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**Report Highlights:**

Australia is a prosperous and industrialized nation with a stable economy. The country's strong economy underpins its open and transparent trade and investment environment and trade and economic links with emerging economies, particularly in Asia. The U.S. - Australia Free Trade Agreement provides some advantages for U.S. products, which Australian consumers regard as high quality and of good value. The United States accounted for US\$1.3 billion or 10 percent of Australia's total food and agriculture-related imports in 2023.

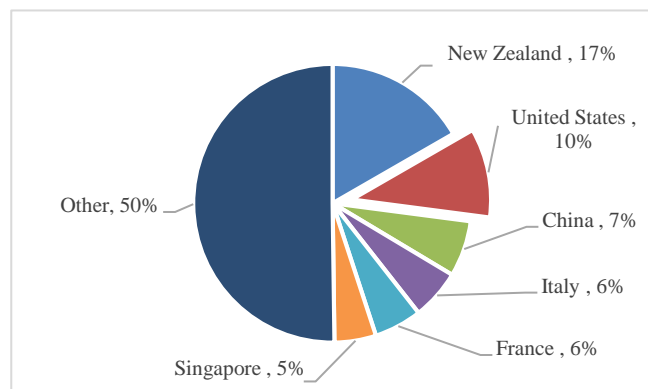
# Market Fact Sheet: Australia

## Executive Summary

Australia is the world's 14th largest economy. It 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 2023 Global Wealth Report. The U.S. - Australia Free Trade Agreement provides advantages for U.S. products as tariff rates for many U.S. food products exported to Australia are zero.

## Consumer-Oriented Agricultural Imports

In 2023, Australia imported \$12.3 billion worth of consumer-oriented products with the United States' market share at 10 percent of the total imports (\$1.3 billion). Most of Australia's imports in this sector are sourced from New Zealand, which has 17 percent of the market share.



Source: Australian Bureau of Statistics

## Food Retail Industry

Supermarket and grocery expenditures account for the bulk of food retailing purchases, with a share of 67 percent. In 2022, profit margins in supermarkets rose by 4.2 percent. Australia's food retail sales reached US\$137.6 billion in 2023. For more information, please see the [Retail Foods](#) report.

## Food Processing Industry

Australia's food processing industry is the largest manufacturing sector in the country. It comprises over 16,000 enterprises and employs over 272,000 people. The sector's revenue is mainly generated by large companies. The food manufacturing turnover for 2021-2022 was US\$ 95.1 billion. For more information, please see the [Food Processing Ingredients](#) report.

## Food Service Industry

Due to the rapid growth of inflation and increased cost of living, the momentum the foodservice industry gained in 2022, was halted in 2023. The Australian consumer foodservice industry was valued at US\$39 billion in 2023. Consumers choose to dine out at cheaper locations such as limited-service and fast-casual restaurants instead of full-service restaurants, which are typically more expensive. For more information, please see the [Food Service Report](#), updated report to be released December 2024.

## Quick Facts CY 2023

**Total Imports of Consumer Oriented Products - \$12.3 billion**

### Australia's Top Consumer-Oriented Growth Products

- |                               |                        |
|-------------------------------|------------------------|
| 1) Pork & Pork Products       | 6) Dog & Cat Food      |
| 2) Dairy Products             | 7) Processed Fruit     |
| 3) Distilled Spirits          | 8) Coffee              |
| 4) Bakery Goods               | 9) Chewing Gum & Candy |
| 5) Chocolate & Cocoa Products | 10) Wine               |

### Food Industry by Channels (\$ billion)

Retail Food Industry	\$137.6
Food Service – HRI	\$39
Food Processing (2021-2022 latest available data)	\$95.1
Food and Agriculture Exports	\$50.3

### 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): 26.6  
 GDP (billions USD): \$1.7  
 GDP per capita (USD): \$60,993

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>U.S. products have excellent image and acceptance.</li> <li>Northern hemisphere seasonal advantage for fresh foods, e.g. fruit and vegetables.</li> </ul>	<ul style="list-style-type: none"> <li>Australia has strict quarantine requirements for fresh products. Import permits are required for fresh produce and some products are prohibited.</li> <li>Australian labeling and advertising laws are different from the United States, which may require some changes to food labels.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>The U.S./Australia Free Trade Agreement enables many U.S. products to enter Australia tariff free.</li> <li>Australian consumers are experimental and desire new and innovative products.</li> </ul>	<ul style="list-style-type: none"> <li>Most categories have substantial market leaders.</li> <li>Country of origin labeling is compulsory, and many Australian-made products bear the "Australian Made" logo.</li> </ul>

**Data Sources:** Trade Data Monitor; Australian Bureau of Statistics; Euromonitor; IBISWorld; Trading Economics

## Section I. Market Overview

Americans and Australians have a warm relationship that spans the history of both nations. They share a common heritage, culture, and language and have supported each other in every major international crisis of the past century.

