

The Food and Beverage Market Entry Handbook: Australia:

**a Practical Guide to the Market in Australia for European Agri-food
Products**



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1 The Food and Beverage Market Entry Handbook: Australia

This Handbook is intended to act as a reference for those agri-food producers planning for, or in the process of entering, the Australian market. This Handbook provides **step-by-step guides** on entering the agri-food market in Australia including relevant information such as **analysis of the Australian market** for different product categories, **market access** and **market entry procedures**, **IP protection**, **referrals to professional buyers** and a signposting and referral system providing useful contacts and ways to penetrate the Australian market.

How to use this handbook

Depending on your stage of market entry, company profile, and product range, different sections within this handbook will be helpful to a different extent for your business strategies.

For those wishing to learn more about the Australian food and beverage market in general, section 2 provides a general country overview; section 3 provides an overview of the agri-food market; and section 4 an overview on market entry. These latter two sections contain information on: the food and beverage market, market access procedures, customs procedures, SPS and labelling requirements, intellectual property protection, including the status of geographical indications. The information contained within these sections is of a general nature and so may not be relevant for those in the more advanced stages of market entry.

If you want to find out more information relevant for your product, then check out the **Market Snapshots for Selected Products** (section 5). This content illustrates the market situation, market access procedures, SPS requirements etc. specific for this product or product category. This information will provide more industry specific information to consider as part of any market entry or market expansion strategies.

If you already have decided that the Australian market is where you want to be, but you need some support, then the **Support Services Directory** can point you in the right direction. Contact information for a service provider, business facilitation support organisation, or from a business contact, could help put you in touch with the right parties who can help you to build your brand in the Australian market.

2 Country introduction and overview



Capital:	Canberra
Population:	25.7 million
Area:	7.7 million km ² (3 million sq. mi.)
Political structure:	Democratic, federal-state system recognizing the British monarch as sovereign
Major languages:	English (official)
Major religions:	Anglican 20%, Roman Catholic 26%, other Christian 21%, other non-Christian 5%, no religion 15%
Life expectancy:	80 years (men), 84 years (women)
Currency:	Australian dollar (AUD); 1 EUR = 1.57 AUD
GDP growth (real):	-6.7% (2020), 1.8% (2019)
Exports:	21.8% of GDP (2019)
Imports:	21.4% of GDP (2019)
Main exports*:	Metalliferous ores and metal scrap (29%); coal, coke and briquettes (15%); gas (7%); food and live animals (14%)
Main imports*:	Machinery and transport equipment (40%); petroleum (11%); manufactured goods (12%); chemicals and related products (10%)
Unemployment rate:	6.6% (December 2020)
Labour force:	74.6% (March 2020)
Main industries:	Agriculture: 2.1% of GDP Industry: 25.2% of GDP Services: 66.1% of GDP
Average household income (2019):	EUR 94 154
Household expenditure on food and beverages (2019):	EUR 8 372
Food and beverage market size (2019):	EUR 79bn

Sources: Euromonitor International: Economies and Consumers, 2021; IMF; UN, World Bank; WHO, OECD. * Goods only listed

2.1 Country overview: Australia at a glance

2.1.1 Past economic and political trends

- *Indigenous Australians conducted trade within Australia well before 1770, via routes that criss-crossed the country.*
- *In colonial times, the United Kingdom was by far Australia's most prominent trading partner. In the 1880s, the UK was the source of 70 per cent of Australia's imports and the destination for up to 80 per cent of exports.*
- *From the late 1980s exports of services also grew strongly, with Personal travel services (both education-related and other personal) and Business services becoming major exports.*
- *Reflecting political and social ties of the time, Australia's largest merchandise export market was the United Kingdom for the period 1901 to 1944-45, excluding the year 1941-42. In that year, the United States was Australia's most important market.*

Australia has a long history with indigenous Australians believed to have arrived on the island around 50 000 years ago. The history of more modern Australia starts in the 17th century with exploration by Europeans and ultimately colonisation in the 18th century by the UK. Efforts for a separate federation gathered pace through the 19th century and ended with its establishment in 1901.

The composition of Australia's trade has changed significantly since the beginning of the 20th century. Australia's openness to the world economy, in terms of two-way trade, was in gradual decline from 1900 up to the end of the Second World War but rose rapidly after the Second World War.

After the Korean War boom Australian government policy was concentrated on promoting domestic industry capability. This led to the two-way trade ratio falling to between 25 and 30 per cent of GDP during the 1960s and 1970s. This downward trend in the ratio was reversed during the 1980s with deregulation (including floating of the dollar in 1983) and the opening up of the Australian economy to the world. A general decline seen until the Second World War, with the imports ratio in particular affected by the Great Depression with the ratio falling to a record low of 7.4 per cent in 1931-32. During the Second World War the export ratio declined further than the import ratio. After the Second World War both ratios (in terms of goods and services) rose rapidly to peak during the Korean War boom.

2.1.2 Current economic situation and mid-term outlook

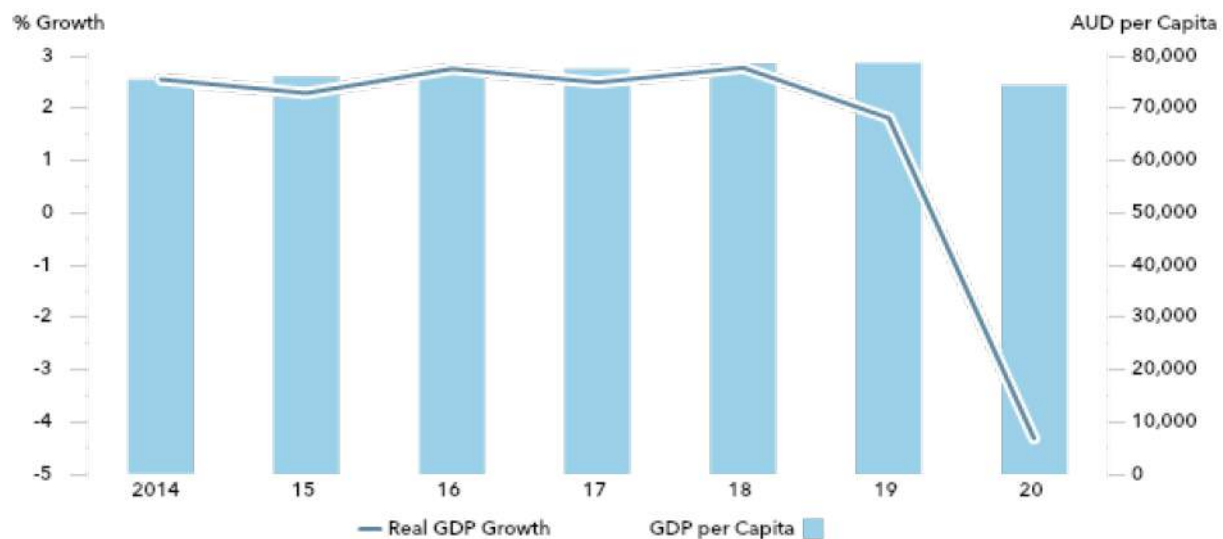
- *Traditionally, Australia is an importer of finished goods. Its industrialisation is fairly recent, a fact which explains the small scale of its manufacturing sector.*
- *The key turning point for the Australian economy was the change that swept through the global economy in mid-September 2008.*
- *Australia is the world's largest producer of iron ore, gold and uranium, and became the world's largest LNG exporter in 2020 ahead of Qatar.*

Australia is a vast agricultural country and one of the world's main exporters of wool, meat, wheat and cotton. Australia's import performance over the first half of the 20th century was concentrated on intermediate and capital goods. The major source for these imports was the United Kingdom, though the United States became more important, especially during the Second World War.

The Australian economy experienced 26 years of uninterrupted economic growth. It was the only OECD country that did not enter into recession during the financial crisis of 2007-2008, holding one of the highest growth rates of the developed world. In 2021, Australia is the world's 13th largest economy. Under the global effect of the COVID pandemic, its GDP growth amounted to -4.2% in 2020 (Figure 2-1). The economy continues to be driven by business and government spending, while households and the consumer sector struggle amid low wages growth. The country also benefits from large-scale exports of agricultural products and a vigorous financial sector.

The Government is seeking to increase national appeal relative to its Asian competition in international trade. At the same time, to boost the economy, Australia is increasing its economic integration with the Asia-Pacific region and Europe, with which it has signed trade agreements while maintaining preferential relations with the United States. Australia's economy is increasingly dependent on China - even more now that the free trade deal between the two countries came into effect. In 2021, the country's most immediate challenge is related to the economic, social and public health impacts of the COVID-19 pandemic.

Figure 2-1: Real GDP Growth and Per Capita GDP in Australia: 2014-2020



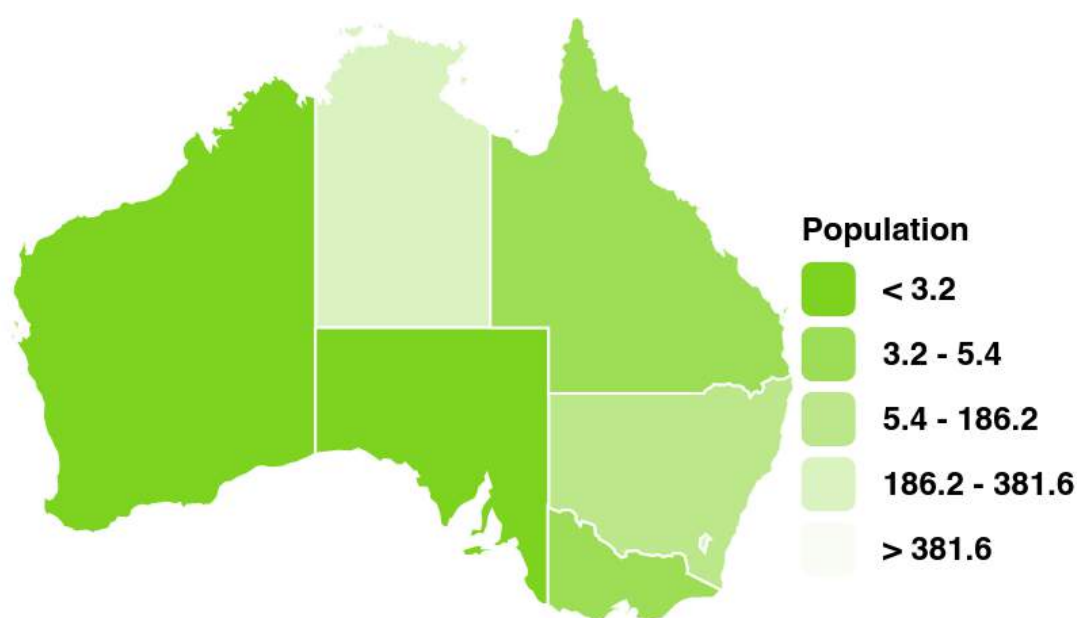
Note: Data for 2020 is forecast. GDP per capita are in constant 2019 prices

Source: Euromonitor International: Economies and Consumers, 2021

2.1.3 Populations trends

- *Australia's population has grown older over time. The share of people aged 65 and over increased from 11 per cent on 30 June 1989 to 16 per cent by 30 June 2019. The median age increased from 32 to 37 years over the years.*
- *Just over two-thirds of the overall population lives in major cities.*
- *Australia's female and male life expectancies at birth are some of the best in the world at 84.9 years for women and 80.7 years for men, based on the Australian Bureau of Statistics' 2016-18 Life Tables. Over the past decade, life expectancy at birth increased by 1.5 years for men and 1.2 years for women.*
- *Historically, the capital cities have attracted a larger share of net overseas migration than the rest-of-state areas. Given overseas migrants tend to be, on average, younger than the overall population of Australia, capital city populations tend to be younger and also age more slowly relative to the rest-of-state areas.*

Figure 2-2: Australian states by population



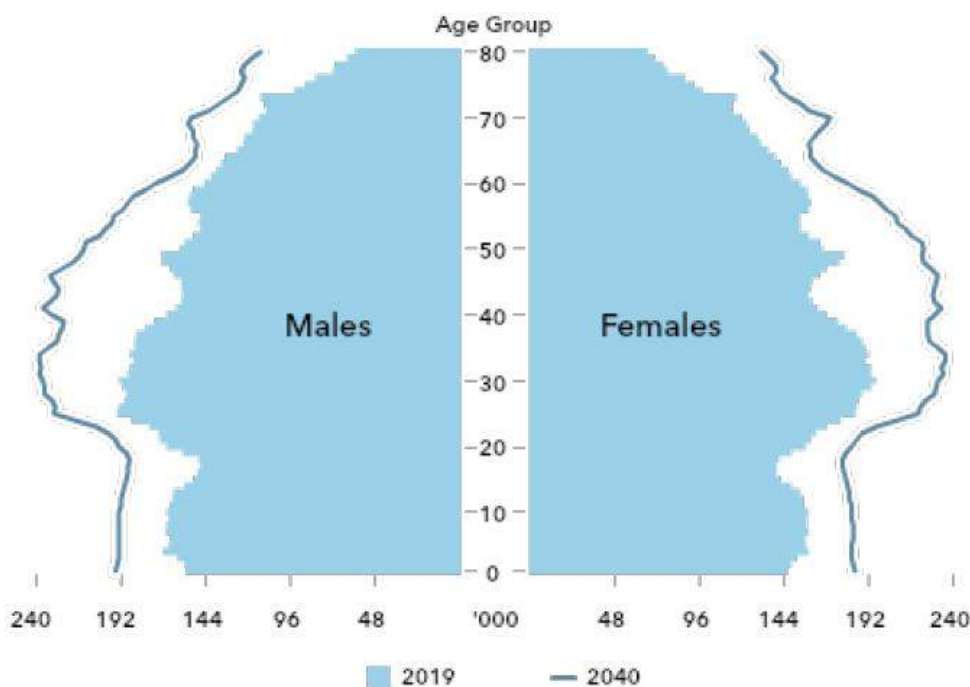
Source: Agra CEAS based on various

Despite the country's large geographical size, Australia's population is highly urbanised, with around 85% living in urban areas and most notably in major cities. Perth, Melbourne and Adelaide have consistently increased their share of the state's population. In 2018-19, Perth had 80 per cent of its state population, Melbourne had 77 per cent and Adelaide had 78 per cent. Sydney increased its share of the New South Wales population over the period after experiencing small reductions until 1994-95. Brisbane grew from

48 to 49 per cent of the Queensland population. Overall, from 1980s, state capital cities increased from 65 per cent of Australia's population to 68 per cent.¹

Australia's average annual population growth rate over the last 30 years has been 1.4 per cent per year. The contributions from each of the national components of change — natural increase and net overseas migration — have varied over this period. Both have led to Australia having high population growth compared to other developed countries, most recently with Australia's population growth for the calendar year 2019 having been almost 3 times the OECD average. Net overseas migration has been the main driver of Australia's population growth. Net overseas migration has not only contributed to population growth directly, but has also lifted natural increase and helped to maintain the number of births a year even though the fertility rate has fallen over time. This is because migrants coming to Australia have been younger on average than the resident population and more likely to arrive at an age when they may have children. The intake of migrants who are younger on average than the resident population has helped to slow, but not reverse, population ageing.

Figure 2-3: Age Pyramid in 2019 and 2040 in Australia



Source: Euromonitor International from national statistics/UN, 2021

Note: Data for 2040 is forecast

Fertility rates have been lower in all capital cities compared with the rest-of-state areas. Melbourne and the Australian Capital Territory have the lowest fertility rates, while the rest-of-state areas in the Northern

¹ Australian Bureau of Statistics, Regional population, 2018-19, 2020

Territory (excluding Darwin) and Western Australia (excluding Perth) have the highest fertility rates. In general, fertility rates and births over time have been similar for capital cities and rest-of-state areas.

People aged 20 to 49 years made up 45% of the combined capital city population, compared with 36% of the population in the rest of Australia. People aged 50 years and over made up a smaller proportion of the population in capital cities (31%) than in the rest of Australia (39%). In both capital cities and the rest of Australia, there were higher proportions of females than males in the older age groups.

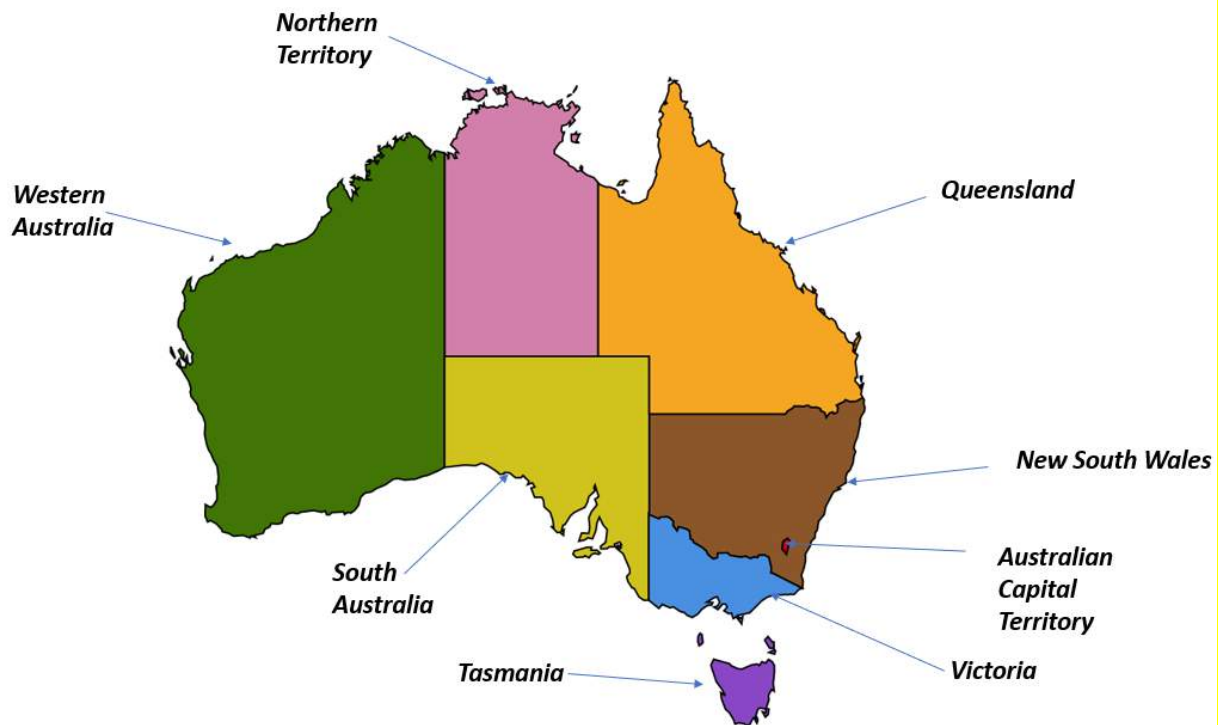
2.2 Geography and key markets

In terms of surface area, Australia is the largest country located in the region of Oceania by a distance. The country of Australia is made up of the mainland continent of Australia, the island of Tasmania, and some smaller islands located around the coast such as Christmas Island and Norfolk Island. The country is the world's sixth-largest country by land area and covers a wide variety of different biomes and geographic features. The mainland Australian continent is made up of a large interior of arid and dry desert which is known locally as the “outback”. This region of the country is not suited to large scale human settlement or agricultural production with Alice Springs being the only major settlement in the area with a population of just 25 000. Due to the inhospitable conditions of the interior of the Australian continent, much of the population is located along the coastline of the country with the eastern coastline being home to the cities of Sydney and Melbourne. The eastern states alone account for 80% of the population; a population which in total is just 25 million which is small for a country the size of Australia. Another consequence of a difficult interior environment is Australia being amongst one of the world's most urbanised countries with almost 90% of the population living in an urban centre. The isolation of some of Australia’s major urban centres is made apparent when considering that urban centres such as Perth are located 3 100 km away from the capital Canberra. Much of the west, centre, and northern territory is sparsely populated with the largest state in the country, Western Australia, having a population of just 2.6 million which is half the population of Sydney alone.

2.2.1 Overview of urban markets

The country of Australia is split into six states: New South Wales, Queensland, Western Australia, Tasmania, Victoria, and South Australia. The country also has three regions known as territories that effectively also act as states, these are the Northern Territory, the Australian capital territory, and the Jervis bay territory. The states are the second level of government division in Australia behind the federal government. Each state has the ability to legislate on matters concerning their citizens; however in accordance with the Australian constitution, federal (or called in Australia, Commonwealth) laws supersede state laws.

Figure 2-4: States and territories of Australia



Source: Agra CEAS based on various

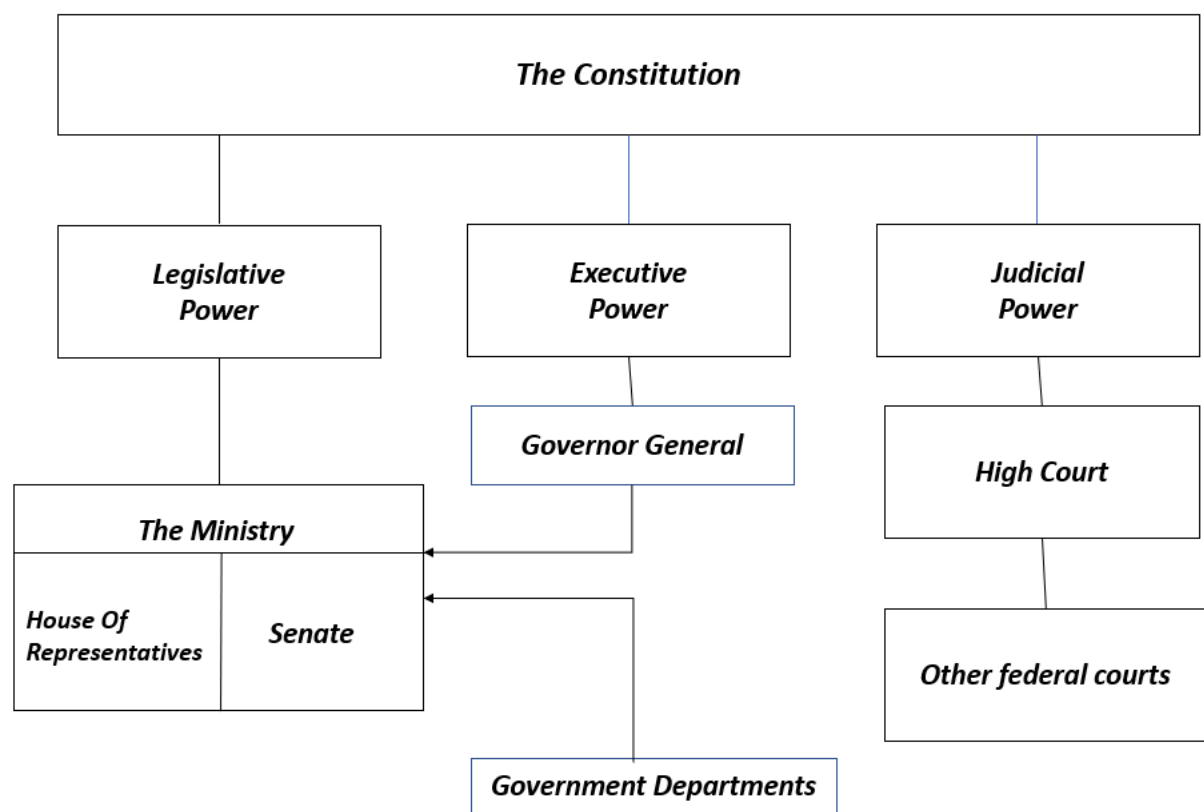
Table 2-1: Provinces of Australia

State	Capital
New South Wales	Sydney
Queensland	Brisbane
South Australia	Adelaide
Tasmania	Hobart
Victoria	Melbourne
Western Australia	Perth
Territory	Capital
Northern Territory	Darwin
Australian Capital Territory	Canberra

Source: Agra CEAS based on various

Australia is a parliamentary democracy and many of its judicial and legislative practices are influenced from its past as a colony of the British empire with the parliament commonly referred to as “the commonwealth”. While states have limited autonomy in areas such as taxation and healthcare, the federal government is the main power within the Australian state and federal legislation overrides state legislation where both exist.

Figure 2-5: Government structure of Australia



Source: Agra CEAS based on various

2.2.2 Snapshots of important markets

The unique geography of Australia creates a situation where many of the key markets for European food and beverage products are located along the major urban centres that straddle the country's coasts. Australia is one of the world's most urbanised countries with roughly 86% of the population living in urban centres. This is largely attributed to the harsh geography of much of the country, which makes widespread human settlement difficult within the interior of the country. As shown in Figure 2-6, the cities to be further explored as key snapshot markets for European food and beverage goods in Australia include: Sydney, Melbourne, Brisbane, Perth and Adelaide. Other cities also worth considering but that have not been identified as top markets include Darwin, Newcastle and Hobart; with Newcastle and Hobart having similar consumption patterns to other cities located on Australia's eastern coast while Darwin is influenced from its proximity to neighbouring countries such as Indonesia.

Figure 2-6: Location of focus markets

Source: Agra CEAS

The Sydney-Canberra capital region



Key facts:

Total GDP (2019):

EUR 235 bn (estimated combined)

Real GDP growth (2018/19):

2.6% (Sydney)

Population:

5.23 m (Sydney) 400 Thousand (Canberra)

The city of Sydney is generally considered the largest in Australia and is home to many of the cultural sites that are commonly associated with Australia such as the iconic Sydney opera house. With a population of 5.23 million, the city is home to roughly 65% of the population of the state of New South Wales. The city is extremely diverse and home to ethnicities from across the world with roughly half the population estimated to have been born outside of Australia.

The city is one of the most visited in Australia and after hosting the 2000 Olympic games has gained a reputation across the world as a must-visit city for tourists arriving in Australia. This has led to Sydney being amongst the top fifteen most visited cities in the world with the city also being an attractive location for European visitors.

Due to the large European influence with regards to the settlement of Sydney and Australia as a whole, many foods and beverages from Europe will resonate with residents in the city. Some of the most popular dishes that are commonly, locally associated with Sydney include: **Chicken Parmigiana** - a dish of Italian origin, it has grown to become a staple food in both Sydney and wider Australia. The dish is made up of chicken schnitzel and is typically served as street food in the city; **Lamingtons** - known as the national cake of Australia, this desert dish is seen across most bakeries in Sydney as it made up of a sponge cake coated with coconut with a jam filling; **meat pies** - also, very popular with the locals in Sydney, meat pies are of a British influence and include pies topped with mashed potato with a meat filling.

Sydney is also home to many street markets which complement the generally warm climate of the city. Some of the most popular street markets in the city include the Rocks market, Paddington market, and

Marrickville market. Sydney is also home to many restaurants and bars of a European influence from Italian and Spanish restaurants to numerous Irish bars.

As consumption patterns in Australia largely mirror those of Europe due to historical and cultural reasons the city of Sydney is one of the largest markets for European food and beverage products in Australia. European foods with an Australian twist are commonly consumed in the city.

Canberra is located roughly 250 km from Sydney and is the capital city of Australia. The city is the largest inland city in the country and the eighth-most populous city overall in Australia. Canberra was chosen as the capital of Australia as a compromise between an internal dispute between Sydney and Melbourne over which should be the capital city, this also led to Canberra becoming a planned capital city with planned cities being unusual in Australia.

As the seat of government, Canberra is home to many important government institutions and agencies which serve as a key employer in the city combined with other industries such as healthcare, retail, and constructions, this has led to Canberra continuing to attract residents and immigrants from overseas in recent years. In 2016, English, Chinese and Indian were the three biggest groups of individuals born overseas living in Canberra.

Sources 10 best foods to eat in Sydney, Hotels.com, Available at <https://nl.hotels.com/go/australia/best-foods-sydney> History of Sydney, Sydney.com available at <https://int.sydney.com/things-to-do/arts-and-culture/history-of-sydney> A quick history of Canberra, Canberra.com available at <https://visitcanberra.com.au/articles/276/a-quick-history-of-canberra>; https://www.sgsep.com.au/assets/main/Publications/SGS-Economics-and-Planning_Economic-Performance-of-Australian-Cities-and-Regions.pdf

The city of Melbourne



Key facts:

Total GDP (2019):	<i>EUR 239 bn</i>
Real GDP growth (2018/9):	<i>4%</i>
Population:	<i>4.9 million</i>

Melbourne is the capital and most populated city in the state of Victoria and is one of the largest markets located in southern Australia as the city is the second most populous in the country. The city acted as the home of the seat of the Australian government during the inception of the country before this position was moved to Canberra. Despite the move, Melbourne remains one of the most important cities not only in Australia but also in the wider Asian – Pacific region.

The city of Melbourne is home to some of Australia's most famous landmarks such as the Royal exhibition building, the Melbourne cricket stadium, and the national gallery of Victoria. The city is also home to some of the largest corporations in Australia with five out of the ten largest in the country having their headquarters in Melbourne.

The population of Melbourne has been growing rapidly in recent decades, spurred largely by immigration to the city which has resulted in the city being one of the most multicultural cities in the world with significant immigrants from China, India, and England arriving in the city in recent years. This has resulted in the presence of a wide variety of food and beverages in the city with notable examples of foods commonly associated with Melbourne including: **salt and pepper calamari** - an Australian twist on the classic Cantonese variety of calamari; **fairy bread** - a type of cake that has grown to be a staple food at celebrations such as children's birthdays; and **fried chicken Parma** - a type of chicken dish of an Italian influence that is commonly consumed in Melbourne and wider Australia.

The influx of immigrations to the city has created specific districts that are often associated with a certain immigrant group in a practice that is resonant of areas like Little Italy in New York, in the context of Melbourne such examples include Brunswick (**Italian**), St Kilda (**Irish**), and Preston (**Greek**) to name a few.

Sources: 10 Best foods in Melbourne you must try, hotels.com Available at <https://nl.hotels.com/go/australia/foods-melbourne-try>, What makes Melbourne the cultural capital of Australia?, Meld Magazine, Available at <https://www.meldmagazine.com.au/2016/07/melbourne-cultural-capital-australia/>

The city of Perth



Key facts:

Total GDP (2019):	<i>EUR 94 bn (estimated)</i>
Real GDP growth (2018/19):	<i>0.1%</i>
Population:	<i>1.9 m (Metro)</i>

The city of Perth is arguably the most important city located in Western Australia and stands out as by far the largest urban city on the western coast of the country. Due to a rapid increase in population as a result of the influx of prospective miners rushing into the city due to the western Australian gold rushes, the city has grown to be the fourth most populous in the country.

The city stands out for having an above-average percentage of residences from the UK and Ireland with the city having more British residents than the city of Sydney despite Sydney having twice its population. Immigrants from other countries which have a significant influence in Perth includes those from New Zealand, India, and South Africa. The city is also home to a china town district and a little Italy district.

The city has a number of food markets such as the South Beach sunset market, Inglewood night Market, and the twilight hawkers market forest place. Food festivals are also common in the city and offer a chance for producers and prospective sellers into the Western Australian market to showcase their products.

As Perth is the largest city in Western Australia it is a market that must be considered when targeting this region of the country. Perth is one of the most isolated cities in the world with the nearest city of over 100 000 residences being Adelaide located 2 100 km away, the city is also located closer to Jakarta in Indonesia than Sydney, due to these factors the culture of Perth differs from the rest of Australia in many unique ways with regards to music and food.

Sources: 8 of Perth's best hawkers markets ,Rac, available at <https://rac.com.au/home-life/info/best-hawkers-markets-perth> A short history of Perth, Heritage Path, available at <https://heritageperth.com.au/make-history/history-for-perth/>

The city of Brisbane



Key facts:

Total GDP (2019):	<i>EUR 114 bn</i>
Real GDP growth (2018/9):	<i>2.6%</i>
Population:	<i>2.2 m (Metro)</i>

Brisbane is the third most populous city in Australia and the largest most populous city in the state of Queensland. The city is one of the oldest in Australia and one of the first founded during the period of European settlement. The city is a popular tourist destination within the country of Australia and is home to many well-known landmarks such as the Queensland Museum, the Queensland art gallery, and the story bridge. The city is generally regarded as a gateway to the wider Queensland region.

