STATE OF THE INDUSTRY 2017: ANNEX

ESSENTIAL INFORMATION:

FACTS AND FIGURES

Sustaining Australia

This State of the Industry Report Annex ("Annex") has been prepared jointly by the Australian Food and Grocery Council (AFGC) and EY. EY has prepared the analysis in relation to industry turnover, industry value-add, international trade, employment and capital investment. AFGC has provided insights in relation to each of these topics. The results of EY's analysis, including the assumptions and qualifications made in compiling the Annex, are set out in the Annex. In conducting its work and preparing the Annex, EY has acted in accordance with the instructions of AFGC as set out in its engagement agreement dated 2 April 2015, and, in doing so, has prepared the Annex for the benefit of the AFGC, and has considered only the interests of the AFGC. EY has not been engaged to act, and has not acted, as advisor to any other party in relation to this Annex. Accordingly, EY makes no representations as to the appropriateness, accuracy or completeness of the Annex for any other party's purposes. No reliance may be placed upon the Annex or any of its contents by any party other than the AFGC ("Recipient"), for any purpose other than receiving this Annex and any Recipient receiving a copy of the Annex must make and rely on their own enquiries in relation to the issues to which the Annex relates, the contents of the Annex and all matters arising from or relating to or in any way connected with the Annex or its contents.

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Report structure – Primary report

This year's State of the Industry Report ("Report") has been restructured to present the most relevant information in a concise manner and includes analysis on the impact of different economic indicators that affect the industry. For this purpose an examination that contrasts specific indicators has been included in the body of the Report. However, recognising the importance of the specific data to the industry, all detailed data that formed part of previous years' reports has been included as an annex (this document), including the detailed methodology. The Report has been structured as follows:

Indicator	*Data*
The essentials	• The industry (turnover, IVA, labour productivity and number of businesses) • International trade • Employment • Capital investment • Overview during 2015-16
What does this mean? Analysing the data	This section discusses some of the conclusions that can be drawn from the data and information gathered. Drawing on research, it also examines the outlook for the industry.
The Australian story	• Summary of economic indicators • The Australian story
Industry turnover - Overview	• Total turnover and change in turnover for the three sectors • Industry versus other industries • Comparison to the other manufacturing sub-sectors • Number of enterprises
Industry Value-add - Overview	• Overview of IVA and total for the three sectors • Comparison to manufacturing sub-sectors

Indicator	*Data*
Labour Productivity	• IVA per hour of work (food, beverage and tobacco) • Comparison of level to other industries • Comparison of growth to other industries
International trade - Overview	• Overview of imports, exports, total trade • Comparison of international trade to total manufacturing, mining and agriculture • Top ten trading partners • Imports and exports of minimally transformed food products and substantially and elaborately transformed food products
Exports	• 5 year exports for the industry (by industry sectors) • Comparison of exports and turnover • Top ten export markets ($, % change) by country and subsector • Exports by state of origin - food and beverage sector, grocery sector and fresh produce sector
Imports	• 5 year imports for the industry • Comparison of imports and turnover • Top ten import markets ($, % change) by country and subsector
Employment	• Overview of employment and total for three sectors • Comparison to other Australian industries • Comparison to manufacturing sub-sectors • Employment by state and territory • Metro versus non metro employment
Capital investment	• Capital investment (over the last 8 years) • Comparison to other industries • Comparison to other manufacturing sectors • Capital expenditure

To facilitate the identification of detailed data, the following table outlines the information that can be found in this document (the Annex).

Indicator	*Sector/ classification*	*Data*
Industry turnover	Food and beverage sector	• Turnover, growth rate and proportion of each product class
	Grocery sector	• Turnover, growth rate and proportion of each product class
	Fresh produce sector	• Turnover, growth rate and proportion of each product class ○ Turnover of fresh vegetables sector by product class ○ Turnover and proportion of fresh produce by state
	Number of enterprises	• Food and beverage sector • Grocery sector • Fresh produce sector
Industry value add	Food and beverage sector	• Product class IVA, growth rate, share of food and beverage sector
	Grocery sector	• Product class IVA, growth rate, share of grocery sector
	Fresh produce sector	• Product class IVA, growth rate, share of fresh produce sector
International trade	Exports	• Growth, value and proportion of food and beverage exports • Top three food and beverage exports (share of exports by country) • Growth, value and proportion of grocery exports • Top two grocery exports (share of exports by country) • Growth, value and proportion of fresh produce exports

Indicator	*Sector/ classification*	*Data*
	Imports	• Growth, value and proportion of food and beverage imports • Top three food and beverage imports (share of imports by country) • Growth, value and proportion of grocery imports • Top two grocery imports (share of imports by country) • Growth, value and proportion of fresh produce imports
Employment	Food and beverage	• Employment by product class (level, proportion and growth rate)
	Grocery	• Employment by product class (level, proportion and growth rate)
	Fresh produce	• Employment by product class (level, proportion and growth rate)
	Wages and salaries	• By product class in the food and beverage sector (level, proportion and growth rate) • By product class in the grocery sector (level, proportion and growth rate) • By product class in the fresh produce sector (level, proportion and growth rate)
Appendices		• Nominal headline figures • Methodology • Detailed industry definition • Full list of products • Glossary

1

Industry Turnover

Food and beverage sector

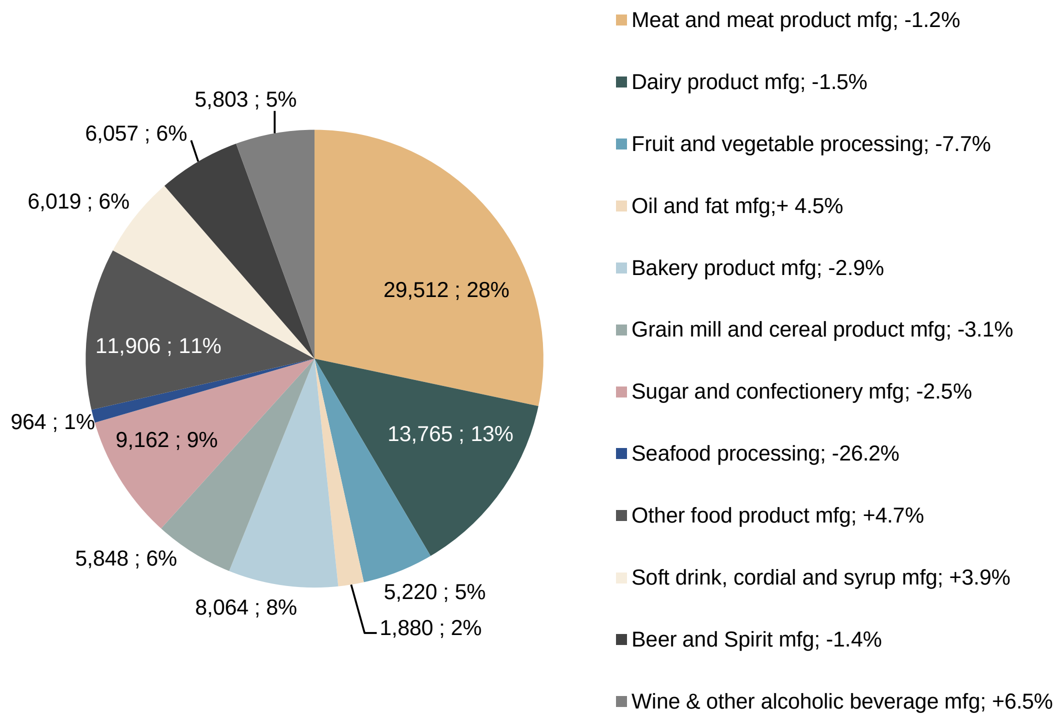
- The food and beverage manufacturing sector in Australia comprises a large variety of product classes, each of which consist of a number of sub-classes
- Turnover of the food and beverage manufacturing sector was $104.2bn in 2015-16
  - This was a decline of 0.8 per cent from 2014-15
- Of the twelve product classes, eight classes contracted by an average of 5.8 per cent
  - The largest decline was in seafood processing, declining 26.2 per cent
- The remaining four product classes grew by an average of 4.9 per cent
  - Largest growth was seen in the wine & other alcoholic beverage manufacturing sector, increasing by 6.5 per cent
- Meat and meat product manufacturing comprises the largest share (28.3 per cent) of total sector turnover
- Dairy product manufacturing was the second largest (13.2 per cent of total sector turnover)

Top 5 product classes by turnover ($2015-16) (million)

Product class (million)	FY15	FY16	% Growth
Meal and meat product manufacturing	29,862	29,512	-1.2
Dairy product manufacturing	13,986	13,765	-1.5
Other food product manufacturing	11,366	11,906	4.7
Sugar and confectionery manufacturing	9,397	9,162	-2.5
Bakery product manufacturing	8,306	8,064	-2.9

Source: Based on ABS, catalogue numbers 8155.0 and IBIS World Reports C1212 and 1213

Turnover, growth rate and proportion of each product class in the food and beverage manufacturing sector ($2015-16) (million)



Source: Based on ABS, catalogue numbers 8155.0 and IBIS World Reports C1212 and 1213
Turnover (dollars) and proportion of total shown in the pie chart, with growth rate shown in legend

Grocery sector

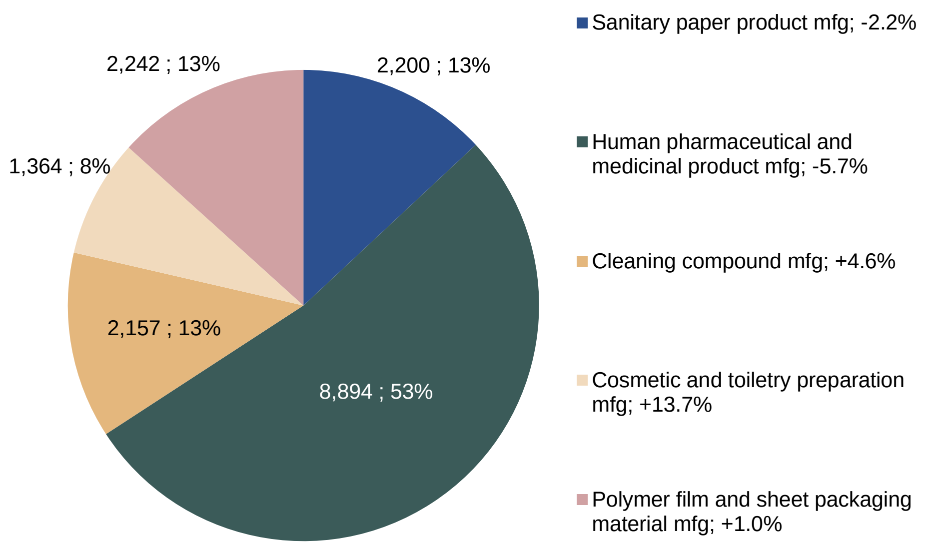
- Total turnover in 2015-16 in the grocery sector was $16.9bn
  - This was a decrease of 1.8 per cent from 2014-2015
- Cosmetic and toiletry preparation recorded the largest growth, at 13.7 per cent or $164.0m
- Cleaning compound manufacturing continued its growth, increasing 4.6 per cent, after a 16.3 per cent increase in 2014-15 and decreases experienced in the 3 years prior to 2014-15
- The largest sub-sector, human pharmaceutical and medicinal product manufacturing, declined by 5.7 per cent to $8.9bn

Product classes by turnover ($2015-16) (million)

Product class (million)	FY15	FY16	% Growth
Human pharmaceutical and medicinal product manufacturing	9,434	8,894	-5.7
Polymer film and sheet packaging material manufacturing	2,211	2,242	1.0
Sanitary paper product manufacturing	2,249	2,200	-2.2
Cleaning compound manufacturing	2,062	2,157	4.6
Cosmetic and toiletry preparation manufacturing	1,200	1,364	13.7

Source: Based on ABS, catalogue number 8155.0

Turnover, growth rate and proportion of each product class in the grocery sector ($2015-16) (million)



Source: Based on ABS, catalogue number 8155.0
Turnover (dollars) and proportion of total shown in the pie chart, with growth rate shown in legend

Fresh produce sector

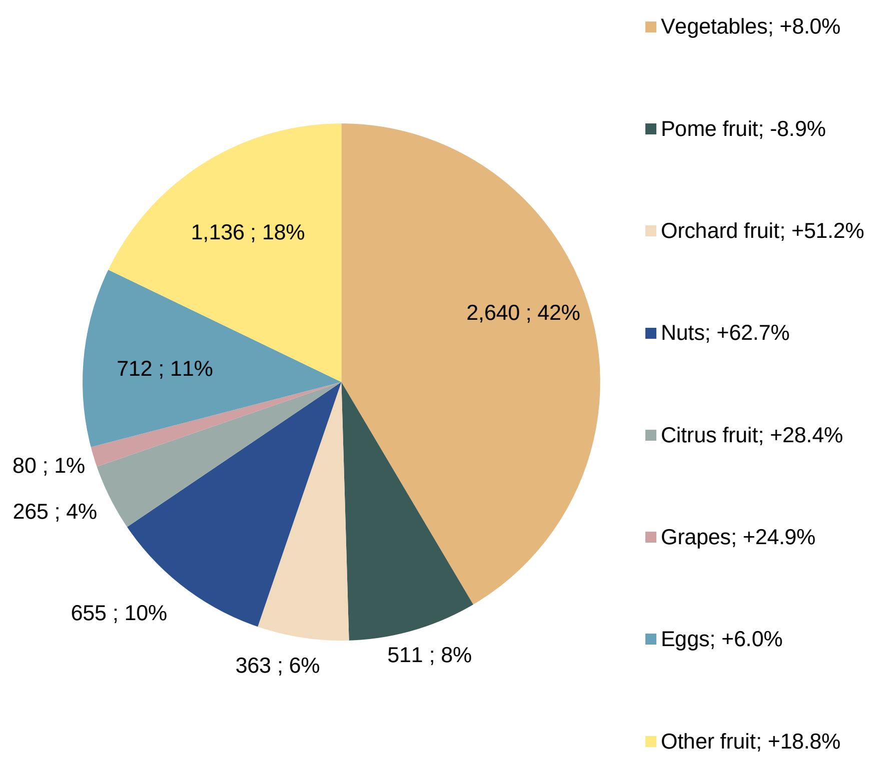
- Total turnover in 2015-16 in the grocery sector was $6.4bn
  - This was an increase of 14.7 per cent from 2014-15
- Turnover increased in all sub-sectors in 2015-16 with the exception of Pome fruit
- The largest contributor to turnover remained the vegetable product class with a turnover of $2.6bn (over 41.5 per cent of the fresh produce sector)
- There were large increases in the turnover of nuts (62.7 per cent), orchard fruit (51.2 per cent) and citrus fruit (28.4 per cent)

