

FATE Program

Future of Australia's threatened ecosystems

Defining marketing opportunities for Australian native products

Report from the FATE marketing think-tank
Broken Hill, November 27-29, 2002



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1. Executive summary

This workshop is part of the FATE program, a whole-of-government initiative instigated by the Australian Museum to encourage the commercial use of Australian native species and evaluate its potential role in achieving ecologically sustainable development. This think-tank is one of a number of projects exploring the commercial potential of enterprises based on Australian native species.

This speculative project focused on marketing and involved getting a 'think-tank' of some innovative and lateral-thinking marketing people together to come up with bright new ideas about potential markets for products and services from Australian native species. An outstanding group of highly skilled marketing professionals gathered in Broken Hill.

The anticipated outcomes from the workshop were:

1. A report containing market development proposals for a number of potential FATE enterprises and strategies to carry them forward.
2. Contacts with companies or individuals from whom expressions of interest can be sought to carry the concepts further.
3. A group of innovative marketing people who can be called upon for advice as FATE progresses.

The workshop was a unique opportunity for a diverse group of people involved in the emerging Australian Native Food industry to meet and pool expertise and vision. After considerable discussion, consensus was reached that the enterprises with the greatest potential for achieving FATE objectives in the short-term are:

- Value added kangaroo products – smallgoods and meal components
- Functional aspects of Australian native foods (ANFs).
- The incorporation of commercially harvestable native species to provide additional commercial drivers for native vegetation regeneration in, for example, wildlife corridors and areas for salinity mitigation.

There was robust discussion about a wide range of issues, and as a result the foundation were laid for strong ongoing partnerships between the FATE program and many of the participants. FATE now has partners to pursue many of the components of the program, such as:

- The incorporation of a range of commercially harvestable plant species into windbreaks, wildlife corridors, joint-venture agro-forestry, native vegetation regeneration and salinity mitigation projects for which an established marketing chain already exists.
- Linking interested landholders with existing suppliers of Australian native products through Juleigh Robins, principle of Robins Foods to develop a broader range of potential landholder participants.
- The further development of an existing network of Indigenous suppliers of Australian native products with return of a percentage of the profits to these suppliers for further enterprise development. This is through the 'Outback Spirit' brand on mainstream shelves of Coles/Myer stores.
- **Agsell**, the export marketing arm of NSW Agriculture will assist in the development of a business case for export initiatives utilising kangaroo meat in partnership with a private consortium.

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- The development of a market research project as a foundation for the overall communication and marketing strategy for FATE, in partnership with a Melbourne-based consulting company.
- Continued cooperative relationship with the Kangaroo industry to develop kangaroo management systems that involve landholders.

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2. Summary of the discussions

Notes taken by the facilitator are included in Appendix 2. The summary presented here is a distillation of the main areas of discussion, including a representation of dissenting views.

2.1 Negotiating the boundaries of the discussion

The participants agreed to concentrate on industries based on kangaroos, emus, native timber, native flora and ecotourism. The inclusion of aquaculture was discussed but it was agreed that it was less relevant since FATE's primary focus was on enterprises that might make a difference on a landscape scale. The engagement of Aboriginal communities in the FATE agenda was encouraged strongly by several participants.

There was an agreed need to consider structural issues within the existing industries and to recognise the importance of existing and potential industry infrastructure in choosing enterprises. One participant argued that the workshop was not the appropriate forum in which to get into specific enterprises unless to give instructive examples, and that the biggest single impediment to growth in the native foods industry was lack of industry cooperation.

The group largely agreed that mass market options were of central importance, although it was recognised that local niche markets and small-scale growing may still make a significant contribution, as long as it was on a scale larger than a cottage industry.

2.2 Identifying the big-picture opportunities

A long list of opportunities was generated without discussion that could be divided into the following areas:

- Strategic initiatives for the native foods industry as a whole

Suggestions in this category centred on opportunities for the native foods industries. A peak body (if it existed) could provide an avenue to create the critical mass needed to: develop a unified identity for marketing and promotion; gather industry-related economic data; develop synergies with Aboriginal communities; pursue the possibilities of marketing on the basis of functional (health) aspects. One participant saw FATE as having a potential role in helping to bring this about.

- Policy initiatives involving legislation

Suggestions included:

- a) government-driven incentives for encouraging involvement in the industry such as those in place on the film and wine industries;
- b) pursuing the possibility of payments for ecosystem services and the trade in carbon and biodiversity credits;

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c) increasing demand for kangaroo and emu meat through their use as food aid.

- Marketing chain initiatives

Suggestions in this area included strategies to enhance quality and to integrate native foods with mainstream enterprises.