Brisbane is known for its “cuisines brunches” culture with the city having many rooftops and outdoor dining areas located throughout the city. These dining establishments complement the many different ethnic districts located throughout Brisbane with notable examples including Southern Brisbane (**Italian**), West End (**Greek, Italian**), and Bowen hills (**French**). Many of these districts will be home to numerous restaurants associated with the ethnicity of the area. Foods commonly consumed in Brisbane include potato gnocchi (a pasta and dumpling dish), banana bread, and sorbet.

Brisbane is one of the largest economic centres located in both Australia and the wider Asia-Pacific region with numerous business hubs in the retail, mining, and IT sectors being headquartered in the city. The port of Brisbane alone is the third busiest in Australia and the wider port is dotted by skyscrapers home to some of the biggest corporations in Australia.

The city is home to numerous annual events which draw attention and visitors to the city throughout the year including the Royal Queensland exhibition, the Brisbane Festival, and the Brisbane film festival. The city is also home to a Buddha birth day festival which is the largest of its kind in Australia attracting almost 200 000 visitors annually.

Sources: Tick off all 300 items on Brisbane's ultimate food bucket list, Visit Brisbane, Available at https://www.visitbrisbane.com.au/information/articles/eat-and-drink/ultimate-food-bucket-list?sc_lang=en-au, Brisbane culture, Brisbane-Australia.com, Available at <https://www.brisbane-australia.com/brisbane-culture.html>

Adelaide



Key facts:

Total GDP (2019):	EUR 55 bn
Real GDP growth (2018/9):	3.2 %
Population:	1.3 m (Metro)

Adelaide is the fifth most populous city in Australia and the capital of the state of South Australia.

Adelaide has historically been one of the most important cities in Australia throughout the history of the country with the city for decades being one of the largest settlements on the island. Today the city remains an important economic centre in the south Australia region and continues to attract immigrants and Australians to the city.

The city has a large immigrant population with the largest groups of overseas-born individuals coming from the UK, India, China, Italy, and Vietnam. Districts of the city are often influenced by the predominant immigrant group that lives there in a practice that is common in Australian cities. In the case of Adelaide the districts of Torrensville (**Greek, Italian**), Blair Athol (**Indian**), and Woodville (**Vietnamese**) are such examples.

The large European population and ancestry of the population resonate with foods commonly consumed in Adelaide and the South Australian state with notable examples including ***Kitchener buns*** (German-influenced), ***pie floaters*** (British influenced), and the famous local cheese known as ***goat on a hot tin roof***.

Adelaide is noted for its many festivals held throughout the year in the city, with notable festivals including the Adelaide film festival, the Adelaide fringe festival (*one of the largest festivals held in the southern hemisphere*), and the Adelaide marathon. All of these festivals offer an opportunity for producers to exhibit their food and beverages to the general public of the city.

Adelaide is likely to remain the economic core of the southern Australian state and acts as a gateway to the state and wider southern Australia. The large manufacturing base combined with Adelaide being the headquarters for many branches of the Australian military are some of the biggest factors that influence the economy of the city.

Sources: Adelaide food fringe, [adelaidefoodfringe.com](https://adelaidefoodfringe.com.au/), available at <https://adelaidefoodfringe.com.au/>; Interesting facts you might not know about Adelaide, Adelaide city tour, available at <https://adelaidecitytour.com.au/blog/interesting-facts-you-might-not-know-about-adelaide/>

2.3 Domestic agricultural production and regions

In 1788, the first European settlers brought new agricultural technologies to Australia, which influenced early agricultural practices in the country. During the 19th century wool production was dominant whereas milk production rapidly grew in the first half of the 20th century. Even though Australia has one of the driest landscapes of the world, it has been and still is successful in adapting agricultural practices to its land and needs.²

Today, less than 10% of the country's land is used for intensive agriculture productions, 25% is completely unused and about 3/5th is sparse grazeland. In total, agriculture in Australia accounts for close to 55% of Australian land use and approximately 25% of water extractions. Moreover, it accounts for about 11% of goods and services exports, roughly 1.9% of value-added and 2.6% of employment in the country. Australian agriculture is very diverse due to different climates, availability of water, type of soil and closeness to different markets. In general livestock production is more spread throughout the country, whereas crops and horticulture are mainly concentrated along the coasts.³

The growing demand for organic produce is an opportunity for Australia. Organic farming practices are used in more than 120 countries across the globe; however, Australia has the biggest area of certified organic land, with more than 12.3 million hectares. It is not a mandatory requirement for farmers to certify their organic produce sold within the country, yet, most organic products sold on the domestic market are certified by one of Australia's six private certifiers. The organic trend started about two decades ago and since 2000 the industry in Australia has increased by more than 50%. Throughout the whole supply chain, Australia currently has more than 2 500 organic operators.⁴

The Australian government is very involved in agriculture. Specifically, e.g. in initiating pioneer settlement and conducting scientific research. Moreover, it also offers advisory and educational services. The government also steps in in matters of marketing, price control, schemes for drought and flood relief as well as controlling and eradicating pests and diseases, etc.⁵

The following sub-sections provide a bit more information on agriculture by product.

Crops

During the last 20 years, the cropping sector has grown because even though costs have increased, farmers were able to offset this increase by volume growth due to their improved productivity using new technologies and expanding their growing areas.⁶ Crops in Australia are grown in three main regions,

² Henzell, Ted. (2007). Australian Agriculture: Its History and Challenges. 10.1071/9780643094659.

³ Snapshot of Australian Agriculture 2020, Australian Government, available at <https://www.agriculture.gov.au/abares/products/insights/snapshot-of-australian-agriculture-2020>

⁴ Analysis: Food and Beverage Industry Challenges in 2020, Octet, available at <https://www.octet.com/blog/food-industry-finance/>

⁵ Agriculture, Britannica, available at <https://www.britannica.com/place/Australia/Agriculture>

⁶ Snapshot of Australian Agriculture 2020, Australian Government, available at <https://www.agriculture.gov.au/abares/products/insights/snapshot-of-australian-agriculture-2020>

which comprise 13 different agroecological zones. In the east, between Queensland and New South Wales soils are very fertile. Due to high rainfall and production variability summer and winter crops, such as wheat, barley, sorghum, maize, oilseeds and pulses, are grown in the east. These areas are producing premium high-protein wheat. Production is also driven by the region's livestock industries, which rely on feed grains. The south, including Victoria, Tasmania and South Australia, has mainly less fertile soils. The quality of yields depends on seasonal rainfall. In Western Australia, soil fertility is low as well and yields vastly depend on rainfall during winter and spring. Thus, yields in this area often are below the world standard. However, this is compensated by the high mechanisation of enterprises in the region. The main crops grown in western Australia are wheat, barley, canola and lupins, with wheat being the most important one.⁷ All wheat grown in the country is white-grained, which are mainly intended for making e.g. noodles and bread. Moreover, livestock farming does not play a big role in crop production in the west.⁸

Fruit

The fruit industry is important in Australia. Banana, pineapple, mandarin, avocado production is centred in Queensland, whereas stonefruit, oranges and grapes are grown in New South Wales, Victoria and South Australia. Apples and pears are grown in all Australian states. The rare and exotic fruit industry, including fruits such as abiu, carambola, durian, jackfruit, mangosteen, pitaya, rambutan, and tamarillo is expanding as well.⁹

Vegetables

More than 9/10th of vegetables sold in Australian supermarkets are grown within the country. Potatoes are the most important vegetable commodity farmed in Australia due to the sheer volume of production. Approximately 1.3 million tonnes of potatoes are grown for human consumption. Potatoes are distantly followed by tomatoes with close to 430 000 tonnes, carrots with close to 320 000 tonnes, onions with around 280 000 tonnes and head lettuce with approximately 130 000 tonnes.¹⁰ In 2017-18 about four percent of Australian farms grew vegetables for human consumption. In the same year, vegetable production ranked as the 6th highest value agriculture industry in the country.¹¹

Red meat

The meat industry in Australia produces and processes beef cattle, sheep, goats and buffalo, however, beef cattle and sheep are the main industries.¹² During the last 20 years, higher livestock prices have been

⁷ Growing regions, GRDC, available at <https://grdc.com.au/about/our-industry/growing-regions>

⁸ Agriculture, Britannica, available at <https://www.britannica.com/place/Australia/Agriculture>

⁹ Horticulture Fact Sheet, Australian Government, available at <https://www.agriculture.gov.au/ag-farm-food/hort-policy/horticulture-fact-sheet>

¹⁰ Australian vegetable production statistics, AUSVEG, available at <https://ausveg.com.au/resources/economics-statistics/australian-vegetable-production-statistics/>

¹¹ Vegetable Industry, Australian Government, available at <https://www.agriculture.gov.au/abares/research-topics/surveys/vegetables>

¹² Red meat, Australian government, available at <https://www.agriculture.gov.au/ag-farm-food/meat-wool-dairy/red-meat->

driving the sector's growth. Beef cattle are farmed on about 200 million hectares of land across the country.¹³ The herd size is just about 28 million head, taken care of by 40 000 producers. Australian farmers use different breeds such as the famous Bos Indicus breeds including the Brahman and the Santa Gertrudis. They also use Bos Taurus breeds such as the British Angus and Hereford as well as the French Charolais. Cattle producers in the north use 75% of the overall farm land in the area for beef, however, the number of animals farmed is smaller than in the south. Thus, cattle farms in southern Australia rely on more intensive production.¹⁴

Dairy

The Australian dairy industry, which is the 4th biggest rural industry in Australia, produces around 8.8 billion litres of milk every year and directly employs over 46 000 people. The production is centred in Victoria, New South Wales and Tasmania. A large proportion of milk is made into value-added products i.e. butter, cheese, ultra-heat-treated milk and milk powders.¹⁵

Sugar

Sugar cane is an important agricultural product in Australia. It is mainly farmed intensively in the coastal areas of Queensland, on the coastal plains of New South Wales as well as in the Ord Irrigated District in Western Australia. Production is highly mechanised, and sugar is Australia's second most important crop for export.¹⁶

Wine

All Australian states produce wine, however, the most important areas are in the southern parts of the country. The sector expanded drastically in the 1990s when grape production increased substantially. Today, Australia has over 2360 wineries and about 6 250 grape growers¹⁷, which produce around 1.75 million tonnes of grapes for wine every year on close to 150 000 hectares of vineyards throughout 65 wine-growing regions.¹⁸

[livestock#:~:text=The%20Australian%20red%20meat%20industry,sheep%20are%20the%20dominant%20industrie](#)

¹³ Snapshot of Australian Agriculture 2020, Australian Government, available at <https://www.agriculture.gov.au/abares/products/insights/snapshot-of-australian-agriculture-2020>

¹⁴ The Australian beef industry, pwc, available at <https://www.pwc.com.au/industry/agribusiness/assets/australian-beef-industry-nov11.pdf>

¹⁵ Dairy in Australia, Australian Government, available at <https://www.agriculture.gov.au/ag-farm-food/meat-wool-dairy/dairy#:~:text=Dairy%20is%20one%20of%20Australia%27s,directly%20employing%20approximately%2046%2C200%20people.&text=Australia%20exports%20approximately%2035%20per,%243.2%20billion%20in%202018%2D19>.

¹⁶ Agriculture, Britannica, available at <https://www.britannica.com/place/Australia/Agriculture>

¹⁷ Australian Wine Sector at a glance, available at <https://www.wineaustralia.com/market-insights/australian-wine-sector-at-a-glance#:~:text=There%20are%20estimated%20to%20be,annually%20to%20the%20Australian%20economy>.

¹⁸ Market insights – Grape production and pricing, Wine Australia, available at <https://www.wineaustralia.com/market-insights/grape-production-and-pricing#:~:text=Overview,supply%20and%20global%20wine%20production>.

2.3.1 Agriculture, climate change and seasonality

Climate change impacts all areas of the Australian economy, but areas depending on natural resources such as agriculture, forestry and fisheries, in particular, are facing challenges. Climate change is making itself visible in Australia through changed amounts of rainfall, temperatures, and extreme weather events.¹⁹ It has already impacted domestic agricultural production and is expected to further do so going forwards.

According to a report from the Australian agriculture department, climate change reduced the average annual profitability of Australian cropping farms by about 22% during the last two decades. This amounts to annual losses of around EUR 910 million.²⁰ Changing and often increasing temperatures lead to the need to relocate crops to new or different areas. Moreover, higher CO₂ levels might affect crop growth and yields, while higher temperatures are expected to lead to an increased number of heat days during the year in which cattle will experience heat stress. Given that heat-stressed animals often show less appetite and are less likely to breed, total productivity losses of around EUR 14 billion may occur for the livestock industry.

The Australian government is funding different climate adaptation projects through their Climate Change Research Program (CCRP), intending to give needed tools and strategies to farmers to tackle the effects of climate change on agriculture in the country.²¹

Seasons in Australia²²

Due to the sheer size of Australia, the climatic conditions vary greatly between regions. In general, Australia has four seasons in most parts of the country. The seasons in Australia are at the opposite times to the ones in the northern hemisphere.

- Summer: December - February
- Autumn: March - May
- Winter: June - August
- Spring: September - November

¹⁹ A change in climate, Australian government, available at <https://www.agriculture.gov.au/ag-farm-food/climatechange>

²⁰ Climate change has cut Australian farm profits by 22% a year over past 20 years, report says, The Guardian, available at <https://www.theguardian.com/australia-news/2019/dec/18/climate-change-has-cut-australian-farm-profits-by-22-a-year-over-past-20-years-report-says>

²¹ Adapting to climate change, Australian government, available at <https://www.agriculture.gov.au/ag-farm-food/climatechange/australias-farming-future/adapting-to-a-changing-climate#:~:text=Changes%20in%20climate%20are%20expected,crop%20growth%20and%20grain%20yield.>

²² Australia's seasons, Australia, available at <https://www.australia.com/en/facts-and-planning/australias-seasons.html>

The very north of Australia including Darwin, Katherine, Kakadu, Arnhem Land, Broome, Kimberly and the tropical north of Queensland (Cairns, the Whitsundays and Daintree Rainforest), however, experience wet and dry seasons due to their tropical location.

- The wet season: November – April
- The dry season: May - October

Australia's seasons affect its agriculture. E.g. most of the country's grain is grown in the winter season in temperate regions (west, south, east) due to dominant rainfall patterns in the area. About 90% of Australia's wheat is cropped in the winter season. In the more tropical northern regions wheat is grown in the summer as well.²³

²³ Growing seasons in the Australian Wheatbelt, available at: <http://www.consortiumland.com/investors/growing-seasons-in-the-australian-wheatbelt/>

3 Introduction to the food and beverage market and consumers

3.1 Overview of the food and beverage market and demand for imported products

3.1.1 F&B market summary

Australia is the world's 13th biggest economy, with an estimated nominal GDP of about EUR 1.2 trillion in 2019. Compared to most other countries, Australia has a very high level of per capita GDP, as reflected by its position of 4th in the median wealth per adult category of the 2018 published Global Wealth Report.

As already seen, due to Australia's size and different climatic zones, agriculture produces a very broad range of products including crops, wool, fruit, vegetables, red meat, sugar wine, etc. Moreover, farmers are used to adapting to various changes. However, losses in one sector can often be offset by profits in another. Throughout the last three decades, Australia has shown steady economic growth (barring 2020). The whole food processing sector, which is highly important for the country's overall food production, has been growing over the last decade as well.

Australia's biggest manufacturing industry, which accounts for around a third of total manufacturing turnover is indeed the food and beverage sector.²⁴ The sector, consisting of food and beverages as well as grocery and fresh produce is valued at around EUR 80 billion. Across Australia, this sector consists of close to 15 000 businesses that employ over 270 000 people. The food and beverage sector, moreover, is one of the most important sectors for people in rural areas because close to 40% of its employees are from rural Australia.²⁵

The food and beverage industry is very innovative and can adapt fast to new or changing consumer demands and trends, such as the move to healthier, fresher and less processed foods, with short storage time. Innovation such as developing new food processing, separation and packaging technologies is key for Australia's success.

3.1.2 International trade in F&B

I. In 2019/20 the value of imported agri-food products in Australia increased – as was the case for each of the previous 10 years - and reached around EUR 14 bn. Australia mainly imports prepared food, wine, whiskey, beer and dairy. The European Union, New Zealand and the USA accounted just over half of all agricultural imports and thus, are Australia's main import sources.²⁶

²⁴ Australia: Food processing ingredients, USDA, available at [https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Food%20Processing%20Ingredients Canberra Australia 03-30-2020](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Food%20Processing%20Ingredients%20Canberra%20Australia%2003-30-2020)

²⁵ Food and Beverage Industry Market in Australia, FLANDERS, available at https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market_studies/Australia-Food%20and%20Beverage%20Industry%202019.pdf

²⁶ Australian Agriculture Trade 2019/2020, available at: <https://www.ruralbank.com.au/siteassets/documents/publications/trade/trade-report-2020.pdf>

Every year, Australia exports food worth around EUR 32 billion. The Australian agri-food industry accounts for more than 15% of all exports. Australia's overall main exports are beef, crops, wine, dairy, fruit, vegetables, and nuts. China is Australia's biggest export market, followed by Japan, the European Union and the USA.²⁷ In 2019/20 China alone accounted for over 30% of Australia's agricultural exports and has been the biggest export market for most commodity groups besides vegetables, sugar and cattle.²⁸

The current relationship between Australia and China

The relationship between China and Australia is becoming more complicated and politicised, resulting in tariffs and other trade barriers imposed by China that started to affect the countries' relationship. China imposed two tariffs on Australian barley claiming that barley growers in Australia are subsidised by the government. In September 2020 China banned barley shipments from Australia's biggest grain exporter Co-operative Handling group (CBH) and claimed that they found a too high number of weed seeds in some shipments coming from Australia. China moreover banned exports from four Australian beef processors, claiming they used incorrect labelling. Another beef processor has been banned after China claimed they found traces of a drug used to heal eye infections on the meat.²⁹ China also announced an anti-dumping inquiry for Australian wine imports, resulting in a 200% increase in tariffs for wine. These changes have inevitably had some impacts on Australian agriculture.³⁰

Even though in 2012 the value of imports from Australia to the EU and exports from the EU to Australia were similar, the EU has developed a trade surplus during the last years as depicted in Figure 3-1. In 2019 imports from Australia to the EU were valued at around EUR 1.38 billion, whereas the EU's exports to Australia were more than double as valuable at around EUR 3 billion. In value terms, the EU imports a lot of oilseeds (other than soybeans) (EUR 494 million), wool and silk, (EUR 216 million), as well as wine, vermouth, cider and vinegar (EUR 153 million) from Australia. The imported oilseeds alone already account for 36% of total agri-food exports from Australia to the EU; and together with the two other categories for 63%.³¹ During 2018/19 most important agricultural commodities such as Canola, wine and wool decreased their export values.³²

²⁷ Growing Australia's Food and Beverage exports, Export Finance Australia, available at https://www.exportfinance.gov.au/media/6424/export-finance-growing-australias-food-and-beverage-exports_final_nov19_web.pdf

²⁸ Australian agricultural trade 2019/20, available at: <https://www.ruralbank.com.au/siteassets/documents/publications/trade/trade-report-2020.pdf>

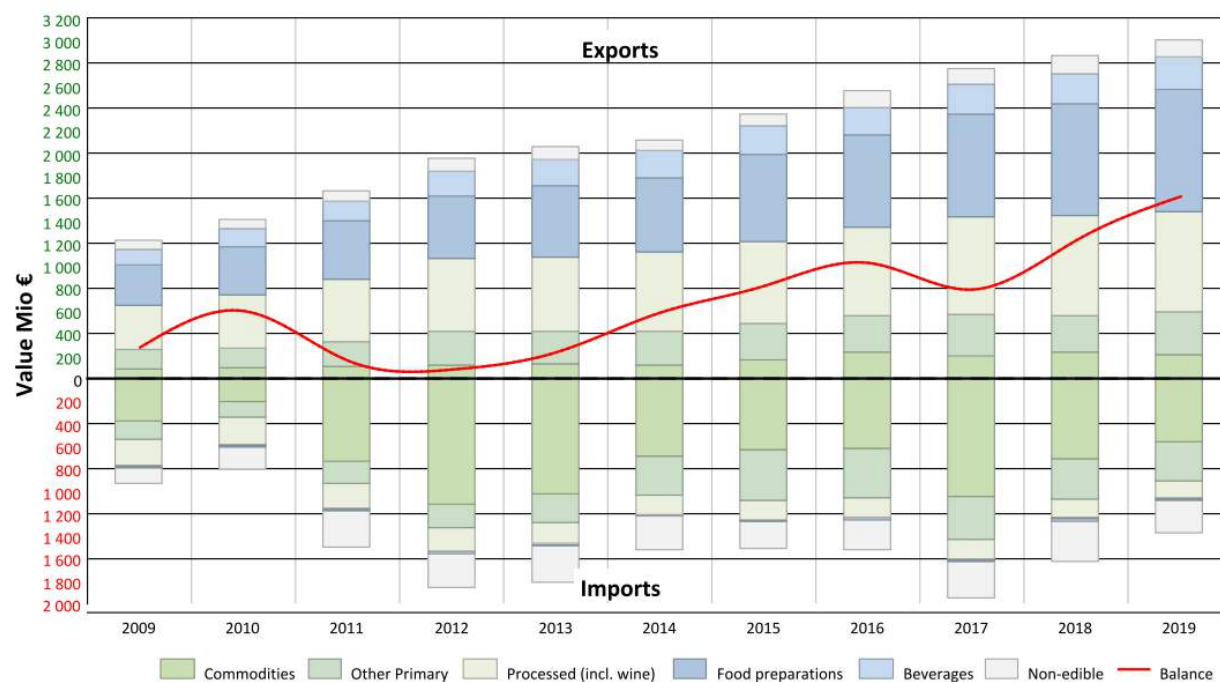
²⁹The Politicisation of Australian Agricultural Trade with China Suggests that New Export Markets Need to be Cultivated, available at: <https://www.futuredirections.org.au/publication/the-politicisation-of-australian-agricultural-trade-with-china-suggests-that-new-export-markets-need-to-be-cultivated/>

³⁰ Australian agricultural trade 2019/20, available at: <https://www.ruralbank.com.au/siteassets/documents/publications/trade/trade-report-2020.pdf>

³¹ European Commission: agri-food trade statistical factsheet, European Union – Australia.

³² Australian Agricultural Trade, Rural Bank, available at <https://www.ruralbank.com.au/siteassets/documents/publications/trade/trade-report-2018-19.pdf>

Figure 3-1: Structure of EU-27 (i.e. exc. the UK) agri-food trade with Australia, 2009 to 2019



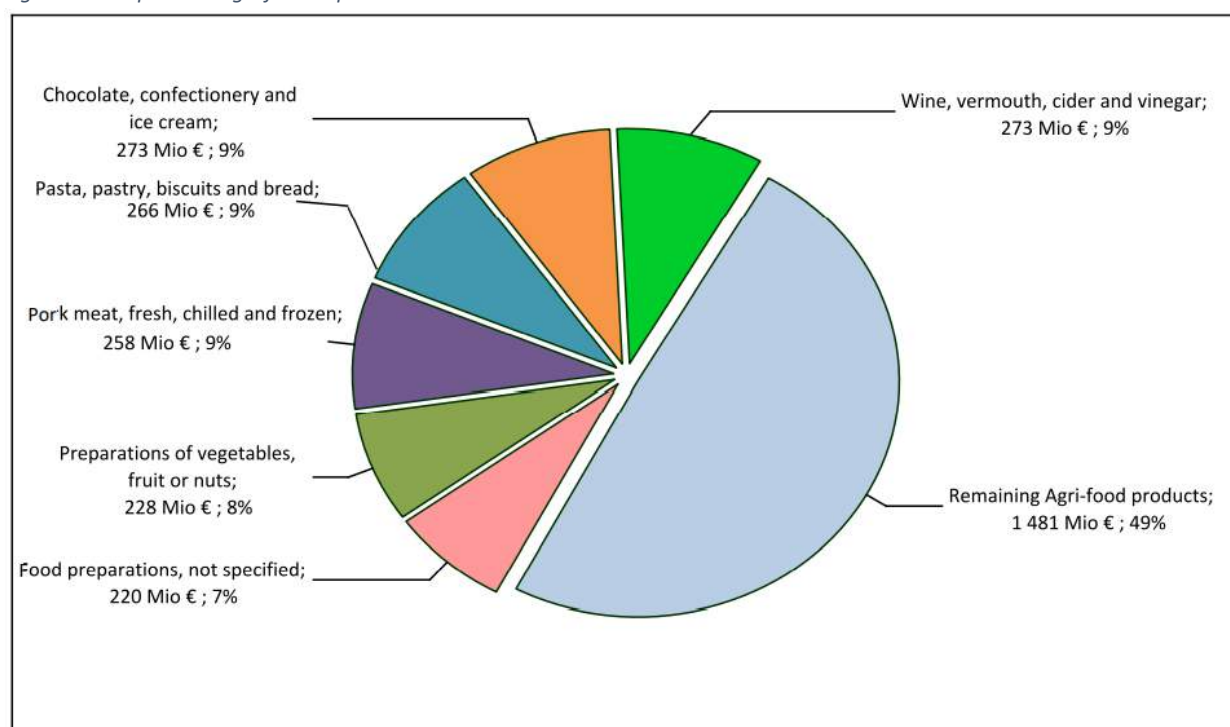
Source: European Commission: agri-food trade statistical factsheet, European Union – Australia. Based on Eurostat-COMEXT data.

The major exports from the EU to Australia in 2019 were, in terms of value:

- Wine, vermouth, cider and vinegar – valued at EUR 273 million and accounting for 9% of total Agri-good exports from the EU to Australia.
- Chocolate, confectionery and ice cream – valued at EUR 273 million as well and accounting for 9% of total Agri-good exports from the EU to Australia.
- Pasta, pastry, biscuits and bread – valued at EUR 266 million and accounting for 9% of total Agri-good exports from the EU to Australia.

Other notable groups include pork meat, fresh, chilled and frozen (EUR 258 million; 9% of Agri-good exports); preparations of vegetables, fruit or nuts (EUR 228 million; 8% of Agri-food exports) as well as not specified food preparations (EUR 220 million; 7% of Agri-food exports) (Figure 3-2).

Figure 3-2: Top EU-27 agri-food exports to Australia in 2019



Source: European Commission: agri-food trade statistical factsheet, European Union – Australia. Based on Eurostat-COMEXT data

3.1.3 The market for imported F&B

Australia produces many products that are also produced in the EU, however, demand for a wide variety of goods opens markets for EU products:

1. **Alcohol Products.** As previously noted, one of the largest trading Agri products from the EU to Australia are Alcohol products, in particular wine, whiskey and beer. These products resonate with consumers seeking an experience outside of the normal Australian brands, with European alternatives often being the first choice outside of Australian varieties. Even though Australia is producing a lot of wine, European wines are very popular in the country. This popularity is due to the vast variety of European wines, coming from many different regions and are made from a high number of diverse grapes available. Moreover, wine makers use different approaches from old school practices to new and innovative ones. In general, European wine has a very good reputation and is known to be one of the best in the world.³³
2. **Prepared Food.** While Australia has the capacity to produce a lot of prepared food on its own, imports of this product category are high. The most popular import groups under this category are mainly chocolate confectionery, but also biscuits, bread and pasta.
3. **Dairy.** The production of Australian dairy has been stagnating throughout the last years, while the per capita consumption of dairy products increased. While there is still a structural surplus, in

³³Why European wines are still number one. Available at: <https://www.theguardian.com/food/2020/mar/06/why-european-wines-are-still-number-one>

view of Australia's strong dairy exports there is also a need for some dairy imports and the EU accounts for about 30% of them.³⁴ The demand for high-quality cheese and butter is increasing, which offers great opportunities for imported products including those from the EU. As a result, Irish butter and high-quality EU cheeses can be found in Australian supermarkets. Other dairy products that are being imported include milk and whey powders, condensed milk and ice cream.³⁵

Other European products such as pork and prepared vegetable, fruit and nuts also have a following amongst Australian consumers, however, the EU's high premium products, as well as its culturally significant products, are the most popular import products.

3.2 Growth Drivers and Trends

The key factors affecting the food and beverage market in Australia are:

- **Economically free and wealthy population.** Australia's economy has been growing for more than two decades and today, the country is one of the wealthiest regions in the Asia-Pacific. The country's economic freedom score in 2021 is 82.3 which makes it the 3rd freest economy in the Asia-Pacific region. The score is above the world average. Australia is internationally competitive in a range of sectors including high value-added manufactured goods in particular and agriculture more generally. Moreover, it has 15 free-trade agreements e.g. with China, South Korea and the US.³⁶ Not only is the economy free, but the GDP per capita is high in Australia as well at about EUR 46 000 and thus Australia a high-income country as well.³⁷ In 2020 Australia was the world's 25th-largest exporter of goods and 20th-largest importer of goods.
- **Changes in consumption caused by COVID-19.** Like in most areas of the world, the COVID-19 pandemic also fostered a lot of change in Australia, even though the country is coping comparatively very well. Having to stay inside periodically, health issues, separation from family, travel restrictions, working from home or losing a job and so many more COVID-19 related changes and concerns all impact what and why Australians eat what they eat.
- **Increasing personal and environmental health awareness.** Environmental issues are highly important for Australians because the country has to face severe droughts, fires and other climate change related phenomenon. More than half of the population is concerned by climate change and people increasingly care more about environmental and ethical questions. Besides this, Australians also care a lot about their physical and mental well-being. Preventing diseases, working on health and stress reduction, staying mentally positive and physically fit are priorities to Australians.³⁸

³⁴ Dairy imports surge as exports stagnate. Available at: <https://www.weeklytimesnow.com.au/agribusiness/dairy/dairy-imports-surge-as-exports-stagnate/news-story/1b1354da35d86c7e8da61b586e07f219>

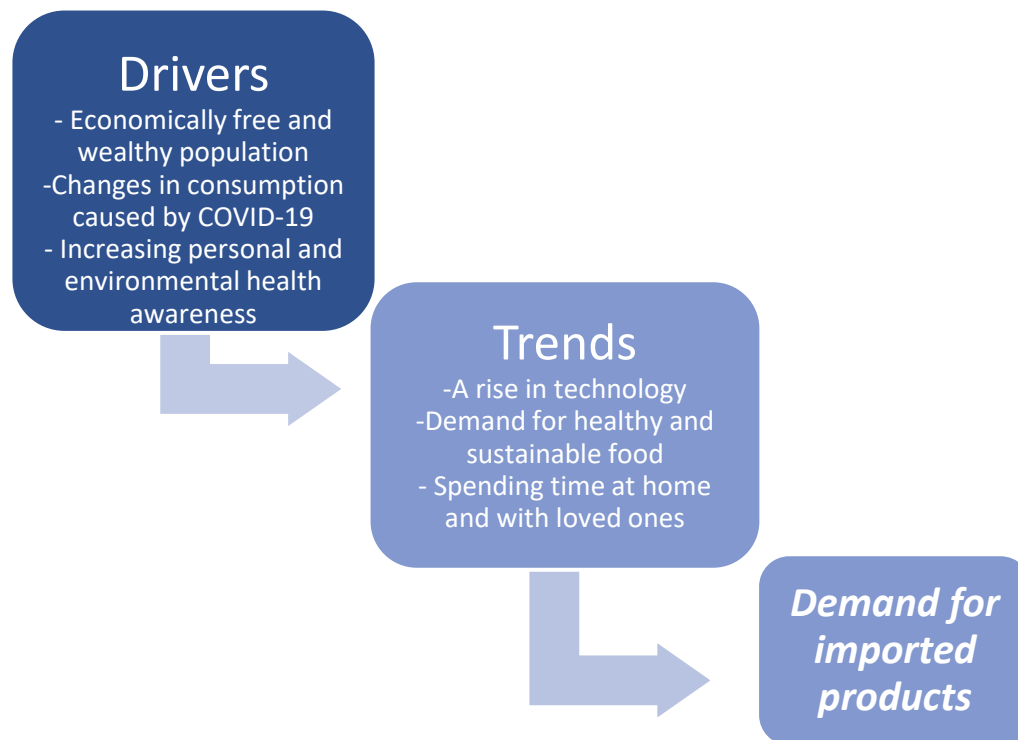
³⁵ Dairy imports flood into Australia from New Zealand, US and Europe. Available at: <https://www.thebullvine.com/news/dairy-imports-flood-in-to-australia-from-new-zealand-us-and-europe/>

³⁶ 2021 Index of Economic Freedom. Available at: <https://www.heritage.org/index/country/australia>

³⁷ Australia: Gross domestic product (GDP) per capita in current prices from 1984 to 2025, Statista. Available at: <https://www.statista.com/statistics/260506/gdp-per-capita-in-current-prices-in-australia/>

³⁸ Euromonitor International, 2021: Economies and Consumers.