Top 5 Product classes by turnover ($2015-16) (million)

	FY15	FY16	% Growth
Product class (million)			
Vegetable growing	2,444	2,640	8.0
Other fruit	956	1,136	18.8
Eggs	672	712	6.0
Nuts	402	655	62.7
Pome fruit	561	511	-8.9

Source: Based on ABS, catalogue number 7503.0

Turnover, growth rate and proportion of each product class in the fresh produce sector ($2015-16) (million)

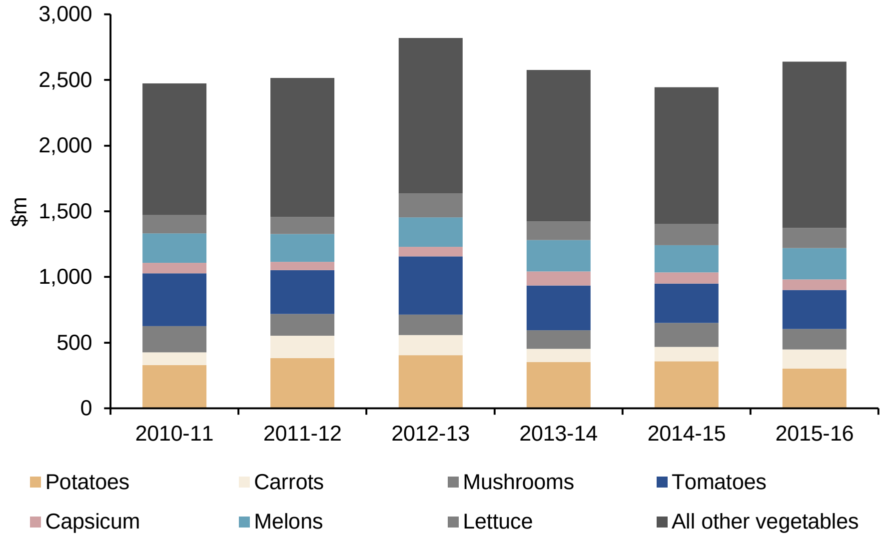


Source: Based on ABS, catalogue number 7503.0
Turnover (dollars) and proportion of total shown in the pie chart, with growth rate shown in legend

Fresh vegetables

- Turnover of fresh vegetables increased in 2015-16 by 8.0 per cent
- 'All other vegetables' (accounting for 48.0 per cent of fresh vegetables) increased by 22.0 per cent, and carrots had increased turnover of 35.1 per cent
- The largest decrease was seen in Potatoes - decline in turnover of 16.1 per cent

Fresh vegetables – turnover by class ($2015-16) (million)[1]



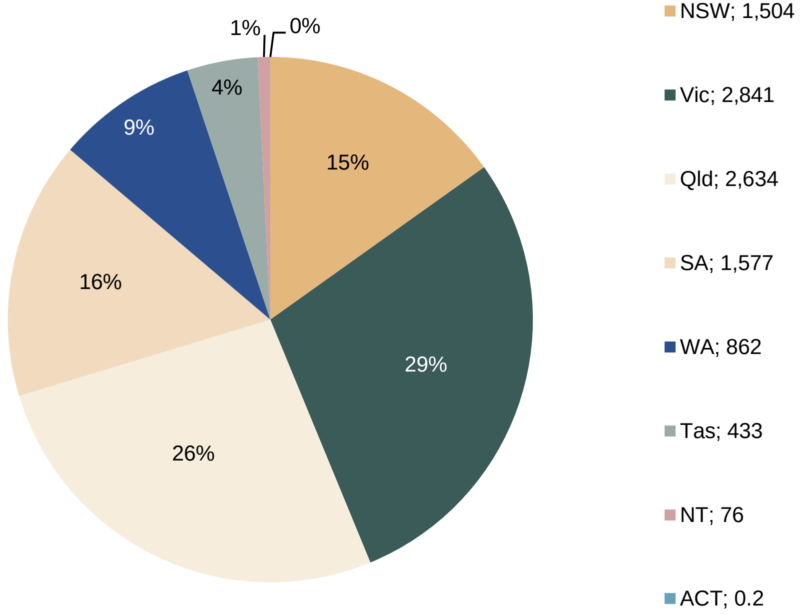
Source: Based on ABS, catalogue number 7503.0

1 Due to changes in data capture for ABS catalogue number 7503.0, revenue data for Asian vegetables, beans, broccoli, capsicum, lettuce and/or melons was sometimes not collected individually/reported separately for the years 2009-10 to 2013-14. Where this was the case, the data for these vegetables was included in the "All other vegetables" category.

Fresh produce turnover by State and Territory

- Victoria and Queensland were the greatest contributors to fresh produce turnover (28.6 and 26.5 per cent respectively).

Fresh produce turnover by State and Territory ($2015-16) (million)



Source: Based on ABS, catalogue number 7503.0

Number of enterprises (food and beverage manufacturing)

Of the 30,748 enterprises operating in the industry in 2016-17, 27.7 per cent were involved in the production of food and beverages. Specifically, there were 8,528 enterprises operating in the food and beverage sector; an increase of 1.9 per cent from 2015-16 (breakdown in the table below). Annual growth was experienced across a number of categories, with beer and malt manufacturing experiencing the largest increase of 23.9 per cent from 2015-16, followed by other food manufacturing at 5.0 per cent.

	2012-13	2013-14	2014-15	2015-16	2016-17
Wine manufacturing	1,882	1,874	1,918	1,897	1,901
Meat and meat product manufacturing	1,096	1,060	1,203	1,217	1,255
Bakery product manufacturing	1,092	1055	1,050	1,045	1021
Fruit and vegetable processing	521	503	524	545	538
Dairy product manufacturing	467	490	528	553	516
Grain mill and cereal product manufacturing	320	308	328	331	345
Beer and malt manufacturing	169	189	224	251	311
Soft drink manufacturing	183	171	176	187	194
Oil and fat manufacturing	218	193	194	188	184
Other food manufacturing	2,055	2,031	2,104	2,156	2,263
Total	**8,003**	**7,874**	**8,249**	**8,370**	**8,528**

Source: Based on Number of Enterprises, IBIS World Reports C1111, C1112, C1113, C1131, C1132, C1133A, C1133B, C1133C, C1140, C1150, C1161, C1162, C1171, C1172, C1173, C1181, C1182, C1120, C1192, C1191, C1199, C1211A, C1211B, C1211C, C1212 and C1214.

Number of enterprises (grocery sector)

There were a total of 1,550 enterprises in the grocery sector in 2016-17, representing 5.0 per cent of the industry. The number of grocery enterprises decreased by 0.2 per cent from 2015-16. The distribution of enterprises across the different product categories within the grocery sector is outlined in the table below. Proportions have remained relatively stable over the five year period ending 2016-17, while the overall number has decreased slightly. The largest number of enterprises continues to be within the cosmetic and toiletry preparation manufacturing class, which represented 33.0 per cent of the total number of enterprises in the grocery sector.

	2012-13	2013-14	2014-15	2015-16	2016-17
Cosmetic and toiletry preparation manufacturing	486	467	464	506	512
Cleaning compound manufacturing	421	408	388	390	387
Human pharmaceutical and medicinal product manufacturing	232	321	320	334	333
Polymer film and sheet packaging material manufacturing	290	280	284	277	274
Sanitary paper product manufacturing	51	48	48	46	44
Total	**1,571**	**1,524**	**1,504**	**1,553**	**1,550**

Source: Based on IBISWorld Reports C1524, C1841, C1851, C1852, C1911

Number of enterprises (fresh produce sector)

There were 20,670 enterprises in the fresh produce sector in 2016-17, a decline of 2.6 per cent from 2015-16.This represented 67.2 per cent of the industry. A reduction in enterprise numbers was encountered across most categories, with grape growing experiencing the greatest decline (6.7 per cent), followed by citrus, banana and other fruit growing (a decline of 4.3 per cent) and egg farming (a decline of 4.2 per cent).

	2012-13	2013-14	2014-15	2015-16	2016-17
Grape growing	7,528	7,227	6,943	6,709	6,285
Vegetable growing	6,084	6,104	6,019	5,892	6,043
Citrus, banana and other fruit growing	7,230	6,918	6,554	6,243	5,985
Apple, pear and stone fruit growing[1]	2,007	1,926	1,836	2,130	2,120
Egg farming	277	263	258	247	237
Total	**23,126**	**22,438**	**21,610**	**21,221**	**20,670**

Source: Based on IBISWorld Reports A0122, A0123, A0130, A0131, A0136, A0172

1 IBISWorld consolidated reporting of two of its previous categories: 'Stone Fruit Growing' and 'Apple and Pear Growing' into one report called 'Apple, Pear & Stone Fruit Growing' from 2013.

2

Industry value-add

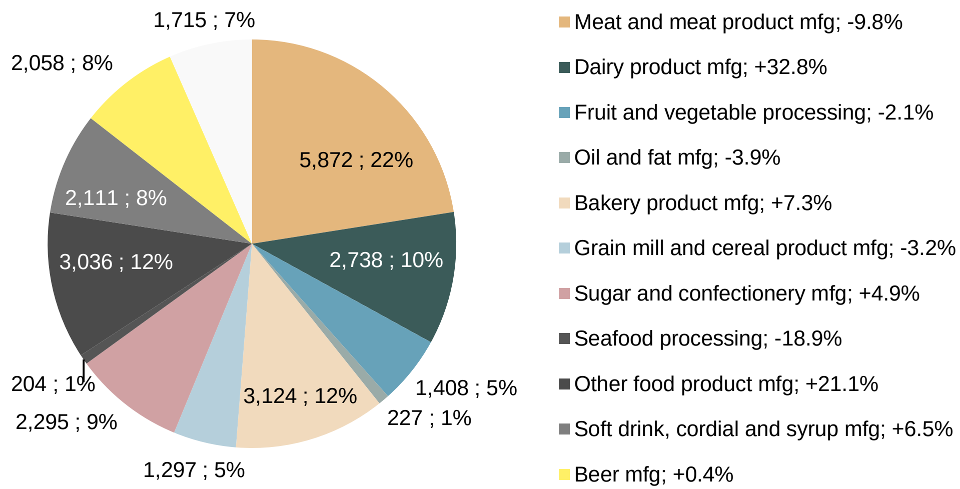
Food and beverage sector

- The IVA of the food and beverage manufacturing sector was $26.1bn in 2015-16, growing by 3.6 per cent
- In total, seven product classes grew by an average of 10.5 per cent
- Four of the product classes experienced an increase of over 6.5 per cent
  - Dairy product manufacturing (32.8 per cent)
  - Other food product manufacturing (21.1 per cent)
  - Bakery product (7.3 per cent)
  - Soft drink, cordial and syrup manufacturing (6.5 per cent)
- The remaining five classes contracted by an average of 7.6 per cent
  - The largest proportional decline was seafood processing, declining 18.9 per cent (or $47.5m)
- Meat and meat product manufacturing contracted by 9.8 per cent but maintained the largest share (22.5 per cent) of the sector

Top 5 product classes IVA ($2015-16) (million)

	FY15	FY16	% Growth
Sub-sector (million)			
Meat and meat product manufacturing	6,509	5,872	-9.8
Bakery product manufacturing	2,910	3,124	7.3
Other food product manufacturing	2,506	3,036	21.2
Dairy product manufacturing	2,061	2,738	32.8
Sugar confectionary manufacturing	2,188	2,295	4.9

Product class IVA, growth rate and share of the food and beverage sector ($2015-16) (million)[1]



Source: Based on ABS, catalogue number 8221.0, 8159.0 and 8155.0

1 IVA of the beer manufacturing sector was not available due to ABS reporting arrangements. Therefore, the value was approximated by using the historic average relative to the wine and other alcoholic beverage manufacturing sector over the preceding five periods respectively in line with prior year's reports.

Grocery sector

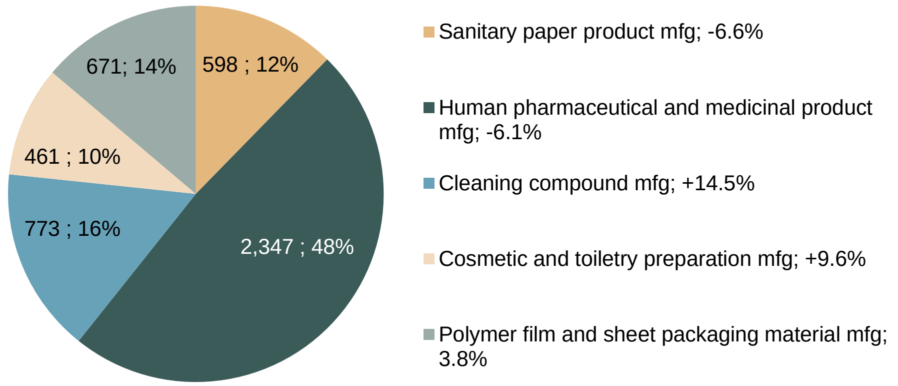
- In 2015-16 the grocery sector had an IVA of $4.9bn
  - This was a decrease of 0.6 per cent from 2014-2015, or $32m
- This represented 14.4 per cent of the total industry's value add
- Within the sector 48.4 per cent of IVA was from the human pharmaceutical and medicinal product manufacturing class, which contracted by 6.1 per cent
- Three of the five product classes experienced IVA growth, being cleaning compound, cosmetic and toiletry, polymer film and sheet packaging material
  - The highest growth experienced by the cleaning compound manufacturing class, with an increase of 14.5 per cent

IVA of product classes ($2015-16) (million)

	FY15	FY16	% Growth
Sub-sector (million)			
Human pharmaceutical and medicinal product manufacturing	2,499	2,347	-6.1
Cleaning compound manufacturing	675	773	14.5
Polymer film and sheet packaging material manufacturing	647	671	3.8
Sanitary paper product manufacturing	641	598	-6.6
Cosmetic and toiletry preparation manufacturing	421	461	9.6

Source: Based on ABS, catalogue number 8155.0

Product class IVA, growth rate and share of the grocery sector ($2015-16) (million)