- Market research initiatives

Suggestions included market research to better understand the target audience and determine marketing strategies required to reach that audience. In particular, there were calls for research to assess the likely effectiveness of linking native foods with sustainability of farming systems, organics and Aboriginal economic development.

- Suggestions specifically for the kangaroo industry

These centred on developing a domestic smallgoods and meal component market for kangaroo meat that also utilised native food ingredients. Another suggestion involved pursuing investment relationships between MLA and kangaroos (in hand with sheep/beef), and promoting the potential benefits to graziers.

2.3 Choosing the best-bet probabilities

The workshop split into 2 groups, one considering specific enterprises or actions to generate opportunities for FATE producers and the other to consider broader marketing implications.

Group 1 generated specific suggestions regarding the kangaroo industry, the functional aspects of native foods and the possibilities for commercialising environmental and conservation initiatives such as salinity mitigation, native vegetation regeneration and wildlife corridors using native food plants and native forestry.

The second group called strongly for market research to more clearly identify the target domestic market for native foods and the best messages for that market. This would then lead to the creation of a FATE endorsement via a logo and/or through association with other logos (such as Landcare and Heart Foundation). The group also called for a program to 'reverse market' to landholders to encourage them to be involved in the industry.

2.4 Did the workshop meet participants' expectations?

Participants stated their expectations at the beginning of the workshop and reviewed them at the end. In all but a few instances participants stated expectations were met. Instances where expectations were not met included:

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- the need to ensure that what is already happening is well known to FATE so that FATE can avoid duplication and work with rather than in addition to other related initiatives;
- the inclusion of aquaculture into the discussion;
- ecotourism was not discussed in any detail because it warranted a separate workshop with specialists.

2.5 Measuring FATE's success in one year and 8 years

Category	Success after 1 year	Success after 8 years
FATE Program	<ul style="list-style-type: none"> • Still in existence at the Museum and maintaining momentum with adequate funding to continue • Reports that document the insights communicated effectively to key stakeholders • Develop critical mass • At least one group of landholders actively involved, including indigenous landholders and able to provide demonstration sites • Understand and develop significant links with other programs • Partnerships established with Memoranda of Understanding and Expressions of Interest in place such as with Robins Foods and AustCom.Ex • Market research undertaken, logo developed, endorsement system in place, initial recognition and adoption of logo, growing awareness of FATE among growers, processors, wholesalers, retailers, consumers. 	<ul style="list-style-type: none"> • Survival with adequate funding with driver at the Museum • 4-6 years of farmer involvement in a number of locations linking production with landscape management • measured benefits beginning to emerge • integration with related programs • strong alliances with players in an expanded industry • strong brand awareness, implementation stage of communication/ public education strategy
Native foods industry	<ul style="list-style-type: none"> • Industry documented – know what there is to know about the industry • Links between plant and animal industries • Development of clear and united messages from the industry • Existing products still on supermarket shelves, further consumer trialing and sales 	<ul style="list-style-type: none"> • Significant growth and diversity in the industry – more growers, up to 20 products on mainstream supermarket shelves • Established marketing opportunities • More than a program – now a way of life due to a paradigm shift • International recognition
Aboriginal participation	<ul style="list-style-type: none"> • Participating indigenous landholders and communities 	<ul style="list-style-type: none"> • Significant commercial and social benefits to communities involved

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2.6 Actions over the next 6 months

These are dealt with in detail in section 3.

2.7 Reflections

Participants were asked to reflect on the workshop and contribute their key insights on the workshop, the FATE program and the native foods industry.

2.7.1 Reflections on the workshop

Participants reported positively on the success of the workshop in terms of enjoyment, learning, changing minds, generating optimism and creating opportunities for partnerships. The process was praised for providing a variety of opportunities for interaction due to various venues and activities chosen and excellent facilitation.

2.7.2 Reflections on the FATE program

Many participants expressed the importance of maintaining momentum and the need for partnerships, especially with industry groups. There was optimism that momentum would be maintained and pledges of full support from Robins Foods. There was a call to maintain FATE as an entity in its own right to continue to bring people together and evolve from being a driver to a coordinator.

One participant suggested that the size of the existing team was inadequate and another that the jury was still out with regard to linking marketing of native foods with changed land management. However there was general encouragement to keep pushing forward.

2.7.3 Reflections on the Australian native foods industry

Participants reported an air of optimism about the plant-based native foods industry, suggesting that it has a strong future with excellent products and large potential markets. It was seen to have sufficient commercial potential in the long term to be the commercial driver for FATE initiatives. Small volumes would be appropriate initially then growing into larger volumes as the supply and the demand increase. As the industry stands at present there is still a place for small growers.