Figure 3-3: Growth drivers and trends – the Australian food and beverage market



Source: Agra CEAS based on European Commission agri-food factsheet; Euromonitor International, and various (see footnotes).

In terms of current trends, the following stand out:

- **A rise in technology.** Technology is on the rise, in particular as a result of the COVID-19 pandemic. People are increasingly getting used to online shopping. Australians have become more interested in convenience and saving time, which is another reason why more people choose online channels instead of physically going to stores. Social media is gaining importance as a marketing channel as well as more Australians are well connected. Many Australians check out brands and new products via social media. Smart technologies are in particular interesting to younger generations.
- **Demand for healthy and sustainable food.** Many Australians tend to purchase products from companies they trust in terms of healthy ingredients as well as the sustainability of their products. People also prevent purchasing products with too much single-use plastic or other environmentally unfriendly packaging or ingredients and instead consciously choose products in recyclable, compostable and biodegradable packaging. Plant-based alternatives to animal products gain popularity in Australia. Personal health is highly important for Australians, also due to the COVID-19 pandemic, which is why healthy food and beverages, as well as food ingredients, are trending.³⁹
- **Spending time at home and with loved ones.** As one result of COVID-19, Australians increasingly spend time at home with their families and friends, or even just by themselves. Family life

³⁹Covid-19 has changed the eating habits of Australians, available at: <https://insidefmcg.com.au/2020/07/29/covid-19-has-changed-the-eating-habits-of-australians/>

becomes more important. Thus, the demand for home-cooked meals is growing as well. It seems like Australians enjoy spending time in the kitchen much more than before the start of the global pandemic. Online searches for recipes and cooking tutorials have been shooting up. As a result, cooking ingredients = both more specialist ones such as pasta and more general ones such as flour are in demand.⁴⁰

3.3 Consumer profiles and preferences

3.3.1.1 Consumer profiles

Certain aspects of the Australian population that were touched upon in sections 2.1 and 2.2 are worth bearing in mind when considering Australian consumers. Most notably (regional difference):

- **Aging population and urbanisation.** The country's population is increasingly getting older. The median age rose from 32 to 37 years. This trend highly influences consumer behaviour because the older generation often has different needs and wants than younger ones. Moreover, more than 2/3rd of the country's population is living in urban areas and thus interests from consumers in cities are very important. The city population in Australia often is slightly younger than the rural one, due to young immigrants coming from overseas.
- **Immigrant country.** Many immigrants are calling Australia their home. Immigration started way back when the British set-up a colony in New-South Wales in 1788 and up until today people from all areas of the world choose to move to Australia. About 3/10th of the country's current residents have been born elsewhere. Most of them were born in England, China, India or New Zealand. The variety of cultures and people are the backbone of the Australian culture as we know it, and thus influences the wants and needs of Australian consumers.
- **Highly developed economy.** Australia has the 13th biggest national economy by nominal GDP, and it is one of the countries with the longest uninterrupted GDP growth. The country is rich in natural resources and is dominated by its service sector. It is a big exporter as well as importer of goods and has a lot of agricultural production in a big range of fields. This means that Australian consumers are generally wealthy. Their wealth affects their consumption habits. However, like most other countries, Australia's economy also suffered due to the COVID-19 pandemic.

Against the considerations set out above, notable overarching consumer types in Australia are set out below. It is important to note that, while these overarching types have relevance across the country to some extent, the various aforementioned nuances must be taken into account given that in such a big country, the relevance of universal consumer types is limited:

- **The Technology Fan.** A large part of Australians are fans of technology and tend to incorporate it in all parts of their lives. These consumers sometimes invest in their personal image or follow the latest trends, but they definitely always invest in new technology. On one hand, technology fans usually are interested in well-known brands, offering good-quality products but they are on the other hand also likely to try new products, in particular when making impulse decisions due to cheap prices. As the name suggests, Technology Fans mainly use online platforms for shopping.

⁴⁰ Euromonitor International, 2021: Economies and Consumers..

Even though they are trying to save money, digital enthusiast spends their money on services that offer fast and efficient customer service.

- **The Curious Bargain Hunter.** These consumers are not likely to purchase well-known brands, nor do they follow trends. They are carefully watching their money. They enjoy spending good times with their family and friends or by themselves. For purchases for these important occasions, they are more likely to spend money. In general, curious bargain hunters enjoy the whole shopping experience of going from store to store and looking for promotions, pop-up shops or limited-time collections and thus might even do an impulse purchase. Curious bargain hunters are not loyal to brands and enjoy trying new products with a good value for money ratio.⁴¹
- **The Green thriver.** As the name suggests, these consumers have a high level of environmental awareness. They aim to lessen their environmental footprint by purchasing environmentally friendly and sustainable products. The quality, ingredients and packaging are highly important to green thrivers and they are okay with paying more money for better products. They often take their time to inform themselves about available products before they make a decision. They are not loyal to brands and open to trying out new products.⁴² Even though most of them do not pay too much attention to their personal image, status or the latest trends, they also enjoy spending their money on some more luxurious items from time to time to treat themselves with something good that they value.

3.3.2 Cultural Sensitivities and Other Considerations

As said before, Australia is a highly diverse country with many different communities and cultures. It is mainly westernised, due to early British influences, but also has been influenced by the cultures of the Aboriginals and other original tribes. In general, Australians are viewed to be laid-back people who love the outdoors and sports; and are very proud of their country.⁴³

3.3.2.1 Ethnicity and religion

Australia is a religiously very diverse country due to its high degree of religious freedom. The state and religion are separated entities; however, religion often plays a role in society. E.g. many schools, hospitals and similar buildings are funded by religious organisations. Christianity arrived in Australia with the British settlers in times of colonisation and became the dominant religion in the country. Yet, Australians tend to avoid showing off their religion. The topic is not discussed widely, but rather in private settings with family and friends.⁴⁴

⁴¹ Euromonitor International, 2021: Economies and Consumers.

⁴² AUSTRALIA: REACHING THE CONSUMER. Available at: https://santandertrade.com/en/portal/analyse-markets/australia/reaching-the-consumers?url_de_la_page=%2Fen%2Fportal%2Fanalyse-markets%2Faustalia%2Freaching-the-consumers&&actualiser_id_banque=oui&id_banque=0&memoriser_choix=memoriser

⁴³ A handy guide to the Australian lifestyle, Australia, available at <https://www.australia.com/en/facts-and-planning/about-australia/the-aussie-way-of-life.html>

⁴⁴ Australian culture: Religion, Cultural Atlas, available at <https://culturalatlas.sbs.com.au/australian-culture/australian-culture-religion>

The majority of Australians – between half and two thirds depending on the definition – are Christians of some sort. Around 8% of Australians believe in other religions such as Islam with about 2.6%, Buddhism with approximately 2.4% followed by Hinduism, Sikhism and Judaism. However, around 30% of the population is not affiliated with any religion and the number is growing.⁴⁵

Because most Australians are either Christians or Atheists, most people in the country consume alcohol as well as all kinds of meat, which is not the case for all religions (e.g. in Islam people are not allowed to consume alcohol or pork and in Buddhism and Hinduism vegetarianism is advocated for; but small parts of the population fall into these categories).

3.3.2.2 Gift giving

The gift giving culture, like the Australians themselves is quite relaxed. It is rarely expected to bring gifts. Most commonly gifts are given to family and close friends.⁴⁶ Gifts are mainly given for certain occasions such as birthdays, weddings, retirement, Christmas, Easter etc. Weddings are the gift giving occasions where Australians tend to buy the most expensive gifts, followed by birthdays and Christmas gifts. Food and alcohol are the second most common Christmas gifts, right after cash or gift cards.⁴⁷ Another reason for a gift might be if people are invited to someone's house for a meal. In these cases, it is common to bring something small, like a bouquet of flowers, a box of chocolates or a bottle of good wine. Australians moreover love Barbeques and it is common for invited guests to also bring wine or beer.⁴⁸

3.3.2.3 Festivals and holidays

Australia has a number of national holidays, which largely are the same across the country. However, due to its size and regional differences it also has many regional holidays. Like in most other countries Australia is also celebrating special events on national observances days. A list of important holidays and festivals can be found below, however, it is not a complete list of all festivals and events happening in the different regions due to the high number.

National Holidays

New Year's Day (1st January)

Australia Day* (26th January)

Easter (Varies by year)

ANZAC Day (25th April)

Labour Day (Traditionally 1st May; Varies in each state)

⁴⁵ Census reveals Australia's religious diversity on World Religion Day, Australian Bureau of Statistics, available at <https://www.abs.gov.au/AUSSTATS/abs@.nsf/mediareleasesbyReleaseDate/8497F7A8E7DB5BEFCA25821800203DA4?OpenDocument>

⁴⁶ Holiday traditions of sending gifts to Australia, available at <https://www.giftbasketoverseas.com/Holidays-in-Australia.htm>

⁴⁷ Research into Australia's gift giving, Money & Life, available at <https://www.moneyandlife.com.au/professionals/focus/research-into-australias-gift-giving/>

⁴⁸ Gift giving Etiquette in Australia, unique gifter, available at <https://uniquegifter.com/gift-giving-etiquette-in-australia/>

Queen's Birthday (Technically 21st April; Varies in each state)
Christmas Eve (24th December)
Christmas Day (25th December)
Boxing Day (26th December)
New Year's Day (31st December)

National Observances:

Mothers' Day (8th May)
National Sorry Day (26th May)
National Reconciliation Week (27th May - 3rd June)
NAIDOC* Week (1st week of July)
Fathers' Day (4th September)
Remembrance Day (11th November)

Regional Holidays

Royal Hobart Regatta (Tasmania); February
Adelaide Cup (South Australia); March
Canberra Day (Australian Capital Territory); March
Eight Hour Day (Tasmania); March
Reconciliation Day (Australian Capital Territory); End of May/ beginning of June
Western Australia Day (Western Australia); June
Bank Holiday (New South Wales); August
Picnic Day (Northern Territory); August
Royal National Agricultural Show Day/Ekka Holiday (Queensland); August
AFL Grand Final Day (Victoria); October
Recreation Day (Tasmania); November
Melbourne Cup Day (Victoria); November⁴⁹

Festivals:

Big Day Out (January-February)
Splendour in the Grass (July)
Melbourne International Arts Festival (October)
Sydney Festival (January)
Soundwave Festival (February-March)
Adelaide Film Festival (October)⁵⁰

⁴⁹ Australia: Dates of Significance, Cultural Atlas, available at <https://culturalatlas.sbs.com.au/australian-culture/australian-culture-dates-of-significance#australian-culture-dates-of-significance>

⁵⁰ Festivals and Events in Australia, World Festivals, available at <https://www.world-festivals.net/australia/australia-festivals.htm>

3.3.2.4 Sports

Sports is an essential part of the Australian culture. The two most popular sports in Australia are cricket and Australian Football. Different varieties of rugby are popular as well, but technically all kind of sports can be found somewhere in Australia. Australians are very successful in international sport such as the Olympic Games. The good weather might be one reasons for the country's sports craziness, but its cultural roots runs deeper. Many Australians celebrate their sports team's players like hero's.⁵¹

3.3.2.5 Important cultural symbols



Australia's symbols show different factettes of the country. Some of the most famous symbols are the National flag, the floral emblem and the national colours.⁵² The stars of the Southern Cross on



the Australian flag show the geographic position in the southern hemisphere. The Commonwealth star represents the federation of the states and territories and, finally, the Union Jack depicts Australia's ties with Great Britain. More generally, the country's national colours are green and gold, which are also the colours of the national floral emblem, the golden wattle. Australia's coat of arms shows the badges of the six states, as well as different national symbols, including the Golden Wattle, the kangaroo, and the emu. Due to traditions, the kangaroo is seen as the national animal emblem.⁵³

National symbols depict a country's national identity and thus can develop over time. Besides the very established symbols, new more general ones or even much older ones got established throughout the years. These include the boomerang, which is an old symbol of the continent from before Australia came to be one nation; and even Vegemite, which is a typical thick dark brown Australian savoury yeast-based food spread (vaguely related to Marmite, a similar spread found in the UK). During the 20th century, the Sydney Harbour Bridge became a symbol of all of Australia's great attractions and the back then popular Holden car became a symbol of the everyday life of Australians.⁵⁴

⁵¹ Sport and Popular Culture, available at: http://www.abc.net.au/ra/australia/pdf/popular_culture.pdf

⁵² Australian National Symbols, Australian government, available at <https://www.pmc.gov.au/government/australian-national-symbols#:~:text=Among%20our%20best%20loved%20symbols,vibrant%20gemstone%2C%20the%20Australian%20Opal.>

⁵³ The land and its people, Australian Government, available at <https://www.dfat.gov.au/about-australia/land-its-people/Pages/australias-national-symbols>

⁵⁴ Symbols of Australia, National Museum Australia, available at <https://www.nma.gov.au/exhibitions/symbols-australia>

3.3.2.6 Australia's cuisine culture

Australia is an immigrant nation, which is mirrored in the country's cuisine. Nearly all different styles from Chinese, Italian to Mexican can be found across the country. The bigger the cities the greater the variety of offered food. Some particularly popular dishes include:

- **Fish 'n Chips:** just like in most western countries, Australia is home to all big fast-food franchises even though often their offers are tailored to Australian tastes. Australian's love fish and chips, which is why shops can be found all over Australia's cities. Australian Fish 'n chips shops sell their fish with a variety of fried sides including hamburgers, potato cakes, dim sims or scallops.
- **The 'barbie':** the Barbeque or 'barbie' how Australians like to call it is an essential part of the nation's culture. One reason for its popularity is the country's good climate which offers great conditions for outdoor cooking. Australians mainly barbeque on the weekends. A lot of meat is commonly grilled such as sausages, beef steak, lamb chops and kebabs. The meat often is served with different kinds of salads. Another very important aspect of Australian barbeques is the alcohol; beer in particular.⁵⁵
- **Pavlova:** is a meringue cake that is topped with whipped cream and fruit. Pavlova can be found in nearly all supermarkets, bakeries and cake shops in Australia. Lamington is another popular Australian dessert. It is made of a sponge cake dipped in chocolate and rolled in coconut flakes.
- **Savoury meat pies:** these can be found in nearly all supermarkets, corner shops and bakeries as well. They are a popular on-the-go snack. Some shops are even specialised in only making meat pies. Traditionally, most meat pies are filled with minced meat, gravy, mushrooms, onions and cheese.
- **ANZAC biscuits:** ANZAC is the short form for the Australian and New Zealand Army Corps that together were involved in WWII battles. Families would bake and send ANZAC cookies overseas to the soldiers. The cookie ingredients made the biscuits stay fresh during long boat trips overseas. ANZAC cookies are made with oats, coconut and golden syrup.

Other Iconic dishes: Australia has a lot of other iconic dishes and products. The two most popular Australian products are probably vegemite, which is a savoury spread, and Tim Tams which are chocolate malted biscuits. Australia is home to many exotic animals, and thus, one can find meat such as Kangaroo and Emu. The Barramundi fish is also popular and traditional. One of the most popular dishes served in pubs is chicken parmigiana. Australian kids love 'Fairy bread, which is butter spread on toast with colourful sugar sprinkles.^{56 57}

⁵⁵ Australian Food, available at: <https://www.list-directory.info/lists/australian-food.html>

⁵⁶ 11 Iconic Australian Foods You Have To Try, available at: <https://mojosurf.com/11-iconic-australian-foods-you-have-to-try/>

⁵⁷ 25 iconic Australian foods you must try, available at: <https://www.contiki.com/six-two/25-iconic-australian-foods-you-must-try/>

4 Market access and entry

This section provides details on the necessary requirements for entry into the Australian market, outlining existing market access restrictions and explaining procedures. A summary of market access and entry is presented in section 4.1, in the form of a SWOT analysis.

4.1 Summary SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Western style consumption habits coupled with European ancestry mean that European food and beverage products are popular. ▪ Highly urbanised and geographically concentrated population, despite the large land mass. ▪ Australia and New Zealand have joint food standards, meaning that meeting requirements in one country means they are generally met in both. These standards are arguably closer to EU standards than those of many other third countries. ▪ As a southern hemisphere country, seasonality is reversed from Europe. 	<ul style="list-style-type: none"> ▪ Big producer of agricultural products, most notably of beef, lamb, dairy and some fruit and vegetables (in relation to the products covered in this handbook). ▪ Currently no FTA in place; nonetheless, negotiations are ongoing and tariffs anyhow are quite low. ▪ While there is a list of protected wine GIs, no specific system for general food GIs; and some food and wine products facing challenges with the use of GIs protected in the EU by other parties. ▪ Market is one of the most distant in the world from Europe, with shipping times typically in excess of 50 days.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ High level of imports of processed agri-food goods, including from the EU; and these EU products are appreciated due to the different characteristics they possess. ▪ Despite the high level of production of many agricultural products, there is good complementarity between domestically produced agri-food products and EU exports. ▪ Current trends among Australian consumers such as sustainability and healthiness are trends European producers are likely to be familiar with from the European market. ▪ Growing organic market without single regulation leads consumers to look for regulated organic products from other countries to be certain of their status – though awareness of EU organic status is low. 	<ul style="list-style-type: none"> ▪ Strong SPS requirements and restrictions, largely driven by Australia's delicate biodiversity, can cause significant challenges for exporters. ▪ General high levels of controls on imports of all kinds, not just livestock and plant based products primarily affected by SPS restrictions. ▪ New Zealand a notable competitor with good access to the Australian market due to the free trade area and common food standards. ▪ Furthermore, other recent trade agreements such as RCEP and CPTPP provide preferential access for multiple other non-EU countries.

4.2 Food and beverage legislation and regulations

4.2.1 Import requirements/restrictions, customs procedures and documentation

Agri food products imported into Australia must comply with quarantine requirements as well as import requirements and food safety requirements. The quarantine requirements are notable and they include sanitary and phytosanitary provisions.

The general documentation requirements for shipments to Australia are set out in Table 4-1. A summary of specific requirements by food and beverage type covered in this handbook is set out in Table 4-2, with further explanations regarding some points provided thereafter. As a general rule, documents must be prepared in English.

Table 4-1: General requirements for goods exported to Australia (including F&B)

Name	Description	To be prepared by	Language
Air Way bill	A document containing the details of the transportation of products by air and proving the transport contract between the consignor and the carrier's company. One Air Waybill may be used for the multiple transshipment of products.	Carrier (or his agent)	EN
Bill of Lading	A document containing the details of the international transportation of products by sea.	Carrier (or his agent)	EN
Impending arrival report (sea cargo or air cargo)	A document providing Australian customs with the details of the expected arrival of vessels/aircraft and sea cargo/air cargo. Template forms and information to be required provided on Access2Market.	Vessel / aircraft operator	EN
Pre arrival report for vessels	A document notifying the Department of Agriculture, Water and Environment of the arrival of vessels over 25m in length in Australia. Specific form exists, to be submitted electronically.	Vessel operator	EN
Actual arrival Report (sea cargo or air cargo)	A document providing Australian customs with the details of the arrival of vessels/aircraft and sea cargo/air cargo. To be submitted within 24 hours of arrival by sea or 3 hours of arrival by air; or before clearance at the point of entry. Template forms and information to be required provided on Access2Market.	Vessel / aircraft operator	EN
Air / sea cargo report / sea cargo list report	A document informing Australian Customs of the cargo carried on board an aircraft or vessel. To be submitted electronically through the Integrated Cargo System (ICS) no less than two hours before estimated arrival of aircraft / 48 hours before the estimated arrival time of vessels. A <i>sea cargo list report</i> is also be required for certain types of sea	Vessel / aircraft operator	EN

Name	Description	To be prepared by	Language
	cargo (e.g. empty containers) being discharged in Australia.		
Commercial Invoice	A document containing the details of the transaction. Original and one copy to be submitted. There are requirements on minimum content for customs clearance though these are fairly standard invoice requirements. Additional information required by the Australian Tax Office includes the Australian Business Number (or person names), unit prices and amounts and a declaration relating to goods and service tax. Full details on Access2Market.	Exporter	EN
Customs import declaration	Official form for customs clearance of goods intended for home consumption. Full entry declarations are required for shipments with a value of AUD 1 000; up to this value, self-assessed clearance (SAC) declarations are required. Submission may be manual or through the Integrated Cargo System (ICS).	Importer	EN
Packing List	A document containing the details of the shipment and serving as a basis for the treatment of goods by customs.	Exporter	EN
Packing declaration	Document containing details of the cargo and packing materials. Required for quarantine clearance, no specific form required, Company letter head must be included. Full minimum content list available on Access2Market; notably it includes statements on the use of: (1) prohibited packing materials such as straw, bamboo, peat, hay, chaff, used fruit cartons; and (2) the use of timber packing, with additional documents on IPSM 15 and treatment required.	Exporter	EN
Certificate of non-preferential origin	A document confirming the non-preferential origin of the goods to be imported. While not always necessary, it may be requested by customs or the importer if there are doubts about the origin.	Exporter	EN

Source: European Commission Access2Market

Table 4-2: specific market entry requirements mapped to handbook categories

Name and description	Fresh meat	F&V	Dairy	Alcohol (spirits, wine, beer)*	Olive oil	Confectionery	Processed meat	Ice cream	Processed F&V	Pasta	Baked goods	Biscuits
Permit to import goods subject to quarantine. To be applied for by the importer through the Biosecurity Import Conditions Database (BICON).	X	X	X	X	X	X	X	X	X	X	X	X
Veterinary health certificate for animal products. Confirms that a product of animal origin has been inspected according to appropriate procedures, does not carry contagious diseases and is considered compliant with Australian veterinary regulations. Issued by authorities of the country of export.	X		X				X			X		
Import permit for wildlife and wildlife products. Permits the import of certain wildlife products, notably those subject to CITES.	?						?					
Declaration of the manufacturer. For most goods subject to quarantine. May also be requested by DAWE. Confirms the product conforms to Australian standards.	X	X	X	X	X	X	X	X	X	X	X	X
Certificate of fumigation. Certifies that fumigation has been conducted in accordance with Australian quarantine requirements.		X							X			
Phytosanitary certificate. Confirms that a plants and plant products have been inspected according to appropriate procedures, are free from quarantine pests, practically free from other injurious pests and is considered compliant with Australian phytosanitary regulations		X							X			

Name and description	Fresh meat	F&V	Dairy	Alcohol (spirits, wine, beer)*	Olive oil	Confectionery	Processed meat	Ice cream	Processed F&V	Pasta	Baked goods	Biscuits
Registration of new plant introduction (plant material). Only required for new species; confirms the product is permissible for import and has been included in the BICON database. <i>Selected products such as seed potatoes and onions need registration of new plant varieties and instead.</i>		?							?			
Acceptance of a plant variety into seed certification schemes. Proves that plant varieties have been accepted into seed certification schemes in Australia. Only necessary for certain products such as seed potatoes and onions.		?							?			
Age certificate for Brandy, Rum and Whisky. Certificate confirming that these drinks have been stored in wood for at least two years.				?								
Authorisation of foreign foodstuffs manufacturers. A document certifying that producers of a foodstuff have been authorised by the competent authority of the country of export and are HACCP compliant.						X	X (1601 1602)	X	?	X	X	X

Source: Agra CEAS based on MADB

X = required for category; ? = only required for category in specific cases, consult MADB for more details; * additional requirement exist in the case spirits are imported as medical devices rather than beverages

Petfood is excluded as requirements are substantially different given its non-food status. Market entry requirements for pet food are set out in 5.12.3

In addition to the requirements set out above, export protocols need to have been negotiated for certain products; and these are country and product specific. Depending on the export protocol in place for a product from a country, additional listing of establishments and/or preclearance inspection may be required. Notably, such requirements tend apply for **meat** and **fruit and vegetables**.

As noted in the introduction and can be seen from the table above, Australia has notable **quarantine requirements** which must be complied with prior to import. These are intended to protect Australia's biodiverse habitat from external pests and diseases. The key piece of legislation underpinning the quarantine requirements is the Biosecurity Act (2015); more information on this can be found at:

<https://www.agriculture.gov.au/biosecurity/legislation/biosecurity-legislation>

Import permits and declarations/certificates are generally required to confirm compliance with these quarantine requirements. For some products, import risk analyses (which ultimately determine appropriate control measures) are required before goods can be imported from a specific country. If not completed, these can take several years to complete as they may involve widespread consultation. The existence of import risk analyses is normally flagged in the BICON database (see below); and a separate list of completed risk analyses can also be found on the DAWE site at:

<https://www.agriculture.gov.au/biosecurity/risk-analysis>

With regards to import requirements and declarations, processed products containing egg, dairy, meat, seeds and nuts, fruit and vegetables can be affected. In addition to the import permit set out in Table 4-2 above, the manufacturer's declaration may need to guarantee that there is less than 5% meat content, 10% dairy content and 10% egg content; plus that the product is sterilised and shelf stable; and that the article is in its final packaging and does not require refrigeration or freezing prior to being opened. It is recommended that the content of the manufacturer declaration be checked with DAWE before sending.

BICON database

The Department of Agriculture, Water and the Environment (DAWE) maintains an online searchable database of import requirements called BICON (Biosecurity Import Conditions). These requirements are both very specific to the product/origin and frequently updated. It is strongly recommended that this database be consulted for the most recent import requirements.

<https://bicon.agriculture.gov.au/BiconWeb4.0/>

It is possible to register for this database in order to automatically receive updates as requirements change.

Finally, it should be noted that, in addition to compliance with quarantine requirements, DAWE is also responsible for the inspection of imported food under the Imported Food Inspection Scheme (IFIS). Essentially this means they are responsible for ensuring that food is compliant with the safety and labelling requirements set out in the next sections. In the case of referral for inspection, an imported food product will be visually inspected, the label checked, and sampling may take place.

Imported foods are separated into two risk categories for inspection:

- **Risk foods**, which are initially tested initially at a rate of 100%, decreasing as consignments pass successful and ultimately potentially attaining an inspection rate of 5%. The tests which may be performed on these foods can be found here:
<https://www.agriculture.gov.au/import/goods/food/inspection-compliance/risk-food>
- **Surveillance foods**, which are randomly selected at a rate of 5%. The tests which may be performed on these foods can be found here:
<https://www.agriculture.gov.au/import/goods/food/inspection-compliance/tests-applied-to-surveillance-category-foods>

If a food is imported by a holder of a Food Import Compliance Agreement (FICA), inspection under IFIS is not required as these businesses have documented food management systems in place and are regularly audited. A list of companies currently holding a FICA can be found here:
<https://www.agriculture.gov.au/import/goods/food/inspection-compliance/food-import-compliance-agreements-fica>

4.2.2 Food safety and other food certification requirements

In very broad terms, all imported food must comply with the **Imported Food Control Act 1992**. The applicable standards under this act are the ones set out in the **Australia and New Zealand Food Standards Code**, which is examined in more detail in this section. Imported food must also comply with the **Country of Origin Food Labelling Information Standard 2016**.

Food Standards Australia New Zealand (FSANZ) is responsible for developing the food standards for Australia and New Zealand in Australia and New Zealand Food Standards Code. It is a statutory authority in the Australian Government Health portfolio. While FSANZ develops the code, it is enforced by state and territory departments, agencies and local councils within Australia. As noted in the previous section, the Australian Department of Agriculture, Water and the Environment (DAWE) is responsible for applying them to food imported into Australia.

The **Australia and New Zealand Food Standards Code Food (ANZFSC)** is a collection of individual food standards. At the highest level, the standards are grouped into four chapters. Each chapter includes up to ten parts. A high level overview of the chapters and parts is presented in the table below.

Ch 1: Introduction and standards applying to all foods	Ch 2: Food standards	Ch 3: Food safety standards	Ch 4: Primary production standards
1.1 Preliminary 1.2 Labelling and other information 1.3 Substances added to or present in food 1.4 Contaminants and residues	2.1 Cereals 2.2 Meat, eggs, fish 2.3 Fruit and vegetables 2.4 Edible oils 2.5 Dairy products 2.6 Non-alcoholic beverages	3.1 Preliminary 3.2 Food safety requirements 3.3 Food service to vulnerable people	4.1 Preliminary 4.2 Meat, eggs, fish production 4.5 Wine production

1.5 Foods requiring pre-market clearance 1.6 Microbiological limits / processing req.	2.7 Alcoholic beverages 2.8 Sugars and honey 2.9 Special purpose foods 2.10 Other foods		
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Source: Agra CEAS based on ANZFS

In addition to the main four chapters of the code, there are 29 schedules setting out specific details (such as lists of permitted substances and labelling requirements).

The full code can be found at the following link:

<https://www.foodstandards.gov.au/code/Pages/default.aspx>

Food standards are developed or varied by FSANZ either based on an application from an individual, agency or body; or based on the agency's own initiative.

Relevant parts of the code are examined in the following sub-sections.

Preliminary provisions and definitions

These are covered in part 1.1 of the code. Standard 1.1.2 is of greater interest as it includes key definitions used throughout the code; this not only includes more general definitions such as food, infant, health claim and package; but also definitions of particular foods (e.g. brandy, cheese, sausage, etc). There are also a series of definitions on specific points such as novel foods, nutrition content claim and calculation and expression of amounts of vitamin or mineral.

Foods requiring pre-market clearance

These are set out in part 1.5. It includes standards for novel food (1.5.1), food produced using gene technology (1.5.2) and irradiation of food (1.5.3).

Contaminants, residues, microbiological limits and processing requirements

Provisions for these are set out in parts 1.4 and 1.6 respectively. Furthermore, schedule 19 specifically contains maximum levels of contaminants and natural toxicants.

Food standards

Chapter 2 of the code sets out standards for specific foods. This generally includes definitions of the foods and requirements for them. It is recommended that this chapter be consulted for the food of interest to confirm the existence of any definitions and requirements.

Food additives

Part 1.3.1 of the code sets out the restrictions on the use of food additives (with food additives themselves, and their purposes, defined in section 1.1.2-11. Schedule 14 to the code sets out permitted technological purposes of food additives; 22 such purposes are currently identified. A link to the schedule can be found here: <https://www.legislation.gov.au/Series/F2015L00436> (the most recent compilation under this link should be selected – the compilation includes all updates).

Schedule 15 sets out the substances which may be used as additives, along with maximum permitted levels (MPL) and any specific conditions on usage. This list of substances is divided by food product. A link to the schedule can be found here: <https://www.legislation.gov.au/Series/F2015L00439> (the most recent compilation under this link should be selected – the compilation includes all updates; for example, the most recent compilation at the time of writing which dates from March 2020 can be found at: <https://www.legislation.gov.au/Details/F2020C00203>). Food additive class names plus food additive names and code numbers – both for inclusion in the statement of ingredients – are set out in schedules 7 and 8.

Vitamins, minerals and processing aids

Standard 1.3.2 sets out general provisions on vitamins and minerals. Schedule 17 sets out vitamins and minerals. A link to the schedule can be found here <https://www.legislation.gov.au/Series/F2015L00449> (the most recent compilation under this link should be selected – the compilation includes all updates).

Standard 1.3.3 sets out general provisions on processing aids, while schedule 18 lists permitted processing aids. A link to the schedule can be found here <https://www.legislation.gov.au/Series/F2015L00452> (the most recent compilation under this link should be selected – the compilation includes all updates).