Source: Based on ABS, catalogue number 8155.0

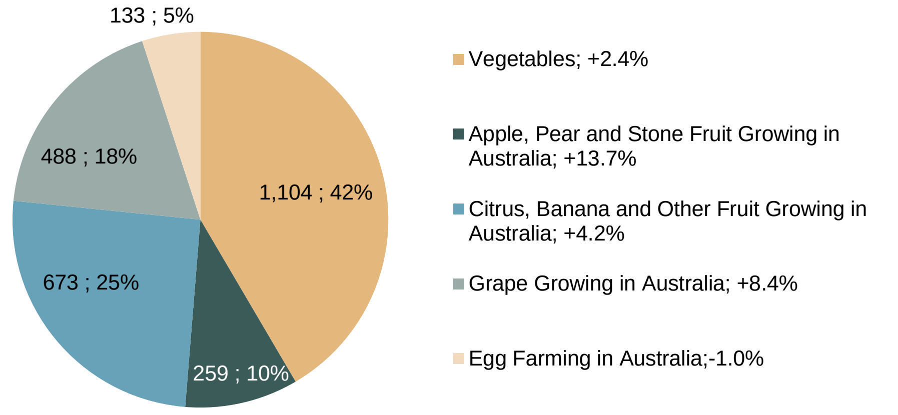
Fresh produce sector

- In 2015-16 the fresh produce sector had an IVA of $2.7bn
  - This was an increase of 4.7 per cent from 2014-2015, or $120.3m
- In the sector 41.5 per cent of IVA was from the vegetables class which recorded growth of 2.4 per cent
- The second largest class (citrus, banana and other fruit growing, accounting for 25.3 per cent of the industry) recorded growth of 2.4 per cent
- Apple, pear and stone fruit rebounded from six consecutive years of negative growth to become the fastest growing class in 2015-16 at 13.7 per cent

IVA of product classes ($2015-16) (million)

	FY15	FY16	% Growth
Sub-sector (million)			
Vegetables	1,078	1,104	2.4
Citrus, Banana and Other Fruit Growing	646	673	4.2
Grape Growing	450	488	8.4
Apple, Pear and Stone Fruit Growing	228	259	13.7
Egg Farming	135	133	-1.0

Turnover, growth rate and proportion of each product class in the fresh produce sector ($2015-16) (million)



Source: Based on ABS, catalogue number 7503.0

3

International Trade

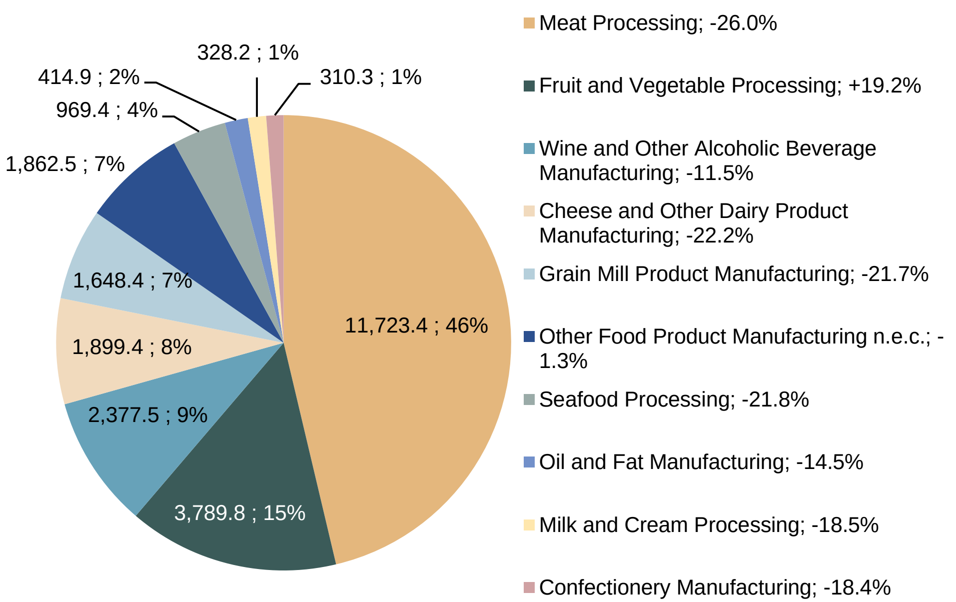
Food and beverage exports

- The majority of the industry exports continue to be from the food and beverage manufacturing sector, which accounted for 81.0 per cent of the industry's total export value in 2016-17
- Australia had a trade surplus of $9.6bn in the food and beverage manufacturing sector in 2016-17

Top three food and beverage exports by country

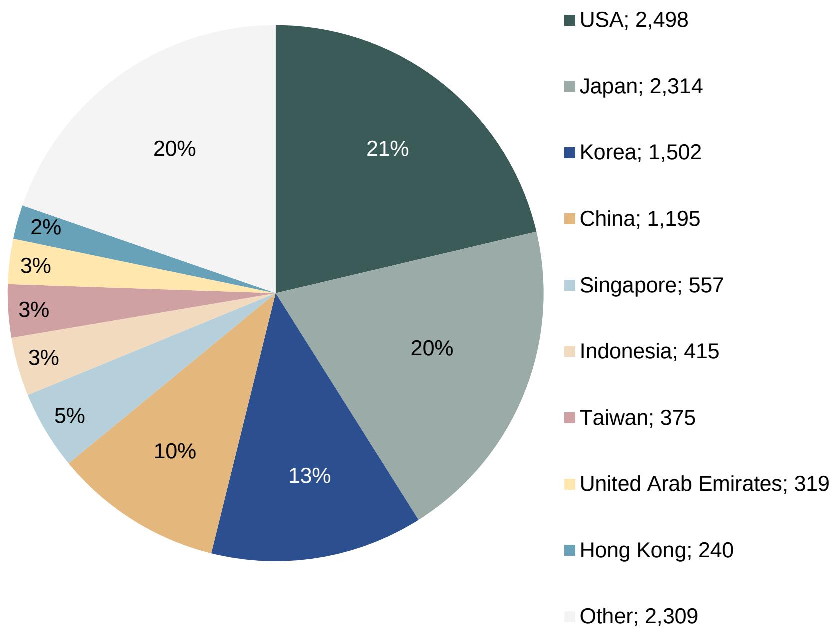
- In 2016-17, the meat processing sub-sector remained (for another year) the top export sub-sector by value in the food and beverage sector despite declining by 26.0 per cent
- The USA remained the largest importer of Australia's meat, importing 21.3 per cent of the class' exports in 2016-17

Australia's largest food and beverage exports by value ($2016-17) (million)



Source: Based on ABS customised report

Meat processing export market ($2016-17) (million)

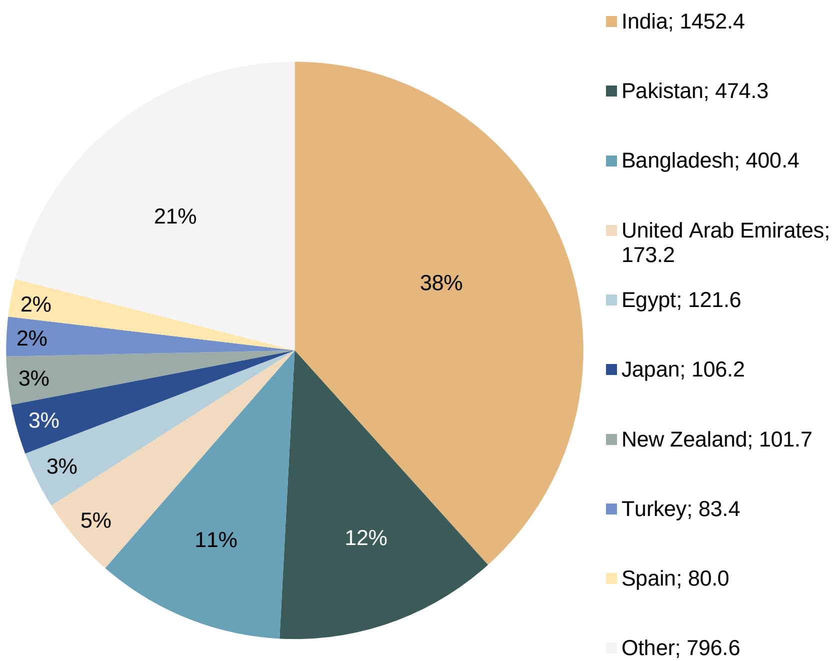


Source: Based on ABS customised report

Top three food and beverage exports by country (cont.)

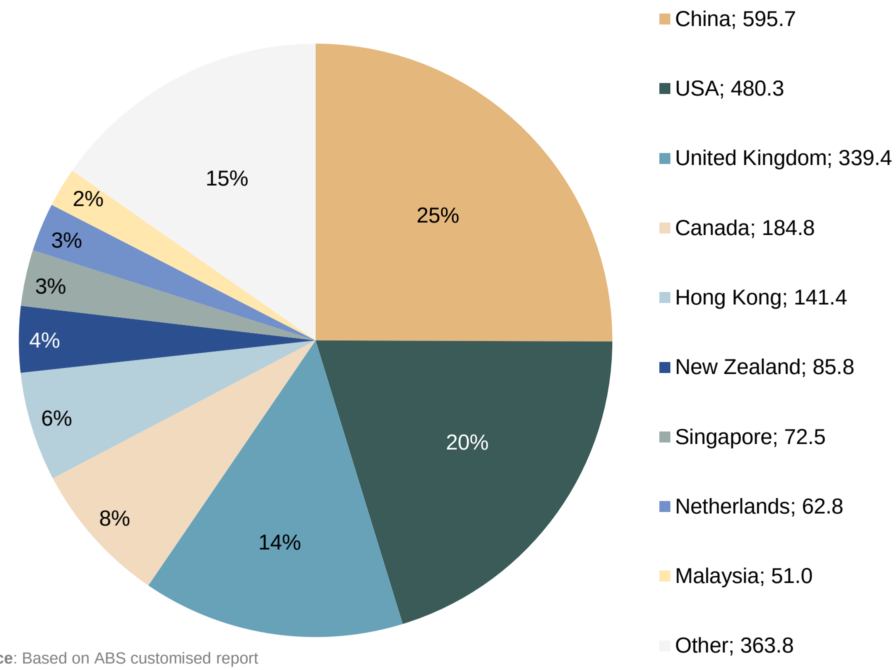
- In 2016-17, India was the largest importer of Australia's processed fruit and vegetables, with the value of imports increasing 93.1 per cent when compared to 2015-16
- In the same year, China was the largest importer of wine and other alcoholic beverage products from Australia, changing from the USA the previous year

Fruit and Vegetable Processing ($2016-17) (million)



Source: Based on ABS customised report

Wine and other alcoholic beverage manufacturing ($2016-17) (million)



Source: Based on ABS customised report

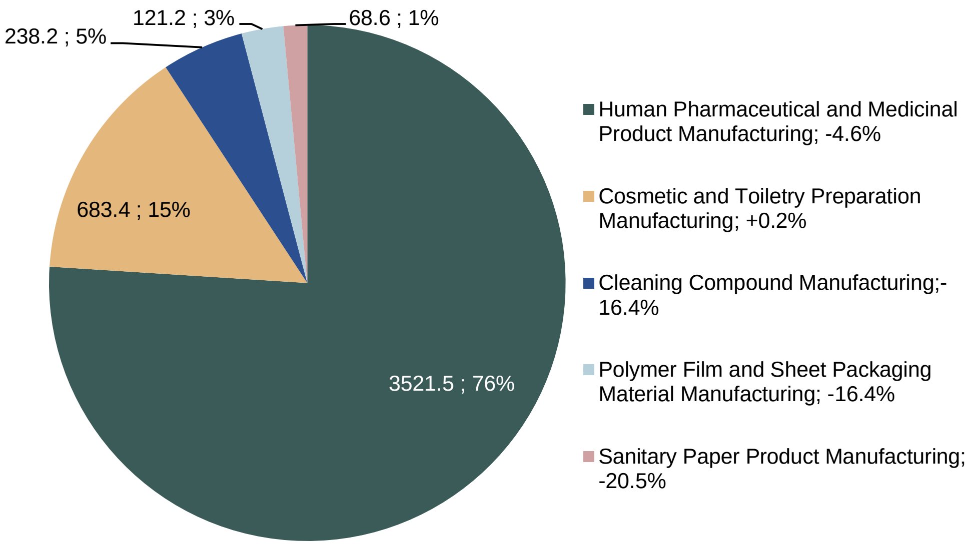
Grocery exports

- Australia's grocery exports totalled $4.6bn in 2016-17. This was a decrease of 5.2 per cent, down from $4.9bn in 2015-16
- Similar to prior years, total grocery exports were primarily comprised of human pharmaceutical and medicinal products which totalled $3.5bn

Top two grocery exports by country

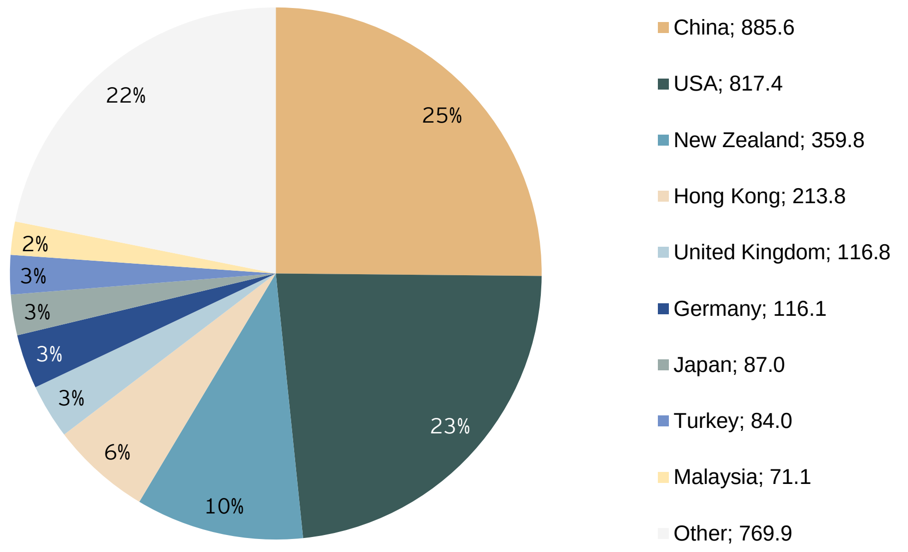
- China was the key importer of human pharmaceutical and medicinal product manufacturing in 2016-17, demanding 25.1 per cent of these imports, followed closely by the USA (23.2 per cent)

Australia's largest grocery exports by value ($2016-17) (million)



Source: Based on ABS customised report

Human pharmaceutical and medicinal product manufacturing ($2016-17) (million)



