



AGRICULTURAL SECTORS

As educated, affluent consumers, Australians are willing to try new products. The population has absorbed a growing number of newly arrived immigrants from all over the world who bring with them diverse dietary tastes. In addition, foreign travel is relatively common, especially by the generation now entering the work force, and these consumers have broadened their culinary horizons.

Australian demographics are similar to those in the United States, with a large number of two-income families and the consequent need for more processed and consumer-ready foods. Australian consumers are oriented toward the same factors that many U.S. consumers seek - freshness, wholesomeness and healthy lifestyles. To a large extent, they are prepared to pay extra for them.

Given Australia's large agricultural base, market prospects for U.S. food products are best in areas drawing on innovative products, economies of scale, and the U.S. position as a counter-seasonal supplier of fresh product (for information on food export restrictions into Australia, see Chapter 5). According to Global Trade Atlas data, total exports of U.S. food, forestry and fishery products to Australia in CY 2012 were valued at over US\$1.5 billion. The nature of agricultural products exported from the United States to Australia consists mainly of consumer-oriented and intermediate food products (US\$1.1 billion and US\$238 million respectively in CY 2012). Australia is the 9th largest market for U.S. exports of consumer oriented food products.

The United States faces stiff competition in this market from New Zealand, European and Canadian suppliers, as well as from specialty suppliers in other Asian countries. Domestic production is also well established and growing in product lines. Foreign investment in the Australian food sector is substantial, with many large multinational companies participating.

Best Product Prospects

- The **organic, healthy and natural products** market in Australia continues to grow rapidly. Although Australia is a large producer of organic raw products, it does not have the manufacturing capacity to satisfy demand for the processed segment. Prospects are excellent for organic and natural ingredients as well as consumer-ready processed foods and beverages. Examples of this are the **nutritious snacks** category which experienced an overall 8.8% rise in value in 2011 following a 5.8% rise in 2010. The 'adult' segment of this category experienced a value change of almost 22% in 2011 after a 16% rise in 2010.

The rice & grain cakes segment of the biscuits category also continues to experience good growth with a rise of almost 8% in value in 2011 following a 5.4% rise in 2010.

- **Gluten free** foodstuffs continue to grow in popularity. In 2011 this segment rose by over 85% in both grocery value & volume in the frozen food category alone. The value of frozen gluten free segment is \$24 million.
- **The iced tea** segment of the beverages category continues performing well, with overall growth by grocery value of 21% in 2011 after similar rises in 2009 & 2010 (28% & 14% respectively).
- **The energy drinks** segment also remains one of the best performing in the cold beverage category with value growth of over 24% in 2011 and 20% 2010. This segment is valued at \$280 million.
- The **mineral water** category grew by over 14% in 2010 and 6% in 2011 with the non-flavored segment showing the largest growth in 2011 (10%).
- In hot beverages, **roast pure coffee** was by far the best performer in 2011 with a rise in grocery value of 16%. Overall the **hot tea** segment was relatively stable except in the non-mainstream, flavored/health & premium categories, which grew by over 9.5% each.
- The value of the **spices** segment of the herbs & spices category grew by just over 8% in 2011 following growth of almost 11% in 2010. This segment is now valued at \$70 million overall.
- Elsewhere in the condiments category **'wet' recipe bases (sauces/marinades)** grew by 14% in value in 2011 after almost 23% growth in 2010. This segment is now valued at \$30 million.

Web links:

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