Australia is a prosperous, politically, and economically stable, industrialized nation. It enjoys an enormous natural resource base of agriculture and minerals, a highly developed human resource base, modern legal and financial systems, and a physical and service infrastructure to support complex businesses and industries. Its state-of-the-art transportation and telecommunications systems (both internal and international) also support a well-developed and economically diversified market.

Australia's strong economy underpins its open and transparent trade and investment environment, and its trade and economic links with emerging economies, particularly 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 2023 Global Wealth Report.

The Reserve Bank of Australia (RBA) expects year-average GDP growth to ease throughout 2024. From late 2024, growth is expected to pick up gradually as inflation declines and the pressures on household incomes ease. Inflation continues to be moderate and is expected to return to the target range of 2–3 percent in 2025 and reach the midpoint in 2026.

The labor market is very tight, with many employers needing help finding workers. It is forecasted to remain tight throughout 2024 but less tight than in 2022 and 2023. The unemployment rate as of April 2024 is 4 percent.

[Australian Bureau of Statics](#) states Australia's population was 26.8 million as of September 2023, up 659,800 (2.5%) from the previous year. Of that increase, 111,000 was from annual natural increase (births minus deaths), and 548,800 was from overseas migration. Australia is one of the most urbanized societies in the industrialized world, even though its land mass is the size of the continental United States. Of its 26 million people, more than 85 percent live in the large urban areas of Sydney, Melbourne, Adelaide, Brisbane, and Perth and smaller cities and towns within 50 kilometers of the coast. 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 70 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.

### Latest Trends

**Affordable Nutrition:** With the rising cost of food and beverages, consumers are looking for simple, nutritious, and affordable goods. Price and value for money are the driving forces for consumers in 2024, while still seeking new experiences and ensuring personal well-being.

**Sustainability:** Consumers increasingly prioritize sustainability practices, while industry leaders are focusing on developing innovative reusable products and incorporating more eco-friendly materials. This trend has increased interest in transparency, health, sustainability, and waste.

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 similar to 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 participating.

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**

Health, well-being, and the environment remain key purchasing factors for Australian consumers. Portion sizes are increasingly important as consumers want quality over quantity and expect packaging to be informative and environmentally responsible. The value of Australian consumer-oriented products, fish and seafood imports totaled US\$14.0 billion in 2023. The United States accounted for US\$1.3 billion or 10 percent of Australia's total food-related imports. Most of Australia's imports in these sectors are sourced from New Zealand, and the United States is the second largest supplier. For more information, please see the latest [Retail Food Sector](#) report.

#### **Food Processing Ingredients Sector**

Australia's food, beverage, and grocery sectors contribute to a third of all business activity in the manufacturing landscape. According to the Australian Food and Grocery Council, in 2021-22, this sector experienced a seven percent growth in turnover, reaching US\$95.1 billion. Australia's total food processing ingredients imports for 2023 totaled \$13.2 billion, with the United States accounting for US\$1.1 billion. For more information, please see the latest [Food Processing Ingredients Sector](#) report.

#### **Food Service Sector**

The Australian consumer foodservice industry is valued at A\$58.5 (US\$39) billion. Australia’s commercial foodservice sector is a competitive market, and with an ageing population, the institutional foodservice sector (aged care, hospitals, etc.) continues to grow. For more information, please see the latest [Food Service - Hotel Restaurant and Institutional Industry](#) report.

### Market Trends

**Redefining Value:** Consumers are searching for affordable goods that align with their beliefs. Throughout 2022 and 2023, price and value for money have been on the top of consumer’s priorities. Australian consumers are choosing lower-price items such as private labels, reducing luxury spending, and cooking at home more often.

**Sustainability & Packaging:** Australian consumers have become more conscious about what they eat and where it comes from. The health of the planet has become a worldwide concern. Packaging has grown in importance in recent years, and innovative packaging is a valuable selling point in the Australian market. Packaging ensures that offerings conform to market trends by communicating unique selling points and offering freshness and convenience. By being lightweight, packaging can reduce the product’s carbon footprint. Increasingly, consumers expect that packaging will also be recyclable. Studies have found that half of Australians think food and drink products are over-packaged, and three-quarters would consider boycotting a product if it didn’t meet their environmental criteria. The [Australian Packaging Covenant](#) is a national regulatory framework that sets out how governments and businesses across Australia share the responsibility for managing the environmental impacts of packaging.

**Positive nutrition:** The drive to make food and beverages healthier continues to gain momentum in Australia. Australian consumers want to avoid being told what not to eat and instead look for more constructive guidance to assist their food and beverage purchases. This encompasses a movement from food avoidance (such as products with reduced fat and sugar) to positive nutrition and the inclusion of healthy food and ingredients.

**Healthy Indulgence:** There has been a spike in people trying to control their portion sizes. They don’t want to cut out certain food groups or flavors but are willing to control their food intake. Therefore, the quality over quantity mentality is an important consideration for marketers. Claim terms such as “portioned indulgence” or “treat size” convey that sensory benefits have not been foregone for health.

