> <li>• Confections, frozen manufacturing</li> <li>• Fruit ice, frozen, manufacturing</li> <li>• Gelato manufacturing</li> <li>• Ice cream manufacturing</li> <li>• Sorbet manufacturing</li> </ul>
1133	Cheese and Other Dairy Product Manufacturing	<ul style="list-style-type: none"> <li>• Anhydrous milk fat (butter oil) manufacturing</li> <li>• Butter manufacturing</li> <li>• Buttermilk manufacturing</li> <li>• Casein manufacturing</li> <li>• Cheese manufacturing</li> <li>• Condensed milk manufacturing</li> <li>• Cream, canned, manufacturing</li> <li>• Dairy product manufacturing n.e.c.</li> <li>• Dried ice cream, soft serve or milk shake mix manufacturing</li> <li>• Evaporated milk manufacturing</li> <li>• Flavoured milk manufacturing</li> <li>• Infants' milk-based formula and food manufacturing</li> <li>• Lactose manufacturing</li> <li>• Liquid ice cream, soft serve or milk shake mix manufacturing</li> <li>• Malted milk powder manufacturing</li> <li>• Milk and coffee mixtures, condensed or concentrated, manufacturing</li> <li>• Milk powder manufacturing</li> <li>• Sour cream manufacturing</li> <li>• Whey or whey powder manufacturing</li> <li>• Yoghurt manufacturing</li> </ul>
1140	Fruit and Vegetable Processing	<ul style="list-style-type: none"> <li>• Baby food, canned or bottled, manufacturing (except milk based)</li> <li>• Baked bean manufacturing</li> <li>• Bean/legume, dried or canned, manufacturing</li> <li>• Chutney or relish manufacturing</li> <li>• Coconut, desiccated, manufacturing</li> <li>• Fruit dehydrating or drying (except sun drying) manufacturing</li> <li>• Fruit juice, 100 per cent pure or concentrated, manufacturing</li> <li>• Fruit pulp, puree or spread manufacturing</li> <li>• Fruit salad manufacturing</li> <li>• Fruit, frozen, manufacturing</li> <li>• Fruit, preserved, manufacturing (including canned or bottled)</li> <li>• Grape crushing</li> <li>• Jam manufacturing (including preserves, jellies or fruit spreads)</li> <li>• Mixed meat and vegetable manufacturing</li> <li>• Rice preparation, canned, manufacturing</li> <li>• Sauce manufacturing (except Worcestershire sauce)</li> <li>• Spaghetti, canned, manufacturing</li> <li>• Vegetable juice or soup manufacturing</li> <li>• Vegetable salad manufacturing</li> <li>• Vegetable soup manufacturing</li> <li>• Vegetable, frozen, manufacturing</li> <li>• Vegetable, preserved, manufacturing (including canned, dehydrated, dried or quick frozen)</li> <li>• Vinegar manufacturing (except wine vinegar)</li> </ul>

