

AUSTRALIAN FOODSERVICE INDUSTRY ISSUES:

THE COMPLEXITY OF THE FOOD SUPPLY CHAIN

FOOD SUPPLY CHAIN FACTS IN OZ



3 Key Dependencies for Effective Food Supply Chain Networks in Australia

1. Infrastructure
2. Labour
3. Imports

Approx 25,000 truck trips made by food suppliers to customers per week

Food transport by mode

- Road 85%
- Rail 7%
- Sea 8%

Australia is an overall "Net Exporter" of food i.e Exports more than imports

Ingredients, additives & packaging materials are mostly imported food manufacturing products

On any given day, there could up to 2 days food supply held at different points in the transport system (Road, rail or sea)

WHAT IS FOOD SUPPLY CHAIN?

- **Food supply chain** refers to the **processes and systems** that enable food from the **farm to be available for human consumption.**
- Food supply chain consists of **production, processing, distribution, consumption and waste disposal.**
- **The most critical point in food supply chain is the interaction with the customer.** For food, it is through 2 channels 1) Retail and 2) Foodservice
- **The main foodservice customer distribution channels are** 1) Take away, 2) Dining Out 3) Event/Leisure & 4) Institutional

FOOD SUPPLY CHAIN ISSUES FOR FOODSERVICE?



- **Changing consumer trends are heavily impacting foodservice supply chains** i.e. online delivery, change in consumer demographic, demand for produce out of season and increase in alternative health trends (vegan & gf)
- **Recent disasters** and health epidemics are **posing threats to the functioning of food supply chain networks**

Major factors that impact the effectiveness of food supply chain include -

- **Inventory levels** held at distributor and customer sites
- **Import dependency**
- Consumer preference towards **fresh produce**
- **Increased regulatory requirements**
- **Natural disasters**

Opportunities for improvement

- **Improved transparency** of how food moves through supply chain
- **Alternative/back up sourcing**
- **Continuous improvement in logistics and transportation**

SOURCES

- **"Resilience in the Australian food supply chain 2012"**, Australian Government, Department of Agriculture, Fisheries and Forestry)
<https://www.agriculture.gov.au/sites/default/files/sitecollectiondocuments/ag-food/food/national-food-plan/submissions-received/resilience-food-supply.pdf>

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