## Section V. Agricultural and Food Imports

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

Product Category	2019	2020	2021	2022	2023	% Change 2022-2023
Dairy Products	151.3	174.7	162.0	216.3	182.8	-15
Distilled Spirits	108.6	127.8	113.8	156.8	151.9	-3
Pork and Pork Products	288.8	174.7	162.0	118.1	233.6	+98
Dog and Cat Food	87.7	84.4	93.4	127.7	89.5	-30

Soup & Other Food Preparations	121.7	120.8	135.3	132.1	111.7	-15
Fresh Fruit	98.8	95.4	88.1	89.4	85.3	-5
Fresh Vegetables	13.1	8.5	10.5	11.1	8.8	-20
Condiments and Sauces	42.4	38.1	43.5	58.9	45.9	-22
Tree Nuts	93.8	74.6	55.9	52.1	45.6	-12
Processed Fruit	59.4	57.7	59.1	53.0	47.9	-10
Bakery Goods, Cereals and Pasta	46.2	48.3	45.2	51.5	52.8	+3
Chocolate and Cocoa Products	41.8	38.1	40.1	44.7	47.3	+6
Processed Vegetables	61.0	47.5	53.9	45.0	60.1	+33
Non-Alcoholic Beverages (excluding Juices)	26.7	37.4	28.7	36.5	41.6	+14
Wine & Related Products	5.1	7.1	8.1	16.2	9.4	-42
Beef and Beef Products	1.1	0.06	0.77	2.3	4.7	+102

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
- Fresh Fruit: grapes, oranges, kiwi fruit
- Processed Products: snack foods, bread, pastry, mixes, and doughs

### Australia's Top Ten Imported Consumer-Oriented Agricultural Products

Product	2023 Value (\$M USD)	Top Country
Dairy Products	1,587	New Zealand
Soup & Other Food Preparations	1,488	Singapore
Bakery Goods, Cereals, and Pasta	1,381	New Zealand
Processed Vegetables	965	Italy
Distilled Spirits	665	United Kingdom
Wine & Related Products	676	France
Chocolate & Cocoa Products	695	Singapore

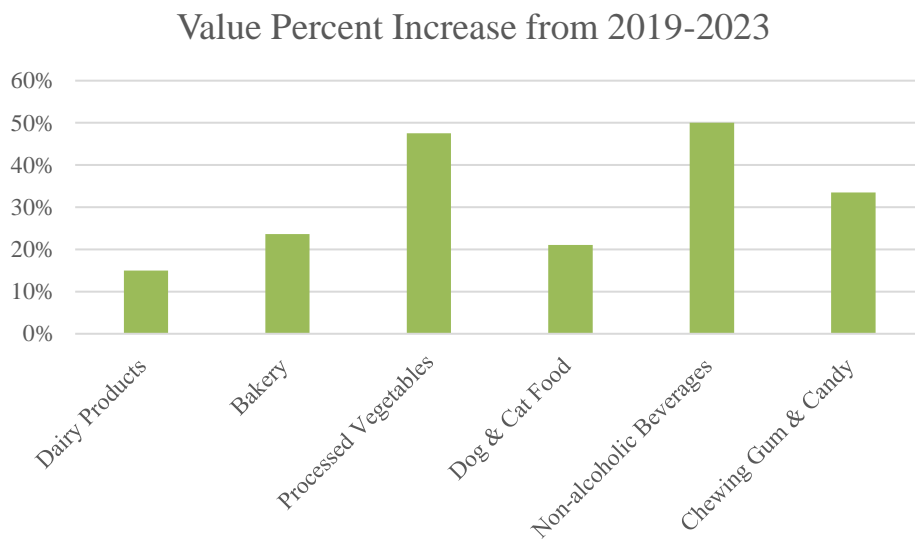


Processed Fruit	578	Chile
Pork & Pork Products	556	Denmark
Condiments & Sauces	493	Thailand

### Australia’s Fastest Growing Imported Consumer-Oriented Agricultural Products

The top fastest-growing imported consumer-oriented agricultural products based on value (US\$M) from 2019-2023 are:

- Non-alcoholic beverages
- Processed Vegetables
- Chewing Gum & Candy
- Bakery Goods, Cereals and Pasta
- Dog & Cat Food
- Dairy Products



Source: TDM

## **Section VI. Key Contacts & Other Information**

### **Office of Agricultural Affairs**

U.S. Embassy

Canberra, Australia

Tel: +61-2-6214-5854

Email: [AgCanberra@usda.gov](mailto:AgCanberra@usda.gov)

### **Food Standards Australia New Zealand**

Email: [info@foodstandards.gov.au](mailto:info@foodstandards.gov.au)

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

### **Food & Beverage Importers Association**

Email: [info@fbia.org.au](mailto:info@fbia.org.au)

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

**Attachments:**

No Attachments