

Determining the economic potential of bush foods and medicine industry in Central Australia

Summary report – September 2018



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Introduction

In 2016, under the auspice of the South Australia / Northern Territory (NT) Memorandum of Understanding, the NT Government committed to supporting the establishment of a project to grow the bush foods and medicine industry in Central Australia, with an aim to investigate the expansion of bush food opportunities in the Central Australia region. This project is a priority activity identified in the NT Governments Economic Development Framework Agribusiness theme and aligned with the NT Department of Primary Industry and Resources' (the Department) vision and mission to work with partners in Central Australia to:

- ▶ stimulate and support the growth of the bush foods industry;
- ▶ realise the potential for collaboration between participants to maximise areas of common interest; and
- ▶ increase opportunities for Aboriginal people to participate and guide economic development activities in primary industries on Aboriginal land.

A critical component within the project has been to undertake market research to determine the economic potential of the bush foods and bush medicine industry in Central Australia, including a feasibility study and analysis of establishing a bush food and bush medicine hub in Central Australia and identifying the enablers and resources required.

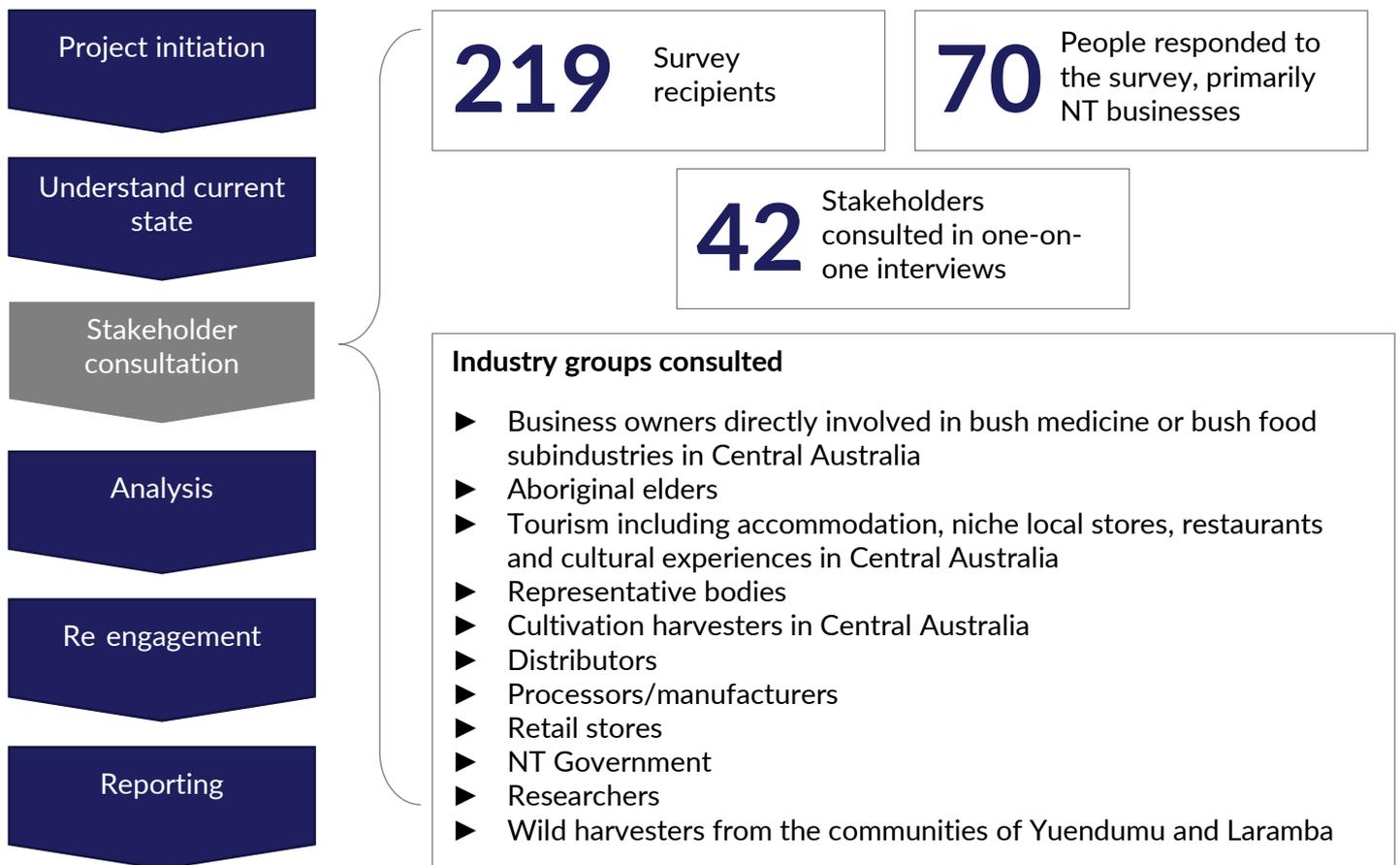
On 3 May 2018, the Department commissioned Ernst and Young (EY) to undertake a research report to assess the state of the bush foods and medicine industry and to explore the commercial potential of bush foods and bush medicine as an emerging growth sector. A summary of the research report 'Determining the economic potential of bush foods and medicine industry in Central Australia' (the Report) scope of works, key findings and recommended strategies for developing the industry follow.

