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Report Highlights:

Australia is a prosperous, industrialized nation with a stable economy that fosters an open and transparent trade and investment environment. This strong economic foundation supports its growing trade and economic ties with emerging Asian economies, the United States and Europe. The U.S.-Australia Free Trade Agreement further benefits American products, which Australian consumers view as both high-quality and good value. The United States accounted for US\$1.8 billion or 8 percent of Australia's total food and agriculture-related imports in 2025.

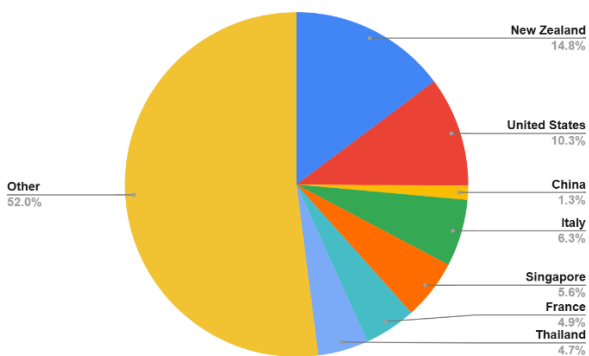
Market Fact Sheet: Australia

Executive Summary

Australia possesses a substantial economy, ranking 15th globally, and enjoys a high level of prosperity, evidenced by its high per capita GDP and second-highest median wealth per adult worldwide (UBS Global Wealth Report 2025). The U.S.-Australia Free Trade Agreement further benefits U.S. exporters by eliminating tariffs on many food products.

Consumer-Oriented Agricultural Imports

In 2025, Australia imported \$14.4 billion worth of consumer-oriented products with the United States' market share at 10 percent of the total imports (\$1.5 billion). New Zealand ranks as the top supplier of these imports to Australia with 15 percent of market share.



Source: Australian Bureau of Statistics

Food Retail Industry

Australian consumers are prioritizing value and convenience through greater use of price discounts, loyalty programs, and online purchases. The sector has boosted revenue through technology and efficiency. Supermarkets are leveraging private-label brands while facing growing pressure from discounters like Aldi and Costco. Market shifts are also reflected in changing consumer habits, including a decrease in demand for premium dairy and red meat in favor of products like eggs, and a growing preference for fresh produce over packaged goods.

Food Processing Industry

Australia's food processing industry is the largest manufacturing sector in the country. In 2023-2024, the sector grew 5 percent. This sector's turnover was US\$ 112 billion with most revenue generated by large companies.

Food Service Industry

The Australian foodservice sector is demonstrating resilience and innovation by overcoming rising costs and labor shortages through strategic adaptation. Capitalizing on consumer demand for unique, ethical, and high-quality experiences, the industry is transforming its operations. Despite current cost-sensitivity pushing consumers toward value-driven take out, the sector is rapidly adopting AI, automation, and advanced digital systems to boost efficiency and personalization. This technological focus ensures the industry is well-prepared to deliver both premium experience and efficient, value-focused service for sustained growth as the economy improves and consumption recovers.

Quick Facts CY 2025

Total Imports of Consumer Oriented Products - \$14.4 billion

Australia's Top Consumer-Oriented Growth Products

- | | |
|-------------------------------|----------------------------|
| 1) Chocolate & Cocoa Products | 6) Fruit & Vegetable Juice |
| 2) Dairy Products | 7) Eggs |
| 3) Coffee | 8) Distilled Spirits |
| 4) Tree Nuts | 9) Cut Flowers |
| 5) Fresh Fruit | 10) Food Preparations |

Food Industry by Channels (\$ billion)

Retail Food Industry (2024)	\$157.2
Food Service – HRI	\$40.9
Food Processing (2023-2024 latest available data)	\$112
Food and Agriculture Exports	\$52.4

Top Australian Food Retailers

- | | |
|-----------------------|------------------------------------|
| 1) Woolworths | 4) Metcash/IGA |
| 2) Coles (Wesfarmers) | 5) Costco |
| 3) Aldi | 6) Australian United Retailers Ltd |

