



What is NZ's future in food

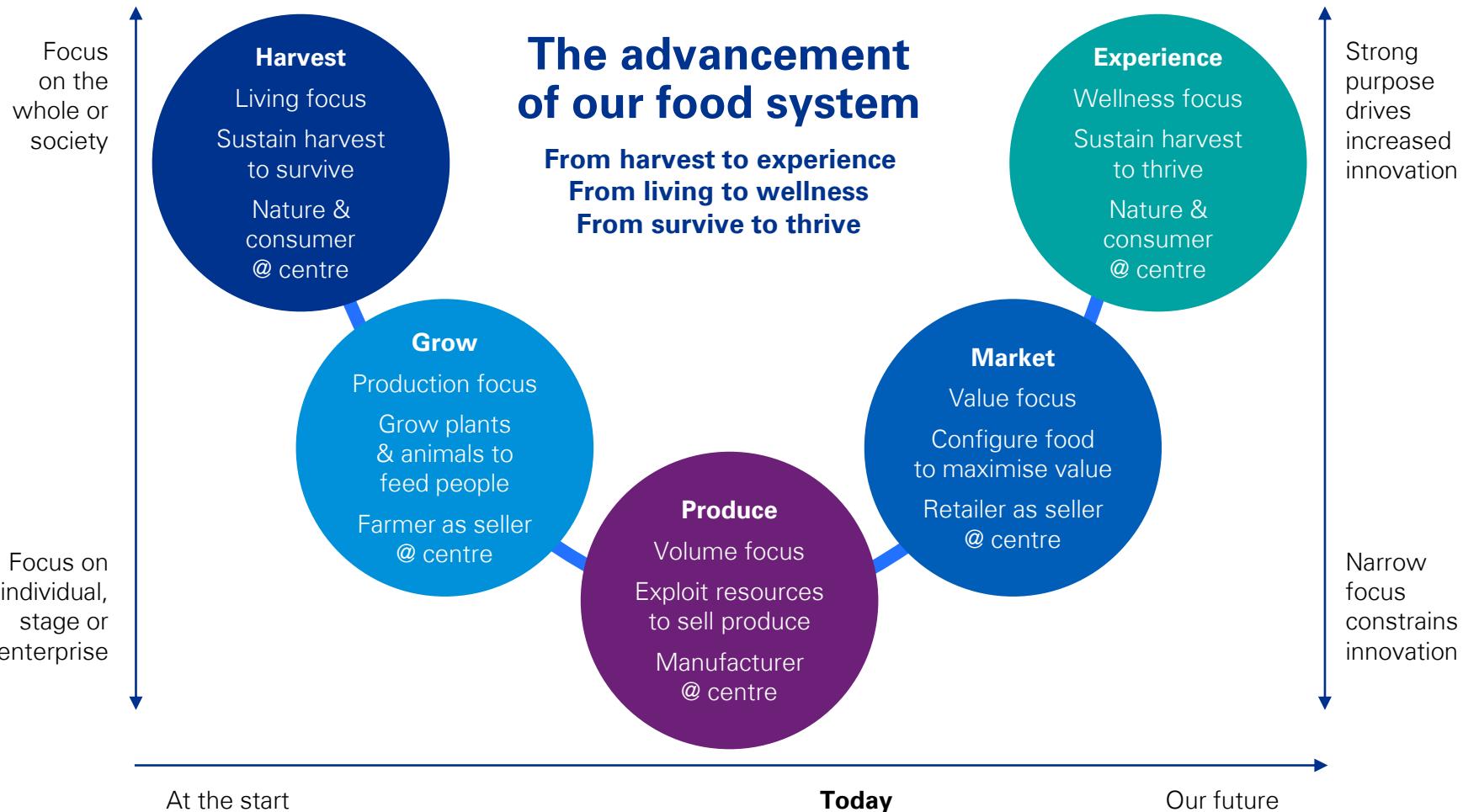
Lauder Erasmus

Head of KPMG High Growth Ventures

12 May 2017



The evolution of our food journey



What is the value of the industry?



Global food industry

- US\$16 trillion in sales
- (Links to another U\$8 trillion in other industries)
- 1-2% annual volume growth
- 4-5% annual value growth



New Zealand agri-food

- US\$25bn exports
- 3% annual volume growth
- 5-6% annual value growth
- 0.4% of global production
- Food for 0.4% of the global population
- Our exports equate to 0.15% of global revenue
- Our exports have a retail value of >\$200bn
- New Zealand has the worlds lowest value-add/agri-food hr worked

The landscape: disruptive food opportunity

\$US16b sales
worlds largest industry

1-2% annual volume growth,
4-5% revenue growth

Exploding change
in needs

Wellness, goodness,
experience, single attributes

Location &
format change

Out of home, packaged, fresh,
ready-to-cook, ready-to-eat

10% share for global
top 100 firms



Consumers

>7% growth
at the edge

Speciality, functional,
free-from etc.