Pesticides and other contaminants

The Australian Pesticide and Veterinary Medicines Authority is the body responsible for assessing and registering agricultural and veterinary chemicals. Prior to its emergence in 1993, states and territories had their own systems.

Maximum residue levels (MRLs) specifically for Australia are set out in Schedule 20 of the code (see <https://www.legislation.gov.au/Series/F2015L00468>). Schedule 21 sets out extraneous residue levels (<https://www.legislation.gov.au/Series/F2015L00471>). Both are set out by chemical and crop. Given these schedules are frequently updated, it is recommended they be periodically consulted.

FSANZ is currently discussing the modification of the maximum residue limits (MRLs) for approximately 130 agricultural and veterinary chemicals in food to bring them in line with international limits set by the Codex Alimentarius Commission and other international bodies.

4.2.3 Labelling Requirements

Part 1.2 of the code sets out general labelling requirements for food. There are further specific provisions relevant for food labelling under the Competition and Consumer Act as well (for example, country of origin

labelling) – these are highlighted where relevant. The label on food packages for retail sale or for catering must contain the information in Table 4-3 below (unless it is specifically exempted).

Table 4-3: Summary of labelling requirements

Item	Description / notes
Prescribed name	If name is declared in the code to be a prescribed name this must be stated. Otherwise, a name or descriptor of the food to indicate its true nature must be used. Note: prescribed names are those defined or described in standards; there are a limited number of these.
Lot identification	Lot the food comes from as well as premises where it was prepared. Can be fulfilled by including date mark an address. A limited number of specific exemptions exist (e.g. small packages where the bulk package/container contains lot identification).
Name and business address in Australia (or New Zealand) of supplier	Supplier = packer, manufacturer, importer or vendor. Address must be in Australia or New Zealand.
Mandatory warning and advisory statements and declarations	Certain information is required on labels. This may be in the form of: A warning statement with prescribed wording. These must be expressed using the exact words. There is one for royal jelly set out in standard 1.2.3, and further ones for specific products within specific product standards (such as infant foods and supplementary sports foods). An advisory statement. Mandatory advisory statements are set out in Schedule 9 and also standard 1.2.3 (substances that can have a laxative effect). Manufacturers may use their own words for these statements as long as they are to the effect set out in the code. A declaration. This relates to certain substances which can be found in a food – most notably ones which may act as allergens. These are set out in standard 1.2.3 and also a further list of mandatory declarations in Schedule 9. Schedule 9 of the code, which can be referred to for more information on when advisory statements and declarations are required, can be found at: https://www.legislation.gov.au/Series/F2015L00479
Ingredients listing	Packaged foods must list all ingredients and compound ingredients (unless specifically exempted). These must be declared in descending order of weight. Ingredients must be declared using the common name or a name which describes the true nature of the ingredient. An ingredient means any substance used in a food (including food additive). A compound ingredient means an ingredient made up of two or more ingredients.
Date marking	Best before or use by date for packaged food. The latter must be displayed if there is a food must be consumed before a certain date for health and safety reasons. Food with a best before date of two or more years is exempt (except for infant formula, which must be date marked). A limited number of exemptions from this standard (e.g. small packaging) exists and are set out in standard 1.2.5.

Item	Description / notes
Nutrition information panel	<p>This must set out the following:</p> <ul style="list-style-type: none"> • Energy (in kilojoules; kilocalories can be also expressed) • Protein • Fat and saturated fat • Carbohydrates • Sugars • Sodium • Number of servings per package • Average quantity per serving • Unit quantity of the food <p>A prescribed format must be used.</p> <p>There are additional requirements if a specific nutrition claim is used. There are certain exemptions from the labelling requirement.</p> <p>Standard 1.2.8 contains the full provisions for nutrition labelling.</p>
Percentage / proportion labelling	<p>Characterising components and ingredients (i.e. those mentioned in the name of the food, usually associated with the food or emphasized on the label) are subject to labelling to indicate the proportion of the component or ingredient in the product.</p> <p>Standard 1.2.10 contains full provisions for this.</p>
Directions for use or storage	<p>These are required if special storage conditions are required to ensure the food will keep till its date marking; if specific use or storage is needed for health reasons; or if the food contains raw bamboo shoots or sweet cassava.</p> <p>Standard 1.2.6 contains provisions for direction for use or storage.</p>
Country of origin	<p>All packaged food must be accompanied by country of origin information; as must some unpackaged food.</p> <p>This provisions is included in the Competition and Consumer act (rather than the Food Standards Code). The specific piece of legislation for this, the Country of Origin Food Labelling Information Standard 2016 can be found at:</p> <p>https://www.legislation.gov.au/Details/F2017C00920</p>
Weight or measure	<p>This must be clearly displayed in metric terms. It must appear on the main part of the package near to any name or brand; and be separated by at least 2mm from the edge of the package and any other graphic objects. There are size requirements (more details below).</p>
Genetic modification	<p>Relevant for foods or ingredients that contain new genetic material or protein as a result of the genetic modification or have altered characteristics. Food additives and processing aids must only be labelled if the genetic material is present in the final food.</p> <p>In cases where it is required, the words “genetically modified” must be used in conjunction with the food name or specific ingredient.</p> <p>The use of any GM-free labelling must be coherent with the Competition and Consumer act.</p>

In addition to these overarching requirements, there are product specific requirements. An overview of these is provided in Standard 1.2.1.

Legibility requirements

General legibility requirements are set out in Standard 1.2.1 of the Food Standards Code. Information required on labels must be:

- legible (indelible, distinct and easy to read)
- prominent (i.e. in distinct contrast to the background)
- provided in English, though other languages are allowed alongside this as long as the information does not contradict that provided in English.

The display of quantities is controlled by national trade measurement laws. A guide on these requirements can be found at: <https://www.industry.gov.au/data-and-publications/guide-to-the-sale-of-pre-packaged-goods>. It is recommended that this guide be consulted, but in brief:

- Size requirements exist based on package dimensions (the greatest of width, height or depth)
 - 120 mm or less: 2 mm
 - Over 120 mm but not over 230 mm: 2.5 mm
 - Over 230 mm but not over 360 mm: 3.3 mm
 - over 360 mm: 4.8 mm
- Measurements and abbreviations which can be used are controlled (e.g. kg can be used for kilogram; but KG, Kg, kilos cannot be used).
- There are position requirements (2mm from the edge of the package and from other graphic material).

With the exception of warning statements, there is not a minimum size requirement for text. For warning statements – which must be written using the prescribed text, there is generally a 3mm minimum size requirement (for small packages under 100cm² this falls to 1.5mm). Advisory statements and mandatory declarations do not have minimum size requirements, but must comply with legibility requirements.

Packaging requirements

There are no specific provisions in the Food Standards Code for materials which can be used for packaging or food contact materials. However, food manufacturers are ultimately responsible for ensuring that the products used for packaging are safe; and that the food, after contact with the material, complies with the requirements of the code in relation to contaminants (Standard 1.4.1). For outer packing it should be remembered that certain materials are forbidden or restricted under quarantine regulations (see section 4.2.1).

FSANZ guide to food labelling and nutrition calculator

It should be noted that FSANZ has created user guides for labelling requirements. These can be found at: <https://www.foodstandards.gov.au/code/userguide/Pages/default.aspx>

These guides are based on the 2016 version of the code. There have been some minor variations to the code since the original publication of the guides, though the majority of these guides remain relevant.

There is a nutrition calculator available to help with the preparation of the nutrition panel. This can be found at: <https://www.foodstandards.gov.au/industry/npc/Pages/nutrition-panel-calculator.aspx>

Competition and consumer guides relevant for food labelling

The Australian Competition and Consumer Commission (ACCC) produces a number of guides to help ensure that the food industry complies with the Trade practices Act (under the Competition and Consumer act). These include:

- Food descriptors guidelines <https://www.accc.gov.au/publications/food-and-beverage-industry-food-descriptors-guideline-to-the-trade-practices-act>
- Country of origin claims <https://www.accc.gov.au/publications/country-of-origin-claims-and-the-australian-consumer-law>
- Advertising and selling guide <https://www.accc.gov.au/publications/advertising-selling>

Claims

Nutrition, health and related claims are covered by standard 1.2.7 of the code. Nutrition and health content claims are not to be made about kava, infant food or foods that contain more than 1.15% alcohol (other than some very limited exceptions).

Nutrition content claims relate to the presence and the amount of certain nutrients or substances in a food. Example include “low fat” or “source of...”. When nutrition claims are made, the nutrient in question must be displayed on the nutrition information panel alongside energy, protein, fat, saturated fat, carbohydrates, sugars and sodium.

Health claims relate to the relationship between a food and health. They can be split into general level claims (which indicate the effect on health function) and high level claims (which indicate the relationship to a serious disease or biomarker of a serious disease).

Schedule 4 of the Code contains:

- Conditions for nutrient content claims: properties of the food, descriptors that can be used for the property and conditions around their use.
- Conditions for high level health claims: property, specific health effect, context, conditions and other restrictions. This list is short (around 20 claims).
- Conditions for general level health claims: a list of health effects that can be claimed and the various conditions and restrictions around their use. Around 200 claims are listed.

This schedule can be found at: <https://www.legislation.gov.au/Series/F2015L00474>

There are also provisions for requesting the use of other claims. More detail on these can be found in the guides described below.

More information on claims

FSANZ has a page with more information related to the use of claims. This can be found at: <https://www.foodstandards.gov.au/industry/labelling/Pages/Nutrition-health-and-related-claims.aspx>

There is also a guide on claims which can be found at:

<https://www.foodstandards.gov.au/publications/Pages/gettingyourclaimsrigh.aspx>

Labelling requirements for alcoholic beverages

Standard 2.7.1 contains specific provisions for the labelling of alcoholic beverage. Alcoholic beverages must bear:

- A statement of alcohol content
- A statement on the number of standard drinks in the package
- A pregnancy warning label

There are specific provisions around these three requirements; it is recommended that the standard be consulted directly for more details. It can be found at:

<https://www.legislation.gov.au/Series/F2015L00469>

The last requirement of pregnancy warning labels is new, having entered into force in 2020 after many years of discussion. There is a three year transition period. More details on this specific requirement can be found here: <https://www.foodstandards.gov.au/industry/labelling/Pages/pregnancy-warning-labels.aspx>

Voluntary Front-of-Pack Health Star Rating System

A voluntary front of pack labelling system was introduced in 2014. The system, which is based on stars, assigns packaged food a healthiness rating from 0.5 to 5 stars based on an assessment of positive and risk nutrients in food. Either the star rating can be displayed alone; or it can be displayed alongside information on risk nutrients (energy, saturated fat, sugars, sodium) and one positive nutrient (protein, dietary fibre, selected vitamins and minerals). An example of the star rating provided by the scheme itself is displayed below.



More information on the scheme can be found at:

<http://www.healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/content/home>

4.2.4 Protection of intellectual property rights, including geographical Indications (GIs)

IP Australia is the federal agency responsible for intellectual property in Australia, including trademarks, designs and patents. The key relevant legislation for trademarks is the Trademarks Act 1995 (it has subsequently been amended – most recently in 2020 – with the latest version available here: <https://www.legislation.gov.au/Details/C2020C00103>).

Trademark protection lasts for 10 years. This is renewable 12 month before expiry, or up to 6 months after (for an extra fee). The registering of a trademark is a process; a fee-based pre-application service called TM Headstart exists, which aims to perform a quick assessment of whether a trademark application is likely to encounter any problems during public filing. Information on the process for registering trademarks (including the different options, time and costs) can be found at the following link:

<https://www.ipaustralia.gov.au/trade-marks/understanding-trade-marks/trade-mark-costs>

Searching for trademarks (including GIs) in Australia

Trademarks registered in Australia can be searched online through the following portal:

<https://search.ipaustralia.gov.au/trademarks/search/quick>

More information on the searching process itself, including some tips, can be found at:

<https://www.ipaustralia.gov.au/trade-marks/applying-for-a-trade-mark/searching-trade-marks>

Protecting GIs in Australia

Australia has two systems for GI registration, with the nature of the product playing a key role in which can be used.

- **Certification trade mark (CTM) system:** this system, which falls under the Trademarks Act 1995, can be used to register GIs for any products. CTMs show that goods meet specific standards, as set out in rules, such as quality and production methods. In the case of GIs these rules must at least relate to geographical origin, and may furthermore also contain other standards. Applications for CTMs are first examined to check if they meet Australian Trademark requirements (as set out by the Australian Competition and Consumer Commission). If they do, the application will be published for public comment and opposition. While a successful CTM owner does not need to use the CTM themselves, they must control the use of the CTM by other parties.
- **EU-Australia wine agreement and the Wine Australia system.** The EU and Australia have signed an agreement which ensures the protection of many EU wine GIs in Australia (as well as addressing various other issues related to wine). The last version of this agreement, which dates from 2009, can be found here: <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:028:0003:0087:en:PDF>

However, since the signing of this agreement, Wine Australia has updated the list of EU GIs which are protected in its own GI register system, with the last update being in 2019. Subsequently, GIs in the Wine Australia register are those which are *de facto* protected. This register of GIs is split into four parts; with the second part focusing on traditional expressions relating to wines

originating in a foreign country and any conditions of use applicable to those expressions. More information on Wine Australia's GI system, along with registers of GIs can be found at: <https://www.wineaustralia.com/labelling/register-of-protected-gis-and-other-terms>

More information on GIs in Australia

IP Australia has a webpage dedicated to GIs with more relevant information. This can be found at: <https://www.ipaustralia.gov.au/trade-marks/understanding-trade-marks/types-trade-marks/certification-trade-mark/geographical>

There are EU GIs which have been registered as certification trade marks in Australia by the consortium responsible for the GI in Europe; most notably in the cases of cheese. There is however no single comprehensive list of these exists given their individual registrations. In order to confirm whether or not a specific GI is protected, it is recommended to check the trademark search database (link in box in previous section).

Against the background of the system for GI protection set out above (using the trademark system), there are cases of GIs which are protected in Europe being used by third parties either for marketing or as part of trademark protection (by Australian or foreign non-EU producers); or being considered as generic names and hence refused protection. "Gorgonzola" and "Asiago" are examples of EU GIs which have faced challenges in one of these respects.

GIs in the context of the EU Australia FTA

GI protection is one of the major agri-food issues being discussed in the context of the EU-Australia FTA. The EU has submitted a list of 166 foods and 234 spirits that it would like to protect in the context of the FTA. The full lists of these can be found here:

<https://www.dfat.gov.au/trade/agreements/negotiations/aeufta/geographical-indications/list-of-eu-requested-geographic-indications-gis>

The list is still the subject of discussion so is subject to change. It also includes a few GIs that have resulted in objections on the side of Australian stakeholders. There is more information on the process and the objections at the following link:

<https://www.dfat.gov.au/trade/agreements/negotiations/aeufta/geographical-indications>

4.2.5 Relevant authorities for IPR and GI protection and further contacts

IP Australia

Ground Floor, Discovery House, 47 Bowes Street, Phillip ACT 2606, Australia

☎ +61 2 6283 2999

✉ <https://www.ipaustralia.gov.au/about-us/contact-us-form>

💻 <https://www.ipaustralia.gov.au/>

Wine Australia

Industry House, Corner Hackney and Botanic Roads, Adelaide, South Australia

+61 8 8228 2000

✉ enquiries@wineaustralia.com

🌐 <https://www.wineaustralia.com/>

4.3 International trade

4.3.1 Australia and foreign trade

Foreign trade has always been an instrumental part of the Australian economy largely due to the continent being home to a wide abundance of rich mineral resources and having a relatively small population in relation to the physical size of the country. Australia has consistently been ranked as one of the freest economies in the world and international trade makes an important contribution to its national GDP⁵⁸. Since the country's inception it has evolved with international trade forming a key component of its development which, along with climate, goes a little way to explain the numerous large urban centres located on the coasts of Australia compared to the interior of the country.

4.3.2 Key trade agreements, present, and future

Australia has several key free trade agreements with countries located within its immediate vicinity and further afield, these trade agreements help to solidify the country's trade-oriented economy. Australia currently has a total of 15 major trade agreements that have been enforced while around five are still in negotiation, find below a complete list.

Table 4-5: Chronological list of Australian trade/economic agreements with third countries/regions

Partners	Type of agreement	Entry into force
New Zealand	Free Trade Area	1993
Singapore	Free trade agreement	2003
United States	Free trade agreement	2005
Thailand	Free trade Agreement	2005
Chile	Free trade agreement	2006
ASEAN-New Zealand	Preferential Trade Area	2010
Malaysia	Free trade agreement	2013
Korea	Free trade agreement	2014
Japan	Free trade agreement	2015
China	Free trade agreement	2015
CPTPP (Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam)	Comprehensive agreement to become a member of the trans-pacific partnership agreement	2018
Hong Kong	Free trade agreement	2020

⁵⁸ Australian foreign trade in figure, Santander, available at <https://santandertrade.com/en/portal/analyse-markets/australia/foreign-trade-in-figures>.

Indonesia	Comprehensive economic partnership agreement	2020
Pacific agreement on closer economic relations (<i>Cook Islands, Kiribati, Nauru, Niue, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu</i>)	Closer economic relations agreements	2020
RCEP	Economic partnership	Signed 2020, entry into force pending

Source: Agra CEAS based on <https://www.dfat.gov.au/trade/agreements/trade-agreements>

As a generally export-led economy, Australia continues to seek new agreements with a number of nations and organisations which include

- **Australia – European Union FTA**
- **Australia – Gulf Cooperation Council (GCC) free trade agreement**
- **Australia- India comprehensive economic cooperation agreement**
- **Pacific alliance free trade agreement**
- **Australia – UK FTA**

It is likely that Australia will continue to seek out more negotiations beyond the scope of the ones currently ongoing to help bolster demand for its raw mineral resources, agri-food goods, and manufactured goods.

4.3.3 EU- Australia free trade agreement negotiations

The negotiations between the European Union and Australia concerning a potential free trade agreement were launched on the 18th June 2018. The EU is the second-biggest trading partner with Australia and bilateral trade between the two countries reached a value of EUR 48 billion in 2017.⁵⁹ According to the European Commission, the implementation of a free trade agreement could see a rise of up to 37% in trade between the EU and Australia. Given the generally low level of tariffs on agri-food products, the major potential benefit for agri-food trade is likely to be from the simplification of some SPS requirements and the protection of geographical indications. However, it is not yet possible to definitively say when an agreement may be reached and what it may ultimately contain.⁶⁰

4.3.4 WTO disputes and other trade barriers

Australia has several agri-food related trade disputes with the EU. Currently eight are identified as key barriers to trade for EU agricultural producers, these include

- **International freight assistance mechanism (IFAM).** Australia has implemented a scheme of government support to exporters of high-value agri-food and fishery products arising from the lack of cargo space availability due to the COVID-19 pandemic. These measures primarily benefited exports to Asia and the US, and so has had little impact on companies exporting to

⁵⁹ Towards an EU-Australian trade agreement, The European commission, available at <https://ec.europa.eu/trade/policy/in-focus/eu-australia-trade-agreement/>

⁶⁰ Australia-EU free trade agreement factsheet, The European commission, available at https://trade.ec.europa.eu/doclib/docs/2018/june/tradoc_156941.pdf

Australia. This is largely viewed as a temporary dispute that will likely be solved once the COVID-19 pandemic has settled.

- ***Geographic indications for food-related products.*** The protection of EU geographic indications with the exception of wine remains a key trade barrier affecting the negotiations of an EU-Australian free trade agreement. The large number of European origin inhabitants in Australia has led to many European style products being present in Australia through domestic production, as well as imports of such products from other, mainly North American countries. Some of these use the names of GIs protected in the EU, which makes the enforcement of GI protection in Australia particularly difficult.
- ***Lack of regionalisation in the EU for African swine fever.*** Australia bans the import of pork and pork products from countries in the event that African swine fever (ASF) is found in domestic pigs or wild boars. The lack of regionalisation from Australia when considering banning pork from member states means many member states are banned from exporting to Australia even in the event that the outbreak of ASF is within a smaller region of the nation. While the regionalisation issue theoretically affects all meat exports, it is pork meat which has mainly experienced the issue due to ASF outbreaks.
- ***Porcine reproductive and respiratory syndrome (PRRS).*** Australia has a strict regime in place for the importation of pig meat and pig meat products which includes specific requirements for heat treatments and deboning of meat. This leads to many heat treatments being conducted within Australia as opposed to domestically in the EU. Only Denmark has a specific condition in place that allows producers from the country to export uncooked and deboned meat to Australia at present. There have also historically been some issues with requirements for and post-weaning multisystemic wasting syndrome (PWMWS).
- ***Raw milk and cheese standards – Listeria monocytogenes.*** In 2016, Australia revamped its requirements for the importation of raw milk and cheese into the country. Under the new requirements, Australia will conduct an equivalence assessment of the raw milk and cheese production system of the exporting country which includes a technical assessment of the safety and compliance of each raw milk and cheese type.
- ***Bovine animals and products – BSE.*** Australia enforces a cumbersome and often slow approval process on imports of bovines and their products relating to Bovine Spongiform Encephalopathy. Under Australia's requirements, each country has to undergo an individual country risk assessment from the department of agriculture and water resources of Australia (DAWR). The risk assessment procedures significantly delay imports of bovine products that are not fully aligned to the BSE requirements set out by the OIE (World organisation for animal health). While the strong domestic beef industry makes it economically tough to export beef products to Australia, the situation with BSE provides a notable additional barrier.
- ***A backlog of market access applications.*** Australia performs risk assessments to approve the import plant and livestock products. The import approval process is performed under Australia's resource constraints and requires official requests to be filed by the competent authorities of the exporting countries. While the EU and Australia remain in negotiations to mitigate these delays, particularly with pork however this remains in progress at the time of writing.

- **Wine equalisation tax rebate.** Australia operates a 29% value-based wine equalisation tax (WET) on wine that is consumed in Australia, but this cap is rebated to roughly 90% of domestic producers in Australia causing an unequal pricing mechanism within the country. As well as domestic producers, New Zealand producers can also benefit from this tax system.

There are also requirements around a double serological test for the SVD in breeding animals, though this is outside the scope of the products covered by this handbook.

On the Australian side, concerns have been expressed by Australian fruit and vegetable processors regarding what they perceive as the dumping of frozen French fries from Europe.

Further information, as well as an up to date list of trade barriers, can be found here:

<https://trade.ec.europa.eu/access-to-markets/en/barriers/results?isSps=false&countries=AU>

4.3.5 Summary of key trade barriers

Several key EU agri foods are significantly affected by the implementation of trade barriers to Australia. A large number of the trade barriers to Australia revolve around the number of approvals and tests needed to be carried out before the exportation of a product to the country. Australia in particular is very cautious about the animal and plant products that enter its country due to the delicate biodiversity of the country. A lack of regionalisation recognition also places restrictions on exporters who may not be directly linked to the outbreak of diseases such as African swine fever (ASF). Finally, the level of inspection of imports is generally quite high, but an even higher than normal rate of inspection of containers coming from Asia (including through transshipment) has been reported of late.

Negotiations surrounding a potential Free Trade Agreement remain ongoing and the EU and Australia will both mutually benefit if it is implemented in the near future. Barriers such as regionalisation recognition and a reform of the approval process for EU exporters will likely have to be addressed before the full implementation of a free agreement can be done.

4.4 Operating in the Australian food and beverage market

4.4.1 Logistical services and transportation infrastructure

The transport and logistics industry is a key driver of the Australian economy, though the overall picture is heavily skewed by the transport of minerals. For containers, inland transport is mainly undertaken by trucks handling container, while bulk freight are well suited to transport by rail. However, FMCG and intermediate commodities are mostly transported by road.

Shipping

The most significant sea freight movements relate to the export of bulk ores and minerals plus the import of manufactured goods into the state capitals around Australia.

The volume of freight is dominated by the Pilbara port (Headland), though this is mainly bulk trade (notably mineral exports), with containerised freight tending to arrive more in the eastern ports. The Port of Brisbane is the largest seaport in the state of Queensland. It's also currently the third busiest port in all of Australia, not to mention the fastest growing. This port is responsible for more than 28 million tonnes of cargo each year and is ranked at the Maritime Security Level 1. Other major ports are Port of Sydney, Port of Fremantle, Port of Melbourne, Port of Dampier, Port of Darwin, Port of Adelaide and the Port of Newcastle (Figure 4-1). The continued growth in imports and the potential to reduce the cost of exports is leading to increasing demand for inland ports and well-connected intermodal terminals. Strategic planning for future intermodal terminals would provide greater certainty to the private sector and drive greater investment in the Logistics industry..⁶¹

Figure 4-1: Major Ports in Australia



Source: Agra CEAS based on various

Airfreight

Air freight is a small part of Australia's overall freight transport, suited to moving high-value and time-critical goods such as parcels and seafood. The Australian air freight industry includes both imports and exports – with a value of around AUD\$110 billion per year and a trade volume of around 1.1 million metric tons. Around half of air freight departs or arrives from Sydney, which is the country's most commercially prominent city. Brisbane, Perth, and Melbourne have also been traditional import and export hubs. Airports often have nearby freight precincts to handle freight and competition with passenger vehicles

⁶¹ https://www.bitre.gov.au/sites/default/files/is_056.pdf

accessing airports can lead to significant congestion issues. There are four major International Cargo Airports in Australia: Brisbane International airport, Melbourne International airport, Perth International airport and Sydney International airport (Figure 4-2).⁶²

Figure 4-2: Major International Cargo Airports in Australia



Source: Agra CEAS based on various

Rail freight

Rail freight in Australia is dominated by the transportation of bulk commodities over long distances. While iron ore and coal account for 80% of rail freight, rail is also important for transporting other bulk commodities such as grains and sugar, especially to sea ports.

There are estimated to be over 40 000 kilometres of railways across Australia. The Pilbara railways are the most productive in the world, though this is largely due to the movement of iron ore and coal. ARTC manages over 8 500 kilometres of Australia's interstate track, as well as the Hunter Valley Network. Brookfield Rail owns the interstate track from Kalgoorlie to Perth as well as other track in Western Australia. Asciano, Aurizon and SCT are the main train operators operating inter-capital container services. Over 70% of container freight between Sydney/ Melbourne and Perth is moved by rail.

The Australian Government has made a commitment for an inland freight railway between Melbourne and Brisbane. It would also provide an improved crossing of the Toowoomba Range and would link to the

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<https://industrytoday.com/the-air-freight-cargo-industry/>;
<https://www.cargorouter.com/directory/airports/Australia/>;
<https://austlogistics.com.au/wp-content/uploads/2014/07/Economic-Significance-of-the-Australian-Logistics-Industry-FINAL.pdf>

Port of Brisbane via Acacia Ridge, reducing supply chain costs. Furthermore, the railway would create additional rail capacity on the Melbourne-Sydney and Sydney-Brisbane corridors, which could be used in satisfying the growing freight task on those corridors.

Figure 4-3: Major Railway Connections in Australia



Source: Agra CEAS based on various

Road Freight

Over 95 per cent of Australia's road freight is carried in heavy vehicles weighing over 4.5 tonnes. The B-Double – a particularly large vehicle comprising a prime mover with two semi-trailers attached – is the most significant heavy vehicle combination accounting for 40 per cent of all freight movement. This is significant given that B-Doubles operate on a restricted road network. Advances in vehicle technology have allowed freight to be moved on Australia's roads for a relatively low unit cost. Reform of road investment and heavy vehicle charging also present opportunities and risks for road freight.

Road transport dominates the Australian market for non-bulk freight due to its advantages in price, speed, convenience, and reliability. It specialises in delivering time-sensitive / perishable commodities including fresh fruit and groceries. Road competes with rail in moving bulk commodities such as cattle, grain and processed metals over longer distances.

4.4.2 Distribution – retail channel overview

Key food retailing channels includes supermarkets, discounters, grocery stores, non-petrol sales of convenience stores at petrol stations (forecourt retailer) and independent or specialist retailers. Food

represents about 40 percent of total retail sales in Australia and 70 percent of food sales are registered in supermarkets and grocery store retailing.

Australia's grocery retailing is one of the more mature markets of the Asia-Pacific region, with slow growth rates (about 5 percent per year), limited ability to raise prices and strong competition. The supermarket scene is dominated by Woolworth's and Coles Myer, but there are small players such as Aldi, Franklin's and Foodland.

Distribution points in Australia tend to be centralised. All major supermarket chains and warehouse/wholesale clubs operate their own network of national and regional distribution centres; and these distribution centres along with wholesalers are the two main distribution channels to enter major supermarkets and smaller supermarket chains. Food products will be stored in warehouses prior to delivery. Transport between distribution centres in Australia is predominantly by road. While the major supermarket chains, will operate central distribution centres, independent supermarkets and smaller supermarket chains purchase their food products through the major wholesalers or direct from manufacturers. The larger chains can also act as direct importers. Banner groups, such as the Independent Grocers of Australia (IGA), are used by a large number of independent retailers to improve the buying, advertising, and competitive power of smaller grocery and convenience stores.

Types of Retail Outlets

The traditional grocery retailers channel has been shrinking and losing market share to modern grocery retailers such as supermarkets. Liquor retail establishments have propped up this sector. Australians tend to choose modern grocery retailers over traditional ones due to the more comprehensive range of products than traditional retailers. Furthermore consumers increasingly prefer the convenience of supermarkets over supporting local and independent outlets. Modern grocery retailers such as supermarkets also compete with the offering of food specialists such as bakers and butchers, as well as health food stores and confectioners. Furthermore, the scale of these modern grocery retailers allows them to offer better prices, further encouraging consumers to choose this channel. That said, around 90% of alcoholic drinks by value are sold through food/drink/tobacco specialists.

Private label in Australia tends to be more prominent in the grocery channel. Growing satisfaction with private label products has resulted in many consumers sticking with those products even during periods of positive consumer sentiment when they would have previously switched back to branded products.

Looking at different channels in more detail:

Hypermarkets – these are relatively new in Australia and mainly located in or in proximity to the country's large urban centres. Many of these new hypermarkets have a wide variety of food and beverages available and will be one of the main channels of distribution for the sale of European goods in the country.

Supermarkets - like hypermarkets, these are mainly located within the countries larger urban areas and are increasingly visible on the streets of Australia. Supermarkets also have a wide variety of food and

beverages available and they will be a key channel for the distribution of food and beverages from the EU throughout Australia.

Department Stores - international and domestic department stores are located throughout urban centres in Australia and are often associated with the sale of more luxury items. This channel offers more opportunity for luxury European agri food products such as chocolate and confectionery. Departments stores are growing in importance in Australia as the population continues to expand alongside rising income levels.

Convenience Stores - these focus on providing a daily routine stop for consumers, with an emphasis on driving visit frequency through selling freshly prepared hot food and drinks to attract time-pressed customers. The sector only includes businesses that primarily sell convenience store goods and excludes all service (petrol) stations and is therefore highly fragmented and diverse, with a significant number of owner-operated enterprises which include stores operating under banner groups and franchise agreements which are usually run as individual businesses. Petrol station stalls fall under forecourt retailers, and given Australia's size they play an important role in many fewer urban parts of the country in particular for food distribution.

Smaller-sized supermarkets - Convenience stores in Australia are facing growing competition from smaller-sized supermarkets. Like convenience stores, they target time-pressed consumers who tend to shop more frequently, but buy fewer items at a time. Crucially, however, smaller supermarkets generally offer lower prices, while some also serve as "click and collect" points for online customers.

E-commerce market - Australia's retail e-commerce market was worth around EUR 18bn in 2017, representing just over 7% of the country's total retail market. It was initially expected to expand to EUR 25bn in 2021 and to account for almost 10% of retail sales; following the tailwinds of the pandemic, the market may indeed attain a higher share by the end of the year. Woolworths is the leading grocery shopping website of Australia. Amazon has entered the Australia grocery market through AmazonFresh, though it has faced challenges. Furthermore, Australian online shoppers are ranked second in the world when it comes to shopping from cross border retailers, with cross border e-commerce expected to grow by 29% per year until 2020.