GDP/Population

Population (millions): 27.7 (September 2025)
 GDP (billions USD): \$1,830
 GDP per capita (USD): \$65,946

Strengths/Weaknesses/Opportunities/Threats

Strengths	Weaknesses
- U.S. products have excellent image and acceptance. - Northern hemisphere seasonal advantage for fresh foods, e.g. fruit and vegetables.	- Australia has strict quarantine requirements for fresh products. Import permits are required for fresh produce and some products are prohibited. - Australian labeling and advertising laws are different from the United States, which may require some changes to food labels.
Opportunities	Threats
- The U.S./Australia Free Trade Agreement enables many U.S. products to enter Australia tariff free. - Australian consumers are experimental and desire new and innovative products.	- Most categories have substantial market leaders. - Country of origin labeling is compulsory, and many Australian-made products bear the "Australian Made" logo.

Data Sources: Trade Data Monitor, Australian Bureau of Statistics, Euromonitor, IBISWorld. Trading Economics
 Contact: FAS Canberra, Australia: AgCanberra@usda.gov

Section I. Market Overview

Americans and Australians enjoy a remarkably warm and enduring relationship, forged through a common heritage, culture, and language, and cemented by their support for each other in every significant international crisis over the past century.

As a prosperous, politically and economically stable, industrialized nation, Australia offers a robust environment for business. Its strengths include vast natural resources (agriculture and minerals), a highly skilled workforce, advanced legal and financial systems, and comprehensive physical and service infrastructure. This is all supported by cutting-edge internal and international transportation and telecommunications, fostering a diversified and thriving market.

Australia's robust economy supports an open and transparent trade and investment environment. This strong economic base also fosters significant trade and economic ties with developing economies, especially those in Asia. Australia has one of the highest levels of per capita GDP in the world and is ranked second for median wealth per adult, according to UBS's 2025 Global Wealth Report.

The Reserve Bank of Australia's (RBA) baseline forecast for the Australian economy indicates that domestic GDP growth is expected to slow down and remain below potential, due to a sharp rise in global energy and fuel prices driven by the current Middle East situation, a weaker near-term outlook for household consumption, and an expected higher path for domestic interest rates. Overall, year-ended GDP growth is expected to ease to 1.3% by December, down from the stronger finish seen at the end of last year.

The labor market has begun to show clearer signs of softening, with conditions easing somewhat as the economy slows below its potential. While underlying measures indicate the market remains relatively tight compared to historical baselines, intense worker shortages of previous years have significantly dissipated. Labor demand is expected to continue moderating, with the Reserve Bank forecasting the unemployment rate to gradually drift upward as higher interest rates and elevated global trade shocks weigh on private demand. The seasonally adjusted unemployment rate as of April 2026 rose to 4.5 percent.

As of mid-2026, Australia's population is estimated to have recently surpassed 28 million people, largely driven by a strong post-pandemic rebound in net overseas migration. Australia's population remains highly urbanized, with a significant concentration along the eastern and southeastern seaboard. The country continues to experience steady population growth, with projections suggesting it is tracking to exceed 30 million within the next few years. The continent's center is flat, dry, mineral-rich, and largely unpopulated, while the coastal areas are wet, mountainous, and densely forested. The interior plains are rich and fertile, supporting great varieties of agriculture.

Australia has an internationally competitive agricultural sector that exports around 80 percent of its output. The Australian manufacturing sector has recently experienced some rebalancing in sectors, products, technologies, and supply chains in response to long-term local and global shifts.

Apart from a stringent quarantine regime, Australia offers few barriers to entry, a familiar legal and corporate framework, and a sophisticated yet straightforward business culture. While it is important to understand and appreciate Australia's cultural differences, the long and successful history of U.S. firms suggests that other U.S. companies will also find this market rewarding and attractive.