Supply
change

'Alternatives', precision, urban farm,
factory farm, trade impact

Social
change

Social license to farm, food security,
food waste, food adulteration

Environment
change

Climate, water,
environmental limits

The NZ dilemma

Export
value



NZD\$37 billion

6.75 times

Estimated
retail value



\$0.25 trillion

What are the global trends?



Sustainability defines the farming conversation



Fusion technology triggers agrarian revolution



Dining paradigms respond to lifestyles



Health frames the food conversation



New competitors emerging



'Free from' food attracts premiums



The bok choy effect shapes global diets



Alternative proteins gain traction



The passion of the food producer wins

The global opportunity

- There are 183 private companies around the world that are valued at \$1B+
- Only two are listed as food and beverage

BREWDOG BEER

IT'S WHY WE'RE
HERE, AFTER ALL...

2007



2 EMPLOYEES + 1 DOG

1,050HL

BEER BREWED



2 SHAREHOLDERS



0 BARS

2015



540 EMPLOYEES + 1 DOG

134,000HL

BEER BREWED

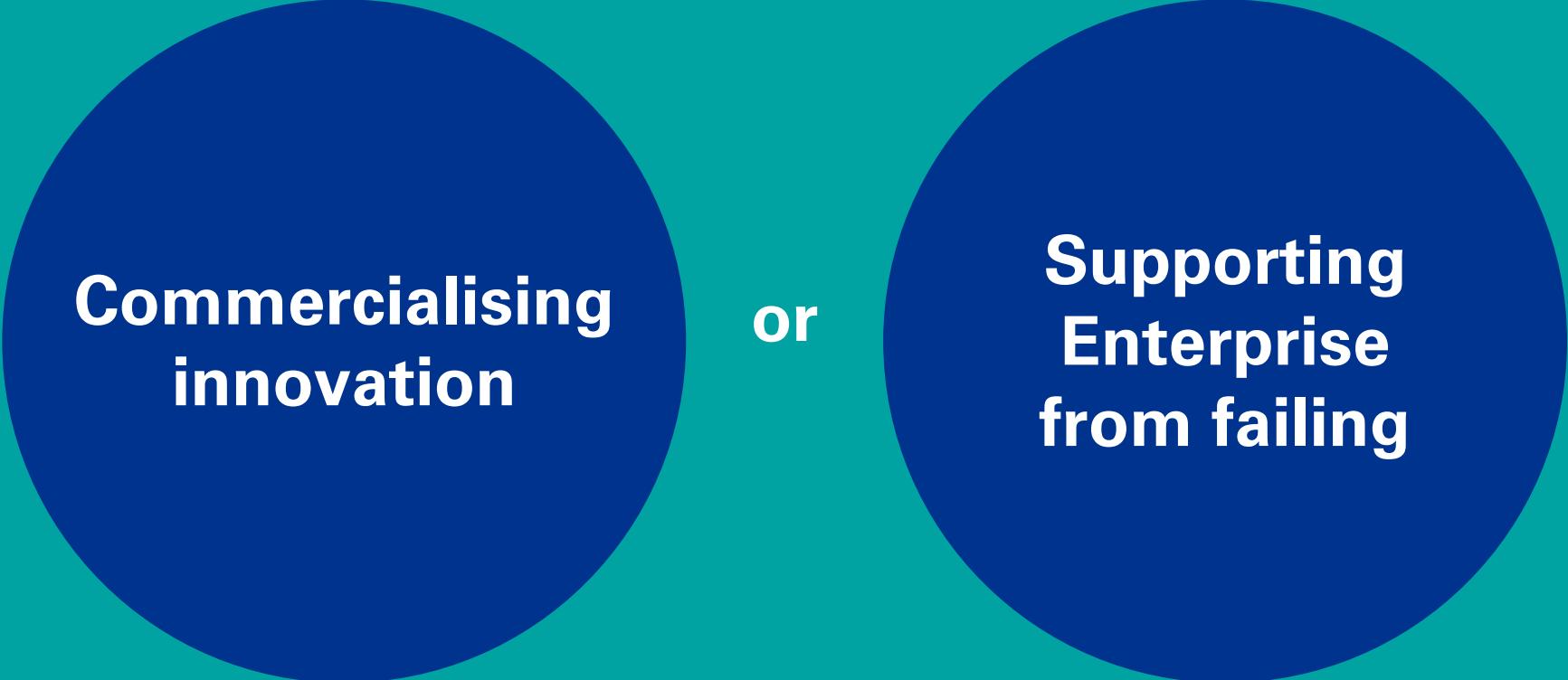


32,000 SHAREHOLDERS



44 BARS

So how do we help?



**Commercialising
innovation**

or

**Supporting
Enterprise
from failing**