Source: Based on ABS customised report

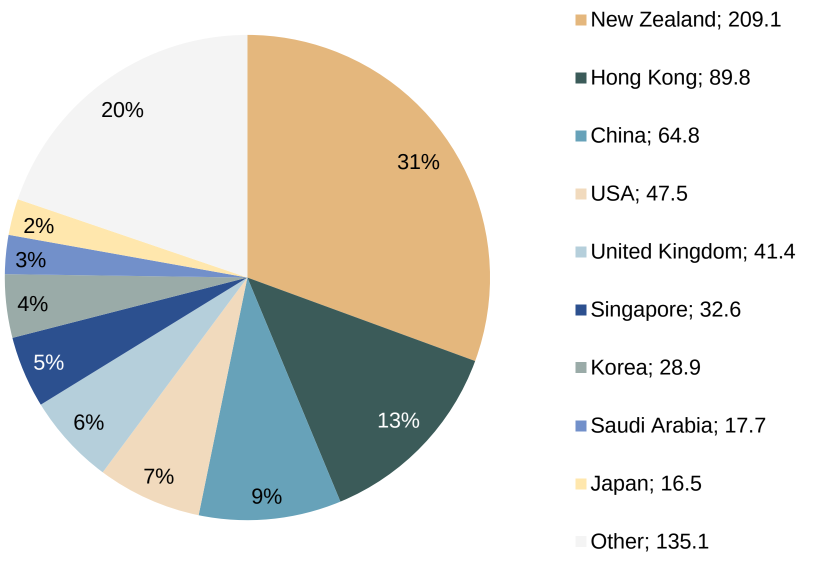
Top two grocery exports by country

- New Zealand was again a key importer of Australia's grocery exports, demanding 30.6 per cent of cosmetic and toiletry preparation manufacturing in addition to 10.2 per cent of human pharmaceutical and medicinal product manufacturing in 2016-17
- Hong Kong was the second largest importer of cosmetic and toiletry preparation manufacturing, importing 13.1 per cent of products

Fresh produce exports

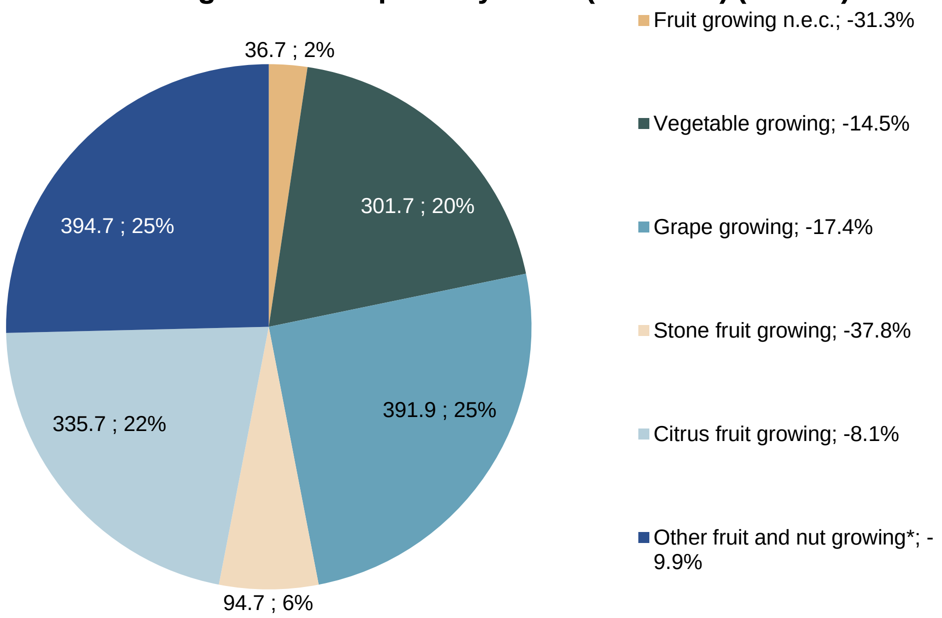
- The total value of fresh produce exports decreased by 15.3 per cent from 2015-16 to 2016-17 (from $1.8bn to $1.6bn)
- The largest values of fresh produce exports from Australia were from other fruit and tree nut growing and grape growing, which accounted for 25.4 per cent and 25.2 per cent respectively of total fresh produce sector exports

Cosmetic and Toiletry Preparation Manufacturing ($2016-17) (million)



Source: Based on ABS customised report

Australia's largest fresh exports by value ($2016-17) (million)



Source: Based on ABS customised report
*The Other fruit and nut growing category is comprised of the remainder of the exports in the fresh produce sector

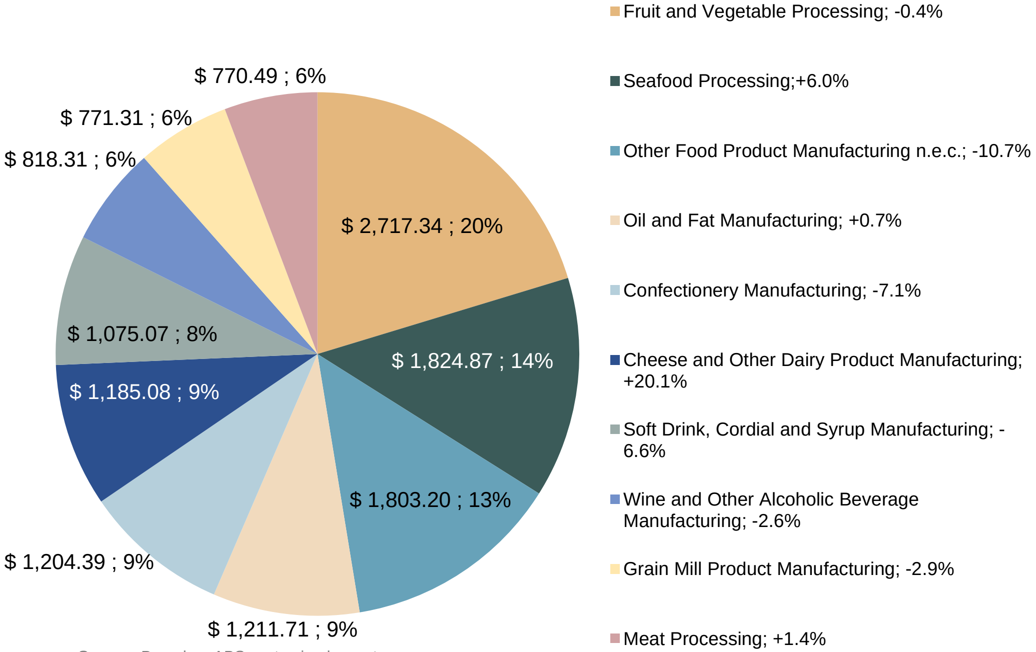
Food and beverage imports

- Fruit and vegetable processing continued to have the largest share of food and beverage imports in 2016-17 ($2.7bn), however the sub-sector experienced a 0.4 per cent decline from 2015-16
- Seafood processing grew by 6.0 per cent in 2016-17 being the second largest sub-sector in the food and beverage import market

Top three food and beverage imports by country

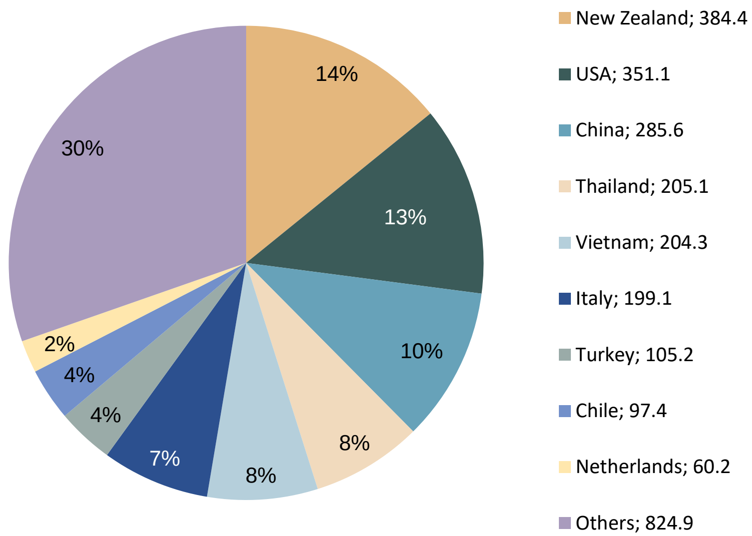
- The largest importer in the fruit and vegetable processing sub-sector is New Zealand with 14.1 per cent of the market ($384.4m)
- 12.9 per cent of fruit and vegetable processing imports were from the USA, valued at $351.1m
- 30.4 per cent ($824.9m) of fruit and vegetable processing imports were from uncategorised countries

Australia's largest food and beverage imports by value ($2016-17) (million)



Source: Based on ABS customised report

Fruit and Vegetable Processing by country ($2016-17) (million)



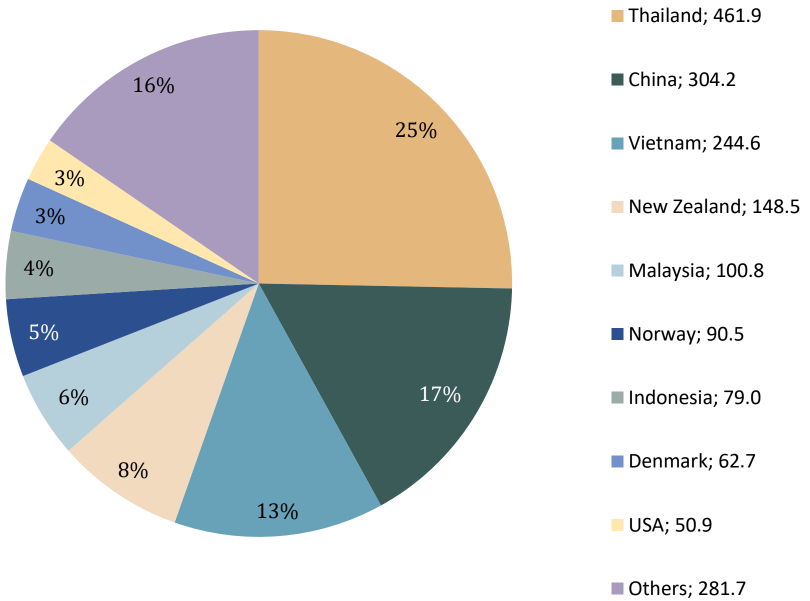
Source: Based on ABS customised report

Top three food and beverage imports by country

- Thailand is the largest seafood processing importer with 25.3 per cent of the market ($461.9m)
- Other major importers in this product class were China (16.7 per cent; $304.2m) and Vietnam (13.4 per cent; $244.6m)

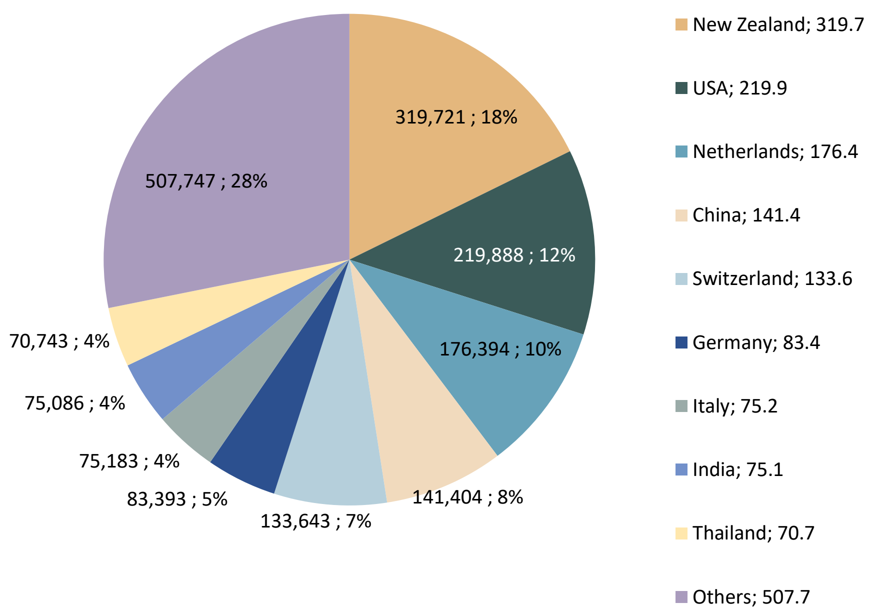
- Other food product manufacturing is distributed among a number of countries with “Others” making up 28.2 per cent of the market
- New Zealand is the largest importer with 17.1 per cent of the market ($319.7m) followed by the USA with 12.2 per cent ($219.9m) and the Netherlands (19.8 per cent; $176.4m)

Seafood Processing by country ($2016-17) (million)



Source: Based on ABS customised report

Other Food Product Manufacturing by country ($2016-17) (million)

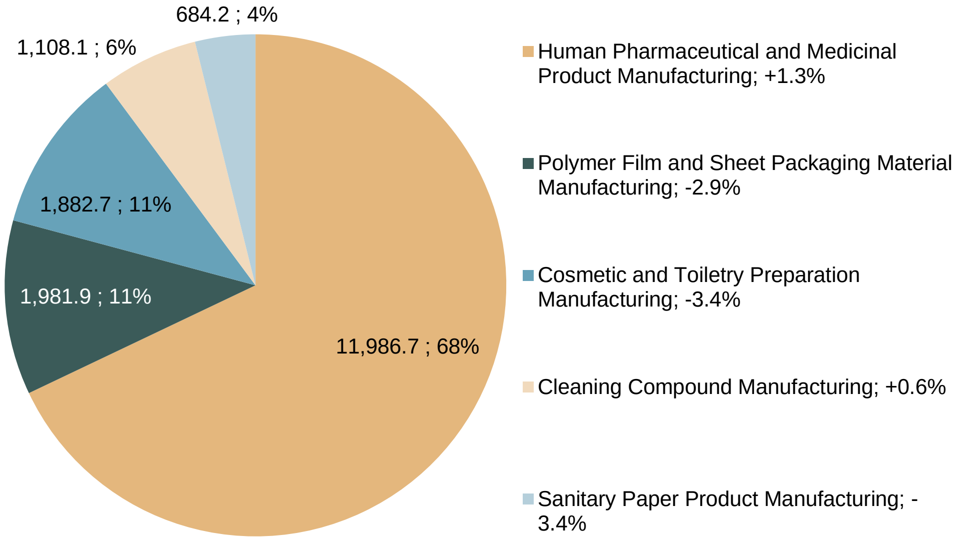


Source: Based on ABS customised report

Grocery imports

- Grocery imports to Australia are primarily made up of human pharmaceutical and medicinal product manufacturing products which represents 67.9 per cent of total grocery imports ($12.0m)
- Polymer film and sheet packaging material manufacturing and cosmetic and toiletary preparation manufacturing were the next largest categories of grocery imports, both declining by 2.9 and 3.4 per cent respectively

Value of grocery imports to Australia ($2016-17) (million)