The society is increasingly multi-cultural, with the traditional Anglo-Celtic majority joined by immigrants from Southern and Eastern Europe, the Middle East, Latin America, and Asia. This population mix influences cultural diversity and results in vibrant restaurant and food processing industries.

Advantages	Challenges
U.S. culture well accepted and similar to Australia.	Australia has strict quarantine requirements for fresh products. Import permits are required for fresh produce and some products are prohibited
No language barriers.	Australia is a significant producer of a similar variety of agricultural products.
U.S. products have excellent image and acceptance.	Australian labeling and advertising laws are different from the United States which may require some changes to food labels.
Northern hemisphere seasonal advantage for fresh foods, e.g., fruit and vegetables.	"Buy Australian" campaign is significant.
The U.S./Australia Free Trade Agreement enables most U.S. products to enter Australia tariff free.	A focus on purchasing fresh local food by many restaurants and cafés provides advantages to local producers and suppliers.
Australian consumers constantly seeking new tastes and cuisines	
Strong dining out culture provides opportunities to supply the consumer foodservice sector with new products.	

Section II. Exporter Business Tips

Educated and affluent Australian consumers are willing to try new products. With such a diverse population from varying countries, there is a wide range of dietary tastes and preferences. In addition, foreign travel is relatively common, and these consumers have broadened their culinary horizons. Australian demographics are like 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, Australian consumers are prepared to pay extra for quality.

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 products. The United States faces competition from New Zealand, European, and Canadian suppliers, and specialty suppliers in 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 playing an integral role in the sector's growth.

Generally, doing business in Australia is more straightforward for U.S. exporters than in other foreign markets. Culture, language, and business practices are remarkably similar. Subtle cultural differences do exist, however, that can either invigorate or undermine a business relationship. In their dealings, Americans and Australians are wise to take the time and effort to confirm that their perceptions about roles and expectations are consistent with those of their counterparts. Depending on the product or service, Australian agents/distributors expect support from their U.S. suppliers, including training, advertising, and promotion. Timely delivery of goods is expected and is rarely a problem, as major U.S. freight forwarders have offices in Australia. Air and sea freight are highly reliable.

The Australian market requires that companies be price competitive, expect lower profit margins, and anticipate sales of smaller quantities. In addition to Australian domestic supply, products from all over the world are represented in this market, where sellers and end-users search for something new. It is important for U.S. companies to adapt their pricing to the local market, which is active and highly competitive. To structure prices competitively, suppliers must consider all the cost elements imported products must bear. The key factors are freight rates, handling charges, Goods and Services Tax (GST), marketing costs, such as advertising and trade promotion, and agent or distributor commissions. U.S. exporters should note that sea freight rates from the United States to Australia are higher than those from Asia and Europe.

The cost of living is generally higher in Australia, coupled with higher wages. Australian wholesalers and retailers traditionally have sought the highest markup the market would absorb rather than thinking of volume buying or selling. Suppliers must be able to deliver quality products or services at attractive prices. To compete successfully, exporters should consider granting maximum wholesale discounts, considering what may seem a small transaction to the U.S. exporter appears as a major order to an Australian buyer.

Agents/distributors are key components in developing exports of U.S. consumer-ready foods to Australia. FAS Canberra recommends that exporters enter the market through a distributor, importer, agent, or broker who understands the Australian market and targets specific food categories or merchandise managers at major wholesalers and supermarket chains. U.S. exporters may also approach specialist distributors or wholesalers.

Section III: Import Food Standards and Regulations/Import Procedures

Australia has strict food standards and labeling requirements, set out in the [Australia New Zealand Food Standards Code](#). If U.S. products meet these standards, they may have good market potential in Australia.

The [Food and Agriculture Import Regulations and Standards](#) (FAIRS) Country Report for Australia contains detailed information on Australia's food standards, labeling requirements, import regulations, etc.

Exporters should also work closely with their importers/distributors to meet all requirements before any product is shipped.