ANZSIC Code	Description	Primary activities include:
1150	Oil and Fat Manufacturing	<ul style="list-style-type: none"> <li>• Animal oil, refined, manufacturing</li> <li>• Cotton seed oil manufacturing</li> <li>• Deodorised vegetable oil manufacturing</li> <li>• Edible oil or fat, blended, manufacturing</li> <li>• Fish or other marine animal oil or meal manufacturing</li> <li>• Lard, refined, manufacturing</li> <li>• Margarine manufacturing</li> <li>• Olive oil manufacturing</li> <li>• Tallow, refined, manufacturing</li> <li>• Vegetable oil, meal or cake manufacturing</li> </ul>
1161	Grain Mill Product Manufacturing	<ul style="list-style-type: none"> <li>• Arrowroot manufacturing</li> <li>• Baking powder manufacturing</li> <li>• Barley malt manufacturing</li> <li>• Barley meal or flour manufacturing</li> <li>• Cornflour manufacturing</li> <li>• Cornmeal manufacturing</li> <li>• Dextrin manufacturing</li> <li>• Dextrose manufacturing (except prepared)</li> <li>• Glucose manufacturing</li> <li>• Gluten manufacturing</li> <li>• Malt extract manufacturing</li> <li>• Malt manufacturing</li> <li>• Pollard manufacturing (from wheat, barley or rye)</li> <li>• Rice flour, meal or offal manufacturing</li> <li>• Rice manufacturing (including parboiled)</li> <li>• Rice starch manufacturing</li> <li>• Rye flour, meal or offal manufacturing</li> <li>• Sago manufacturing</li> <li>• Self-raising flour manufacturing</li> <li>• Semolina manufacturing</li> <li>• Starch manufacturing</li> <li>• Tapioca manufacturing</li> <li>• Unpopped corn manufacturing (for popcorn)</li> <li>• Wheat germ manufacturing</li> <li>• Wheaten bran manufacturing</li> <li>• Wheaten flour manufacturing</li> <li>• Wheaten malt manufacturing</li> <li>• Wheatmeal manufacturing</li> </ul>
1162	Cereal, Pasta and Baking Mix Manufacturing	<ul style="list-style-type: none"> <li>• Baking mix (prepared) manufacturing</li> <li>• Bread mix (dry) manufacturing</li> <li>• Cake mix manufacturing</li> <li>• Cereal food manufacturing n.e.c.</li> <li>• Coatings made from cereal food (except biscuit or breadcrumb) manufacturing</li> <li>• Custard powder manufacturing</li> <li>• Dessert, dried prepared, manufacturing</li> <li>• Noodle manufacturing</li> <li>• Oatmeal manufacturing</li> <li>• Oats, hulled or shelled, manufacturing</li> <li>• Oats, kilned or unkilned manufacturing</li> </ul>

ANZSIC Code	Description	Primary activities include:
1162	Cereal, Pasta and Baking Mix Manufacturing	<ul style="list-style-type: none"> <li>Pasta, fresh or dried, manufacturing</li> <li>Pastry mix manufacturing</li> <li>Prepared breakfast cereal manufacturing</li> </ul>
1171	Bread Manufacturing (Factory Based)	<ul style="list-style-type: none"> <li>Bagel manufacturing (factory based)</li> <li>Bread bakery operation (factory based)</li> <li>Bread dough, frozen, manufacturing (factory based)</li> <li>Bread roll manufacturing (factory based)</li> <li>Bread, leavened or unleavened, manufacturing (factory based)</li> <li>Breadcrumb manufacturing (factory based)</li> <li>English muffin manufacturing (factory based)</li> <li>Fruit loaf manufacturing (factory based)</li> <li>Panini manufacturing (factory based)</li> <li>Pita bread manufacturing (factory based)</li> </ul>
1172	Cake and Pastry Manufacturing	<ul style="list-style-type: none"> <li>Cake icing or decorating (factory based)</li> <li>Cake or pastry-based pudding and dessert manufacturing (factory based)</li> <li>Cake or pastry-based slice manufacturing (factory based)</li> <li>Cake or pastry manufacturing (factory based)</li> <li>Cake or pastry, frozen, manufacturing (factory based)</li> <li>Crumpet manufacturing (factory based)</li> <li>Doughnut manufacturing (factory based)</li> <li>Pastry manufacturing (includes frozen dough; factory based)</li> <li>Pie manufacturing (including meat, fruit or vegetable pies; factory based)</li> </ul>
1173	Biscuit Manufacturing (Factory Based)	<ul style="list-style-type: none"> <li>Biscuit dough manufacturing (factory based)</li> <li>Biscuit manufacturing (except pet food biscuits; factory based)</li> <li>Ice cream cone or wafer manufacturing (factory based)</li> </ul>
1174	Bakery Product Manufacturing (Non-Factory Based)	<ul style="list-style-type: none"> <li>Manufacturing and selling bread from the same premises (non-factory based)</li> <li>Manufacturing and selling other bakery products from the same premises (non-factory based)</li> </ul>
1181	Sugar Manufacturing	<ul style="list-style-type: none"> <li>Brown sugar manufacturing</li> <li>Cane syrup manufacturing</li> <li>Caster sugar manufacturing</li> <li>Icing sugar manufacturing</li> <li>Molasses manufacturing</li> <li>Sugar manufacturing</li> <li>Treacle manufacturing</li> </ul>
1182	Confectionery Manufacturing	<ul style="list-style-type: none"> <li>Chewing gum manufacturing</li> <li>Chocolate manufacturing</li> <li>Cocoa product manufacturing</li> <li>Confectionery manufacturing</li> <li>Crystallised or glaze fruit manufacturing</li> <li>Drinking chocolate manufacturing</li> <li>Licorice manufacturing</li> <li>Marshmallow manufacturing</li> <li>Marzipan manufacturing</li> <li>Nut, candied, manufacturing</li> <li>Popcorn, candied, manufacturing</li> </ul>