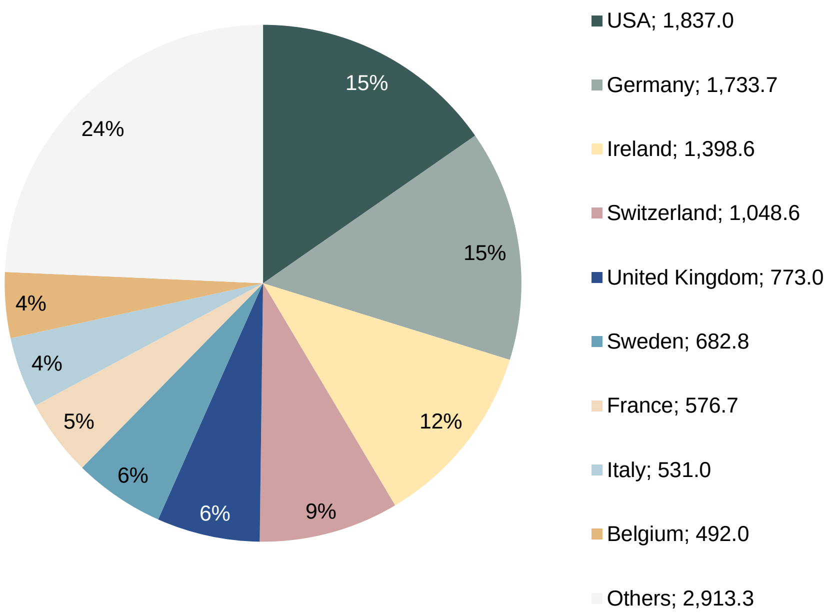


Source: Based on ABS customised report

Top two grocery imports by country

- The USA is the largest importer of human pharmaceutical and medicinal products ($1.8bn; 15.3 per cent), closely followed by Germany ($1.7bn; 15.3 per cent)
- Ireland is the third largest importer with $1.4bn (11.7 per cent)

Human Pharmaceutical and Medicinal Product Manufacturing ($2016-17) (million)

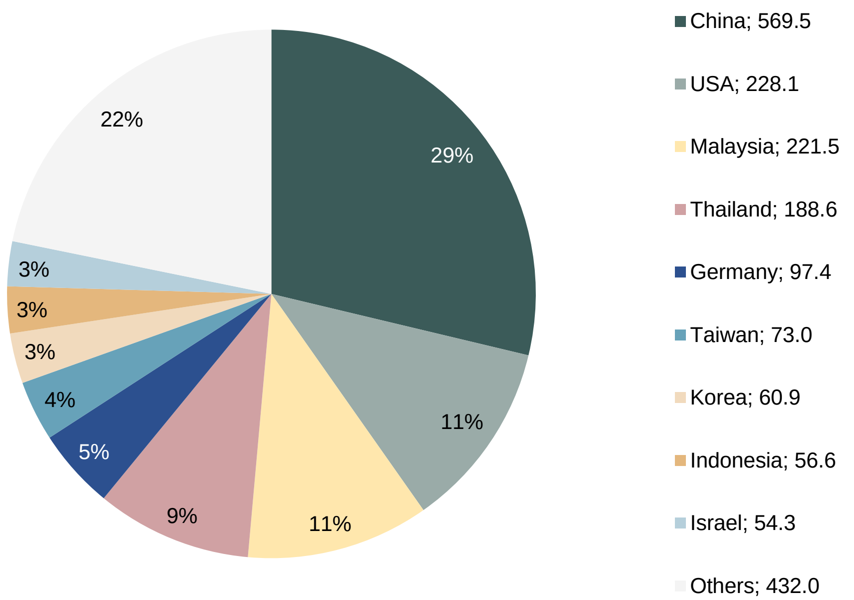


Source: Based on ABS customised report

Top two grocery imports by country (cont.)

- Polymer film and sheet packaging material manufacturing is the second largest import market at 11.2 per cent of total grocery imports to Australia
- China is the largest importer with 28.7 per cent or $569.5m and is the primary individual country in the market
- The USA is the second largest importer (11.5 per cent; $228.1m) and is closely followed by Malaysia (11.2 per cent; $221.5m)

Polymer Film and Sheet Packaging Material Manufacturing ($2016-17) (million)

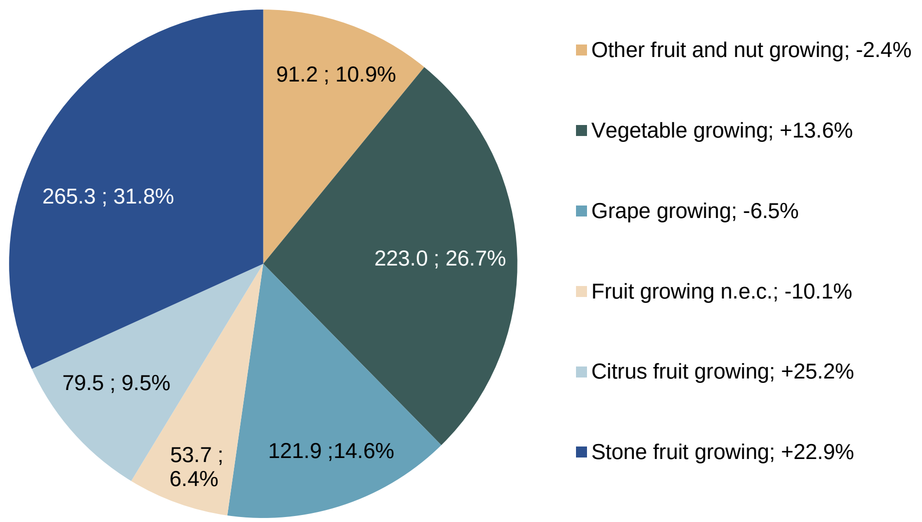


Source: Based on ABS customised report

Fresh produce imports

- Fresh produce imports to Australia totalled $834.5m in 2016-17, a growth of 9.9 per cent
- The major fresh produce import is stone fruit which makes up 31.8 per cent of the market ($265.3m) and grew by 22.9 per cent
- Vegetables are the second largest import worth $223.0m (26.7 per cent)
- Citrus fruit growing imports also grew signifcantly (by 25.2 per cent)

Value of fresh imports to Australia ($2016-17) (million)



Source: Based on ABS customised report

4

Employment

Food and Beverage Sector

Key Figures

234,641

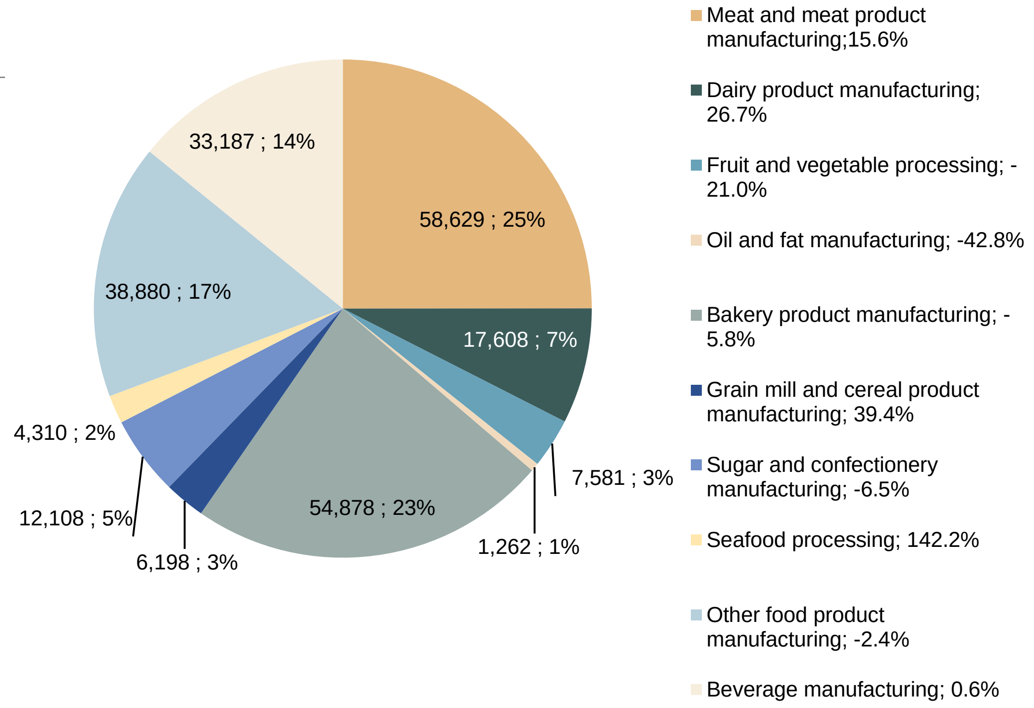
Sector employment in 2016-17

3.5%

Increase in sector employment in 2016-17 (7,914 people)

- Of the 10 product classes, employment in five classes contracted by an average of 15.7 per cent, while employment in the other five expanded by an average of 44.9 per cent
  - Employment in the seafood processing sub-sector presented the largest increase by 142.2 per cent (from 1,780 to 4,310 people)
  - The largest decline was in oil and fat manufacturing, declining 42.8 per cent
- Meat and meat product manufacturing overtook bakery product manufacturing as the largest employer in the sector for the first year (25.0 per cent and 23.4 per cent comparatively)
  - Bakery product manufacturing contracted by 5.8 per cent
  - Meat and meat product manufacturing increased by 15.6 per cent
- Overall, the food classes saw an increase of 16.1 per cent whilst the beverage classes experienced an increase of 0.6 per cent

Employment, growth rate and proportion of each product class in the food and beverage sector (2016-17)



Source: Based on ABS catalogue number 6291.0 and 8155.0 (data approximated at three digit ANZSIC06 code level)
Employment (persons) and proportion of total shown in the pie chart, with growth rate shown in legend

Grocery Sector

Key Figures

29,948

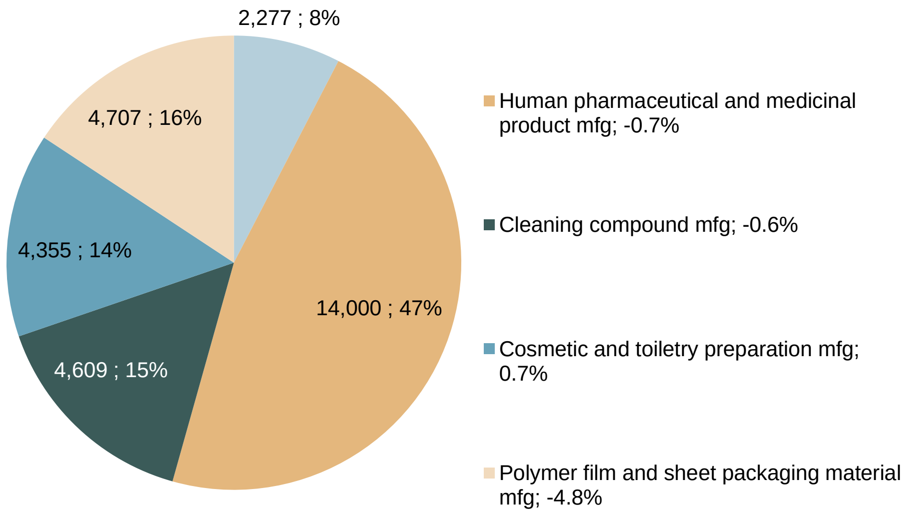
Sector employment in 2016-17

-1.2%

Decrease in sector employment in 2016-17 (370 people)

- Cosmetic and toiletry preparation manufacturing was the only sub-sector within the grocery sector to experience employment growth, increasing by 0.7 per cent, or 30 people
- All other classes saw a decline, with polymer film and sheet packaging material decreasing by 4.8 per cent (235 employees), and an average negative growth of 1.9 per cent across the declining sectors
- Human pharmaceutical and medicinal product manufacturing declined 0.7 per cent, and accounted for 46.7 per cent of the sector

Employment, growth rate and proportion of each product class in the grocery sector (2016-17)



Source: Based on IBISWorld Reports C1524, C1841, C1851, C1852, C1911

Employment (persons) and proportion of total shown in the pie chart, with growth rate shown in legend

Fresh Produce Sector

Key Figures

55,713

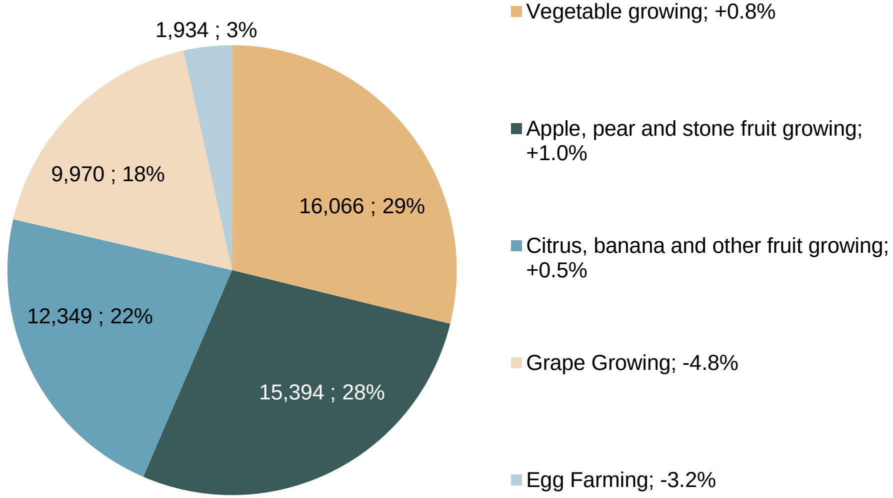
Sector employment in 2016-17

-0.4%

Decrease in sector employment in 2016-17 (227 people)

- Three of the five sub-sectors experienced employment growth in 2016-17
  - There was employment growth in vegetable growing (0.8 per cent), apple pear and stone fruit growing (1.0 per cent) and citrus, banana and other fruit growing (0.5 per cent)
- Grape growing employment contracted by 4.8 per cent and comprises 17.9 per cent of the sector
- Egg farming employment declined by 3.2 per cent following a decline last year

Employment, growth rate and proportion of each product class in the fresh produce sector (2016-17)



Source: Based on IBISWorld Industry Reports A0122, A0123, A0130, A0131, A0139, A0172
Employment (persons) and proportion of total shown in the pie chart, with growth rate shown in legend

Wages and Salaries

Wages and salaries paid by the industry to its employees were nearly $17.3bn in 2015-16. This was an increase of 6.4 per cent or $1.0bn when compared to 2014-15 ($16.3bn)

Food and beverage sector

- Wages in the food and beverage sector increased 8.1 per cent in 2015-16 with total wages of $13.5bn
- The greatest wage increase was in the other food product manufacturing, increasing 15.3 per cent
- The only decline in wages was in the grain mill and cereal product manufacturing, declining 10.2 per cent