There was a call for the industry to grow gradually, with a word of caution about the dangers of having expectations that are too high to be sustained. The presence of products on mainstream supermarket shelves was seen as a significant achievement and a potential watershed in terms of the future acceptance and growth of the industry. There remains a risk that poor sales of these products would result in them losing their place on the shelves: a situation that could set the industry back significantly. Several participants cautioned that the road is long and hard and more data is needed before the level of expressed optimism could be considered realistic.

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3. Recommended actions

3.1 Collect and analyse relevant economic data

Two projects are already in progress. They are 'The economics of conservation through the commercial use of wildlife' (funded by RIRDC) being undertaken by Richard Stayner (RS) and the 'Economic analysis and evaluation of potential wildlife enterprises' (funded jointly by AM, NPWS, DSRD and DLAWC through West 2000+) being undertaken by Michael von Berg (MvB). Both Richard and Michael participated in the think-tank and will take direction from it to help to guide their projects. The following actions recommended at the think-tank relate to these projects:

- 3.1.1 Conduct literature review of native food industries which include the compilation of information / stories/ brochures of native enterprises (RS).*
- 3.1.2 Generate a compendium of native food products - what's available and what are the gaps (RS/ MvB).*
- 3.1.3 Conduct a feasibility study of potential wildlife enterprises and the generation of a priority list of these enterprises (MvB).*
- 3.1.4 Carry out business modelling of the high priority enterprises (MvB).*
- 3.1.5 Develop farm economic models as a tool to analyse the effects of incorporating wildlife enterprises into whole-farm economic plans, which include post farm gate costs and revenue factors (RS).*

3.2 Market research of FATE messages

Market research is required to establish marketing messages that will influence the target audience to purchase Australian native foods. For example, is the target audience likely to be influenced by a products' contribution to:

- enterprise development in Aboriginal communities?
- the development of unsustainable farming practices?
- reversing landscape degradation?
- conservation of endangered species?

Recommended actions include:

- 3.2.1 Define marketing message clearly and write market research brief (BB/PA).*
- 3.2.2 Obtain cost estimates for the market research.*
- 3.2.3 Identify funding for the project.*
- 3.2.4 Conduct market research (consumer) - including farmer focus groups (external)*
- 3.2.5 Develop credentials for logo (external/ PA/BB)*
- 3.2.6 Graphic design brief - logo/message (external)*
- 3.2.7 Elucidate the ongoing marketing strategy*

3.3 Develop formal commercial partnerships between FATE and the native food industry

Discussions resulted in plans to develop a commercial partnership between Robins Foods and the FATE program. The actions required to formalise this are:

- 3.3.1 *Establish commercial partnership by drawing up a formal memorandum of understanding between the FATE Program and Robins Foods (BB/PA/JR)*
- 3.3.2 *Consult with Robins Foods' suppliers to establish whether their production methods accord with FATE objectives and whether holdings can be endorsed through FATE as models for FATE participants (eg. Compatible Landcare groups, Bush tender recipients etc.).*
- 3.3.3 *Establish links between Robins Foods' suppliers and potential FATE participants through property visits, field days and workshops.*
- 3.3.4 *Encourage interested landholders to join the memorandum of understanding with Robins Foods and FATE.*

3.4 Funding for continued FATE program planning

The Australian Museum is at present funding 1.5 full-time salaries for Senior Project Officers and is only able to support 0.5 of a full-time position after June 2003. As a result action is required to secure funding to maintain the momentum of the FATE program beyond June 2003. Suggested actions are:

- 3.4.1 *Australian Museum staff to work with Lisa Robins to pursue funding opportunities.*

3.5 Development of a communication strategy

It was recommended that FATE should develop and implement a communication strategy with the following actions:

- 3.5.1 *Communicate regularly to the native foods industry, including to growers, harvesters, processors, wholesalers and retailers.*
- 3.5.2 *Report on the outcomes of component projects such as the WEST 2000+ and RIRDC projects to stakeholders and keep them informed of new developments.*

3.6 Marketing initiatives in the kangaroo industry

There was considerable discussion about the kangaroo industry. The following suggestions were made for areas of opportunity:

- 3.6.1 *Encourage initiatives that seek to increase the availability of value-added meal components and smallgoods based on kangaroo.*

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- 3.6.2 *Explore marketing opportunities offered by health benefits (look at pharmaceutical/functional benefits), rural community benefit and ecological footprint comparisons.*
 - 3.6.3 *Plan initial steps towards developing a kangaroo integrity program and post-harvest infrastructure*
 - 3.6.4 *Explore the possibilities of using kangaroo meat as food aid to countries suffering from lack of protein as part of Australia's overseas aid program.*
- 3.7 Exploring the functional benefits of native foods and their resulting marketing potential.