ANZSIC Code	Description	Primary activities include:
1191	Potato, Corn and Other Crisp Manufacturing	<ul style="list-style-type: none"> <li>• Corn chip manufacturing</li> <li>• Crisp manufacturing</li> <li>• Potato crisp manufacturing</li> <li>• Taco, tortilla or tostada shell manufacturing</li> </ul>
1192	Prepared Animal and Bird Feed Manufacturing	<ul style="list-style-type: none"> <li>• Animal feed, prepared, manufacturing (except uncanned meat or bone meal or protein-enriched skim milk powder)</li> <li>• Animal food, canned, manufacturing</li> <li>• Bird feed manufacturing</li> <li>• Cattle lick manufacturing</li> <li>• Cereal meal manufacturing (for fodder, except from rice or rye)</li> <li>• Chaff manufacturing</li> <li>• Crushed grain manufacturing (including mixed; for fodder)</li> <li>• Dehydrated lucerne manufacturing</li> <li>• Dog and cat biscuit manufacturing</li> <li>• Fodder, prepared, manufacturing</li> <li>• Grain offal manufacturing (for fodder; except from rice or rye)</li> <li>• Lucerne cube, manufacturing</li> <li>• Lucerne meal, manufacturing</li> <li>• Pet food, canned, manufacturing</li> <li>• Poultry feed, prepared, manufacturing</li> <li>• Sheep lick manufacturing</li> </ul>
1199	Other Food Product Manufacturing n.e.c.	<ul style="list-style-type: none"> <li>• Coffee manufacturing</li> <li>• Colouring, food, manufacturing</li> <li>• Dessert mix, liquid, manufacturing</li> <li>• Egg pulping or drying</li> <li>• Flavoured water pack manufacturing (for freezing into flavoured ice)</li> <li>• Food dressing manufacturing</li> <li>• Food flavouring manufacturing</li> <li>• Food manufacturing n.e.c.</li> <li>• Gelatine manufacturing</li> <li>• Ginger product manufacturing (except confectionery)</li> <li>• Health supplement manufacturing</li> <li>• Herb, processed, manufacturing</li> <li>• Honey, blended, manufacturing</li> <li>• Hop extract, concentrated, manufacturing</li> <li>• Jelly crystal manufacturing</li> <li>• Pre-prepared meal, frozen, manufacturing</li> <li>• Rice preparation manufacturing n.e.c.</li> <li>• Salt, cooking or table, manufacturing</li> <li>• Savoury speciality manufacturing</li> <li>• Seasoning, food, manufacturing</li> <li>• Soya bean concentrate, isolate or textured protein manufacturing</li> <li>• Spice manufacturing</li> <li>• Tea blending manufacturing</li> <li>• Tea manufacturing</li> <li>• Worcestershire sauce manufacturing</li> <li>• Yeast or yeast extract manufacturing</li> </ul>
1211	Soft Drink, Cordial and Syrup Manufacturing	<ul style="list-style-type: none"> <li>• Carbonated water or cordial manufacturing</li> <li>• Cider, non-alcoholic, manufacturing</li> <li>• Cordial manufacturing</li> </ul>