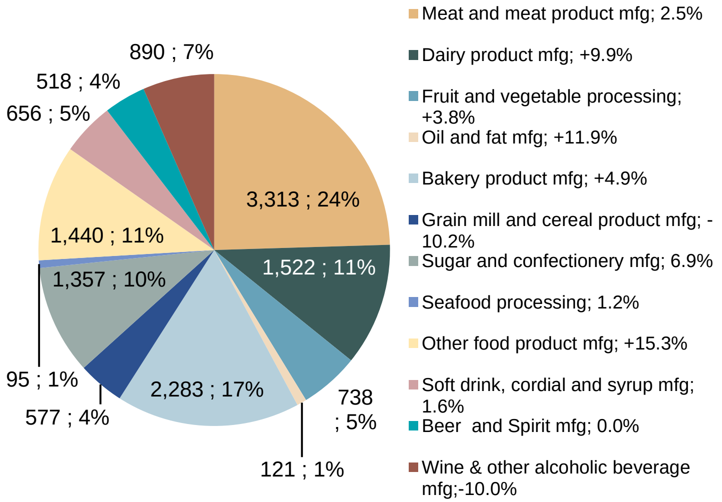
Grocery sector

- Wages in the grocery sector declined 0.5 per cent in 2015-16 with total wages of $2.5bn
- Wages in the cosmetic and toiletry preparation and cleaning compound manufacturing sectors increased by 15.8 per cent and 2.1 per cent respectively
- Wages and salaries in all other sectors declined

Fresh produce sector

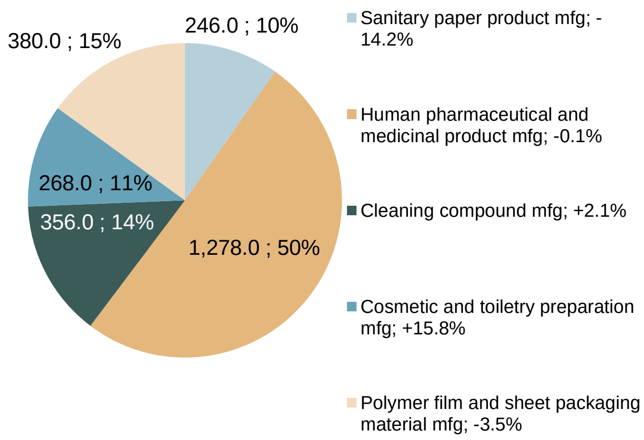
- Wages in the fresh produce sector increased 3.9 per cent in 2015-16 with total wages of $1.3bn
- Wages in all sectors increased except egg farming, which declined by 2.4 per cent
- The greatest increase in wages was in the apple, pear and stone fruit growing sector, which increased by 13.2 per cent

Wages and salaries paid in the food and beverage sector ($2015-16) (million)



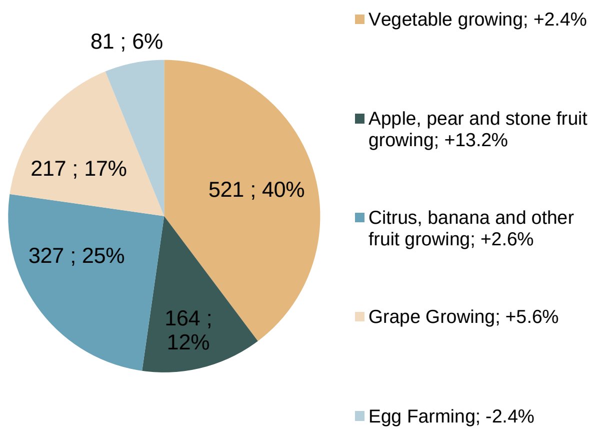
Source: Based on ABS Catalogue Numbers 8155.0, 8159.0

Wages and salaries paid in the grocery sector ($2015-16) (million)



Source: Based on IBISWorld Reports C1524, C1841, C1851, C1852, C1911

Wages and salaries paid in the fresh produce sector ($2015-16) (million)



Source: Based on IBISWorld Industry Reports A0122, A0123, A0130, A0131, A0139, A0172

5

Appendix

A. Nominal headline figures

The below sections highlight the headline figures for each of the key industry variables in nominal terms rather than in real terms as done in the body of the Report and this Annex. The most current year's figures for which data is available will thus be the same as stated within the body of the Report. However prior year's figures and growth rates will be different as they will be in nominal terms (i.e. price factors such as CPI have not been removed from the figures).

A.1 The industry

The industry had a total turnover of $127.4bn in 2015-16. This was an increase of 1.5 per cent when compared to the turnover in 2014-15 of $125.5bn.

The breakdown of turnover into the three sectors is as follows.

- Food and beverage manufacturing experienced growth of 1.0 per cent in 2015-16 to $104.2bn ($103.2bn in 2014-15).
- Grocery manufacturing experienced no change in 2015-16 with turnover of $16.9bn.
- Fresh produce experienced growth of 16.8 per cent in 2015-16 to $6.4bn ($5.4bn in 2014-15).

A.2 Industry value-add

In 2015-16, the combined industry value-add for the food and beverage, grocery and fresh produce sectors amounted to approximately $33.6bn; an increase of 4.9 per cent (or $1.6bn) on the previous year. Food and beverage manufacturing contributed the largest to the industry's value-add with $26.1bn. This was a 5.5 per cent nominal increase on 2014-15 results. The grocery sector increased by 1.2 per cent while the fresh produce sector experienced growth of 6.7 per cent, with an increase in value add of $56.0 and $165.9m respectively.

Overall, the data indicates that for every dollar in turnover in 2015-16, 25.6 cents (or approximately one quarter) was value-add.

A.3 International trade

The total value of international trade (imports plus exports) for the industry increased to $67.9bn in 2016-17; a nominal growth of 1.8 per cent. This can be broken down into total imports valued at $35.3bn (nominal growth of 0.3 per cent) and total exports valued at $32.6bn (growth of 3.6 per cent). The trade activity that occurred over 2016-17 resulted in Australia's trade deficit in the industry decreasing to $2.7bn (compared to $3.7bn in 2015-16). This is a decrease of 27.7 per cent.

Whilst overall Australia remains a net importer of food, beverage, grocery and fresh produce products, a different view can be seen when observing the individual sectors. The food and beverage manufacturing sector and the fresh produce sector are net exporters with the growth in the level of exports from the three sectors being the driver behind the reduction of Australia's trade deficit. However, the grocery sector is a large net importer leading to the overall industry being a net importer.

In 2016-17:

- Exports of food and beverages increased by 1.6 per cent from $26.0bn to $26.4bn and fresh produce increased by 3.7 per cent from $1.5bn to $1.6bn. Grocery exports increased by 16.1 per cent from $4.0bn to $4.6bn.
- Food and beverage imports declined by 0.3 per cent, while grocery imports grew (a slight increase of 0.4 per cent). Fresh produce imports grew by 10.2 per cent.

A.4 Employment[1]

In 2016-16 the food and grocery sector employed 320,302 people, an increase of 7,317 employed since 2015-16.

- 234,641 were employed in food and beverage processing;
- 29,948 were employed in grocery (non-food) manufacturing; and
- 55,713 were employed in the fresh produce sector.

1. Employment is not impacted by inflation however the key numbers have been reported here for completeness.

A. Nominal headline figures

A.5 Capital investment

While the revenue of the food production and food service sectors gives an indication of potential demand, capital investment is a direct measure of manufacturers' spending or investment on assets such as machinery and equipment and indicates potential future supply. Gross fixed capital formation - or in this Report called 'capital investment'- is the total level or stock of capital investment over that year on fixed assets (i.e. new and existing assets less those assets that have been disposed of).

In 2015-16, capital investment in the food, beverage and tobacco product manufacturing industry reached just over $2.9bn, an increase of 6.6 per cent from the previous year. This increase was driven by the food product manufacturing sector which grew by 14.4 per cent ($311m) from $2.2bn to $2.5bn. The beverage and tobacco product manufacturing sector saw a nominal drop of $131m, from $540m in 2014-15 to $509m in 2015-16.

Overall, the food, beverage and tobacco product sector accounted for 31.1 per cent of total capital investment in the manufacturing industry where total investment was $9.3bn. As such, the food and beverage sector was the largest contributor to capital investment in the manufacturing industry when compared to all other manufacturing sectors.

Another measure that provides an indication of manufacturer's investment into the sector is capital expenditure which is the total expenditure on acquiring both fixed tangible and intangibles assets (so includes land, dwellings, buildings, plant, machinery, equipment, patents and licences). In the food product manufacturing sector, capital expenditure grew to $4.0bn (or a nominal increase of 15.8 per cent).

It is noted that the split between beverage and tobacco manufacturing was not available.

B. Methodology

Since the release of the State of the Industry 2009 publication, the Australian Bureau of Statistics (ABS), which is the primary source for the data used in this Report, has discontinued some aspects of its statistical reporting. Where this is the case, a footnote in the Report details the new source used to update the figure or table and the difference between the two sources. In some instances, the ABS plans to re-introduce discontinued publications in the future. In the interim, it has released experimental estimates of key variables which have been used in parts of this Report.

In compiling this Report, the most recent data available has been used to update the figures and tables. As a result, the data in some sections of the Report are as up-to-date as 2016-17, whereas some other figures are only reported for the year 2015-16. Specifically:

- 2015-16 data: turnover, value-add, wages, and capital expenditure
- 2016-17 data: international trade and employment

Similar to the 2016 report, this Report has calculated employment figures, based on the average of the four quarters annual data from the Labour Force Survey. Previously, employment figures were based on figures taken from the May Quarter only. This approach was adopted since 2016 due to the wide variability in the quarterly figures.

Readers are advised to exercise caution when comparing data in this 2017 Report to that published in previous reports. This is due to four reasons:

1. Data may have been taken from an alternative source when compared to prior year's reports.
2. Caution should be applied when comparing data before and after the Australian and New Zealand Standard Industrial Classification (ANZSIC) code changes in 2006. Unless indicated otherwise, this Report uses the ANZSIC 2006 terminology.
3. In some instances, IBISWorld reports did not align with the ANZSIC 2006 codes chosen for the figures and tables in this Report. In such cases, the IBISWorld data was allocated to the category of 'best fit'. This means that in some cases, the data reported for a particular category or sector by ABS did not match exactly with the corresponding data reported by IBISWorld.
4. The data for prior years has been adjusted for inflation each year the Report is published. Therefore, the use of real data (inflation adjusted) in the Report limits direct comparability with prior years' reports. For example, in this 2017 Report, figures have been adjusted to the value for the most recent year for which data is available meaning all dollars reported are either in 2015-16 or 2016-17 dollar terms.

B.1 Updating data in the charts and tables

In order to facilitate consistency with the State of the Industry publications from 2009 to 2017, when compiling the charts and tables for this Report re-estimates of the data have not been sought. However, it is important to note that the ABS and IBISWorld have 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 IBISWorld industry report or the 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.

B. Methodology

The following indices have been used to adjust figures to real terms with a graphical representation illustrating their movement on the following page:

- Consumer Price Index (CPI); Australia; June 2017; Food and non-alcoholic beverages index[1]
- Wage Price Index (WPI); Australia; June 2017; Ordinary time hourly rates of pay excluding bonuses; Private sector; All industries[2]
- Import price index; Australia; All groups[3]
- Export price index; Australia; All groups[4]

B.2 Defining the industry to be covered by the Report

Prior to commencement of this publication series, the industry sectors covered by the Report had not previously been described collectively by industry or government agencies. Those selected for inclusion in the Report share a number of common features at product and/or operational levels and consequently also in the business challenges they face. 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 fresh and processed food, beverages and grocery products consumed and used by Australians.

Products encompassed include packaged, shelf-stable food from all categories, fresh foods such as fruit and vegetables and non-food grocery products used by consumers for personal, home and pet care. These products share a number of distinguishing characteristics that enable them to be sensibly aggregated:

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

Commodities (e.g. grains, live animals, etc.) not purchased by consumers directly were excluded from the Report.

Three broad groupings were identified consistent with this definition:

- food and beverage manufacturing;
- grocery manufacturing; and
- fresh produce production.

Food and beverage 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.

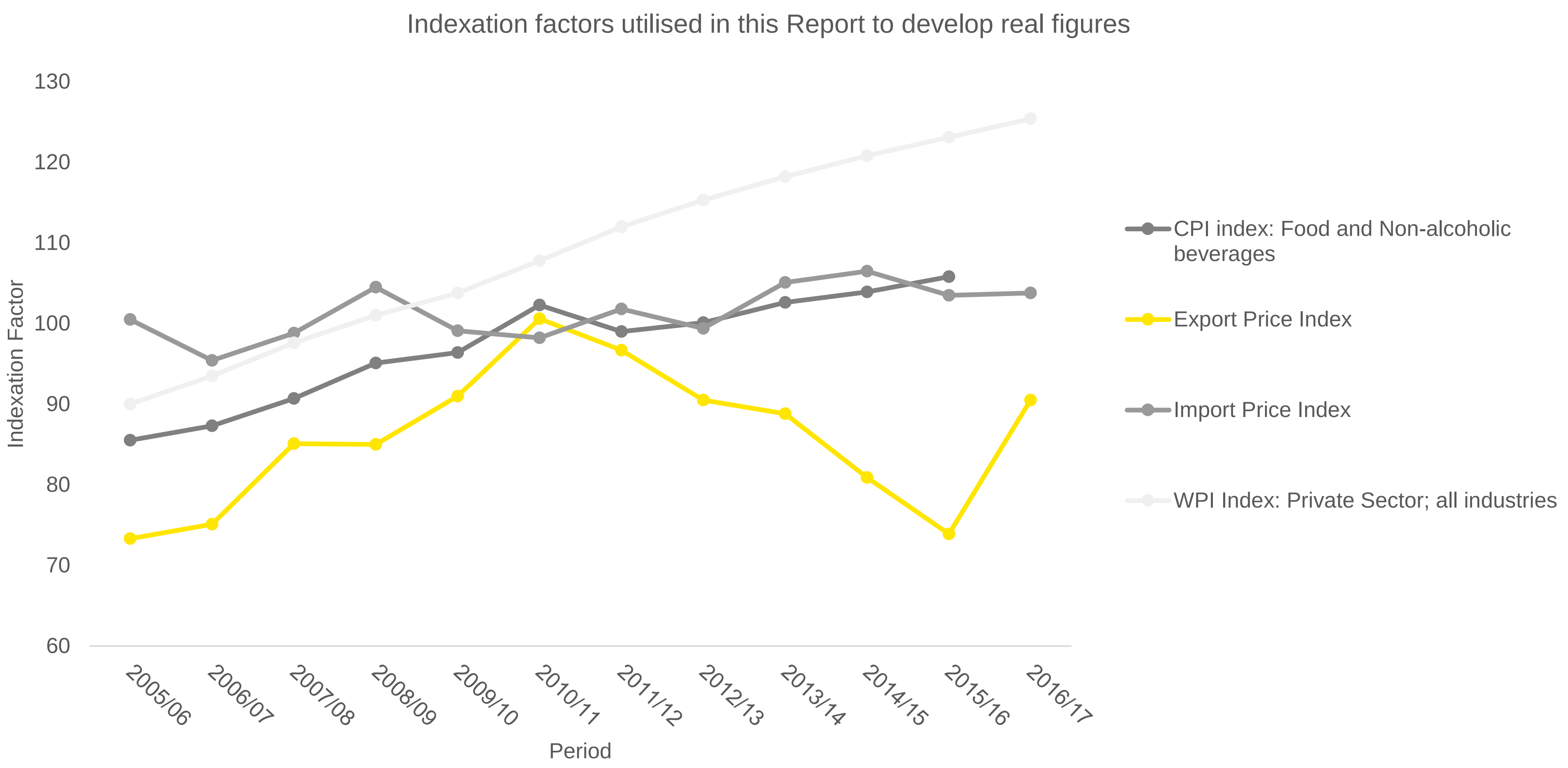
Fresh food production includes fresh produce such as fruit, vegetables, nuts and eggs. This category was included because the delineation between processed foods is becoming blurred (e.g. many 'fresh' products are now presented to the consumer processed in some way, such as fresh-cut salads), and also because many farm - fresh products are consumed directly without the need for additional processing (e.g. milling, refining, slaughtering, etc.). Indeed, the majority of these products are available year round and supplied to retailers subject to tight product specifications with their integrity assured by advanced quality assurance systems, much in the same way that processed food is handled.