Direct (distance) Selling – is popular in Australia overall, but not particularly for food products. Common products sold through this channel include complementary health care products (33%), cosmetics and personal care (22%), and household goods (27%). Direct selling has taken advantage of social media platforms such as Instagram, Facebook, and Twitter to create awareness and engagement with customers.

In terms of market share of food retail, large chains dominate in Australia. Notably:

- Woolworths, an Australian-owned company operating both as a trading company and grocery retailing through supermarkets and convenience stores throughout Australia - is the number one player in the grocery sector with close to 40% market share.

- Coles supermarkets are part of Wesfarmers Limited and are the second largest player in the grocery sector with close to 30% market share.
- Aldi Stores Supermarkets Pty Ltd, the German based international discount food retailer which began trading in Australia in 2001, is the only discounter in Australia and continues to increase its value share, which currently standards around 10%.
- Metcash Trading Limited Australasia (supermarkets) and 7-Eleven (the leading operator of convenience stores in Australia), are also notable chains.⁶³

4.4.3 Intermediaries

As noted above, the retail market is dominated by a few **large supermarket chains**. All major supermarket chains and warehouse/wholesale clubs tend operate their own network of national and regional distribution centres, and may even import products directly. Indeed, Woolworths and Coles have European based procurement operations in order to deal directly with producers/exporters, if they deem it to be attractive. Nonetheless, direct export to large retailers is effectively a high risk / high reward strategy; on one hand it provides good and fast access to the market, but on the other hand exclusivity clauses are common and the balance of power between exporter and retailer tends to be skewed in favour of the latter. Furthermore, the volumes required for working directly with the major retailers may be substantial, hence eliminating the possibility for smaller producers to work with them. It should be noted that for some product categories (e.g. cheese), the retailers may be interested in collaborating with EU producers and may be willing to hand smaller volumes in order to offer niche private label products.

The large chains do also source from importers, so it is possible to still access the large supermarket chains through the use of the correct intermediary. Indeed, in many cases the use of an intermediary is common. However, in the case of olive oil, due to some historical issues with olive oil standards prior to 2011, retailers prefer to work directly with producers rather than importers.

Independent supermarkets and smaller supermarket chains tend to purchase their food products through the major wholesalers or direct from manufacturers; and therefore more or less consistently rely on intermediaries. Indeed, in many cases retail through such channels can be a more attractive option as smaller supermarket chains may be more plugged in to their local clientele, and hence be open to selling niche products if they believe them to appeal to them. This is particularly true in areas with high levels of diaspora; e.g. niche Italian products may be picked up by retailers in areas with strong Italian diaspora. Importers who specialise in certain products may be a good way of reaching smaller and independent supermarkets. Examples include: Beach Avenue Wholesalers (beer); Stuart Alexander (confectionery); F Mayer Imports and Manassen Foods (cheese, olive oil).

In addition to this, it should be noted that there are **product specific retailers** which may also act as importers themselves. A notable example of this can be found in the alcohol sector, where the chain store

⁶³ Euromonitor International: Economies and Consumers, 2021; https://apps.fas.usda.gov/newgainapi/api/report/downloadreportbyfilename?filename=Retail%20Foods_Canberra_Australia_6-27-2019.pdf

Dan Murphy's both imports and sells some products and other chains such as Liquorland, First Choice Liquor and BWS or online retailers such as Beer Cartel, Bucket Boys, Nicks, Copper & Oak, Good Drop and Beer Moth may also do so.

Finally, in the specific case of wine, it may be worth giving consideration to whether to target the **on-trade or off trade channels**; and discuss this when approaching importers. Imported wines are generally more expensive than Australian ones for a variety of reasons; and using the on-trade channel can somewhat mask the higher price. Generally, imported wines tend to do well if they stick to one channel (on-trade or off-trade) rather than try to target both.

As a general rule, there are no **minimum quantities** when working with importers of non-perishable products. Indeed, in some cases the volumes that the exporter wishes to send may exceed those that the importer is willing to accept. As noted above, the situation is likely to be different if working with major supermarkets; with large volumes the norm in this case.

The considerations for exporting **fresh products** to Australia are substantial. As a general rule:

- Generally retailers will work with intermediaries for procuring fresh products, as reliability of supply is key. Nonetheless, a high level of commitment will be expected whether the partner is an intermediary or a retailer; and in some cases it will be expected that the exporter handles the administrative paperwork.
- Generally the bureaucratic requirements for fresh products – fruit and vegetables in particular – mean that it does not make sense to export small quantities. Generally it is best either to export larger volumes or to work with other exporters to increase single shipment volumes.
- In the case that a shipment fails to pass the stringent import requirements, options may be limited. Unlike in some other countries, it is not realistic for a perishable product to be re-exported to another nearby market as the geographic isolation of Australia reduces the viability of that option.
- A lot of the pork imported from Europe into Australia will go straight in to processing rather than retail, given the restrictions on importing fresh pork.
- There is a high level of fragmentation among importers of meat into Australia, which, when combined with the other considerations can create additional challenges.

Finally, other factors to bear in mind are:

- Promotional advertising may still be needed when entering the market.
- Exhibiting at food shows such as Fine Food Australia may be a way of meeting potential partners.
- It is important to be aware of all the import requirements, including: country of origin indication; trade description and labelling requirements; biosecurity requirements.
- Import requirements/controls for certain products such as soft cheese (listeria), olive oil (pesticide residues) and fresh products (import permits) are particularly stringent.

Business Contact Database:

A database of importers, wholesalers, retailers, and distributors can be found in section 8.5

N.B. due diligence will have to be performed for any contacts on this database as no warranty is given as to the standing of these individuals, organisations or firms, and no corresponding responsibility or liability is accepted by the authors.

4.4.4 Business environment

The broader business environment in Australia is considered one of the best in the world. The environment is considered safe and secure with a robust regulatory system playing a notable role.

The supermarkets and grocery industry is one of the most fiercely competitive industries in Australia. The rapid expansion of Aldi has significantly altered the industry's operating landscape, with the popularity of its low-cost private-label products underpinning strong growth. Large foreign companies, such as Amazon's grocery division, AmazonFresh, and the Germany-based Schwarz Group's supermarket brands, Lidl and Kaufland, have further intensified the competition. Subsequently smaller supermarket chains have struggled to compete in an ever more price-competitive sector. Nonetheless, as indicated above Coles and Woolworths continue to dominate the grocery retail market.

4.4.5 Key operational considerations and challenges: summary

Key challenges to bear in mind when operating in the Australian market are:

- Two large retail chains - Woolworths and Coles – hold dominant positions in the market, making them important for the distribution of food and beverage products on a larger scale.
- While infrastructure is excellent, in many places it is more geared to the transport of bulk commodities rather than containers.
- Distances are large. While most major cities are clustered on the eastern side, there are still huge distances between them (e.g. almost 1 000km between Sydney and Brisbane). Perth on the western coast is almost 4 000km from Sydney. This means there is considerable distance to move goods between urban centres.

4.4.6 Other relevant information

4.4.6.1 Methods of payment in Australia

Australia's national currency is the Australian dollar (AUD), which is issued in banknotes of 5, 10, 20, 50 and 100 AUD. Coins are available in 5, 10, 20 and 50 cents as well as 1 and 2 dollars. From 1st July 2019 it is no longer legal to pay for goods and services over AUD 10 000 in cash. Any payment above AUD 10 000 must be made by check or credit / debit card. In many shops, restaurants etc. the EFTPOS (Electronic Funds Transfer at Point of Sale) system is used. 'Tap and go' payment systems for payments up to 100 AUD, such as payWave (VISA) or PayPass (MasterCard), are widely used.

Australians are one of the world's biggest users of online banking, including mobile banking. Direct deposit, i.e. transferring money directly into a merchant's account, is another widely used payment method for goods and services online, however on a much smaller scale than credit cards and PayPal. Finally, BPAY is an electronic bill payment service accepted by most of the billers in Australia. It works based the biller's code, the customer reference number (CRN), the amount, and the date of the bill.⁶⁴

4.4.6.2. Travel from the EU to Australia

An electronic, free of charge visa is required by EU citizens to visit Australia. More information can be found here: [https://www.australia.com/en/facts-and-planning/useful-tips/visa-customs-and-quarantine-faq.html#:~:text=eVisitor%20\(subclass%20651\),and%20it%20cannot%20be%20extended](https://www.australia.com/en/facts-and-planning/useful-tips/visa-customs-and-quarantine-faq.html#:~:text=eVisitor%20(subclass%20651),and%20it%20cannot%20be%20extended).

Care should be taken with quarantine restrictions when entering Australia. The list of prohibited goods is long and extends to common items such as fresh or packaged food. There is a more comprehensive list of what is restricted and what must be declared at the following site: <https://www.abf.gov.au/entering-and-leaving-australia/can-you-bring-it-in>

⁶⁴ <https://www.imrg.org/australia-payments/>; <https://goaustraliatours.com/welcome-to-australia/living-in-australia/payment-methods-in-australia/>

5 Market Snapshots for Selected Products

This section provides specific information for various food and beverage categories and products. This information covers three main categories:

- **Consumption:** data on the evolution of consumption; consumer profiles and any notable consumer trends;
- **Offer:** domestic production; imports and exports; the competitive landscape; relevant specific customs procedures/import considerations;
- **Distribution:** main distribution channels used; domestic and imported offer.

Furthermore, each category contains a SWOT analysis and a key takeaways message.

Fresh meat	Fresh fruit and vegetables	Dairy
Wine	Spirits	Olive oil
Chocolate and confectionery	Beer	Processed meat
Ice cream	Processed fruit and vegetables	Pet food
Pasta	Baked goods	Biscuits and cereal bars

5.1 Fresh meat

5.1.1 SWOT analysis

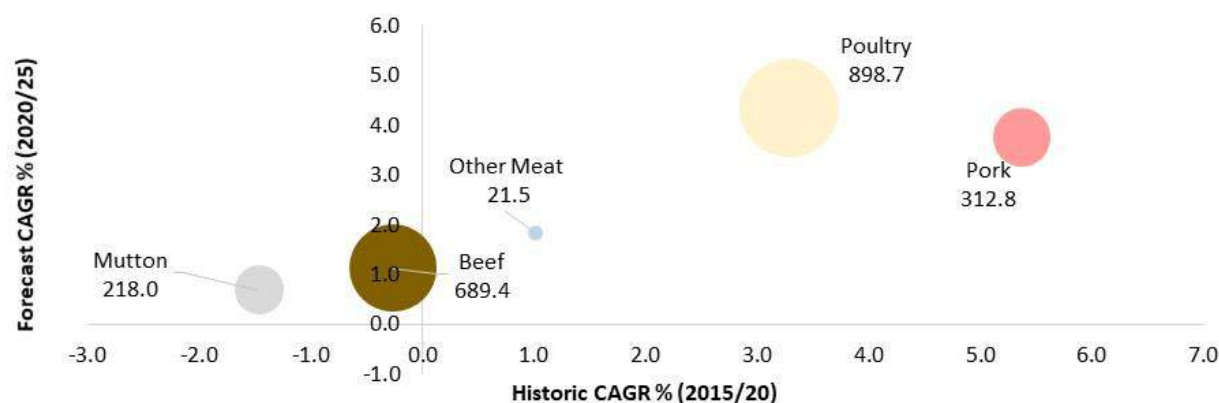
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> Australians remain one of the highest consumers of meat in the world Fresh meat increasingly preferred over processed meat due to lifestyle changes Trends in the Australian meat market mirror European ones in some cases 	<ul style="list-style-type: none"> Australian domestic production satisfies demand in all areas of the meat sector with the slight exception of pigmeat Australia does not recognise EU regionalisation The export of meats is a key incentive driving investment into the Australian agricultural sector and initiatives that threaten this will not be well received.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> The presence of a small number of European butchers and restaurants with meats from European countries in Australia Swine meat is the sole meat with a trade deficit in Australia, Denmark, and the Netherlands are within the top 3 meat exporters to the country; though this is primarily for the processing industry 	<ul style="list-style-type: none"> Australian consumers have a lot of pride in meats produced in the country and the agricultural sector is a key employer, as a result, it may be difficult to convince consumers to purchase foreign meats The process for a country to obtain market access can be lengthy, and a limited number of countries currently have protocols in place Even though swine meat is the largest demanded meat from abroad in Australia, it is the USA the largely fills this demand, not EU member states

5.1.2 Consumption

5.1.2.1 Evolution of consumption

As can be seen in Figure 5-1 below, poultry is the most popular meat in Australia with a total volume of just under 900 000 tonnes in 2020. Consumption is also growing quickly – at 3.3% per year over the last five years, with this growth forecast to accelerate to 4.3% per year going forwards to 2025. Beef is the second most consumed meat, with 689 000 tonnes consumed in 2020. However, historically growth has been negative and going forward consumption is forecast to grow at only 1.1% per year. Pork and mutton are the third and fourth most consumed meats respectively, with fairly similar levels of consumption (313 000 tonnes and 218 000 tonnes). However, historically consumption of pork has grown very quickly at 5.4% per year, and while growth going forward is expected to slow, it will still be 3.7% per year. Consumption of mutton on the other hand has shrunk and going forward it is only forecast to grow marginally at 0.7% per year.

Figure 5-1: Evolution and forecast of fresh meat market (000 tonnes) in Australia, 2015-2025; total volume



Source: Euromonitor International: Fresh Food, 2021.

5.1.2.2 Consumer profile and purchase criteria

Consumers

Meat is commonly consumed throughout Australia; meats are associated with many events associated with Australian culture such as cricket matches and BBQs. Meat consumption has been growing over the past 20 years, spurred largely due to the rising consumption of poultry meat during this period. In Australia, the average per person consumption of poultry is above 40kg, while for bovine meat and pork the level is in the 20 to 30kg range per person. Sheep meat is consumed at much lower levels with on average 10kg of sheep meat being consumed per person, though this level is high compared to most countries.⁶⁵ Historically, beef was the most popular meat consumed in Australia, however the rise of poultry consumption has seen it lose this position.

Plant-based diets are increasingly common in Australia with climatic events affecting the country helping to push more people towards this lifestyle. At present, it is estimated that roughly 2.5 million individuals in Australia are vegetarians, or 12% percent of the population. The growth of meat substitute products coupled with the rise in environmentalist-minded individuals will likely result in the level of vegetarians in the country continuing to rise.

Furthermore, Australia is a multicultural nation and many individual religious groups will abstain from meat consumption of some or all meats. Examples include Hindus which make up 1.9% of the population and Buddhists who have restrictions on meat consumption and make up 2.5% of the population.

⁶⁵ Meat Consumption, The department of Agriculture of Australia, Available at <https://www.agriculture.gov.au/abares/research-topics/agricultural-outlook/meat-consumption>

Drivers and method of consumption

There are many drivers of fresh meat consumption in Australia. Sports such as rugby and cricket are extremely popular in Australia and often fans that gather around the stadium or watch from home will have a BBQ with meat pies also being sold inside the stadiums which often gathers tens of thousands of spectators. Australia's warm climate also fosters the increased usage of BBQs and outdoor dining in a pattern that is also similar in South Africa and New Zealand. The impact of COVID – 19 changed many of the key methods of consumption among Australian consumers, such examples include the increased practice of stockpiling and freezing of meats and the increased presence of meat products on e-commerce platforms as a result of e-commerce purchasing becoming vital for individuals that are required to stay indoors. Australians will typically incorporate meats into any meal of the day with processed products such as sausages being commonly consumed for breakfast meals, filled meats in sand wedges for lunch. A wide variety of fresh meats such as poultry, beef, veal, etc may be used at dinner. These consumption patterns mirror that of many western countries such as the UK and Canada.

Finally, some meat consumed in Australia come from its use in foods of European-inspired backgrounds such as:

- **Steak and kidney pie**, meat pie of a British influence.
- **Continental roll**, an Australian sandwich that is particularly popular in Western Australia, comes from an Italian influence.
- **Chicken Parma**, a poultry dish of an American influence.

Purchase criteria

Fresh meat is generally not expensive in Australia due to a high level of domestic production. Therefore, while price and value are taken into account, other factors therefore tend to influence the purchase criteria more; these include the origin of the meats with Australians generally having a preference for meats produced in their local areas as agriculture is a key employer and Australian consumers often feel compelled to support local producers. Indeed, over 80% of the meat consumed in the country is locally sourced. Australians have high standards for the quality of the meats they consume and this includes areas of concern such as animal welfare, food safety, and the use of hormones in animals with hormonal growth promoters (HGP) being used in roughly 40 percent of Australian cattle ⁶⁶. Australians can identify if their meats are of Australian origin through a grown in Australia label, see right. Overall, certifications – whether it be about the origin or production methods – are important purchase criteria.



Other criteria which may be used by consumers include:

- **Freshness**: generally a shelf life of 4 to 5 days is expected by consumers if meat is fresh.
- **Preparation time**: working professionals are likely to take this factor into account; and indeed it has been a driver of chicken consumption.

⁶⁶ Hormonal Growth promotants in beef ,food standards Australia and New Zealand, Available at <https://www.foodstandards.gov.au/consumer/generalissues/hormonalgrowth/Pages/default.aspx>

- Meat colour and quality/grading: these factors are particularly important for beef and lamb.

Imported fresh meat in Australia

As a general rule, imported fresh meat from Europe is not found for sale on retailers' shelves. Indeed, imported fresh meat more broadly in Australia is rare given the abundant domestic supply. Rather, imported meat, including most notably imported European pork is used as ingredients in other products including most notably processed meat products and pet food. Some further information on this can be found in section 4.4.3.

Pictures: © Agra CEAS / Euromonitor International, 2021.

5.1.2.3 Recent market trends

As stated earlier, beef has been historically the most consumed meat product in Australia but consumption of beef has been declining from a high of 70 kg consumed per person in 1977 to around 20kg person in 2020. Poultry consumption has been rising annually since the sixties and has grown from 4 kg consumed per person in 1963 to around 40 kg consumed per person in 2020, which now makes poultry the most consumed meat in the country. While pork is not heavily consumed in Australia as a fresh meat, it has grown in popularity strongly in recent years and this growth is forecast to continue going forwards. Most notably, the high level of immigration from South East Asian countries is a notable tailwind for pork as a meat. There have also been some marketing campaigns designed to educate consumers about pork's low-fat content such as 'get some pork on your fork',

Trends such as the rise of vegetarianism, the impact of climate change on Australia's delicate environmental eco-system and the rise in the mass production of poultry can explain these trends. Despite poultry and pork consumption rising, overall meat consumption in Australia per capita is falling, and has been falling for over a decade. Australia was once one of the world leaders in meat consumption, at one point even surpassing the United States but has since declined from a high of 92 kg consumer per capita in 2006.

Finally, consumer interest in certification (notably regarding origin and production processes) is expected to continue; and some consumers are now showing a willingness to pay more for hormone free or organic premium meat.⁶⁷

5.1.3 Offer

5.1.3.1 Domestic production

The fresh meat production sector of Australia is large; despite Australia being one of the world's driest nations, the country remains a major producer of meats. The beef industry is one of the largest agricultural sectors in the country and Australia is the world's second-largest exporter of beef, after Brazil. Cattle

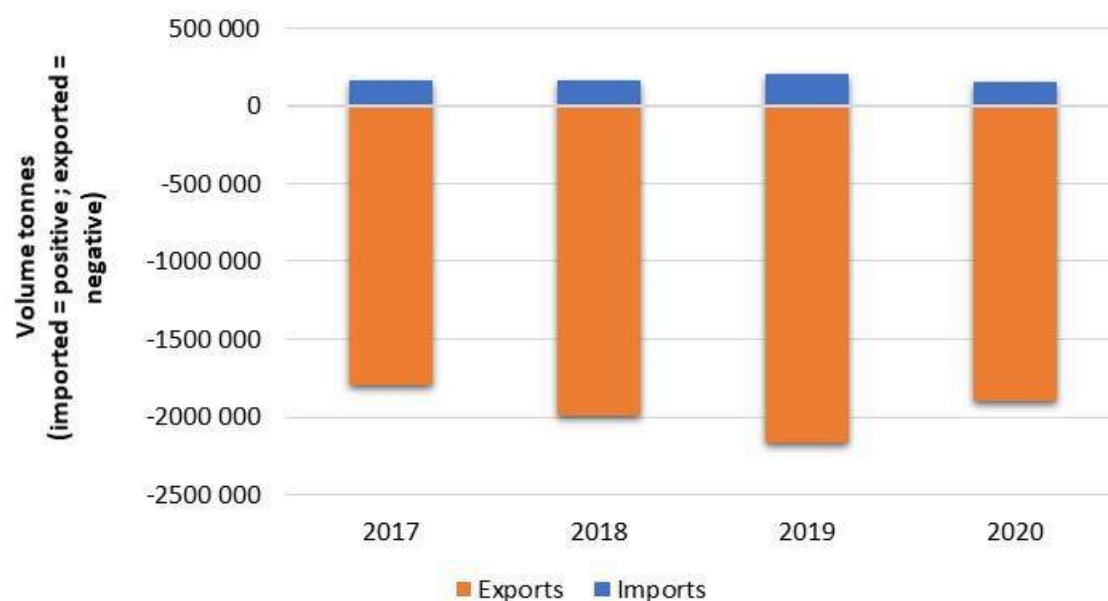
⁶⁷ Australias changing tastes for meats, city journal, Available at <http://thecityjournal.net/data-journalism-2019/australias-changing-taste-for-meat/>

production alone covers an area of roughly 200 million hectares in the country. Cattle production is spread out across the country with Anna Creek station located in South Australia is the world's largest working cattle station. Towards the north of the country the company Northern Australian pastoral company is one of the largest cattle companies in the world and manages roughly 200 000 cattle in Queensland and the Northern territory. Poultry production has grown rapidly in Australia and is quite concentrated, the two producers Inghams enterprises and Baidada poultry account for 70% of production in the country. The poultry sector in Australia was estimated to be worth EUR 1.7 billion in 2019.⁶⁸ Australia produces roughly 8% of the world's sheep meat and is consequently a large exporter of sheep meat and wool. Most of Australia's sheep production is located on the hinterlands of the country's urban centres with the interior of the country having a minimal amount of sheep production. Some of the largest companies in the sheep sector of Australia are the Macquarie group and MacLachlan family group.

5.1.3.2 Imports and exports

Figure 5-2 shows that Australia exports far exceed its imports of meats which is a reflection of a large amount of domestic production present in the country, the strict approval processes in place for external nations to export meat to Australia, and the pride in Australian meat often showed by consumers in the country. Pigmeat is the most commonly imported meat product into Australia with the United States (EUR 203m), Denmark (EUR 109m), and the Netherlands (EUR 57m) being the biggest exporters of swine meat to Australia. After swine meat, edible offal and bovine animals are the next biggest imported meats in Australia however the level of imports is very small with edible offal imports being valued at just EUR 23m and bovine animal at just EUR 13m.

Figure 5-2: Trade balance (imports and exports) of fresh meat in Australia, 2016-20; volume tonnes



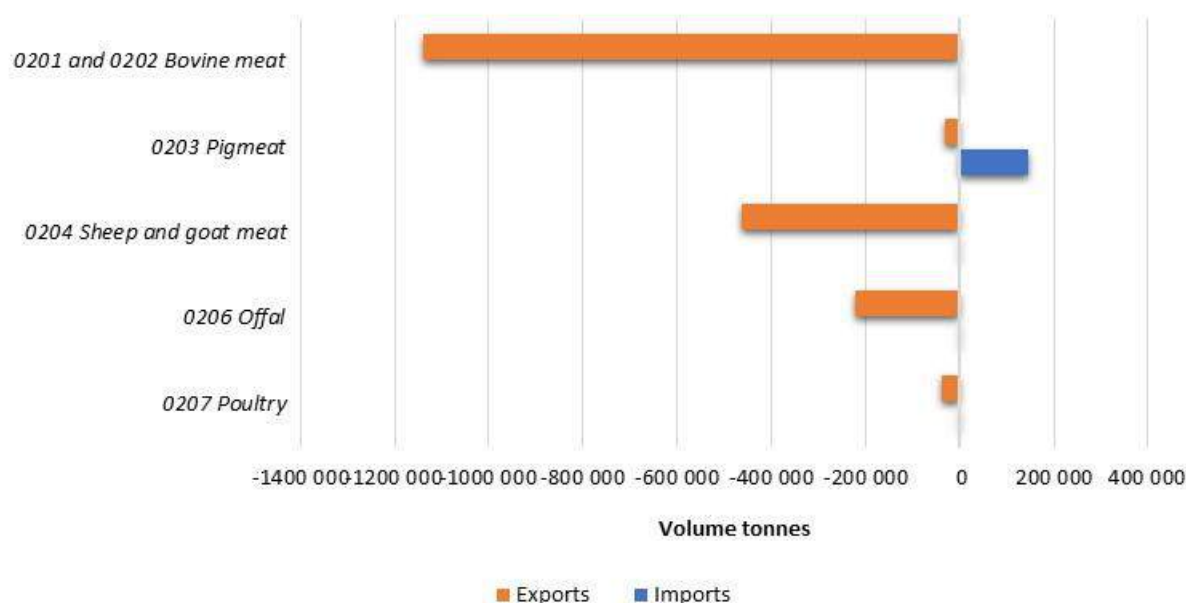
⁶⁸ Agrifutures Australia, Poultry market, Available at <https://www.agrifutures.com.au/rural-industries/chicken-meat/>

Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0201, 0202, 0203, 0204, 0206, 0207.

Figure 5-3 displays the trade balance between meat products being exported and imported by Australia. The high level of poultry consumption in the country helps explain further why exports are quite low, with the small amount that is exported typically going to New Zealand. The only meat of which Australia is a net importer is pork.

Figure 5-3: Trade balance (imports and exports) of fresh meat in Australia, by type, 2020; tonnes

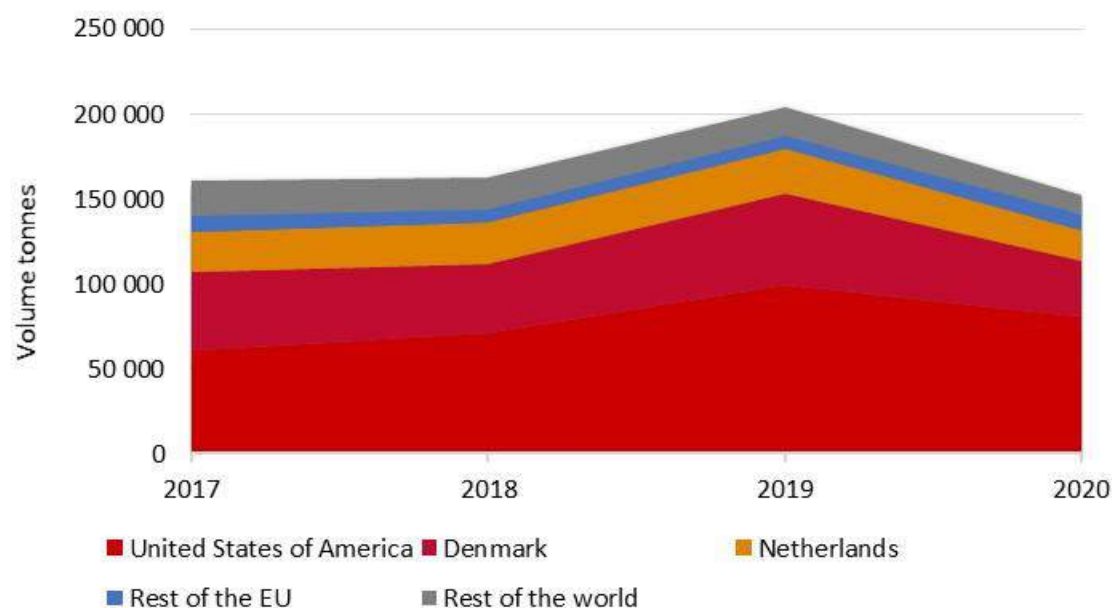


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 0201, 0202, 0203, 0204, 0206, 0207.

Figure 5-4 shows the United States is the largest exporter of meats to Australia with pigmeat being by far the most exported product, which is the same situation for two other large pigmeat producers, Denmark and the Netherlands. Ireland exports a small amount of pigmeat at just a value of EUR 7m while Italy exports a small amount of edible offal at a value of EUR 13m. Spain is the only other EU member state that exports a small amount of meat to Australia with offal exports in 2020 being valued at EUR 7m. Out of the ten largest exports of meat to Australia, five are EU member states (Denmark, The Netherlands, Ireland, Italy, and Spain).

Figure 5-4: Australian imports of fresh meat by country, 2016-20; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
 Data for CN code 0201, 0202, 0203, 0204, 0206, 0207.

5.1.3.3 EU GI products

As noted in section 4.2.4, currently GIs can be registered under trademark law in Australia as collective marks. Subsequently, no single, separate list of registered GIs for Australia exists. The best way to check if a GI has been registered as a collective mark in Australia is to check the following database:

<https://search.ipaustralia.gov.au/trademarks/search/quick>

5.1.3.4 Main competitors

The main competitors in the Australian meats market come from the wide abundance of domestic production already present in the country. Australia produces enough meat to more than satisfy domestic consumption demands and exports are a key driver of investment into the sector within the country. The pigmeat market offers one of the few areas of opportunity within this sector and in this context, the USA is the largest competitor to EU producers as the USA is the largest pigmeat exporter to Australia. The Netherlands and Denmark are within the top 3 exporters of meat to Australia however this is largely due to pigmeat exports exclusively.

5.1.4 Specific market entry requirements

Market Access and Entry

As set out in section 4.2, a permit to import goods subject to quarantine, a declaration of the manufacturer and a veterinary animal health certificate are required for fresh meat products imported into Australia. In

certain cases there may be additional specific requirements (e.g. CITES). This is in addition to general import requirements.

Meat imports are tightly controlled. As is normally the case, it is necessary for a country to have negotiated a protocol before specific meat products from that country can be exported to Australia. The terms of this protocol may determine additional requirements. Furthermore, the situation may change due to e.g. disease outbreaks. Australia maintains a database (BICON) with updated requirements by product and it is highly recommended that this be consulted. It can be found at:

<https://bicon.agriculture.gov.au/BiconWeb4.0/>

In terms of tariffs, fresh meat products are generally not subject to tariffs.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – pork category (0203) from Spain to Australia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=0203&origin=ES&destination=AU>

Standards, SPS measures

Standard 2.2.1 of the food standards code contains the standards for fresh meat. It contains various definitions for certain types / cuts of meat. The standard can be found here: <https://www.legislation.gov.au/Series/F2015L00427>

As noted in section 4.3.4, there are multiple barriers with SPS related impacts relevant to meat. More specifically:

- Lack of recognition of regionalisation in the EU (notably for African swine fever)
- Requirements for porcine reproductive and respiratory syndrome (PRRS), unless a separate condition has been negotiated (Denmark has such a condition).
- Restrictions on bovine animals and products due to BSE.

It is recommended that these sections be consulted for full details.

Equivalency agreements have been negotiated between some Member States and DAWE, allowing slightly preferential treatment of imports from these countries. Nonetheless, conditions are still generally strict under these agreements. At the time of writing, agreements notably exist for uncooked (i.e., deboned) pig meat from Denmark, Finland, the Netherlands, and the Republic of Ireland; on the condition that they will subsequently be processed in an Australian factory and subject to home country certification.

Labelling

Section 4.2.3 contained detailed information on the labelling requirements for packaged foods in general. Standard 1.2.1 contains specific requirements for labelling of certain types of meat (e.g. mince). This

section should be consulted for details on labelling. It should be remembered that there is country of origin labelling in Australia. More information on this can be found at: <https://www.accc.gov.au/consumers/groceries/country-of-origin>

5.1.5 Distribution

Retail accounts for the two thirds of meat sales by volume. Food service accounts for around one quarter; and institutional channels the remaining 7.5% (Figure 5-5).

Figure 5-5: Distribution of fresh meat in Australia, 2020



Source: Euromonitor International: Fresh Food, 2021.