ANZSIC Code	Description	Primary activities include:
1211	Soft Drink, Cordial and Syrup Manufacturing	<ul style="list-style-type: none"> <li>• Energy drink manufacturing</li> <li>• Fruit drink, less than 100 per cent pure juice, manufacturing</li> <li>• Ginger beer, non-alcoholic, manufacturing</li> <li>• Ice manufacturing (except dry ice)</li> <li>• Mineral water manufacturing</li> <li>• Powder flavour manufacturing (for soft drinks)</li> <li>• Purified water manufacturing</li> <li>• Soda water manufacturing</li> <li>• Soft drink manufacturing</li> <li>• Syrup, chocolate, caramel or vanilla, manufacturing</li> <li>• Syrup, fruit, manufacturing</li> <li>• Tonic water manufacturing</li> </ul>
1212	Beer Manufacturing	<ul style="list-style-type: none"> <li>• Beer manufacturing (except non-alcoholic beer)</li> </ul>
1213	Spirit Manufacturing	<ul style="list-style-type: none"> <li>• Brandy manufacturing</li> <li>• Fortified spirit manufacturing</li> <li>• Liqueur manufacturing</li> <li>• Spirit-based mixed drink manufacturing</li> <li>• Potable spirit manufacturing</li> </ul>
1214	Wine and Other Alcoholic Beverage Manufacturing	<ul style="list-style-type: none"> <li>• Beverage n.e.c., alcoholic, manufacturing</li> <li>• Carbonated wine manufacturing</li> <li>• Cider, alcoholic, manufacturing</li> <li>• Fortified wine manufacturing</li> <li>• Mead manufacturing</li> <li>• Perry, alcoholic, manufacturing</li> <li>• Sherry manufacturing</li> <li>• Sparkling wine manufacturing</li> <li>• Wine-based fruit drink 'cooler' manufacturing</li> <li>• Wine manufacturing</li> <li>• Wine vinegar manufacturing</li> <li>• Unfortified wine manufacturing</li> </ul>
1524	Sanitary Paper Product Manufacturing	<ul style="list-style-type: none"> <li>• Disposable paper nappy (cellulose-based) manufacturing</li> <li>• Facial tissue manufacturing</li> <li>• Paper napkin manufacturing</li> <li>• Paper towel manufacturing</li> <li>• Sanitary napkin (cellulose-based) manufacturing</li> <li>• Sanitary paper product manufacturing n.e.c.</li> <li>• Tampon (cellulose-based) manufacturing</li> <li>• Toilet tissue manufacturing</li> </ul>
1841	Human Pharmaceutical Manufacturing	<ul style="list-style-type: none"> <li>• Ampoule manufacturing</li> <li>• Analgesic manufacturing</li> <li>• Anthelmintic manufacturing</li> <li>• Antibacterial manufacturing</li> <li>• Antibiotic manufacturing</li> <li>• Antibody manufacturing</li> <li>• Antigen manufacturing</li> <li>• Antitoxin manufacturing</li> <li>• Biotechnological manufacture of pharmaceutical and medicinal products</li> <li>• Blood serum manufacturing</li> </ul>