Australia also has stringent sanitary and phytosanitary standards, which impede the import of many fresh food products. The Australian Department of Agriculture, Fisheries and Forestry (DAFF) maintains an online database, [BICON](#), which includes import conditions for all agricultural products coming into Australia. U.S. exporters should utilize this database to ensure they can meet all the relevant quarantine conditions.

Food safety and plant and animal health import regulations are available on the DAFF site at: <https://www.agriculture.gov.au/biosecurity-trade/import> or through links in the FAIRS report mentioned above.

Section IV. Market Sector Structure & Trends

Retail Food Sector

Australian consumers are prioritizing value and convenience, compelling retailers to become more competitive by focusing on price, loyalty programs, and online sales. Despite facing inflationary pressures with significant price rises in food and beverages, the sector has boosted revenue through technology and efficiency. Consumers are feeling the pinch, with a large portion of households experiencing higher prices for staples like dairy and vegetables. To combat this, supermarkets are leveraging private-label brands while facing growing pressure from discounters like Aldi and Costco.

Recent government findings have highlighted a need for greater transparency in the market, as supermarket profits remain high while other parts of the supply chain struggle. These market shifts are also reflected in changing consumer habits, including a decrease in demand for premium dairy and red meat in favor of eggs, and a growing preference for fresh produce over packaged goods. For more information, please see the latest [Retail Food Sector](#) report.

Food Processing Ingredients Sector

Australia's manufacturing sector is dominated by food, beverage, and grocery production, currently generating one-third of the nation's total manufacturing activity. According to the Australian Food and Grocery Council, the sector grew by 5 percent during the 2023-24 period reaching US\$112 billion. This sector is experiencing strong growth, largely driven by surging demand for high-quality, sustainable, and healthy products. For more information, please see the latest [Food Processing Ingredients Sector](#) report.

Food Service Sector

The Australian foodservice sector is demonstrating resilience and innovation by overcoming rising costs and labor shortages through strategic adaptation. Capitalizing on consumer demand for unique, ethical, and high-quality experiences, the industry is transforming its operations.

Despite current cost-sensitivity pushing consumers toward value-driven take out, the sector is rapidly adopting AI, automation, and advanced digital systems to boost efficiency and personalization. This technological focus ensures the industry is well-prepared to deliver both premium experiences and efficient, value-focused service for sustained growth as the economy improves and consumption recovers. Opportunities for U.S. exporters exist in consumer-oriented products, particularly pork, dairy products, distilled spirits, snack foods, bakery goods, and confectionary products. The Australian consumer foodservice industry was valued at A\$65 (USD \$43) billion in 2024. Food and non-alcoholic beverage price inflation averaged 3 percent for much of 2024. For more information, please see the latest [Food Service - Hotel Restaurant and Institutional Industry](#) report.

Market Trends

Wellness and Nutrition: The broad "better for you" wellness wave of previous years has evolved into a more hyper-targeted, function-first formulation. Manufactures are increasingly incorporating ingredients such as botanicals, amino acids, fiber, vitamins and nutraceuticals to deliver health benefits. Protein innovation has taken off this year with food and beverage manufacturers adding protein to everyday items such as coffee, chips, cereal and more. This is driven by the desire of consumers to retain muscle during weight loss and optimize health.

Social Experiences, Reshaping Consumption: Changing lifestyles are redefining how and where food and beverages are consumed. Consumers prefer more casual experiences with coffee shops, picnics or home gatherings. At the same time, demand for non-alcoholic and functional drinks is rising as consumers strive for a better balance between socializing and health. Food and beverage brands are focusing on intentional innovation by centering product development on purpose, restraint and evidence-backed functionality.

Redefining Value: Driven by economic pressures, Australians are redefining value by balancing budget-conscious habits with occasional premium splurges. This has given rise to a "two-speed" dining trend, where consumers opt for affordable, high-concept street eats and smartly engineered staples during the week, but willingly pay a premium for highly memorable, unique experiences on weekends.