Estimates for distribution through retail channels are as follow:

- Supermarkets: over 70% of sales by value. The two largest supermarket chains tend to source all their meat locally.
- Specialist butchers: around 21% of sales by value. The channel is in structural decline. Notable butchers chains include Double Bay, Peter Bouchier, Meatsmith and Cannings Free Range Butcher

The remainder is sold via the network of Independent Grocers of Australia (IGA). Through this channel, individual stores buy meat from wholesalers

5.1.6 Challenges for EU products

The main challenge for EU producers comes from limits on the ability of EU exporters to export certain meat products to Australia due to limited protocols being in place. Australia does not recognise regionalisation for pork products from the EU which can see producers banned from exporting to Australia

if a region of their country has an outbreak of diseases such as African swine fever. Pig meat is the largest imported meat by far which is beneficial for large swine-producing member states such as Denmark and the Netherlands but presents a challenge for other member states with a small swine production base such as Austria and Sweden. Large beef and poultry producers in the EU will likely struggle to export to Australia as Australia has a large production base of these two products domestically.

Market Takeaway: Fresh meat

Consumption: Meat consumption has been declining in recent years however Australians are still one of the largest consumers of meat per capita in the world, with poultry being ranked the most consumed

Competition: Imports of meats in Australia concentrated around pigmeat. The USA is the biggest exporter and in this case competitor in this regard. Demand for other meats is met by domestic production and Australia is a large net exporter.

Distribution: The majority of meat by volume is distributed through retail channels; and supermarkets dominate the retail space.

Challenges: Lack of regionalisation recognition presents challenges for member states with outbreaks of African swine fever in particular. The concentration of exports around pigmeat results in countries with a small pigmeat production base having far fewer opportunities in the Australian market.

Opportunities: pigmeat meat remains the key meat exported to Australia with exports from the Netherlands, Denmark, and Ireland growing slightly in recent years although remaining quite low in the wider context of pigmeat exportation globally. The presence of specialty European restaurants and meals in the country due to the ethnic background of Australian population presents a small opportunity for European producers.

5.2 Fresh fruit and vegetables

5.2.1 SWOT analysis

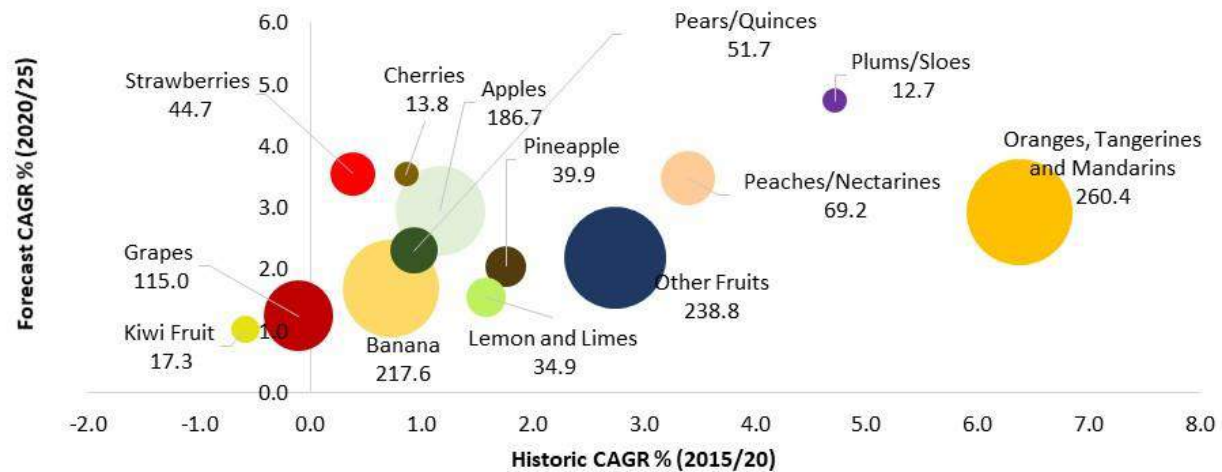
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Climatic events significantly impact production and can cause a demand for imported fresh fruit and vegetables to spike in a short period of time. ▪ EU has a presence in the export of certain fresh fruits such as strawberries (Italy) and grapes (Greece). 	<ul style="list-style-type: none"> ▪ Australia is a large producer of fresh fruit and vegetables and local pride in production is a key purchasing criterion. ▪ European exports of fresh fruit and vegetables outside of strawberries and grapes are extremely low.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ A notable segment for organic produce. ▪ Fruit as a snack and the convenience cooking markets are growing. ▪ Seasonal opportunities and ad hoc shortages from production issues can create temporary demand. 	<ul style="list-style-type: none"> ▪ Production shortfalls can be met by neighbouring countries such as New Zealand or Indonesia. ▪ Phytosanitary controls can be strict and ultimately burdensome.

5.2.2 Consumption

5.2.2.1 Evolution of consumption

Oranges, mandarins and tangerines are the most popular fruit in Australia. 260 000 tonnes were consumed in 2020. The volume of these fruits being consumed grew quickly at 6.4% per year during the period 2015 to 2020, and is forecast to continue growing at a slower rate of 2.9% per year during the period to 2025. Ignoring the broad category of other fruit, bananas (218 000 tonnes) and apples (187 000 tonnes) are the next most consumed categories. The markets for both are more mature with historical growth rates of around 1% per year, and forecast growth rates of 1.7% and 2.9% per year respectively. There are smaller but significant market for a range of other fruits such as grapes (115 000 tonnes), strawberries (45 000 tonnes) and lemons/limes (35 000 tonnes). However, smaller markets which stand out for their faster growth rates are plums (~13 000 tonnes) and peaches / nectarines (69 000 tonnes). During the period 2015 to 20 they grew at 4.7% and 3.4% per year respectively, and are forecast to continue to grow at similar rates going forwards (Figure 5-6).

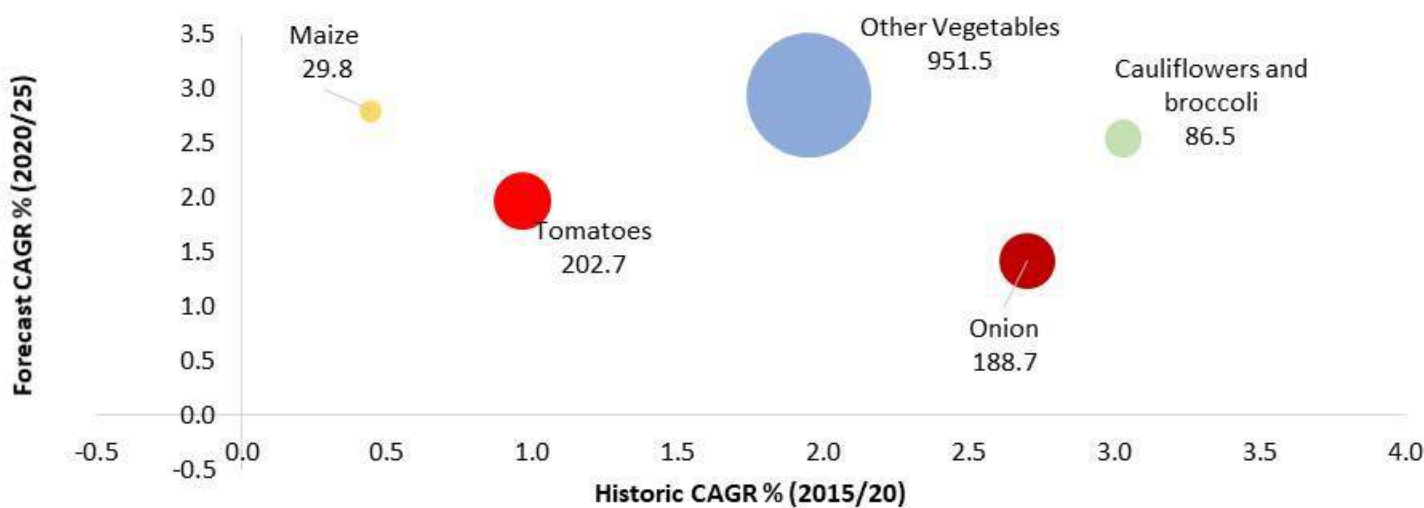
Figure 5-6: Evolution and forecast of fruits market (000 tonnes) in Australia, 2015-2025; total volume



Source: Euromonitor International: Fresh Food, 2021.

The varied category of other vegetables is the biggest overarching vegetable category in volume terms, with just under 1m tonnes consumed in 2020. Historical and forecast growth rates are just under 2% and 3% respectively. Tomatoes (203 000 tonnes) and onions (189 000 tonnes) are next, with the latter having grown more quickly historically, but the former forecast to grow more quickly in the coming five years. Cauliflower and broccoli is a comparatively fast growing niche, with historical volume growth of 3% per year and forecast volume growth of 2.5% per year (Figure 5-7).

Figure 5-7: Evolution and forecast of the vegetable market (000 tonnes) in Australia, 2015-2025; total volume



Source: Euromonitor International: Fresh Food 2021.

5.2.2.2 Consumer profile and purchase criteria

Consumers

Both fruit and vegetables are universally consumed and produced in Australia. Australia has in place strict health and production standards attached to its domestic and imported fruit and vegetables which provides confidence for consumers who are increasingly seeking healthier alternative foods. In Australia, fruit consumption had been growing year on year up until 2020 when the impact of COVID seen a decline in consumption of some fruits such as strawberries which can be largely attributed to the decline in food service sales due to shutdowns. Bananas, apples, and oranges are amongst the most popular fruits consumed in Australia with grapes and strawberries also being popular but suffering supply issues due to vulnerabilities surrounding weather patterns. Fruits are consumed across all income and age groups in Australia, with fruits available for consumers with most major and small retail outlets offering fruits on some variety. While fruits may be considered relatively expensive in Australia compared to other markets in the region this is generally attributed to higher salaries for producers as well as the general high expenses of most Australian consumer goods; most consumers will not be discouraged from consumption of fresh fruit of some kind based on price alone; although droughts and other climatic events can drastically impact the price of fruits in the country due to supply shortages.

Vegetable sales have been rising in Australia and were boosted by the impact of COVID-19 as consumers shifted to longer-lasting vegetables such as onions and carrots. Potatoes, tomatoes, and broccoli are amongst the most popular vegetables consumed in Australia and largely available throughout the year in the country. Consumers bought more vegetables largely to incorporate healthier options into their diets as they needed to stay indoors for a prolonged period of time. Despite the availability of fruit and vegetables in Australia, overall consumption remains below dietary recommendations in the country with just half of the adults and two-thirds of children having an adequate daily intake of fruit and just seven percent of adults having an adequate daily intake of vegetables.⁶⁹

Drivers and method of consumption

Fruit may be consumed in a variety of ways in Australia. Most consumers will most commonly consume them alone, though some will incorporate fruits into other meals such as a salad. Fruit snacks are also largely available in Australia and have grown in popularity. Certain fruits such as stone fruits and strawberries are heavily dependent on externalities that impact their ability to reach food shelves such as the availability of fruit pickers and weather conditions which at times can lead to a spike in demand for these products if there are fears of shortages. E-commerce has emerged as a new driver of fruit consumption in Australia due to the rise in demand for contact-free deliveries with some wholesalers offering fruits at discounted prices to encourage healthy food consumption during the stay-at-home lockdown.

For vegetables, a combination of various factors present as drivers behind fruits such as e-commerce are also relevant. The stay-at-home lockdown has encouraged consumers to seek out healthy foods and the

⁶⁹ VicHealth, Health professionals and growers team up to increase fruit and vegetable intake, Available at <https://www.vichealth.vic.gov.au/>.

adaptability of vegetables to a wide variety of meals has driven consumption. Increasingly health-conscious consumers have begun to seek out organic vegetables due to ongoing health concerns which have become more apparent since the outbreak of COVID-19. Vegetables have risen slightly in price in recent years due to increased labour and transportation costs however consumers continue to purchase them at these higher price levels.

There are a number of initiatives from both the federal and state level that have sought to promote fruit and vegetable consumption as the majority of adults in the country still do not consume the daily recommended intake of both fruit and vegetables. One of the most notable initiatives is the fruit and vegetable consortium which was launched in 2020 in response to low rates of fruit and vegetable consumption. The consortium aims to raise awareness of the benefits of fruit and vegetable consumption for the individual and for the economy through savings on health care expenses.

Purchase criteria

Fruit and vegetables are generally expensive in Australia when comparing to other markets in the region but the generally high salaries and the standard of living offsets many of these expenses. Fruit and vegetable prices are subject to many externalities which in turn effects the ability of consumers to purchase them daily; such externalities include the varying availability of fruit and vegetable pickers and weather conditions in the country. A rise in costs may make certain fruit and vegetable products unobtainable for Australian consumers, however this is generally a rare event. Organic fruits and vegetables and the origin of fruit and vegetables are two other major purchasing criteria that affects consumer spending. Vitamin intake is increasingly important for Australian consumers with fruits high in vitamin C such as oranges and mandarins seeing an increase in popularity in recent years as a result.

Fresh fruit and vegetables on retailers' shelves in Australia

It is rare to find imported fruit and vegetables on mainstream retailers' shelves in Australia, and even rarer to find those specifically from the EU. The bulk of production is domestic; and as a result of this, pricing is also largely determined by the domestic market. It is only in certain rare cases – notably those of low domestic supply or superior quality of imported produce (e.g. Spanish Roja garlic)- that a premium pricing strategy can be adopted for products imported from the EU.

Overall fruit and vegetables are most commonly sold as loose, though packaging is used in some cases (see below).



Imported fruit and vegetables that are pre-packed must have the country of origin indicated, while those sold loose must have it indicated next to the product. For Australian grown ingredients, products now need to display a triangle logo with a kangaroo icon, a bar chart indicating the percentage of Australian ingredients and text to explain if the product was made, produced or grown in Australia. This extends to fruit and vegetables (see below)



Above: Australian grown / product of Australia. Below: product of New Zealand.



Pictures: © Agra CEAS / Euromonitor International, 2021.

5.2.2.3 Recent market trends

The onset of COVID-19 has highlighted the need to have a healthy and balanced diet and it has also come at a time when various health agencies and organisations in Australia are concerned with the low levels of per capita consumption of fruit and vegetables. The promotion of fruit and vegetable consumption has grown to become a priority of the Australian government with a fruit and vegetable consortium and *eat for health* initiatives being launched in recent years. Nonetheless, the campaign is believed to have had limited success, with the Australian Institute of Health and Welfare noting that the proportion of Australians meeting fruit and vegetable intakes requirements has not significantly changed. That said, there is a perception that the impacts of meat production on the environment of Australia have also helped to push more consumers towards a plant-based diet which in turn benefits fruit and vegetable consumption rates.

E-commerce sales of fruit and vegetables grew in 2020 due to stay-at-home orders from the Australian government and many platforms and wholesalers actively promoted the purchase of fruit and vegetable products to encourage consumption. It's likely in the future that e-commerce will retain some of the demand it received during the COVID-19 pandemic as the benefits of e-commerce have been displayed to a wide consumer base.

Organic fruit and vegetables and local fruit and vegetables are two trends that are also worth paying attention to as consumers have been shown to spend slightly more for these products in Australia which comes from a growing health-conscious dietary trend in the country. The situation in Australia is somewhat complicated, with no single organic regulation but rather different opt-in certification schemes. This has led to scepticism among some consumers about the validity of messages containing the word “organic”; but has also led to some consumers actively searching for organic produce certified under regulated schemes in other countries.

5.2.3 Offer

5.2.3.1 Domestic production

Australia has a large fruit and vegetable production base which is aided by a number of factors including: the various climates in Australia which allows the country to produce a wide variety of fruit and vegetables; and a history of strict controls and the development of pest management systems. The major horticulture growing areas in Australia include:

- Goulburn Valley of Victoria
- Murrumbidgee Irrigation Area of New South Wales
- Sunraysia district of Victoria and New South Wales
- Riverland region of South Australia
- Northern Tasmania
- Southwest Western Australia

Due to the various climates of Australia, regions are more accustomed to and specialised in the production of certain fruits with examples being.

- **Citrus:** Grown predominantly in the state of Queensland and some regions in the south of the country.
- **Cherries:** Grown in New South Wales, South Australia, Victoria, and Tasmania.
- **Avocados:** Grown in Queensland, New South Wales, South Australia, Victoria, Western Australia, and Tasmania.
- **Mangoes:** Grown in Queensland, Western Australia, and The Northern Territory.
- **Bananas:** There are currently about 13 000 hectares of bananas grown in Australia with 95% of which being located in the four Queensland regions of Tully, Innisfail, Lakeland, and Atherton Tablelands.⁷⁰

That said, many fruits are also grown across all of Australia such as apples and pears. There are a number of fruits in Australia that are native to the country such as Illawarra plum, muntries, and desert lime. Overall, oranges are the most produced fruit in the country followed by tomatoes and apples. Some of the largest fruit producers in the country include the companies of Mildura, QC-fresh, and Australiafruits.

Vegetable production in Australia is also large and annually generates around EUR 2.4 billion for the Australian economy. Australian potatoes, carrots, cauliflower, and broccoli can be grown year-round and throughout most of the country and this helps ensure fresh supplies in supermarkets year-round (barring dramatic climate events such as a drought or bushfire). The state of Victoria is the largest producer of vegetables in the country and accounts for roughly 31% of total vegetable production.⁷¹ Potatoes are the largest produced vegetable in Australia while pumpkins and beans rank as amongst the lowest produced vegetables. There is a continuing trend in the Australian vegetable industry towards fewer, larger farms. These larger farms are able to benefit from economies of scale and re-invest their larger profits into the land, machinery, and other working capital.⁷²

5.2.3.2 Imports and exports

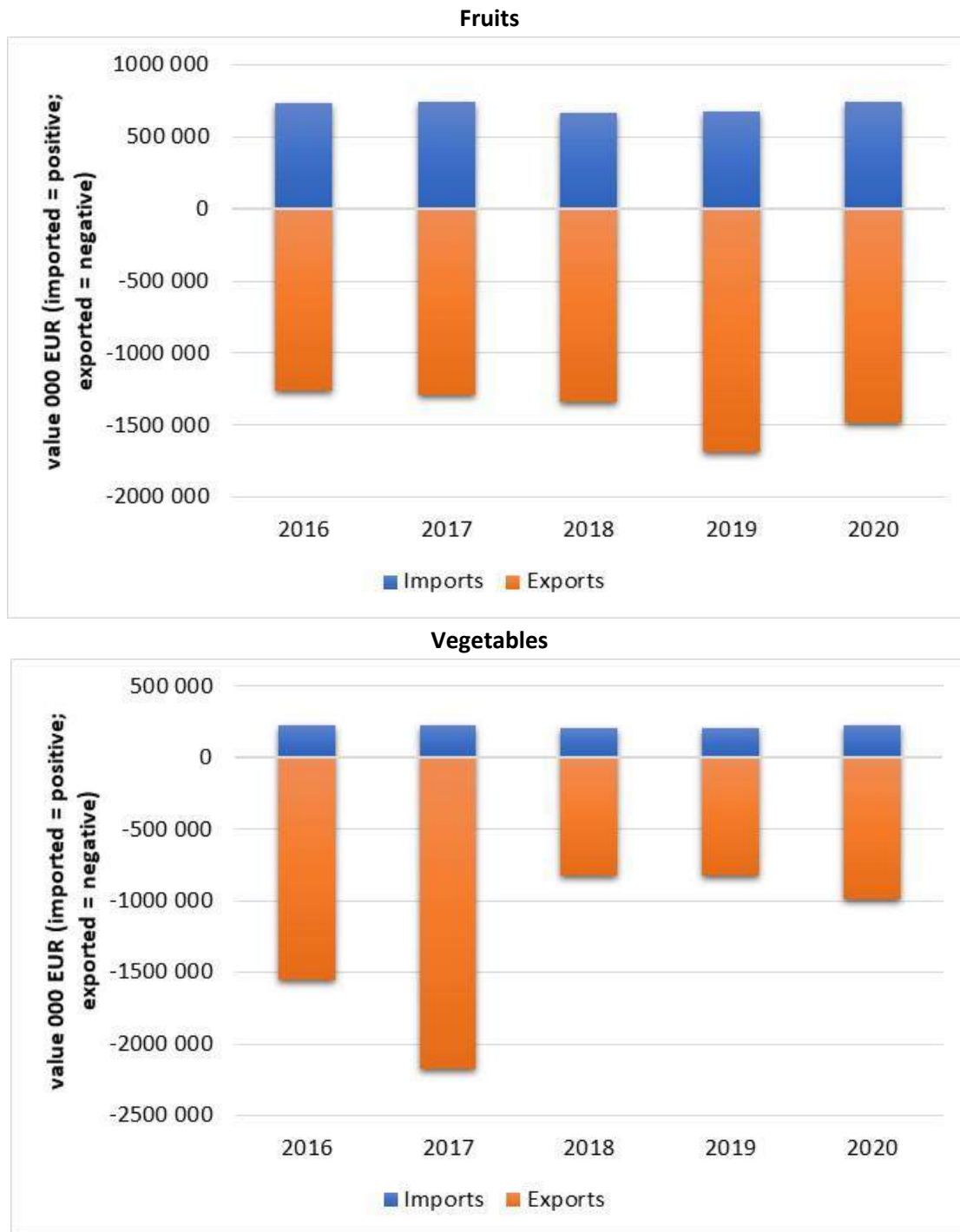
As shown in (Figure 5-8), Australia is a large exporter of both fruit and vegetables and the country enjoys a trade surplus of both products. Some of the biggest fruits imported by Australia include frozen raspberries, strawberries, and apricots while some of the biggest vegetables imported include onions, mushrooms, and frozen vegetables.

⁷⁰ Plant health Australia, Bananas, Available at <https://www.planthealthaustralia.com.au/>

⁷¹ AusVeg, Australian vegetable production statistics, Available at <https://ausveg.com.au/resources/economics-statistics/australian-vegetable-production>.

⁷² AusTrade, Fruit and vegetables, Available at <https://www.austrade.gov.au/ArticleDocuments/2814/Fruit-Vegetables-ICR.pdf.aspx>

Figure 5-8: Trade balance (imports and exports) of fruits and vegetables in Australia, 2016-20; value 000 EUR

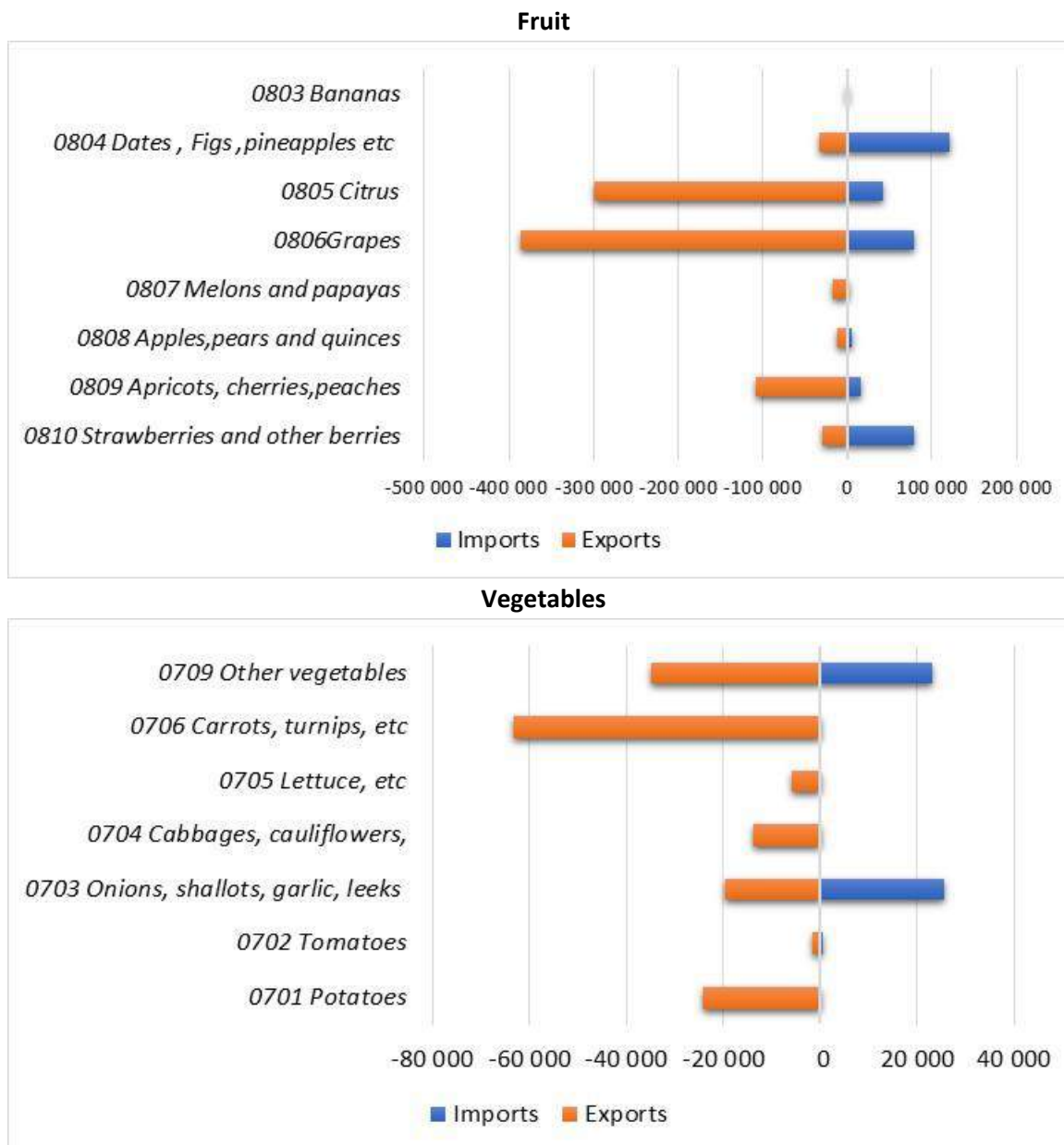


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 07 and 08.

As displayed in Figure 5-9 dates, figs and pineapples are the most imported fruit into Australia although imports of these products from the EU are very small. Australia also has a trade deficit in strawberries which can partly be attributed to the wild bush fires of 2019-2020 which heavily impacted strawberry producing regions. Italy is the second-largest exporter of fresh strawberries to Australia with a value in 2020 of EUR 56m and is the only significant exporter of strawberries to Australia from the EU. Australia also imports small amounts of grapes and citrus, however exports of both of these products from the EU are small also and overall the country is a net exporter of both products. Among vegetables, the only major category of which Australia is a net importer is that of onions, shallots, garlic and leeks.

Figure 5-9: Australian trade balance of fruit and vegetables by type, 2020 (value 000 EUR; selected types only)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

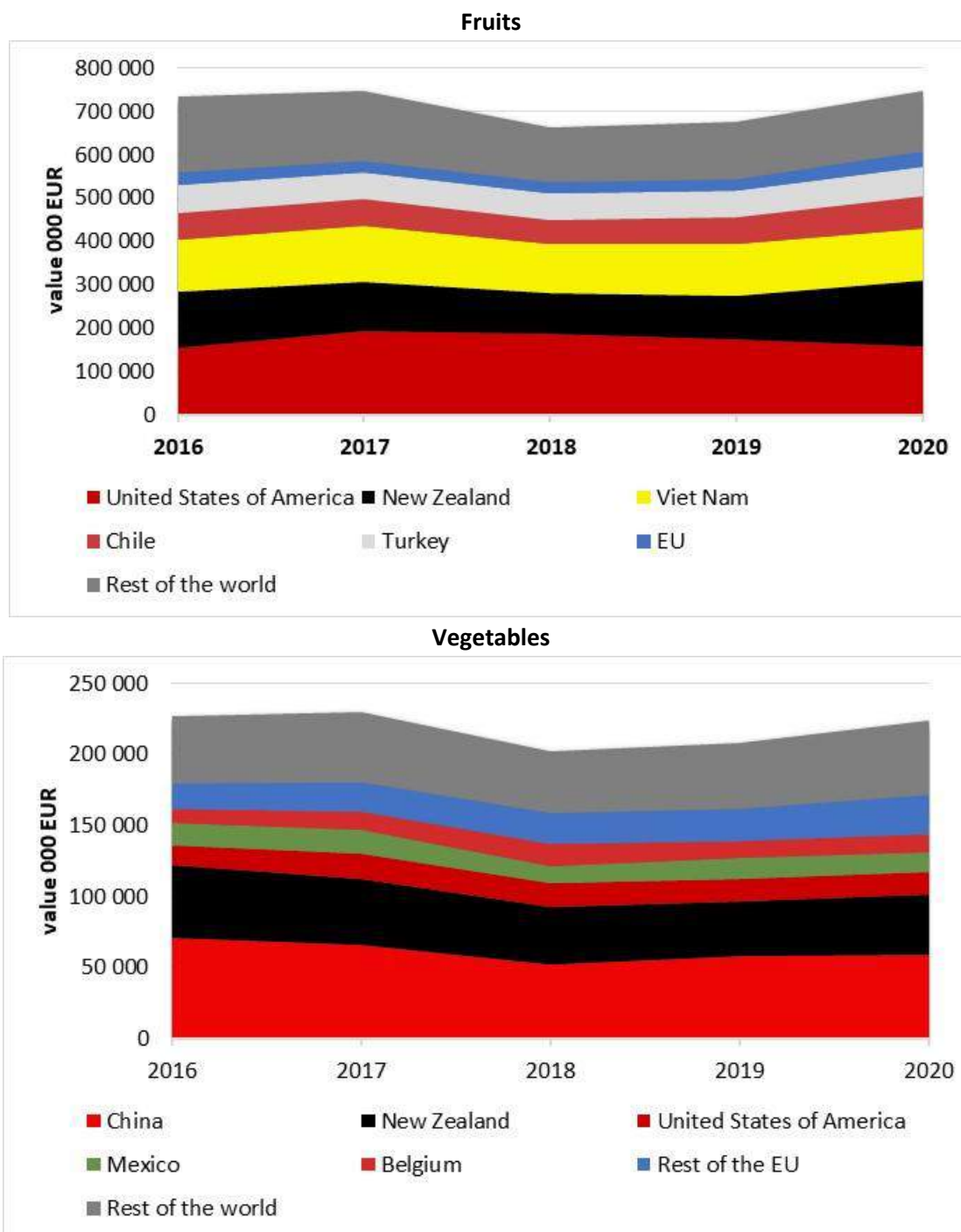
Note: names for CN codes are abbreviated in most cases.

Only indicated CN codes presented in these figures. 6 codes for fruit and 7 codes for vegetables are missing, which is why individual figures do not add up to totals in previous graphs.

In terms of origins, the United States is a large exporter of fruit and vegetables to Australia and benefits from having an existing free trade agreement and fewer controls in place than other countries. New Zealand likewise also benefits from a free trade agreement and is a large exporter of both fruit and vegetables. In relation to the EU, exports are quite small for both products with the largest fruit exporter

being Italy which predominantly exports strawberries. In relation to vegetables, the largest EU exporter of vegetables to Australia is Belgium which predominantly exports frozen vegetables.

Figure 5-10: Australian imports of fruits and vegetables by country, 2016-20; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 07 and 08.

5.2.3.3 EU GI products

As noted in section 4.2.4, currently GIs can be registered under trademark law in Australia as collective marks. Subsequently, no single, separate list of registered GIs for Australia exists. The best way to check if a GI has been registered as a collective mark in Australia is to check the following database:

<https://search.ipaustralia.gov.au/trademarks/search/quick>

5.2.3.4 Main competitors

The main competition for EU producers is the range of domestic production in Australia which largely caters to demand in the country due to the various climates in Australia which allows producers to produce a wide variety of fruit and vegetables to scale. In addition, the United States and New Zealand are two significant exporters of both fruit and vegetables and both countries have favourable trading conditions with Australia. China is the largest vegetable exporter to Australia, exporting dried vegetables and onions.

5.2.4 Specific market entry requirements

Market Access and Entry

As set out in section 4.2, a permit to import goods subject to quarantine, a declaration of the manufacturer, a certificate of fumigation and a phytosanitary certificate are required for fresh fruit and vegetables imported into Australia. This is in addition to general import requirements.