Terms of reference

Scope	Detail
Industry profile	Identify the existing size, characteristics, capacity, scale, market segments, product offerings and economic value of the existing bush foods and medicine industry in Central Australia.
Market potential	<ul style="list-style-type: none"> ▶ Through market research, analyse the current and potential demand and competitive advantage of bush foods and bush medicine products harvested, processed and manufactured in Central Australia, with consideration given to supply channels and uses. ▶ Provide a description of the current market segments, potential for growth areas and new market opportunities comparative to the national industry. ▶ Identify if there is competitive advantage of bush harvest over cultivated product.
Industry development	<p>A feasibility study and analysis of establishing a bush foods and bush medicine hub in Central Australia. The analysis will:</p> <ul style="list-style-type: none"> ▶ Identify and describe the growth levers required to grow the industry and to realise the market potential e.g. infrastructure needs, supply and market access issues, human resources required and ongoing training needs, technical support, logistics and supply chain gaps, growth strategies for key priority areas (geographically and by product) and the potential business models for the hub to work effectively and viably in the Central Australian context. ▶ Identify what opportunities for collaboration may exist across the value chain.

Approach and stakeholder consultation

The Central Australian bush foods and medicine industry relies on Aboriginal harvesters, traders, Aboriginal enterprises, community, consumers and suppliers working together to establish a viable industry. In order to determine the economic potential of the bush foods and medicine industry in Central Australia the project has drawn upon the extensive information provided from previous research and involved extensive consultation. The six key phases of this project are summarised below.



Key findings

The supply chain of the bush medicine subindustry differs somewhat from the bush foods subindustry (particularly in the significant involvement of Aboriginal people across all supply chain levels rather than primarily harvesting, and in the location of manufacture of the end product, centralised in Alice Springs, but also on-community) and involves different local wholesale and retail entities. However, in terms of Aboriginal people and communities, both subindustries have similar social, economic and cultural benefits (such as greater employment opportunity), and the growth of both subindustries will benefit in similar ways. Within each, there are difference species harvested, processed and sold and strategies for growing each industry are different.

The key findings from the Report are summarised as follows:

Current state of the industry

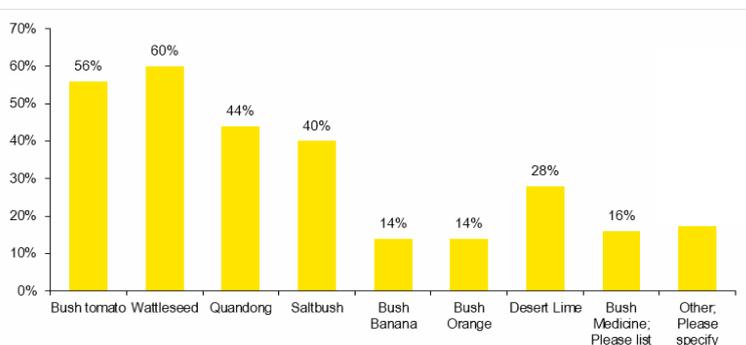
Bush foods and medicine carry great cultural significance for Aboriginal people. Aboriginal people in Central Australia have harvested and used bush foods and medicine for thousands of years, developing an array of uses and applications for them. Aboriginal women have harvested and traded a range of bush

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foods and seed for many decades. Aboriginal people's knowledge of these and other bush foods and medicine can improve the livelihoods of regional communities, preserve the knowledge capital of older generations and develop new opportunities for the economic development of Central Australia, such as through foods and medicine-based tourism. Aboriginal bush harvesters have extensive knowledge about the plants, their uses and their cultural significance. Aboriginal cultural education and information sharing need to be key tenets of the industry, and thus the accumulated knowledge of elders is essential for the industry's development, and successfully pitching it to a growing tourism market. There are further opportunities associated with the growing functional food industry, where food has additional functions (such as disease prevention or health benefits).

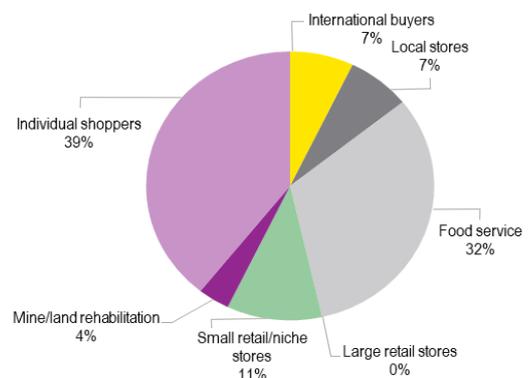
There are a number of factors that need to be considered in the development and promotion of the bush foods and medicine industry, including the consideration of the sensitivities around Aboriginal culture.