Sensory Overload: Australian savory tastes are shifting toward bold, multi-textured, and highly distinct flavors. Consumers are moving away from generic culinary labels and seeking "specific authenticity," favoring hyper-localized regional street foods and complex, umami-driven seasoning profiles like Korean BBQ, teriyaki, and chicken karaage. This craving for high-impact sensory experiences is heavily supported by smoky depths, intense heat, and viral flavor combinations like sweet and spicy.

Section V. Agricultural and Food Imports

Key U.S. Agricultural Products to Australia (Million USD\$)

Product Category	2021	2022	2023	2024	2025	% Change 2024-2025

Dairy Products	162.0	216.3	182.8	173.9	320.2	+85%
Pork and Pork Products	162.0	118.1	233.6	327.8	281.0	-14%
Distilled Spirits	113.8	156.8	151.9	130.6	137.8	+6%
Dog and Cat Food	93.4	127.7	89.5	106.4	104.6	-2%
Fresh Fruit	88.1	89.4	85.3	88.9	894.8	+8%
Food Preparations	121.2	114.8	94.9	81.0	85.1	+5%
Processed Fruit	59.1	53.0	47.9	54.1	59.4	+11%
Non-Alcoholic Beverages (excluding Juices)	28.7	36.5	44.9	45.8	54.8	+20%
Bakery Goods, Cereals and Pasta	45.2	51.5	52.8	59.2	53.4	-10%
Processed Vegetables	53.9	45.0	60.1	53.2	51.1	-4%
Tree Nuts	55.9	52.1	45.6	48.8	49.7	+2%
Chocolate and Cocoa Products	40.1	44.7	47.3	46.9	45.7	-3%
Condiments and Sauces	43.5	58.9	45.9	30	28.4	-5%
Confectionery	19.4	18.0	19.7	24.7	25.3	+2%
Fresh Vegetables	10.5	11.1	8.8	9.1	9.7	+7%
Wine & Related Products	8.1	16.2	9.4	9.9	8.8	-11%
Beer	3.7	1.7	1.0	0.9	1.6	+72%

Source: GATS/FAS

Trade statistics can be obtained at the publicly available USDA/FAS Global Agricultural Trade System ([GATS](#)).

Best High-Value Consumer Oriented Product Prospects

- **Dairy Products:** cheese, whey, ice cream
- **Distilled Spirits:** whisky, vodka, gin
- **Processed Products:** snack foods, bread, pastry, mixes, and doughs
- **Confectionary:** candy, chocolate, biscuits

Australia's Top Ten Imported Consumer-Oriented Agricultural Products

Product	2025 Value (Million USD\$)	Top Country
Dairy Products	1,763	New Zealand
Soup & Other Food Preparations	1,707	Singapore

Bakery Goods, Cereals, and Pasta	1,618	Italy
Chocolate & Cocoa Products	1,383	Malaysia
Processed Vegetables	992	Italy
Processed Fruit	701	China
Distilled Spirits	691	United Kingdom
Pork & Pork Products	649	United States
Wine & Related Products	641	France
Condiments & Sauces	577	Thailand

Australia's Fastest Growing Imported Consumer-Oriented Agricultural Products

The fastest-growing imported consumer-oriented agricultural products based on value (Million USD\$) during 2021-2025 are:

- Chocolate & cocoa (+96 percent)
- Coffee, roasted and extracts (+39 percent)
- Chewing gum and candy (+35 percent)
- Processed vegetables (+33 percent)
- Dairy products (+32 percent)

Section VI. Key Contacts & Other Information

Office of Agricultural Affairs

U.S. Embassy

Canberra, Australia

Tel: +61-2-6214-5854

Email: AgCanberra@fas.usda.gov

Food Standards Australia New Zealand

Email: info@foodstandards.gov.au

Web: <http://www.foodstandards.gov.au/>

Food & Beverage Importers Association

Email: info@fbia.org.au

Web: <http://www.fbia.org.au>

Attachments:

No Attachments