Fruit and vegetable imports are tightly controlled. As is normally the case, it is necessary for a country to have negotiated a protocol before specific products from that country can be exported to Australia. The terms of this protocol may determine additional requirements. Australia maintains a database (BICON) with updated requirements by product and it is highly recommended that this be consulted. It can be found at:

<https://bicon.agriculture.gov.au/BiconWeb4.0/>

In terms of tariffs, fresh fruit and vegetables are generally not subject to tariffs.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – citrus fruit category (0805) from Spain to Australia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=0805&origin=ES&destination=AU>

Standards, SPS measures

Standard 2.3.1 of the food standards code contains the standards fruit and vegetables, though in effect it contains minimal provisions. The standard can be found here:

<https://www.legislation.gov.au/Details/F2015L00458>

As noted above and previously, Australia has strict biosecurity measures. It is recommended that the Bicon database (like provided above) be consulted for the latest information. It also contains information on cases of products for which agreements have been established with DAWE to enable the preferential treatment, to some extent of imported products (it should be noted that even with such agreements, biosecurity measures remain strict).

Labelling

Section 4.2.3 contained detailed information on the labelling requirements for packaged foods in general.

5.2.5 Distribution

Retail channels account for the majority of distribution of both fresh fruit and vegetables in Australia by volume. In the case of fruit the channel accounts for almost 80%, while in the case of vegetables it is closer to 75%. Food service is the second most important channel for both, accounting for 20% of vegetable sales and around 17% of fruit. Institutional channels account for a minority (Figure 5-11). Among retail channels, supermarkets are clearly the most popular; around 70% of consumers will go to supermarket to buy fruit and vegetables in any given week, compared to 10% independent retailers. Fruit markets and independent retailers are the second most popular channel. There are also farmers markets in regional Australian communities, but these are believed to have a very minor share.

Figure 5-11: Distribution of fruit (right) and vegetables (left) in Australia (% of total volume, 2020)



Source: Euromonitor International: Fresh Food, 2021.

5.2.6 Challenges for EU products

The main challenge for EU products is overcoming the large presence of domestic fresh fruit and vegetables already produced in Australia, consumers are already exposed to relatively expensive domestic fruit and vegetable products and the increased costs attached to imported fruit and vegetables may disincentivize consumers. Furthermore, Australia does have strict phytosanitary controls driven by its biosecurity protection measures.

Market Takeaway: Fresh fruit and vegetables

Consumption: large overall and varied, but below recommended levels in per capita terms. The government of Australia has been actively promoting the consumption of fresh fruit and vegetables in recent years.

Competition: Substantial domestic production caters to most of the demand for fruit and vegetables in Australia while New Zealand and The United States are both large exporters of fresh fruit and vegetables and have favourable trading conditions.

Distribution: Retail channels accounts for the majority of distribution and almost 80% in the case of fruit. Supermarkets dominant within the retail channel.

Challenges: Competing with countries that have favourable trading conditions combined with the already high costs of fresh fruit and vegetables in Australia that are produced domestically are the two most significant challenges for EU producers. Strict phytosanitary controls can pose a challenge.

Opportunities: Climatic events in Australia can lead to supply shortages and the rise in demand for imported fruit and vegetables products; strawberries being a key example of this. Potentially seasonal opportunities. Niche opportunities for more premium products.

5.3 Dairy

5.3.1 SWOT analysis

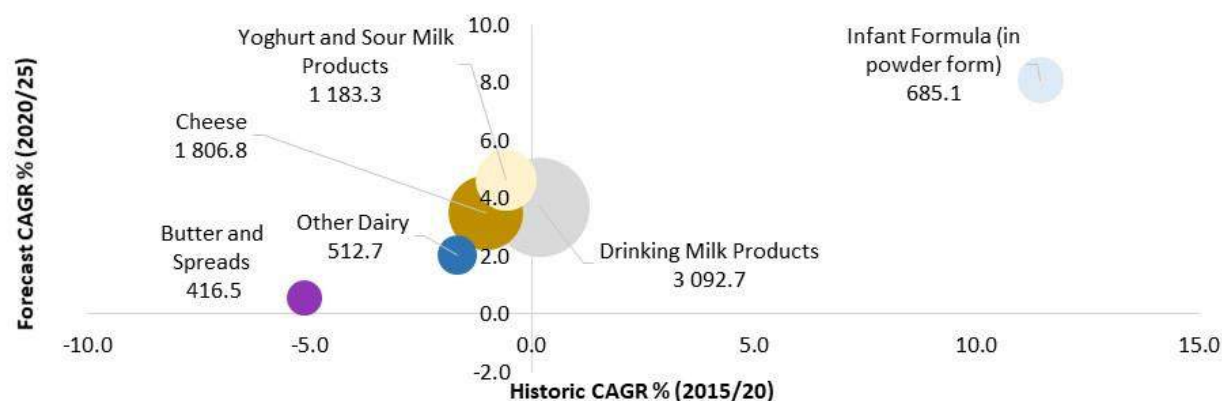
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Strong dairy consumer, including of cheese. ▪ Patterns and methods of consumption are fairly similar to European ones. ▪ Generally advanced and discerning consumers of products such as cheese. 	<ul style="list-style-type: none"> ▪ Self-sufficient in all but one categories and a big exporter of many dairy products. ▪ Poor growth of most segments over the last few years.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Increased interest in different cheeses, alongside a trend in premiumisation. ▪ Re-opening is expected to continue to support the premiumisation trend. ▪ Trends in dairy alternatives across the whole spectrum of dairy products. 	<ul style="list-style-type: none"> ▪ Competition both from domestic producers and tariff free New Zealand products. ▪ Import declaration requirements for listeria and restrictions on raw milk cheeses. ▪ A few GIs face challenges with their name being used more widely.

5.3.2 Consumption

5.3.2.1 Evolution of consumption

The drinking milk segment is the largest in Australia and was worth almost EUR 3.1bn in 2020. Cheese was the second largest at EUR 1.8bn, followed by yoghurt (EUR 1.18bn), other dairy (EUR 0.5bn) and butter/spreads (EUR 0.4bn). Major dairy segments other than infant formula have generally been fairly flat or even shrinking over the last five years, with butter and spreads having shrunk at 5.1% per year. Going forwards, all categories are forecast to grow, though among major categories this ranges from 0.6% per year for butter and spreads up to 4.6% per year for drinking milk. Cheese is forecast to grow at 3.5% per year (Figure 5-12).

Figure 5-12: Evolution and forecast of dairy market (retail value, EUR millions) in Australia, 2015-2025



Source: Euromonitor International: Packaged Food, 2021.

5.3.2.2 Consumer profile and purchase criteria

Consumers

Australia has a high level of per capita dairy consumption comparable to (and in some cases even higher than) that of European countries. Australians consume over 123kg of drinking milk, around 13kg of yoghurt and over 11kg of cheese per person per year. Against this background, dairy products are fairly universally consumed in Australia, though there are some differences between consumers in terms of preferences. Looking at the main types of product:

- Milk:** around 70% of the milk consumed in Australia by volume is fresh cow's milk, with shelf stable milk generally of low popularity. Among fresh milk products, despite an overall increasing level of health consciousness among consumers – most notably boosted by the COVID-19 pandemic - full-fat milk remains dominant, accounting for roughly 2/3 of fresh milk sales. Nonetheless, there is a subset of consumers that is increasingly concerned not only by health, but also by environmental and sustainability issues; and a further subset of consumers with food intolerances. These groups of consumers have boosted the consumption of plant based milk alternatives in recent years (though soy milk has not benefitted as much from this trend due to sustainability concerns). The health focused consumer group has created demand for fortified and functional milk (e.g. probiotic milk and A2 milk); particularly in the flavoured milk space.
- Cheese:** unprocessed cheese is preferred in Australia – it accounts for around 90% of all the cheese consumed by volume. With the broader category of unprocessed cheese, hard cheese is dominant (indeed it accounts for around 80% of all unprocessed cheese and three quarters of the cheese market as a whole). Unprocessed soft cheese in contrast accounts for just over 10% of the market by volume. The popularity of processed cheese is on a long term downward path. As is the case with dairy more generally, cheese is fairly broadly consumed; and with a long history of cheese production and consumption, the average consumer is already fairly discerning. That

said, there is a subset of consumers that is particularly discerning, and that increasingly looks for premium products and may consume cheese e.g. with wine.

- **Butter:** while butter and margarine are consumed in roughly equal quantities in Australia, the consumers of butter are more numerous; an estimated 9m Australians purchase butter in any given month, compared to around 5m who purchase margarine.
- **Yoghurt:** while yoghurt is fairly widely consumed, consumers are more likely to be either health conscious and / or time pressed. Indeed its more limited consumer range is reflected by its smaller market size. Children and teenagers are also notable consumers. Flavoured yoghurt is by far the most popular product, accounting for over three quarters of the overall yoghurt market by volume. Plain yoghurt accounts for the majority of the remainder, with drinking yoghurt and sour milk products only accounting for a minority of the market.
- **Other dairy:** the segment is dominated by cream, which accounts for over half of the market. Dairy based desserts account over a further quarter, with condensed milk a small market and coffee whiteners very much a small niche.

Drivers and method of consumption

Just as the range of consumers of dairy products in Australia is wide, so are the methods of consumption.

While **milk** in particular can be consumed in a variety of ways, a recent notable driver and method of consumption is through coffee. The coffee industry has boomed in Australia in recent years, with the average adult consuming around 14 cups per week; of which three-quarters are believed to contain very high levels of milk (i.e. 90% or more of the drink). Up until the COVID pandemic this had led to a high level of demand for milk products from the coffee shop segment; but this demand has since shifted to domestic consumption. As noted above, health and sustainability concerns are increasing drivers of the consumption of alternative milk products by a segment of consumers.

As noted above, **cheese** is primarily consumed at home. Historically, it has commonly been consumed as a social snack during entertaining e.g. in the format of cheese boards. However, the pandemic has inevitably had a strong impact on this method of consumption. Cheese has always been a popular snack in Australia, generally only trumped in popularity by fruit and chocolate. However, as a result of the shifting habits over the last year, cheese increasingly has taken on a role of an indulgent snack. Home cooking is also a notable driver of cheese consumption, and once again given the recent situation, it has benefitted.

Butter has always been driven to a considerable extent by its use in the home for cooking and baking. The closure of food service outlets leading to increased home cooking and experimentation has further driven butter consumption since the beginning of the pandemic. Nonetheless, the food service outlet has tended to provide a notable secondary driver of butter consumption. Butter also remains widely used as a spread, with it being the most popular spread in many parts of the country (ahead of the popular yeast extract vegemite); and its use on toast at breakfast particularly popular.

For **yoghurt**, health consciousness and convenience are the two stand out drivers of consumption, with the product most commonly being consumed as a healthy snack as far as adults are concerned. Children most commonly consume yoghurt as a snack or for breakfast. For both adults and teenagers, on-the-go consumption is common.

Consumption of cream in the **other dairy** segment is driven by its use both as a cooking ingredient, and also by the role it can play in desserts. The food service channel is also an important one for cream. Dairy based desserts are seen as a more processed product, and so are increasingly avoided but in the cases they are consumed it is often due to their consideration as an indulgent product.

Purchase criteria

With such large and varied markets, it is difficult to generalise on overarching purchase criteria. Nonetheless, criteria which are either gaining in importance or key for certain segments can be highlighted. More specifically:

- **Milk:** private label products are fairly popular among drinking milk in Australia, with two of the three biggest brands being private label (though the market as a whole is quite fragmented). While this indicates a certain price sensitivity of consumers, there have been recent rises of milk prices in order to provide higher prices to farmers and support them through problems with droughts and bushfires; and demonstrating that consumers have strong ethical concerns for dairy farmers. Indeed, ethical concerns more broadly are increasingly a purchasing criterion for some consumers, with these consumers increasingly taking the environment and sustainability into account; and this is now extending from method of production to methods of packaging.
- **Cheese:** as already noted above, the average consumer is already fairly discerning, making taste a notable criterion. Cheddar is the most popular cheese in Australia by some distance, accounting for over 50% of unprocessed cheese sales, with parmesan accounting for a further 10%. Nonetheless, consumers ultimately purchase a range of cheeses including camembert, brie, blue cheese, feta and ricotta. Among European cheeses, French made camembert/brie and Danish made Castello have a particularly high level of recognition. With many Australians having some European origins, many consumers are attracted to cheeses which connect to these origins (e.g. those with Balkan roots to Bulgarian goat cheese). That said, a particular challenge is that several Australian made cheeses are presented in a way which makes mass market consumers see them as being European; and hence limits the impact of e.g. Geographical Indications on these consumers. GIs along with an emphasis on heritage and the premium quality may have some impact on consumer of more premium products. Typically, consumers look for pre-packaged cheese (rather than loose / unpackaged cheese).

Origin and environmental factors are increasingly purchasing criteria considered by consumers. One of the impacts of this is an increased willingness of consumers to purchase local artisanal cheese production; a trend which has been further boosted by (1) the will to support local producers suffering from the impacts of bush fires and market closures due to the pandemic; and (2) the availability and subsequent purchase of such products through e-commerce channels. There is also increased interest in methods of production and the extent of processing.

- **Butter:** price is increasingly a purchase criterion for butter, as reflected by the popularity of private label brands which account for around 1/3 of the market. That said, there is still strong brand loyalty among some consumers – Western Star, Australia’s most popular brand is purchased by 1 in 5 consumers. At the other end of the scale, there is a small group of consumers who actively look for artisan, non-mainstream butter. As noted above, health and wellness has been a notable driver in the consumption of butter in recent years, and this is also increasingly translating to further product preferences; some consumers are looking for better-for-you options, such as fortified/functional spreads and dairy-free non-margarine alternatives. Sustainability, ethical status and organic status are also considered by a small group of consumers.
- **Yoghurt:** in line with the drivers of health and convenience, health-related aspects and packaging suitable for easy or on-the-go consumption are notable purchase criteria. With regards to the former, content of the yoghurt is often taken into account. Subsequently, claims are increasingly found on packets and impact the consumer purchase decision. Flavour is another notable criterion, with novel flavours often used to attract consumer attention.
- **Other dairy:** price is increasingly a consideration for the other dairy segment, cream included. Nonetheless, there is a segment of consumers that takes other factors such as healthiness of the product and organic status of cream into account. Due to its status as an indulgence product, premium status is more likely to be taken into account by consumers of dairy based desserts.⁷³

Dairy products on retailers’ shelves in Australia

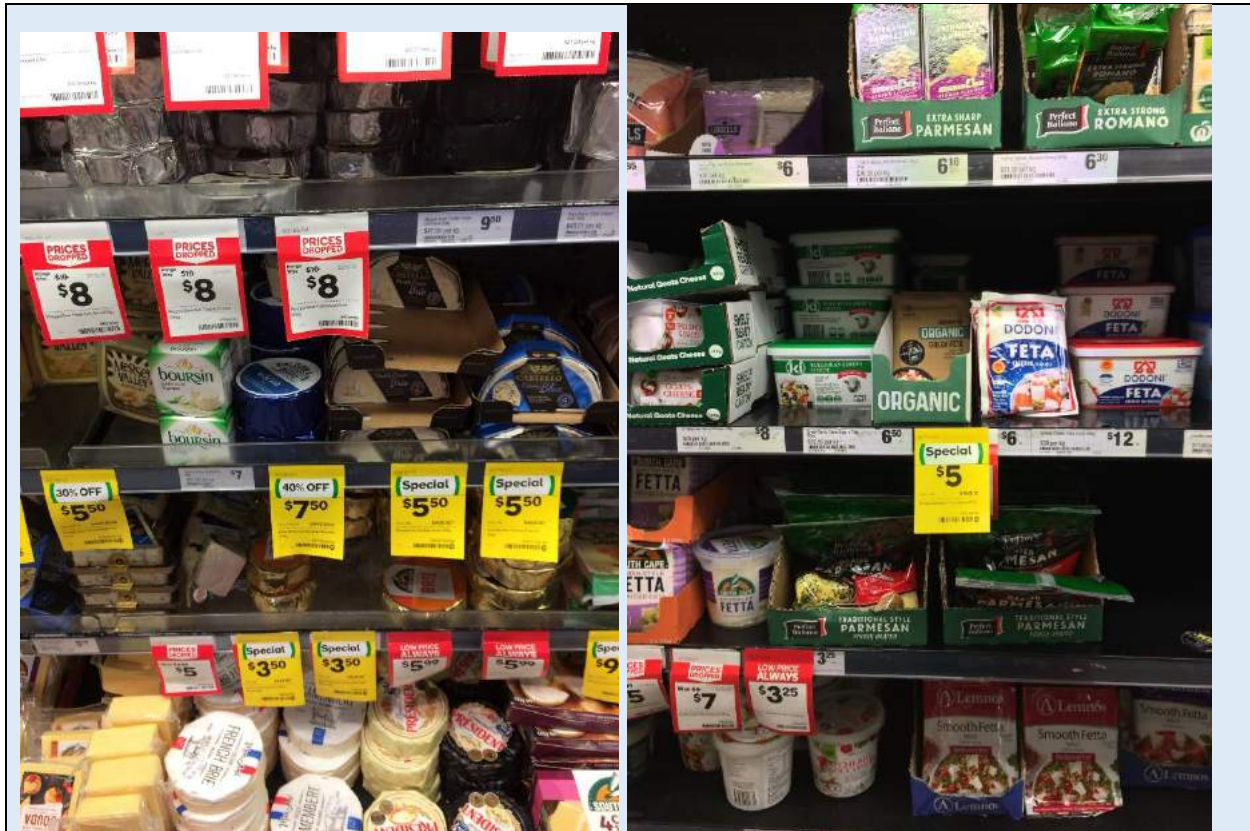
The imported dairy products which can be found are mainly cheese, with a few butter products. Products tend to be either mid-range or (more likely) premium, with retail prices for cheese as follow:

- Mid-range: Up to AUD 35 per kg
- Premium: Above AUD 35 per kg; with what may be considered “super-premium” starting at around AUD 70 per kg.

Private label imported cheese products are emerging in the main supermarkets as a way of making mid-range or premium products available at a slightly lower price (10 to 20% lower than imported branded products).

In mainstream supermarkets, cheeses tend to be grouped by type, regardless of whether the product is indeed imported or a locally produced version of an imported cheese. Greek and Italian style cheeses are often found next to one another on the shelves (see below).

⁷³ Euromonitor International: Packaged foods, 2021; <https://thedairyindustry-aditi.weebly.com/consumers.html>; <https://www.ausfoodnews.com.au/2014/11/19/australias-snacking-habits-revealed-nielsen.html>; <https://www.heraldsun.com.au/lifestyle/food/australias-favourite-breakfast-onthego-revealed-by-hey-you-app-and-its-not-vegemite-on-toast/news-story/a1d46cde857c1a9aeda38677e8bd941a>



In more specialist stores, imported cheeses will be better organised by type/origin and ranges more extensive. Guidance may even be provided on the type of the cheese (see below). It is common for imported European cheeses to emphasise their heritage. In the case of brands, this can be done through the label; in the case of private label products, a visual indication or information on the origin may be provided.



Cheese packaging that comprises thin wall plastic containers with a resealable closure is increasingly preferred as it can maintain freshness, with the container's rigidity protecting the structure of the cheese.



Pictures: © Agra CEAS / Euromonitor International, 2021.

5.3.2.3 Recent market trends

In the **milk** market, increased attention to health, diet and sustainability is likely to continue to boost consumption of milk alternatives. The health aspect is also expected to play a major role in the cow-based milk segment; with some fortified products coming to market and an increased focus on reducing or eliminating entirely sugar content in the flavoured milk area. With the focus on sustainability also through packaging, producers are increasingly adopting fully recyclable packaging.

The situation in the **cheese** market has been particularly dynamic of late, and it is likely that it will continue to evolve. As noted in section 5.3.2.2, the pandemic, while restricting the ability to consume cheese socially, has also boosted its consumption as an indulgent snack. This has further accelerated an already existing premiumisation trend, which was previously supported by efforts of some players to encourage the pairing of cheese with certain charcuterie products and wines. Going forward, the premiumisation trend is likely to continue to an extent as the re-opening of specialist cheesemongers – who tend to stock premium, unpackaged cheese – may boost this segment. On the other hand, re-opening more generally is likely to result in increased dining out which, given the high importance of the retail channel for cheese, is likely to have a slightly negative impact on growth in cheese consumption. As previously noted, there is increasing interest in the issues of production methods and the level of processing, which is creating some interest in organic certified products.

As noted above, the pandemic has also resulted in support for local artisanal cheese makers among consumers, with their products often preferred over imported ones. E-commerce – which traditionally has been of minor importance for cheese sales - has played a role in this. It remains to be seen how the market for local artisanal products and sales through e-commerce will evolve as the country exits the COVID 19 pandemic.

As set out above, **butter** is expected to both benefit and suffer as food service outlets re-open. Two contrasting trends may emerge over the next years. The mass market may become more price sensitive (particularly in view of any butter price increases stemming from production costs), with private label products likely to benefit as a result. A more niche trend is that of interest in healthy alternatives and sustainability / production issues. This is already creating opportunities for both the fortification of traditional products and the emergence of alternative products (such as olive oil and coconut oil based products).

The pandemic situation has further accelerated the trend of **yoghurt** being consumed for health related reasons that had already existed for a while. In particular, it has resulted in a greater interest in products that boost digestive health and the immune system, and it is likely that the interest in these products continues going forwards. While likely to benefit all yoghurt products which fulfil the criteria, sour milk products in particular are likely to benefit. The health driver is expected to extend to children's yoghurts, with greater attention likely to be paid to low sugar content and/or high protein content. There is a small but growing niche for non-dairy alternative yoghurt products such as almond and coconut based products.

The re-opening of food service outlets is likely to benefit cream in the short term at the expense of other products in the category of **other dairy**. As has been seen across the dairy segment, the health and wellness trend is likely to impact the segment going forward, with more processed products such as dairy based desserts likely to suffer as a consequence. Some plant based dairy alternative products have also emerged recently.⁷⁴

5.3.3 Offer

5.3.3.1 Domestic production

Australia has a large and diverse dairy industry. While historically famer co-operatives were important up until deregulation in 2000, there is now a wide range of companies operating in the sector, including large multinational such as Fonterra and Lactalis. The number of dairy farms in Australia has more than halved over the last twenty years, while productivity has increased. The majority of production and processing is focused in the south eastern area of the country.

Overall milk production shows long term declines. This can be attributed to a range of factors, including drought difficulties, pricing pressures (including those linked to the supply chain structure) and Australia's exposure to global dairy markets. Drought issues in particular have led to the use of supplementary feed, placing further economic pressure on the industry. Despite this, Australia remains a large net exporter of dairy products. Around 60% of Australia's manufactured dairy products are exported. In contrast, the majority of drinking milk it produces is consumed on the local market.

After some years of slow down, the **cheese** industry in Australia is on an upward trend. It already accounts for almost 40% of Australia's milk production; and recent investments in cheese production capacity suggest that it will become an even more important user of milk in the future. While the majority of cheese produced in the country is cheddar, production of other cheese types is on a long term up trend, and they now account for just under half of all cheese produced in the country. Indeed, over ¾ of cheeses now exported by Australia are not cheddar. There is a growing domestic artisanal cheese industry which has benefitted from the fall in imports during the COVID-19 pandemic.

Skimmed milk powder and butter are also important users of Australian milk. Butter production tends to vary year on year, depending on milk availability.

The consumer facing companies involved in dairy production do vary to some extent across products, though multinational – Fonterra in particular – are present across multiple product categories. Most markets are quite fragmented; in the cheese market no one company accounts for more than 15% of sales; while in the butter and drinking milk markets, the largest company accounts for around 20% of sales in each case.⁷⁵

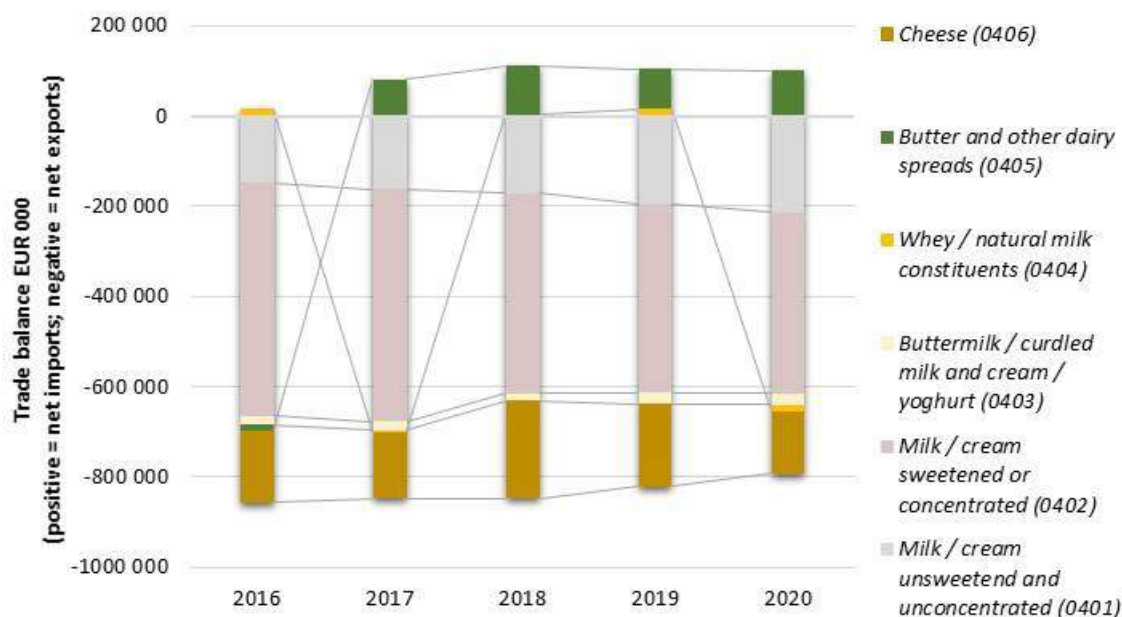
⁷⁴ Euromonitor International: Packaged foods, 2021.

⁷⁵ <https://whatasleep.com.au/blog/coffee-statistics-australia/>;

5.3.3.2 Imports and exports

Australia is a substantial net exporter of dairy products with net exports of around EUR 700m in 2020. As can be seen in Figure 5-13, the only category it tends to import is that of butter and dairy spreads. The majority of exports are accounted for by sweetened/concentrated milk and cream, though there are also growing exports of unsweetened/unconcentrated milk and cream; plus notable exports of cheese.

Figure 5-13: Trade balance (imports and exports) of dairy in Australia, 2016-20; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
CN codes in brackets.

New Zealand is a major origin of products for multiple categories. Looking category by category, as shown in Figure 5-14:

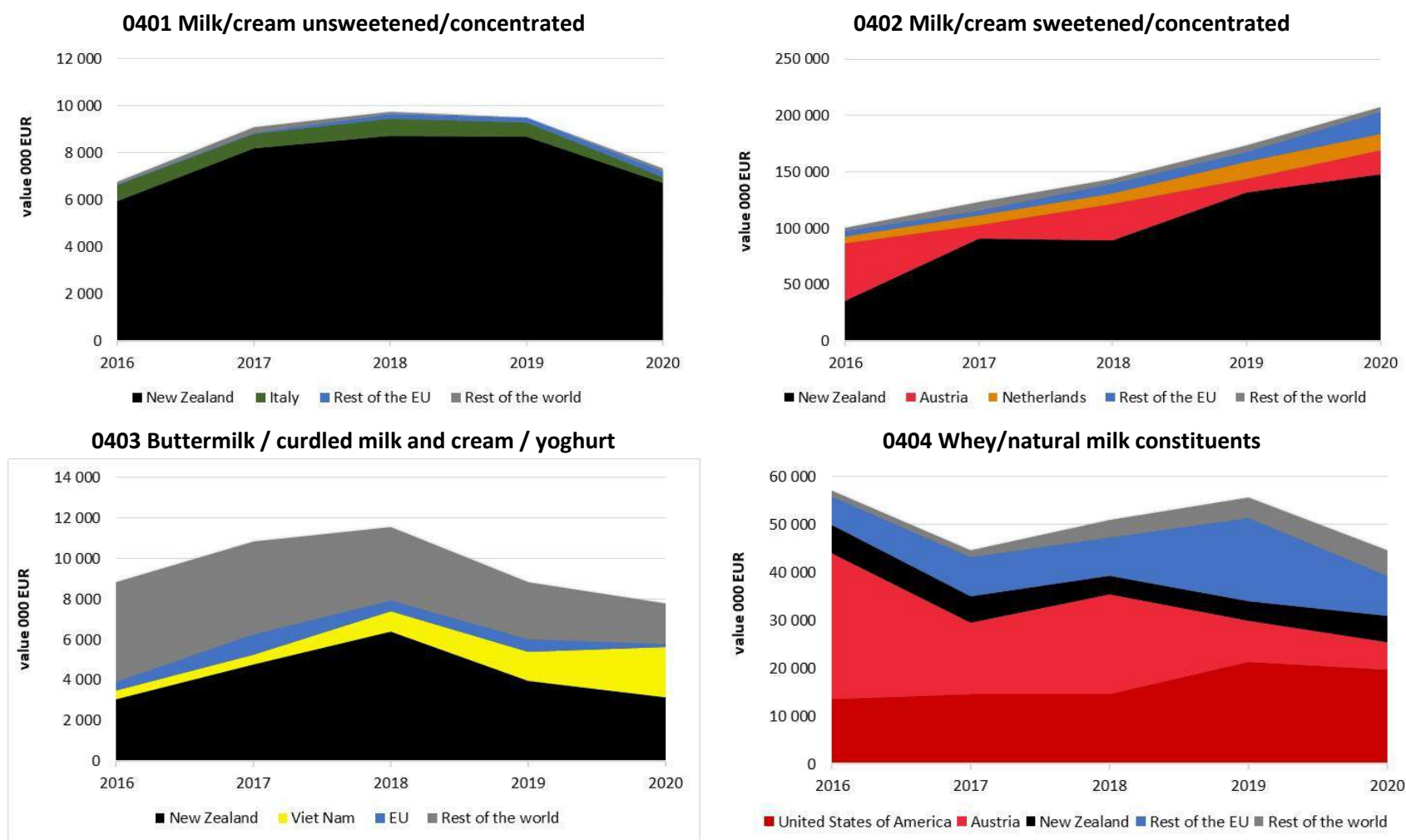
- **Unsweetened / unconcentrated milk / cream:** imports are small having peaked at EUR 10m in 2018. New Zealand accounts for all but a minor fraction of imports.
- **Sweetened / concentrated milk / cream:** imports are on an upward trend, reaching EUR 200m in 2020. New Zealand accounts for around ¼ of these; EU countries, led by Austria and the Netherlands most of the remainder.
- **Buttermilk, curdled milk and yoghurt:** imports were minor in 2020 at just EUR 8m, almost none of which came from the EU.