- ▶ There are **different levels of maturity** across the various businesses operating within the bush foods and medicine industry in Central Australia. The majority are small scale and provide supplementary income and cultural benefits rather than being purely commercial operations.
- ▶ There are also distinct **differences related to production** type, between bush harvested produce or cultivated product. Each production type has distinct challenges, opportunities and potential to grow, such as the potential to ensure a consistent quantity of product through cultivation harvesting.
- ▶ The bush foods and medicine industry in Central Australia is small and immature. The wholesale market value of bush tomatoes and wattleseed harvested in Central Australia is estimated to be between **\$7,220 and \$448,115**. This valuation does not represent value-added at retail, only the value at farm gate and wholesale. It is also important to note that this valuation is based on a number of assumptions and limitations of the size of the market and the availability of data.
- ▶ There are **key differences between the bush foods and medicine** supply chains such as markets for products, the value add undertaken in Central Australia and the challenges and opportunities facing each subindustry. For example, a key difference is that the bush medicine supply chain does not have traders.



Bush foods and medicine most commonly traded by surveyed stakeholders

Individual, small scale retail purchases and the **food industry** are the primary destinations for bush foods and medicine products



Industry stakeholders' largest markets

The market potential

Demand	Supply
<p>There appears to be latent demand for both bush foods and bush medicine produce and a number of markets with significant growth potential. However, it is noted that different products have different market opportunities and growth potential.</p>	<p>The major limitation on the growth of the industry is related to supply side constraints, particularly consistency of volumes supplied and quality of produce. The market potential for some of the products is limited in the current operating environment.</p>
<p>If the bush food market is going to grow significantly, the majority of growth will likely need to be derived from cultivated production.</p>	<p>The industry has the potential to provide a social and economic contribution to Central Australia, to local economies and communities and Aboriginal people in particular.</p>
<p>There is a role for both wild harvested and cultivated produce, however the former is likely to remain a cottage industry. Cultivated production has the ability to ensure enhanced consistency of quality and volumes produced. On the other hand the authenticity of bush harvested product is likely to command a price premium in some market segments.</p>	

Industry development to meet market potential

- ▶ Given the supply side constraints and different needs of the subindustries identified, **a hub in Central Australia is unlikely to be feasible** and would not address its most pressing development needs. It is suggested that at this stage in the industry's development, focus should be placed on supporting enhancing the volume of product produced.
- ▶ To date, there has been a significant amount of **research** to understand the bush foods and medicine industry's operation, challenges and opportunities. However, there has been a more limited amount of effort placed on the **implementation** of findings and solutions identified. It is suggested that the focus should shift to implementation of findings and industry development activities.
- ▶ While there appears to be evidence of latent demand for product, there are a **large number of challenges and barriers** facing the industry and support is required to enable it to realise its growth potential. Some key challenges include the **inconsistent quantity of supply; labour intensity** and arduous conditions and **intellectual property management**.
- ▶ There is **not a single solution** that has been identified as key to developing the industry. Rather a variety of opportunities, from localised individual community based solutions to industry wide opportunities, have been identified. These span demand and supply side considerations.

Strategies for developing the industry

Drawing upon the extensive information provided from previous research, through analysing the challenges and opportunities raised through the collaborative stakeholder engagement process, different concepts and feasibility for a potential hub were explored, growth levers analysed and the following five high-level key strategies for growing the bush foods and medicine industry generally, were identified.

Various forms of a hub were explored and overall, the concept of a 'bush foods and medicine hub' was considered unlikely to be significantly beneficial to the industry and investment in such spaces may be less useful in the short to medium term than adopting alternative strategies to support the bush foods and medicine industry.

In addition, because of the divergent industry segments, medicine and food, and the different products within each, particularly within food, in conjunction with the different levels of maturity across the industry, there was not a single solution that would assist in building the entire industry.

1. Support for research and development

To support communities to improve harvesting methods, quality assurance and control of harvested product, understand alternative production methods (such as enrichment harvesting or cultivation) and the potential to use higher yielding varieties.

2. Tailored community and cultivation strategies

An assessment of the needs and requirements of communities with solutions focused on education and training, equipment and infrastructure needs and facilitation of enhanced harvesting and cultivation activities.

3. Business development and training

Given the majority of businesses are small and immature, assistance in relation to business development would enable them to grow.

4. Collaboration across industry

Collaboration should be enhanced to build trust between industry stakeholders and enable communication flow within the supply chain in Central Australia. This may be effected by the formation of an industry association.

5. Marketing and branding

A focused and unified marketing campaign may support increased demand, however this must be considered in the context of existing supply limitations. In particular, campaigns may target visitors, the perceived appeal of cultural or authenticity, and the health benefits of the products.