Data adjustments were made for fresh products (e.g. fruit, vegetables, etc.) to ensure there was no double counting of produce destined for downstream manufacturing processes (refer Section B.4).

1 ABS, catalogue number 6401.0, Tables 3 and 4, Weighted average of eight capital cities
2 ABS, catalogue number 6345.0, Table 9a, Ordinary hourly rates of pay excluding bonuses
3 ABS, catalogue number 6457.0, Table 1
4 ABS, catalogue number 6457.0, Table 7

B. Methodology

Movement of indices used within this Report to adjust (2005/06 – 2016/17)



B. Methodology

Unprocessed food and fibre commodities (e.g. wheat, coarse grains, live animals, etc.) were excluded from the definition, as was the value of the restaurant and catering sector. 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. Following a review of 62 industry sub-sectors defined in the ANZSIC codes, it was concluded that the industry is best-defined using 41 sub-sector codes. A full list of those sub-sectors considered in developing the final industry definition can be found at Appendix C.

The 40 sub-sectors included in the industry definition (as shown in Table B.1, B.2 and B.3) cover almost 300 product categories. The production activities provide a good insight into the breadth of products produced or associated with the industry. Appendix D provides a detailed table of the activities associated with the industry.

Table B.1: Sectors included in the food and beverage industry definition

ANZSIC Code	Sub-sector
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
115	Oil & 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 B.2: Sectors included in the grocery industry definition

ANZSIC Code	Sub-sector
1524	Sanitary paper product manufacturing
1841	Human pharmaceutical and medicinal product manufacturing
1851	Cleaning compound manufacturing
1852	Cosmetic and toiletry preparation manufacturing
1911	Polymer film and sheet packaging material manufacturing

Table B.3: Sectors included in the fresh food industry definition

ANZSIC Code	Sub-sector
0121	Mushroom growing
0122	Vegetable growing (under covers)
0123	Vegetable growing (outdoors)
0131	Grape growing
0132	Kiwifruit growing
0133	Berry fruit growing
0134	Apple and pear growing
0135	Stone fruit growing
0136	Citrus fruit growing
0139	Other fruit and nut growing
0172	Poultry farming (eggs)

B. Methodology

B.3 Data collection

The data presented in this Report has been collected from multiple sources, which have been referenced as appropriate. The primary source of data used was the Australian Bureau of Statistics (ABS). ABS data provided a comprehensive assessment of the majority of the ANZSIC codes used to define the broader industry. Where publications were discontinued, appropriate replacements were selected and referenced where possible.

The secondary source of information used (predominately where ABS data wasn't available) was IBISWorld Industry reports. Other sources for prior years reports and thus implicitly this Report includes:

- Australian Bureau of Agricultural and Resource Economics and Sciences;
- AUSVEG; and
- Department of Agriculture, Price Determination in the Australian Food Industry.

B.4 Data analysis

A key issue during the collection and collation of the data, particularly when considering the financial value of the industry and its segments, was determining which activities to include and exclude, particularly when it came to fresh food products. This Report applies a relatively simple rule based on whether the product was able to be considered a 'consumer product' – that is one which consumers could readily buy, take home and utilise. As such, the definition excludes farm products which require processing (i.e. milling, refining, slaughtering, etc.) prior to sale and use by consumers.

For food manufacturing, total turnover includes pre-farm gate value (i.e. it is essentially an aggregate measure of the value of the goods up until the point of sale by the food manufacturer) but value-add only measures the value of the transformation that occurs during a defined stage of a product's life cycle (e.g. the canning of fruit). No attempt was made to disaggregate pre- and post-farm gate value due to the difficulty in identifying standardised data sources.

In presenting data for the fresh food sector, pre-farm gate value, included as total turnover, figures are used. In prior years, a detailed analysis was undertaken to determine the value of fresh produce that enters the food-processing sector versus the value that enters the fresh market, either through the wholesale, supermarket or greengrocer channel, to ensure that, as far as possible, the Report avoids double counting.

Throughout this Report, adjustments are made in the fresh produce sector to maintain consistency with the 2014 report and to reflect that, at the national level, around 74 per cent of all vegetables produced go fresh to market, with the exception of beans (98 per cent), green peas (39 per cent), potatoes (58 per cent), sweet corn (92 per cent) and tomatoes (97 per cent). Similarly, adjustments are made in the fresh produce sector to reflect that 81 per cent of all pome fruit and stone fruit, 46 per cent of all citrus fruit, 6 per cent of all grapes, 80 per cent of all tropical and other fruit and 91 per cent of all eggs go fresh to market.

These estimates are based on multiple data sources and latest available from ABARES Australian Vegetable Growing Farms: An economic survey, and AUSVEG Domestic Markets Statistics.

Aggregated and summarised data are presented as a series of graphs, pie charts and tables in a manner to facilitate comparison between industry sectors and between time periods, adjusted to the dollar value of the most recent year for which data was available.

C. Detailed industry definition

Appropriately defining the scope of the industry for the State of the Industry Report series is critical in securing its value. Therefore, for prior year's reports, thorough research of relevant sources was conducted to obtain the different perspectives on which industries should be included in the definition. The different sources of information used to construct the final industry definition included:

For the State of the Industry 2017 Report, the primary objective was to ensure comparability between years and therefore the retention of the final industry definition as used in prior year's reports. However, to ensure it remained relevant and accurate desktop research was conducted to ensure that ABS had not significantly changed its definitions of industries nor any significant amendments made to the sources of information outlined in Table C.1. It was found that no major amendments had been made over the 2016-17 year.

Table C.1: Sources of information

	Source	Information used
1	Department of Agriculture	Fresh produce sector was defined by using the value add supply chain map for fresh fruit and vegetables in the DAFF publication: *Price Determination in the Australia Food Industry, 2004*
2	Australian Bureau of Agricultural and Resource Economics	Definition of the food processing industry used in the ABARE publication: *Food Statistics, 2007*
3	Australian Competition and Consumer Commission	Definition of groceries used in the ACCC inquiry into the competitiveness of retail prices for standard groceries
4	The U.S Grocery Manufacturers Association	Core manufacturing activities
5	The Australian Food and Grocery Council	Primary activities of each member firm of AFGC
6	A Leading Food and Grocery Retailer	Product categories for goods stocked in Australian supermarkets

Given the above, all industries included for each sector for this 2017 Report when constructing the final industry definition, are shown in the tables below. As mentioned above, the series were chosen to ensure alignment with the prior year's report (State of the Industry 2016).

Table C.2: Fresh produce & food and beverage sector (industries included)

ANZSIC Code	Description Fresh Produce
0121	Mushroom growing
0122	Vegetable growing (under covers)
0123	Vegetable growing (outdoors)
0131	Grape growing
0132	Kiwifruit growing
0133	Berry fruit growing
0134	Apple and pear growing
0135	Stone fruit growing
0136	Citrus fruit growing
0139	Other fruit and nut growing
0172	Poultry farming (eggs)

ANZSIC Code	Description Food and Beverage
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.

C. Detailed industry definition

Table C.3: Food and beverage sector (industries included) (cont)

ANZSIC Code	Description
1211	Soft drink, cordial and syrup manufacturing
1212	Beer manufacturing
1213	Spirit manufacturing
1214	Wine and other alcoholic beverage manufacturing
Industries considered but excluded	
1220	Cigarette and tobacco product manufacturing

Table C.4: 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
1911	Polymer film and sheet packaging material manufacturing
Industries considered but excluded	
1340	Knitted product manufacturing
1351	Clothing manufacturing
1352	Footwear manufacturing
1510	Pulp, paper and paperboard manufacturing
1522	Paper bag manufacturing
1523	Paper stationery manufacturing
1709	Other petroleum and coal product manufacturing
1831	Fertiliser manufacturing
1891	Photographic chemical product manufacturing
1912	Rigid and semi-rigid polymer product manufacturing
1920	Natural rubber product manufacturing
2010	Glass and glass container manufacturing
2029	Other ceramic product manufacturing
2132	Aluminium smelting
2299	Other fabricated metal product manufacturing n.e.c.
2439	Other electrical equipment manufacturing
2449	Other domestic appliance manufacturing

Table C.4: Grocery sector (industries included) (cont)

ANZSIC Code	Description
2592	Toy, sporting and recreational product manufacturing
5411	Newspaper publishing
5412	Magazine and other periodical publishing
1832	Pesticide manufacturing

D. Full list of products

The table below outlines the primary activities included within each ANZSIC class that has been included within the definition of industry in this document. Further information regarding the ANZSIC classification and inclusions/exclusions can be found within the ABS report "Australian and New Zealand Standard Industrial Classification 2006".

Differing from prior years, the 2015, 2016 and 2017 reports do not provide the ANZSIC code 1993 to ANZSIC code 2006 mapping. This is due to this Report no longer detailing data prior to 2006.

ANZSIC	Description	Primary activities include:
0121	Mushroom Growing	• Cultivated mushroom growing • Mushroom spawn growing
0122	Vegetable Growing (Under Covers)	• Capsicum growing (under cover) • Cucumber growing (under cover) • Herb growing (under cover) • Lettuce growing (under cover) • Sprout growing (under cover) • Tomato growing (under cover) • Vegetable growing n.e.c. (under cover)
0123	Vegetable Growing (Outdoors)	• Asparagus growing (outdoors) • Bean growing (outdoors) • Carrot growing (outdoors) • Garlic growing (outdoors) • Herb growing (outdoors) • Kumara growing (outdoors) • Melon growing (outdoors) • Onion growing (outdoors) • Pea growing (outdoors) • Potato growing (outdoors) • Sugar beet growing (outdoors) • Sweetcorn growing (outdoors) • Tomato growing (outdoors) • Truffle growing (outdoors) • Vegetable growing n.e.c. (outdoors) • Vegetable seed growing (outdoors)
0131	Grape Growing	• Grape growing • Grape sundrying • Table grape growing • Vineyard operation • Wine grape growing

ANZSIC	Description	Primary activities include:
0132	Kiwifruit Growing	• Kiwifruit growing
0133	Berry Fruit Growing	• Berry fruit growing • Blackberry growing • Blackcurrant growing • Blueberry growing • Boysenberry growing • Cranberry growing • Gooseberry growing • Loganberry growing • Raspberry growing • Redcurrant growing • Strawberry growing
0134	Apple and Pear Growing	• Apple growing • Nashi pear growing • Pear growing • Quince growing
0135	Stone Fruit Growing	• Apricot growing • Cherry growing • Nectarine growing • Peach growing • Plum or prune growing
0136	Citrus Fruit Growing	• Citrus fruit growing • Citrus orchard operation • Grapefruit growing • Lemon growing • Mandarin growing • Orange growing • Tangelo growing
0137	Olive Growing	• Olive growing

[1] ABS (2006) Australian and New Zealand Standard Industrial Classification 2006, pages 76 - 199.