ANZSIC Code	Description	Primary activities include:
1841	Human Pharmaceutical Manufacturing	<ul style="list-style-type: none"> <li>• Contraceptive, medicinal, manufacturing (except rubber contraceptives)</li> <li>• Diagnostic substance manufacturing</li> <li>• Drug manufacturing (except veterinary)</li> <li>• Herbal drug manufacturing</li> <li>• Hormone manufacturing (except veterinary)</li> <li>• Medicinal capsule manufacturing</li> <li>• Medicinal chemical manufacturing</li> <li>• Medicinal ointment manufacturing</li> <li>• Medicine manufacturing (except veterinary)</li> <li>• Morphine manufacturing</li> <li>• Saccharin manufacturing</li> <li>• Serum manufacturing</li> <li>• Vaccine manufacturing (except veterinary)</li> <li>• Vial manufacturing</li> <li>• Vitamin product manufacturing</li> </ul>
1851	Cleaning Compound Manufacturing	<ul style="list-style-type: none"> <li>• Candle manufacturing</li> <li>• Denture cleaner manufacturing</li> <li>• Detergent manufacturing</li> <li>• Dishwashing detergent manufacturing</li> <li>• Disinfectant manufacturing</li> <li>• Emulsifier manufacturing</li> <li>• Glycerine manufacturing</li> <li>• Hypochlorite-based bleach manufacturing</li> <li>• Laundry detergent manufacturing</li> <li>• Penetrant manufacturing</li> <li>• Peroxide preparation manufacturing</li> <li>• Polish manufacturing</li> <li>• Scouring compound manufacturing</li> <li>• Soap manufacturing</li> <li>• Toothpaste manufacturing</li> </ul>
1852	Cosmetic and Toiletry Preparation Manufacturing	<ul style="list-style-type: none"> <li>• After-shave lotion manufacturing</li> <li>• Barrier cream manufacturing</li> <li>• Cosmetic deodorant manufacturing</li> <li>• Depilatory manufacturing</li> <li>• Eye shadow manufacturing</li> <li>• Face cream and lotion manufacturing</li> <li>• Hair preparation manufacturing</li> <li>• Lip balm manufacturing</li> <li>• Lipstick manufacturing</li> <li>• Mascara manufacturing</li> <li>• Nail polish preparation manufacturing</li> <li>• Perfume manufacturing</li> <li>• Shaving preparation manufacturing</li> <li>• Sunscreen preparation manufacturing</li> <li>• Talcum powder manufacturing</li> <li>• Toilet lanolin manufacturing</li> </ul>

## DATA SOURCES

Consistent with prior years, the Australian Bureau of Statistics (ABS) 8155 catalogue is the primary source of data for this report.

However, the report differs from previous years as it relies on ABS 5368.0, international merchandise exports catalogue with four-digit ANZSIC (2006 edition) for trade information as opposed to the custom trade database used in previous years. The custom database was also based on ABS 5368.0 but it used free on board (FOB) values for export analysis and cost and it used insurance and freight (CIF) values for imports analysis. For this report the custom value is used.

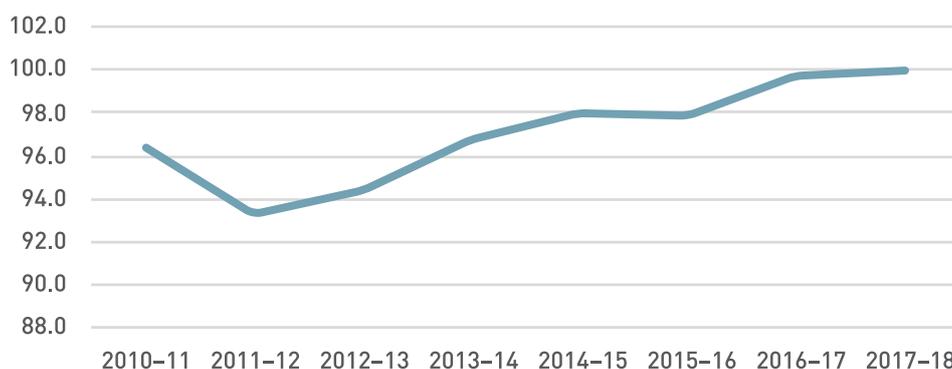
Data Source	Information
<b>ABS 5368</b>	Trade Data for Selected 4 Digit ANZSIC06 Codes, Obtained from the Australian Bureau of Statistics
<b>ABS 8155 Table 1</b>	Australian Industry 2017-18, Manufacturing Industry by ANZSIC Class, Obtained from the Australian Bureau of Statistics
<b>ABS 8155 Table 2</b>	Australian Industry 2017-18, Manufacturing Industry by States and Territories by ANZSIC Subdivision, Obtained from the Australian Bureau of Statistics
<b>ABS 8155 Table 4</b>	Australian Industry 2017-18, Industry Performance by Industry Subdivision, Obtained from the Australian Bureau of Statistics
<b>ABS 5204</b>	Australian System of National Accounts, Obtained from the Australian Bureau of Statistics
<b>ABS 5206</b>	Australian National Accounts: National Income, Expenditure and Product, obtained from the Australian Bureau of Statistics
<b>Census Data</b>	Select Employment Data for Food and Beverage Manufacturing, 2011 & 2016 Census', Obtained from the ABS