There was strong support in the meeting for an exploration of the functional attributes of native foods, such as their health and therapeutic benefits. These are reported by experts on medicinal and therapeutic uses of foods by Aboriginal people. Suggested actions are:

- 3.7.1 *Documenting what is known and linking with Aboriginal traditional knowledge and practice*
 - 3.7.2 *Conducting clinical trials (with particular reference to child health)*
 - 3.7.3 *Forming strategic alliances with food companies interested in functional aspects of native foods*
- 3.8 Incorporating marketable native species into perennial systems for enhanced provision of ecosystem services by landholders

This initiative is expected to provide additional commercial drivers for the provision of ecosystem services. The initial targets include landholders and organisations involved in native vegetation conservation and regeneration projects, joint venture agro-forestry projects and salinity mitigation projects. Suggested enterprises include:

- Collecting seed and/or producing seedlings.
- Establishing/ harvesting/ value-adding.

Suggested actions are:

- 3.8.1 *Establish links with existing relevant programs such as the Joint Venture Agroforestry Program and work towards incorporating commercially harvestable native species into their initiatives.*

Appendix: Participant profiles

Peter Ampt is Senior Project Officer on the FATE Program at the Australian Museum, working collaboratively with Barbara Bohdanowicz to advance the program. He has Bachelors and Masters degrees in agricultural science and has worked in education and agricultural consulting. He has expertise in using participatory methodologies in rural research and development, project management and developing and implementing communication strategies. He is seconded to the FATE Project from his role as Manager of Education Services at the Australian Museum.

Barbara Bohdanowicz is Senior Project Officer in the Strategic Initiatives Unit at the Australian Museum working collaboratively with Peter Ampt on the FATE Program. She has a botanical and zoologic background and a developing passion for Australian native foods. She has extensive experience in research administration and teaching in the university sector.

Dennis Cox is a food technologist with broad ranging experience in the food industry. He is based at Victoria University of Technology and has strong links to the Key research area of integrated food value chain.

Bob Lester is the principal of Lonedeen Pty Ltd, a management consultancy that specialises in strategic planning and capital raising. Bob is an economics graduate who has many successful assignments in corporate planning, business development, business restructuring and domestic and export marketing. He has recently developed a sophisticated marketing structure for Robins Foods, whose products are based on indigenous Australian ingredients and close working relationships with aboriginal communities.

David McKinna is a Melbourne based consultant and principal of David McKinna and Associates. He has extensive experience in as a management consultant and adviser to the native food industry. He has completed several major reports for RIRDC on the potential of Australian native foods.

Michael Mulligan is the current president of the Kangaroo Industry Association of Australia and principle of Southern Game Meats, a company that processes more than 50% of the kangaroos harvested in NSW at present. He has worked hard for many years to find export markets for kangaroo meat.

Kurt Olsen is a primary producer and business entrepreneur with a background in advertising. He is a principle of AustCom.Ex, a company actively pursuing export opportunities for Australian native foods. He is also involved in a Landcare group seeking to ensure the survival of the Regent Honeyeater in the Hunter Valley.

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Lou Revelant is a manager in the **Agsell** marketing unit of NSW Agriculture, which aims to increase exports of NSW food and fibre products, including native foods. His role is to facilitate opportunities between buyers and producers.

Lisa Robins (Robins Environmental Consulting) has thirteen years experience, specialising in community consultation, policy and strategic planning to support natural resource management, and project and program management. She is highly experienced in facilitation and consultation, and has extensive community, government, industry and scientific networks. Lisa has coordinated some 30 NRM projects on biophysical, social, economic and cultural issues, valued at \$2-3 million p.a., for the Murray-Darling Basin Commission since 1998. She was Greening Australia's National Manager of Policy & Programs Development from 1997-98, and was earlier engaged in four years of extensive community consultation processes to develop ICM strategies for the Wimmera and Yarra catchments in Victoria.

Richard Stayner is an agricultural economist working for the Institute of Rural Futures at UNE. He has a particular interest in rural adjustment. He is contracted to the FATE Program on the project 'The economics of conservation through the commercial use of wildlife', funded by RIRDC.

Michael von Berg is principal of Michael von Berg and Associates, a company that specialises in corporate strategic planning, networking, strategic alliances, value supply chain management and business development. He has formal qualifications in marketing, accounting, international business and a successful 30-year career in senior management including wine companies, investment and merchant banking and international commodity trading. He has extensive experience in emerging agricultural industries.