D. Full list of products

ANZSIC	Description	Primary activities include:
0139	Other Fruit and Nut Growing	• Almond growing • Brazil nut growing • Cashew nut growing • Chestnut growing • Coconut growing • Macadamia nut growing • Pecan nut growing • Walnut growing • Avocado growing • Banana growing • Coconut growing • Custard apple growing • Feijoa growing • Fig growing • Loquat growing • Mango growing • Passionfruit growing • Pawpaw growing • Persimmon growing • Pineapple growing • Tamarillo growing
0172	Poultry Farming (Eggs)	• Egg farm operations • Poultry farming (for eggs) • Poultry hatching operation (egg breeds)
1111	Meat Processing	• Abattoir operation (except poultry) • Animal meat packing and freezing • Animal oil or fat, unrefined, manufacturing • Lard or tallow rendering • Meat extract or essence manufacturing • Meat manufacturing (except bacon, ham and poultry) • Meat or bone meal manufacturing (except fish or poultry meal) • Meat packing (except poultry) • Meat, canned, manufacturing (except poultry, bacon, ham and corned meat) • Meat, dehydrated, manufacturing (except poultry) • Meat, frozen, manufacturing (except poultry)

ANZSIC	Description	Primary activities include:
1112	Poultry Processing	• Frozen poultry manufacturing • Game bird slaughtering • Poultry abattoir operation • Poultry croquette manufacturing • Poultry meat or bone meal manufacturing • Poultry meat packing • Poultry meat processing (including canning)
1113	Cured Meat and Smallgoods Manufacturing	• Bacon manufacturing • Corned meat manufacturing (including canned) • Croquette manufacturing n.e.c. • Ham, canned, manufacturing • Meat speciality manufacturing • Pate manufacturing • Poultry smallgoods manufacturing • Smallgoods manufacturing
1120	Seafood Processing	• Crustacean, processed, manufacturing (including cooked and/or frozen) n.e.c. • Fish cleaning or filleting • Fish fillet manufacturing • Fish loaf or cake manufacturing • Fish paste manufacturing • Fish pate manufacturing • Fish, canned, manufacturing • Fish, dried or smoked, manufacturing • Mollusc, processed, manufacturing (including shelled) • Oyster, shelling, freezing or bottling in brine • Scallop, preserved, manufacturing • Seafood, canned, manufacturing • Seafood, preserved, manufacturing • Whole fin fish freezing

D. Full list of products

ANZSIC	Description	Primary activities include:
1131	Milk and Cream Processing	• Cream, pasteurised, manufacturing (except canned) • Milk, low fat, manufacturing • Milk, pasteurised, manufacturing • Skim milk manufacturing • Standard milk manufacturing • Ultra heat treatment milk manufacturing
1132	Ice Cream Manufacturing	• Confections, frozen manufacturing • Fruit ice, frozen, manufacturing • Gelato manufacturing • Ice cream manufacturing • Sorbet manufacturing
1133	Cheese and Other Dairy Product Manufacturing	• Anhydrous milk fat (butter oil) manufacturing • Butter manufacturing • Buttermilk manufacturing • Casein manufacturing • Cheese manufacturing • Condensed milk manufacturing • Cream, canned, manufacturing • Dairy product manufacturing n.e.c. • Dried ice cream, soft serve or milk shake mix manufacturing • Evaporated milk manufacturing • Flavoured milk manufacturing • Infants' milk-based formula and food manufacturing • Lactose manufacturing • Liquid ice cream, soft serve or milk shake mix manufacturing • Malted milk powder manufacturing • Milk and coffee mixtures, condensed or concentrated, manufacturing • Milk powder manufacturing • Sour cream manufacturing • Whey or whey powder manufacturing • Yoghurt manufacturing

ANZSIC	Description	Primary activities include:
1140	Fruit and Vegetable Processing	• Baby food, canned or bottled, manufacturing (except milk based) • Baked bean manufacturing • Bean/legume, dried or canned, manufacturing • Chutney or relish manufacturing • Coconut, desiccated, manufacturing • Fruit dehydrating or drying (except sun drying) manufacturing • Fruit juice, 100 per cent pure or concentrated, manufacturing • Fruit pulp, puree or spread manufacturing • Fruit salad manufacturing • Fruit, frozen, manufacturing • Fruit, preserved, manufacturing (including canned or bottled) • Grape crushing • Jam manufacturing (including conserves, jellies or fruit spreads) • Mixed meat and vegetable manufacturing • Rice preparation, canned, manufacturing • Sauce manufacturing (except Worcestershire sauce) • Spaghetti, canned, manufacturing • Vegetable juice or soup manufacturing • Vegetable salad manufacturing • Vegetable soup manufacturing • Vegetable, frozen, manufacturing • Vegetable, preserved, manufacturing (including canned, dehydrated, dried or quick frozen) • Vinegar manufacturing (except wine vinegar)
1150	Oil and Fat Manufacturing	• Animal oil, refined, manufacturing • Cotton seed oil manufacturing • Deodorised vegetable oil manufacturing • Edible oil or fat, blended, manufacturing • Fish or other marine animal oil or meal manufacturing • Lard, refined, manufacturing • Margarine manufacturing • Olive oil manufacturing • Tallow, refined, manufacturing • Vegetable oil, meal or cake manufacturing

D. Full list of products

ANZSIC	Description	Primary activities include:
1161	Grain Mill Product Manufacturing	• Arrowroot manufacturing • Baking powder manufacturing • Barley malt manufacturing • Barley meal or flour manufacturing • Cornflour manufacturing • Cornmeal manufacturing • Dextrin manufacturing • Dextrose manufacturing (except prepared) • Glucose manufacturing • Gluten manufacturing • Malt extract manufacturing • Malt manufacturing • Pollard manufacturing (from wheat, barley or rye) • Rice flour, meal or offal manufacturing • Rice manufacturing (including parboiled) • Rice starch manufacturing • Rye flour, meal or offal manufacturing • Sago manufacturing • Self-raising flour manufacturing • Semolina manufacturing • Starch manufacturing • Tapioca manufacturing • Unpopped corn manufacturing (for popcorn) • Wheat germ manufacturing • Wheaten bran manufacturing • Wheaten flour manufacturing • Wheaten malt manufacturing • Wheatmeal manufacturing

ANZSIC	Description	Primary activities include:
1162	Cereal, Pasta and Baking Mix Manufacturing	• Baking mix (prepared) manufacturing • Bread mix (dry) manufacturing • Cake mix manufacturing • Cereal food manufacturing n.e.c. • Coatings made from cereal food (except biscuit or breadcrumb) manufacturing • Custard powder manufacturing • Dessert, dried prepared, manufacturing • Noodle manufacturing • Oatmeal manufacturing • Oats, hulled or shelled, manufacturing • Oats, kilned or unkilned manufacturing • Pasta, fresh or dried, manufacturing • Pastry mix manufacturing • Prepared breakfast cereal manufacturing
1171	Bread Manufacturing (Factory Based)	• Bagel manufacturing (factory based) • Bread bakery operation (factory based) • Bread dough, frozen, manufacturing (factory based) • Bread roll manufacturing (factory based) • Bread, leavened or unleavened, manufacturing (factory based) • Breadcrumb manufacturing (factory based) • English muffin manufacturing (factory based) • Fruit loaf manufacturing (factory based) • Panini manufacturing (factory based) • Pita bread manufacturing (factory based)

D. Full list of products

ANZSIC	Description	Primary activities include:
1172	Cake and Pastry Manufacturing	• Cake icing or decorating (factory based) • Cake or pastry-based pudding and dessert manufacturing (factory based) • Cake or pastry-based slice manufacturing (factory based) • Cake or pastry manufacturing (factory based) • Cake or pastry, frozen, manufacturing (factory based) • Crumpet manufacturing (factory based) • Doughnut manufacturing (factory based) • Pastry manufacturing (includes frozen dough; factory based) • Pie manufacturing (including meat, fruit or vegetable pies; factory based)
1173	Biscuit Manufacturing (Factory Based)	• Biscuit dough manufacturing (factory based) • Biscuit manufacturing (except pet food biscuits; factory based) • Ice cream cone or wafer manufacturing (factory based)
1174	Bakery Product Manufacturing (Non-Factory Based)	• Manufacturing and selling bread from the same premises (non-factory based) • Manufacturing and selling other bakery products from the same premises (non-factory based)
1181	Sugar Manufacturing	• Brown sugar manufacturing • Cane syrup manufacturing • Caster sugar manufacturing • Icing sugar manufacturing • Molasses manufacturing • Sugar manufacturing • Treacle manufacturing

ANZSIC	Description	Primary activities include:
1182	Confectionery Manufacturing	• Chewing gum manufacturing • Chocolate manufacturing • Cocoa product manufacturing • Confectionery manufacturing • Crystallised or glace fruit manufacturing • Drinking chocolate manufacturing • Licorice manufacturing • Marshmallow manufacturing • Marzipan manufacturing • Nut, candied, manufacturing • Popcorn, candied, manufacturing
1191	Potato, Corn and Other Crisp Manufacturing	• Corn chip manufacturing • Crisp manufacturing • Potato crisp manufacturing • Taco, tortilla or tostada shell manufacturing
1192	Prepared Animal and Bird Feed Manufacturing	• Animal feed, prepared, manufacturing (except uncanned meat or bone meal or protein-enriched skim milk powder) • Animal food, canned, manufacturing • Bird feed manufacturing • Cattle lick manufacturing • Cereal meal manufacturing (for fodder, except from rice or rye) • Chaff manufacturing • Crushed grain manufacturing (including mixed; for fodder) • Dehydrated lucerne manufacturing • Dog and cat biscuit manufacturing • Fodder, prepared, manufacturing • Grain offal manufacturing (for fodder; except from rice or rye) • Lucerne cube, manufacturing • Lucerne meal, manufacturing • Pet food, canned, manufacturing • Poultry feed, prepared, manufacturing • Sheep lick manufacturing

D. Full list of products

ANZSIC	Description	Primary activities include:
1199	Other Food Product Manufacturing N.e.c	• Coffee manufacturing • Colouring, food, manufacturing • Dessert mix, liquid, manufacturing • Egg pulping or drying • Flavoured water pack manufacturing (for freezing into flavoured ice) • Food dressing manufacturing • Food flavouring manufacturing • Food manufacturing n.e.c. • Gelatine manufacturing • Ginger product manufacturing (except confectionery) • Health supplement manufacturing • Herb, processed, manufacturing • Honey, blended, manufacturing • Hop extract, concentrated, manufacturing • Jelly crystal manufacturing • Pre-prepared meal, frozen, manufacturing • Rice preparation manufacturing n.e.c. • Salt, cooking or table, manufacturing • Savoury speciality manufacturing • Seasoning, food, manufacturing • Soya bean concentrate, isolate or textured protein manufacturing • Spice manufacturing • Tea blending manufacturing • Tea manufacturing • Worcestershire sauce manufacturing • Yeast or yeast extract manufacturing

ANZSIC	Description	Primary activities include:
1211	Soft Drink, Cordial and Syrup Manufacturing	• Carbonated water or cordial manufacturing • Cider, non-alcoholic, manufacturing • Cordial manufacturing • Energy drink manufacturing • Fruit drink, less than 100 per cent pure juice, manufacturing • Ginger beer, non-alcoholic, manufacturing • Ice manufacturing (except dry ice) • Mineral water manufacturing • Powder flavour manufacturing (for soft drinks) • Purified water manufacturing • Soda water manufacturing • Soft drink manufacturing • Syrup, chocolate, caramel or vanilla, manufacturing • Syrup, fruit, manufacturing • Tonic water manufacturing
1212	Beer Manufacturing	• Beer manufacturing (except non-alcoholic beer)
1213	Spirit Manufacturing	• Brandy manufacturing • Fortified spirit manufacturing • Liqueur manufacturing • Spirit-based mixed drink manufacturing • Potable spirit manufacturing
1214	Wine and Other Alcoholic Beverage Manufacturing	• Beverage n.e.c., alcoholic, manufacturing • Carbonated wine manufacturing • Cider, alcoholic, manufacturing • Fortified wine manufacturing • Mead manufacturing • Perry, alcoholic, manufacturing • Sherry manufacturing • Sparkling wine manufacturing • Wine-based fruit drink 'cooler' manufacturing • Wine manufacturing • Wine vinegar manufacturing • Unfortified wine manufacturing

D. Full list of products

ANZSIC	Description	Primary activities include:
1524	Sanitary Paper Product Manufacturing	• Disposable paper nappy (cellulose-based) manufacturing • Facial tissue manufacturing • Paper napkin manufacturing • Paper towel manufacturing • Sanitary napkin (cellulose-based) manufacturing • Sanitary paper product manufacturing n.e.c. • Tampon (cellulose-based) manufacturing • Toilet tissue manufacturing
1841	Human Pharmaceutical Manufacturing	• Ampoule manufacturing • Analgesic manufacturing • Anthelmintic manufacturing • Antibacterial manufacturing • Antibiotic manufacturing • Antibody manufacturing • Antigen manufacturing • Antitoxin manufacturing • Biotechnological manufacture of pharmaceutical and medicinal products • Blood serum manufacturing • Contraceptive, medicinal, manufacturing (except rubber contraceptives) • Diagnostic substance manufacturing • Drug manufacturing (except veterinary) • Herbal drug manufacturing • Hormone manufacturing (except veterinary) • Medicinal capsule manufacturing • Medicinal chemical manufacturing • Medicinal ointment manufacturing • Medicine manufacturing (except veterinary) • Morphine manufacturing • Saccharin manufacturing • Serum manufacturing • Vaccine manufacturing (except veterinary) • Vial manufacturing • Vitamin product manufacturing
1851	Cleaning Compound Manufacturing	• Candle manufacturing • Denture cleaner manufacturing • Detergent manufacturing • Dishwashing detergent manufacturing • Disinfectant manufacturing • Emulsifier manufacturing • Glycerine manufacturing • Hypochlorite-based bleach manufacturing • Laundry detergent manufacturing • Penetrant manufacturing • Peroxide preparation manufacturing • Polish manufacturing • Scouring compound manufacturing • Soap manufacturing • Toothpaste manufacturing
1852	Cosmetic and Toiletry Preparation Manufacturing	• After-shave lotion manufacturing • Barrier cream manufacturing • Cosmetic deodorant manufacturing • Depilatory manufacturing • Eye shadow manufacturing • Face cream and lotion manufacturing • Hair preparation manufacturing • Lip balm manufacturing • Lipstick manufacturing • Mascara manufacturing • Nail polish preparation manufacturing • Perfume manufacturing • Shaving preparation manufacturing • Sunscreen preparation manufacturing • Talcum powder manufacturing • Toilet lanolin manufacturing

D. Full list of products

ANZSIC	Description	Primary activities include:
1911	Polymer Film and Sheet Packaging Material Manufacturing	• Bag, plastic, manufacturing • Bag, sack or packet (plastic film or sheeting), manufacturing • Bubble packaging manufacturing • Film, plastic, manufacturing • Food wrapping, plastic, manufacturing • Garbage bag, plastic, manufacturing • Plastic lamination with paper

E. Glossary

Abbreviation	Description
ABARES	Australian Bureau of Agricultural and Resource Economics and Sciences
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 expenditure	Money spent to acquire or upgrade physical assets such as plants and machinery, buildings, land etc.
CB	Certification bodies
CGE	Computable General Equilibrium
CPI	Consumer Price Index
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DAFF	Department of Agriculture
Depreciation	A decrease in the value of the Australian dollar in comparison to foreign currency
Downstream industry	An industry that uses an output from the food and grocery industry as in input. An example of a downstream industry for the milk and cream processing industry is the cafes and restaurants industry
Employment	The number of workers employed in the industry or sector at the end of June for the current year, excluding working proprietors
EY	Ernst & Young
FTA	Free Trade Agreement
GCFC	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. It excludes intangible assets.
GDP	Gross Domestic Product
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
IVA	Industry value-add. IVA represents the value-added by an industry to the intermediate inputs used by the industry. IVA is the measure of the contribution by manufacturing businesses to gross domestic product. IVA is the total value of goods and services produced by an industry, after deducting the cost of goods and services used in the process of production.
Mfg	Manufacturing
n.e.c.	Not elsewhere classified
n.f.d.	No further details
PBS	Pharmaceutical Benefits Scheme

Abbreviation	Description
R&D	Research and development
Real growth	The growth rate of the variable when the effect of inflation (increase in prices) has been removed
Re-exports	Goods which are imported into Australia and then exported with no additional value-added
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)
Trade deficit	A negative balance of trade (i.e. the value of imports exceeds the value of exports)
Upstream industry	An industry that is part of or pertaining to the early stages in the production of a product. The food and grocery industry utilizes the output from an upstream industry as an input. An example of the upstream industry for the milk and cream processing industry is the dairy cattle farming industry
USA	United States of America

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