## COMPARISON OF DATA AND ANALYSIS TO PRIOR YEARS

In order to facilitate consistency with previous *State of the Industry* reports, when compiling the charts and tables for this report re-estimates of the data were not sought. However, it is important to note the ABS has made, in some cases, updates to historical numbers. In such cases, this report is based on the most recent estimates available. For more detail regarding these revised estimates please refer to the appropriate ABS catalogue. Consult the explanatory notes within these source documents for a more detailed explanation of the methodology used in re-forecasting data.

To ensure comparability of data in the figures and tables within this report, historical data has been adjusted for inflation until the most recent year for which data is presented. The inflation-adjusted figures are referred to as real values and are used in comparisons and growth calculations. To calculate the appropriate inflation adjustment, we have utilised the Food and Non-Alcoholic Beverages index from the ABS catalogue 6401 "Consumer Price Index" as an AFG-specific deflator. As this report deviates from past reports through excluding the fresh food subsector, the relevant index for fruit and vegetables has not been included in calculating the AFG-specific deflator as was done in prior years. The deflator used in the report is shown below:

**Figure 1: Food and Grocery deflator, index numbers**



# GLOSSARY

ABS	Australian Bureau of Statistics
AFGC	Australian Food and Grocery Council
ANZSIC	Australian and New Zealand Standard Industrial Classification
Appreciation	An increase in the value of the Australian dollar in comparison to foreign currency
CAGR	Compound Annual Growth Rate
Capital Investment (Gross Fixed Capital Formation)	Gross fixed capital formation is measured by the total value of a producer's acquisitions, less disposals, of fixed assets during the reference period, plus certain additions to the value of non-produced assets realised by the productive activity of businesses. Fixed assets are tangible or intangible assets produced as outputs from processes of production that are themselves used repeatedly or continuously in other processes of production for more than one year.
CPI	Consumer Price Index
Depreciation	A decrease in the value of the Australian dollar in comparison to foreign currency
Disposal of assets	Proceeds from the sale of tangible assets (plant, machinery, equipment, land, dwellings, other buildings and structures), and intangible assets (such as patents, licences and goodwill)
Employment	The number of workers employed in the industry or sector at the end of June for the current year, excluding working proprietors
FTA	Free Trade Agreement
GDP	Gross Domestic Product
Gross Capital Expenditure	Gross expenditure on acquiring fixed tangible and intangible assets, before deduction of trade-in allowances, and including expenses (except capitalised interest) incurred during the year in acquiring such assets. Fixed tangible assets include land, dwellings, other buildings and structures, plant, machinery and equipment (including motor vehicles). Intangible assets include capitalised exploration expenditure, patents, licences and goodwill.
Industry turnover	Income generated by businesses within the industry from the sales of goods and services. Industry turnover includes the income generated from rent, leasing and hiring income
Mfg	Manufacturing
n.e.c.	Not elsewhere classified
Net Capital Expenditure	The value of total capital expenditure less proceeds received from the disposal of assets.
n.f.d.	No further details
Real growth	The growth rate of the variable when the effect of inflation (increase in prices) has been removed
Sales of goods and services	Income generated by businesses within the industry or sector from the sales of goods and services
Trade surplus	A positive balance of trade (i.e. the value of exports exceeds the value of imports)