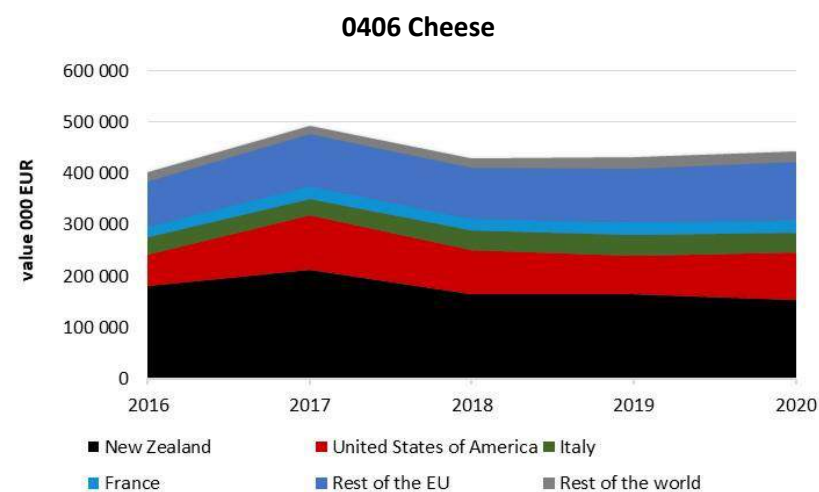
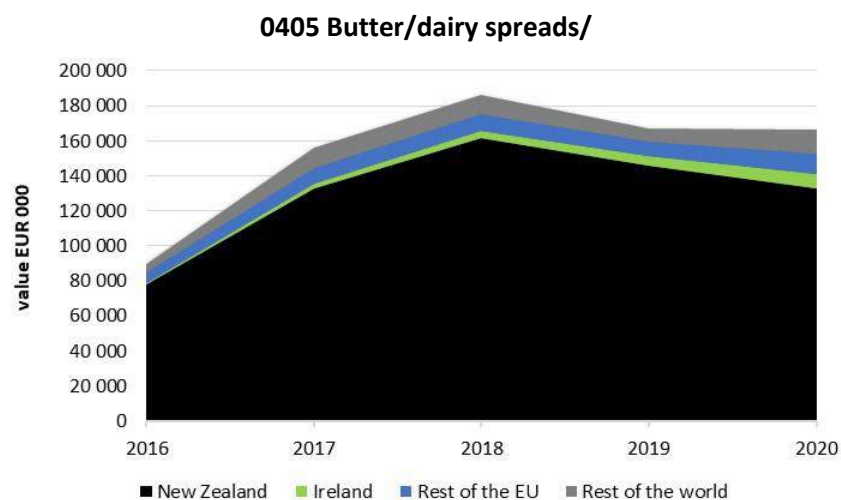
<https://www.queenslandcountrylife.com.au/story/6342382/how-coffee-is-helping-drive-milk-consumption/#:~:text=AUSTRALIA's%20love%20affair%20with%20coffee,have%20more%20than%2090pc%20milk;>
<https://www.dairyaustralia.com.au/>; <https://www.dairyaustralia.com.au/industry-statistics/milk-processing-overview>; <https://pasture.io/dairy-australia/farming-problems>

- ***Whey and natural milk constituents:*** at just over EUR 40m, imports are on a downward trend. Austria was previously dominant but has since been overtaken by the US as the number one origin.
- ***Butter / dairy spreads:*** imports are substantial at around EUR 170m in 2020. However, New Zealand dominates with over 80% of imports. Ireland, while the second largest origin, accounts for only around 5%.
- ***Cheese:*** is the largest imported dairy product with imports of around EUR 450m in 2020. New Zealand and the USA are the two largest origins, combined accounting for around half of imports. However, most of the remaining 50% comes from EU countries, led by Italy and France.

Australia – Market Entry Handbook

Figure 5-14: Australian imports of different dairy categories by country, 2016-20; EUR 000





Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

CN codes in brackets.

5.3.3.3 EU GI products

As noted in section 4.2.4, currently GIs can be registered under trademark law in Australia as collective marks. Subsequently, no single, separate list of registered GIs for Australia exists. The best way to check if a GI has been registered as a collective mark in Australia is to check the following database:

<https://search.ipaustralia.gov.au/trademarks/search/quick>

As outlined in section 4.2.4, there are challenges in Australia for some EU GIs registered in Europe. Some EU GI cheeses have been identified as being among those facing challenges. Please refer to this section for more details.

5.3.3.4 Main competitors

The main competition comes from domestic producers. Australia is self-sufficient in all dairy products except butter. It has an advanced and diverse dairy industry, and indeed exports are an important market for processed dairy products; demonstrating the strength of the industry. In addition to domestic production, there is competition from New Zealand in multiple import segments.

5.3.4 Specific market entry requirements

Market Access and Entry

As set out in section 4.2, a permit to import goods subject to quarantine, a declaration of the manufacturer and a veterinary animal health certificate are required for dairy products imported into Australia. This is in addition to general import requirements.

There is a specific requirement for countries wishing to export raw milk cheese to Australia to seek equivalence of the system in Australia. This requirement of the Ministry of agriculture was introduced in 2018. More information on this requirement can be found here:

<https://www.agriculture.gov.au/import/goods/food/inspection-compliance/rmc>

These requirements are based on standard 4.2.4 of the food standards codes; this standard relates to primary production and processing standards for dairy products in Australia. It can be found here:

<https://www.legislation.gov.au/Series/F2012L00294>

Furthermore, there is also a requirement for an importer declaration for cheese that does not support the growth of *Listeria monocytogenes* (also introduced 2018). Some more information on this requirement can be found here (in the IFIS importer declarations section), along with a link to the declaration form:

<https://www.agriculture.gov.au/import/goods/food/notices/ifn04-18>

In terms of tariffs, these vary by product (and hence precise HS code), however in general terms:

- Most milk and cream (0401 and 0402); yoghurt and buttermilk (0403); and whey (0404) not subject to tariffs
- While butter is not subject to tariffs, dairy spreads are subject to a 4% ad valorem tariff
- Most cheese (0406) is subject to quantity tariffs of AUD 1.22 per kg

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general cheese category (0406) from France to Australia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=0406&origin=FR&destination=AU>

Standards, SPS measures

Part 2.5 of the food standards code contains standards for different dairy products. More specifically, for products which are covered in this section:

- Standard 2.5.1 covers milk; see: <https://www.legislation.gov.au/Series/F2015L00462>
- Standard 2.5.2 covers cream; see <https://www.legislation.gov.au/Series/F2015L00470>
- Standard 2.5.3 covers fermented milk products; see <https://www.legislation.gov.au/Series/F2015L00413>
- Standard 2.5.4 covers cheese; see <https://www.legislation.gov.au/Series/F2015L00414>
- Standard 2.5.5 covers butter; see <https://www.legislation.gov.au/Series/F2015L00423>
- Standard 2.5.7 covers dried milk, evaporated milk and condensed milk; see <https://www.legislation.gov.au/Series/F2015L00425>

Each standard generally contains a definition of the product, including the substances which can be added to it. It is recommended that the corresponding standard be consulted for full details on the definition.

The requirements on raw milk and *Listeria monocytogenes* (both set out above as they are primarily market access issues) must of course also be met.

Labelling

Section 4.2.3 contained detailed information on the labelling requirements for packaged foods. This section should be consulted for details on labelling.

5.3.5 Distribution

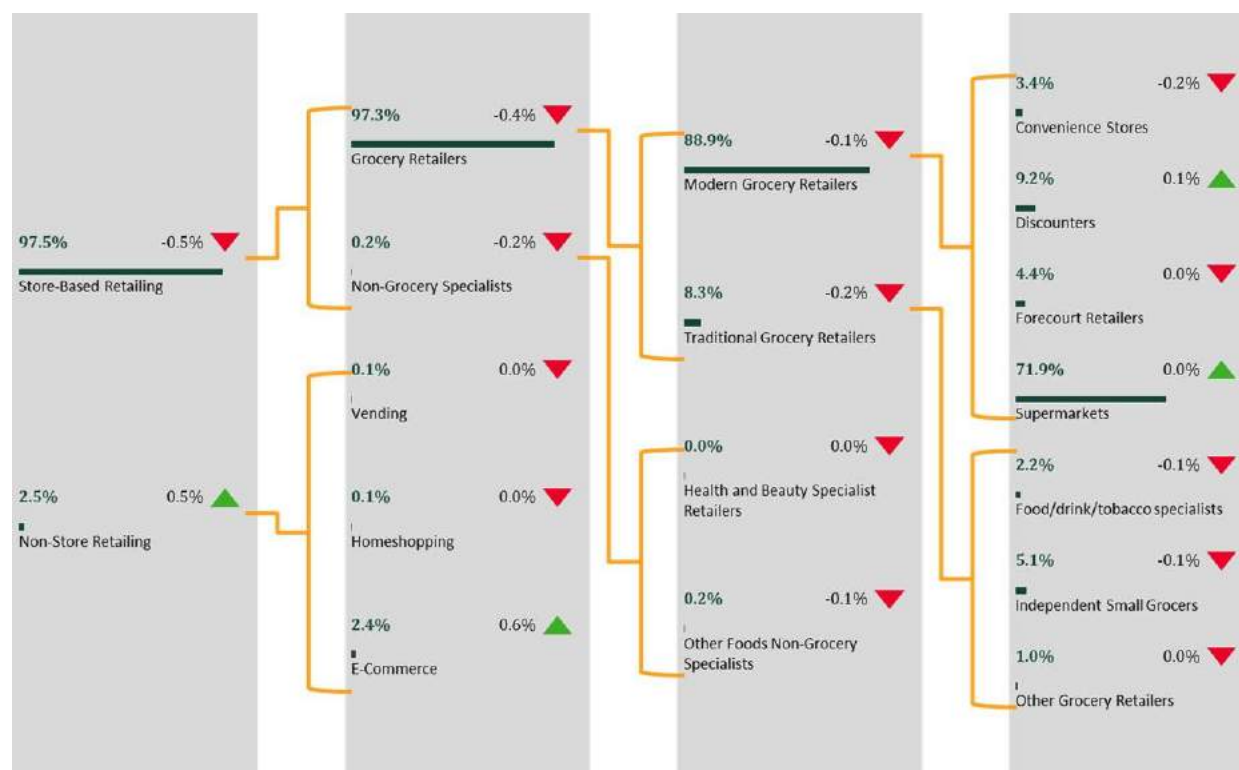
For the dairy category as a whole, supermarkets are the most important channel; they account for almost 72% of distribution. Other modern grocery channels account for a further 17%, with discounters accounting for over half of this. Traditional grocery channels account for just over 8%. While the share of e-commerce is still low at 2.4%, it is growing quite quickly (Figure 5-15).

There are some slight nuances by product. More specifically:

- In the case of butter and spreads, supermarkets and discounters both have even more important roles, accounting for almost 84% and 13% of sales respectively.
- Yoghurt is sold through supermarkets to a greater extent than dairy as a whole (it accounts for 80% of sales). E-commerce is slightly more important than average at 3.3%.

- The importance of different distribution channels for cheese and for drinking milk is more or less in line with their importance for dairy as a whole.
- Imported cheese is most likely to be sold through supermarkets due to their dominance, though there are a small number of specialist stores focused on more premium cheeses.

Figure 5-15: Distribution channel overview of dairy in the Australia (2020); all dairy products; retail value



Source: Euromonitor International: Packaged Food, 2021.

5.3.6 Challenges for EU products

With a high level of dairy consumption and similar patterns to Europe in many ways, the market is interesting. Nonetheless, there is substantial competition, both from the well-developed and diversifying domestic industry; and from imports, primarily from New Zealand. Furthermore, recent importer declaration requirements for *Listeria monocytogenes* and restrictions on raw milk cheese imports provide further hurdles for importers. There are also a few cheeses with GIs protected in Europe which may face challenges with competition using the same term in Australia, though the hope is that an EU-Australia FTA will managed to address this.

Market Takeaway: Dairy

Consumption: big dairy consumer; large markets for milk, cheese and yoghurt in particular.

Competition: self-sufficient in all dairy products except butter. Developed dairy segment, plus nearby New Zealand a notable origin.

Distribution: supermarkets by far the largest channel; though traditional retailers play a role and e-commerce is an emerging channel.

Challenges: strong competition. Importer declaration for listeria and raw milk cheese restrictions; plus issues for a few GLs.

Opportunities: tastes in cheese are evolving (traditionally cheddar has been dominant, but more varieties are being tried). Premiumisation trends.

5.4 Wine

5.4.1 SWOT analysis

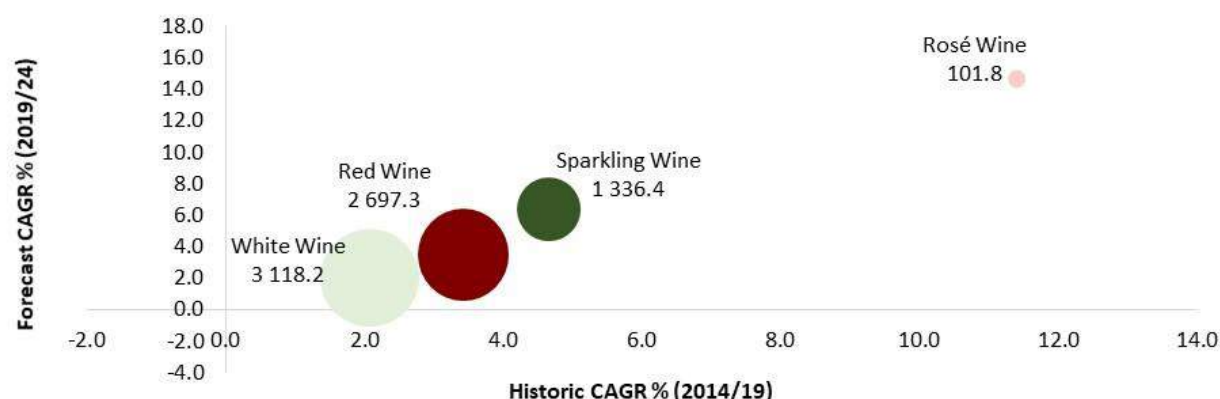
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> Wine consumption per capita remains high in Australia European wine variants are well known in Australia and many GIs are protected EU wine associated with luxury, differentiating them from domestic production; and demand for EU wine grows during special events such as weddings 	<ul style="list-style-type: none"> An unequal taxation system is a major barrier to trade Australia has a large domestic wine production base Australian per capita wine consumption has been declining in recent years
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> On-going FTA negotiations may lead to some offset of current unequal market conditions for EU wine in Australia Non-alcoholic and wine produced using sustainable production methods are growing in popularity Rosé wines and sparkling wines are growing in popularity and widely produced in the EU 	<ul style="list-style-type: none"> High domestic production and the presence of New Zealand a wine producing and exporting country in Australia's vicinity "Prosecco" is not a protected EU GI in Australia and attempts to protect it are challenged Younger Australians have been shown to have a preference for beer over wine generally

5.4.2 Consumption

5.4.2.1 Evolution of consumption

The wine market in Australia was worth over EUR 7bn in 2019. As shown in Figure 5-16, red wine and white wine are leading the market, with white wine slightly preferred. In 2019 the white wine market was worth EUR 3.1bn, having grown at 2.1% per year over the previous five years. The market for red wine grew more quickly at 3.4% per year, but was also slightly smaller at EUR 2.7bn. Sparkling wine is also a notable segment and was worth EUR 1.3bn in 2019, having grown more quickly than the other two categories at 6.3% per year. With a value of EUR 102m, rosé wine remains a niche, albeit a fast growing one at 14.6% per year historically and a forecast 11.4% per year going forwards up to 2024. The other three segments are also forecast to grow going forwards, albeit more slowly at between 2% (white wine) and 6.3% per year (sparkling wine).

Figure 5-16: Evolution and forecast of wine market (million Euros) in Australia, 2014-2024; total value



Source: Euromonitor International: Alcoholic Drinks, 2020.

5.4.2.2 Consumer profile and purchase criteria

Consumers

The consumption of wine in Australia is high on a global scale, Australians consume on average 3.7 litres of wine in pure alcohol form per capita (so around 35-40 litres per year) which is a higher figure than countries such as Canada and the USA. Wine accounts for roughly 37% of all alcohol consumed in pure alcohol form in Australia which is slightly behind beer and ahead of spirits.⁷⁶ Consumption of wine is higher amongst individuals aged 40+ while consumption between those aged 18- 39 is seeing a decrease in consumption. Sauvignon is amongst the most popular wine consumed in the Australian market with shiraz also being popular in the country. Overall wine consumption per capita has continued to decline in recent years with positive volume growth being largely attributed to population growth.

Women account for the majority of wine consumption in the country. New more sustainable wines such as organic and botanical wines have found a new following in the country in line with demand for wider sustainable goods. Non-alcoholic wines have also grown in popularity in the country in recent years as the population continues to grow ever health conscious about their consumption patterns. White wine is generally more popular than red wine in Australia with only South Australia and Tasmania having consumers that have a preference for red wine. Tasmania is also the largest wine-consuming state in Australia with Western Australia being the lowest.⁷⁷

Drivers and method of consumption

Key drivers affecting the demand for wine in Australia include the demand for health-conscious goods which has resulted in non-alcoholic wines and organic wines becoming more popular in Australia. The

⁷⁶ WHO, Australia alcohol consumption patterns, Available at https://www.who.int/substance_abuse/publications/global_alcohol_report/profiles/aus.pdf

⁷⁷ Medibank, which states consumes the most alcohol, Available at <https://www.medibank.com.au/livebetter/health-brief/health-insights/which-state-consumes-the-most-alcohol/>

presence of wine clubs and wine tasting events throughout the country is another key driver and these events are usually a platform for new producers in the market to experiment their wines with consumers. The Melbourne food and wine festival held annually is amongst the largest such wine festivals held in Australia.

Overall, off-trade is a major driver of wine consumption – around 80% of wine by volume in Australia is purchased through retail channels, with on-trade accounting for under 20% of consumption. Australians will typically consume wine with larger meals such as a dinner meal or solely when in social events in a practise that largely mirrors wine methods of consumption in the west. Conferences and business events held in the country will also typically offer wine to participants. The decline in beer consumption in Australia has aligned with the rise of wine consumption and for the first time wine is starting to catch up to beer. This gives the impression that a key driver of wine consumption is from consumers who are moving away from beer consumption.

Finally, it should be noted that, while not the main method of consumption in Australia, there is a culture of “wine cocktails”. For example, Shiraz may be used to prepare a creamy nut-flavoured cocktail for post-dinner consumption; as may Chardonnay infused with whiskey, ginger ale and English Breakfast Tea. Rosé, which is recognised as Australian wine as a good summer drink, may also be mixed with lime juice, brown sugar and strawberries by both white and red wine drinkers to make a summer cocktail. Wine may also be used in cooking though this use is comparatively minor.

Purchase criteria

Australians have fairly clear preferences in terms of grape varieties. Among the largest segment of white wine, Sauvignon Blanc is most popular, followed by Pinot Grigio / Pinot Gris, Chardonnay, and Riesling. Combined these varieties account for around 70% of all white wine consumed. Among reds, Shiraz, Pinot Noir and Cabernet Sauvignon dominate with over 60% of red wine. Flavour is generally an important criterion, whether wine is imported or domestic; though the taste criterion takes on a further significance for imported wines in view of the higher price (see below).

Imported wine is generally viewed as a luxury product in Australia, this can be attributed to a rebate system available to domestic producers that allows them to get up to 90% of the taxes imposed on them through the wine equalisation scheme returned, a rebate that is not available to imported wines. Tariffs also exist for imported wine which results in an unequal market for imported wines to compete in. Imported wines from France and Italy, therefore, cost considerably more than Australian wines or even wines from New Zealand which has a free trade agreement in place; a “budget” EU wine typically retails for at least 20% more than a “budget” Australian or New Zealand wine. Due to the higher costs, European wines are typically reserved for special occasions such as a wedding or family event, while general day-to-day consumption of wine is typically reserved for wines from Australia itself or New Zealand. Australian consumers have also been shown to spend more on wines produced through sustainable methods such as organic wines which have grown in popularity in recent years. Despite what can be perceived as an uneven marketplace for imported wines to compete in, imported wines have grown in consumption in recent years in Australia and passed the volume figure of 100 million litres for the first time in 2018-19.

Consumers of imported wines are more likely to look for milder, smoother reds and whites to contrast with the typically sweet and pungent Australian reds and whites. Information about the vineyard and the heritage of the product may be looked for by premium consumers of imported wines.⁷⁸

Wine on retailers' shelves in Australia

Imported wines may target the mid-range market, but are more likely to target the premium market. Rough retail prices for these markets, per 750ml bottle, are:

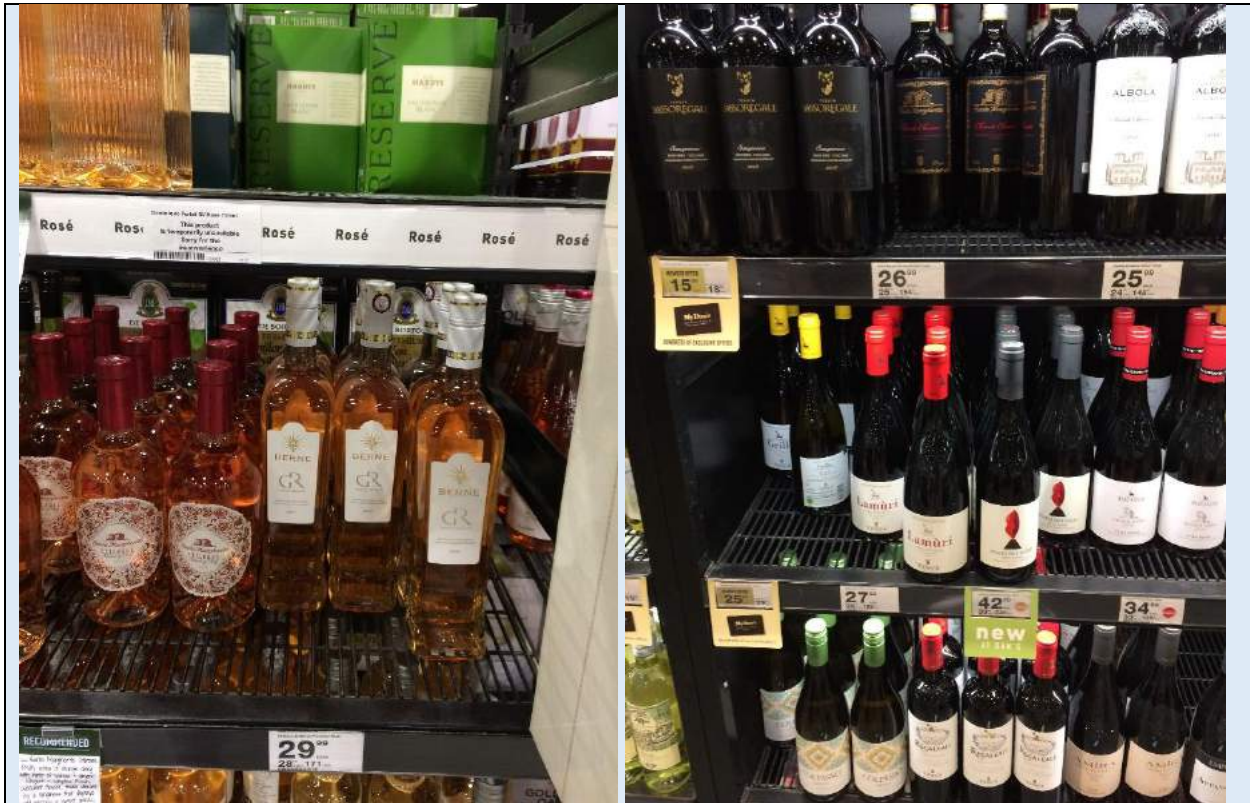
- Mid-range: AUD 10 to 20, with upper mid-range (a good potential price range for imported wines, bearing in mind their inherent higher cost) at AUD 15-20
- Premium: above AUD 20

The use of 750ml glass bottles is more or less standard. However, it should be noted that domestically produced wine almost always uses screwcaps; and indeed some wine drinking households do not possess a corkscrew as a result. Therefore, the use of corks, while potentially communicating a “premium” message may also have an limiting impact on the size of the target market. Novel packaging formats such as cans and tubes, plus small bottles are emerging for locally produced wines, though not yet for pricier imported wines where their suitability is unclear.

As a general rule, Australian consumers prefer a contemporary look to their wine packaging. This is largely a result of the use of this style by local producers. Therefore, imported wines often avoid excessively traditional packaging (see images below).

As would be expected, wines are sorted by type (red / white / rose / sparkling). The imported wines most commonly found on retailers' shelves are either rose or sparkling. While some European red wines can be found, EU white wines are rare.

⁷⁸ International competition grown in Australia's domestic market, Wine Australia, Available at <https://www.wineaustralia.com/news/market-bulletin/issue-176>; Euromonitor International: Alcoholic Drinks, 2020.



Wines may or may not be organised by origin. It is common for a small amount of shelf space to be dedicated to wines in order to offer a wider variety. Some retailers may highlight certain wines due to their recent arrival or characteristics (see below).



Pictures: © Agra CEAS / Euromonitor International, 2021.

5.4.2.3 Recent market trends

Wine consumption has been declining among younger consumers who have shown a preference for beer. In view of this, while overall volume growth of wine has continued this is largely attributed to population growth rather than per capita consumption. The growth of sustainable alternative wines such as organic wines and botanical wines is a reflection of a consumer base that is increasingly cautious about consuming sustainable goods, which is the leading reason behind this growth. Non-alcoholic wines are also growing in popularity due to strict alcohol consumption laws in Australia and the general demand for healthier alternatives from Australian consumers. Wine remains ingrained in many aspects of Australian society such as wine festivals; and the consumption of wine with meals and during occasions. The fact wine is ingrained in society ensures a healthy consumer base for the product in the country, despite slowing growth. Amongst the specific wines that have a growth in consumption in Australia, sparkling and rosé to stand out as two wines that have seen consumption growth in 2019-2020 while sauvignon blanc remains the most popular wine in the country, although it is experiencing negative growth which is also attributed to the rise of spirits consumption in the country.

5.4.3 Offer

5.4.3.1 Domestic production

The wine production industry in Australia is large and amongst the largest in the world. Australia produced 1.3 million litres of wine in 2018-19 which ranks the country as the world's 8th largest producer of wine behind Chile but ahead of South Africa.⁷⁹

The total vineyard area of Australia is around 146 thousand hectares with the states of South Australia (76 thousand hectares), New South Wales (34.5 thousand hectares), and Victoria (22 thousand hectares) being the largest producers of wine in Australia. Shiraz is the largest produced wine in the country followed by Chardonnay and Cabernet Sauvignon. Red wine accounts for 57% of the wine produced in Australia while white wine accounted for 38%. Rosé, sparkling and fortified wines accounted for the remaining 4%. There are an estimated 65 designated wine regions in the country that host 2360 wineries that employ 163 000 individuals who go on to contribute EUR 29 billion to the Australian economy annually.⁸⁰

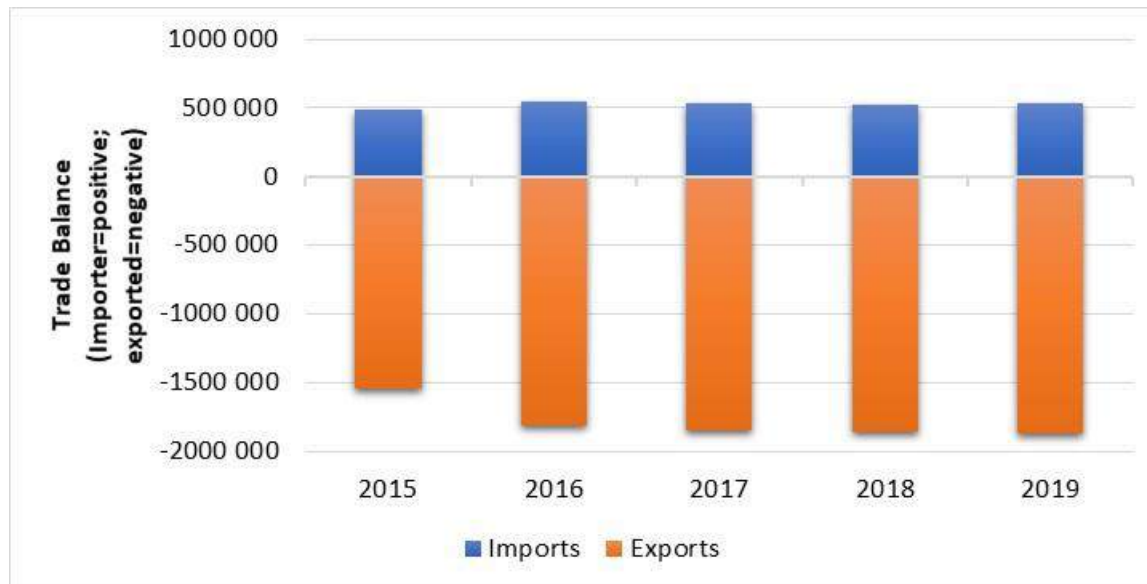
5.4.3.2 Imports and exports

Australia overwhelmingly exports far more wine than it imports, which is a reflection of the large domestic production base present in the country. China has been the largest importer of Australian wine but recent political events have impacted this trade causing a shift in trade and production methods within Australia which also impacts the price of wine in the country as demand has lowered for Australian wine from its primary market. Imports have remained stable during recent years and have not experienced much change remaining around the EUR 500m figure. Exports in contrast are close to EUR 2bn.

⁷⁹ Australian wine: production, sales and inventory report, Wine Australia, Available at <https://www.wineaustralia.com/market-insights/australian-wine-production-sales-and-inventory>

⁸⁰ Australia wine sector at a glance, Wine Australia, Available at https://www.wineaustralia.com/getmedia/dbcfd666-748a-4464-9ed7-b7b6e03b7251/MI_Sector_at_a_glance_Aug2020_v2.pdf

Figure 5-17: Trade balance (imports and exports) of wine in Australia, 2016-20; EUR 000

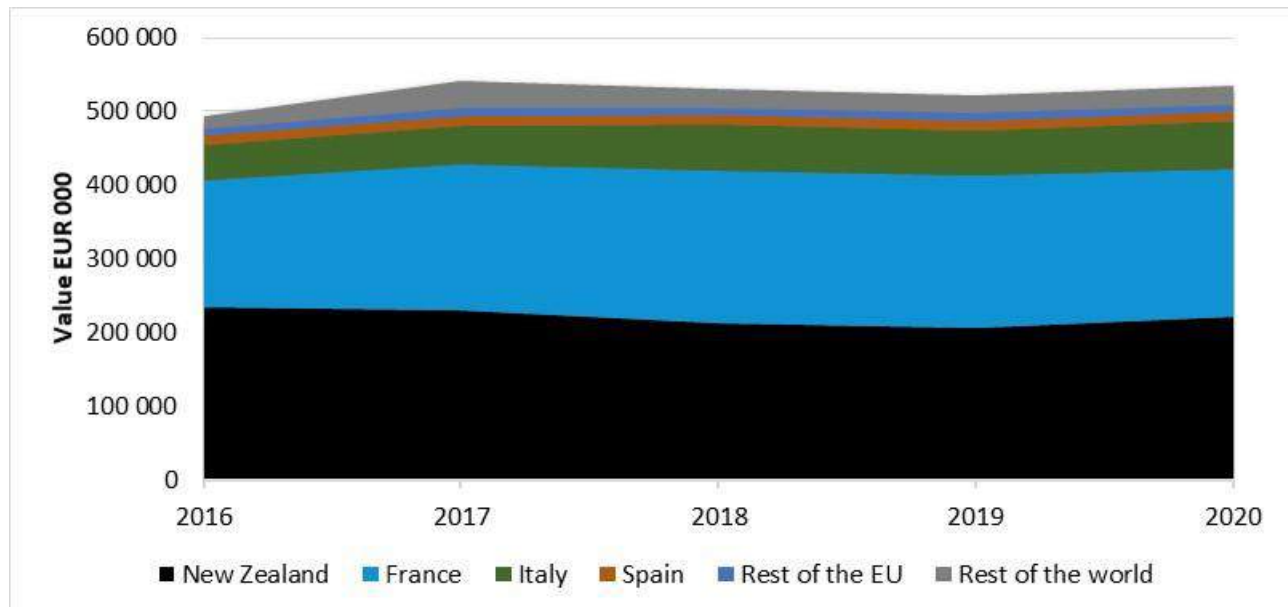


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2204.

Australia imports most of its wine from New Zealand, France, and Italy who overwhelmingly have the biggest presence in the import wine market in Australia. Wine from France has been slowly catching up to New Zealand in recent years and in 2020 the difference was only EUR 21m. Wine imports from Italy have also risen by a third since 2016. Amongst the ten biggest exporters of wine to Australia, five are EU member states (France, Italy, Spain, Portugal and Germany). It should be noted that a large part of France's wine exports to Australia are sparkling wine - EUR 130m (from total wine exports of EUR 201m). Furthermore, France accounts for almost 80% of all sparkling wine exports to Australia.

Figure 5-18: Australian imports of wine by country, 2016-20; EUR 000



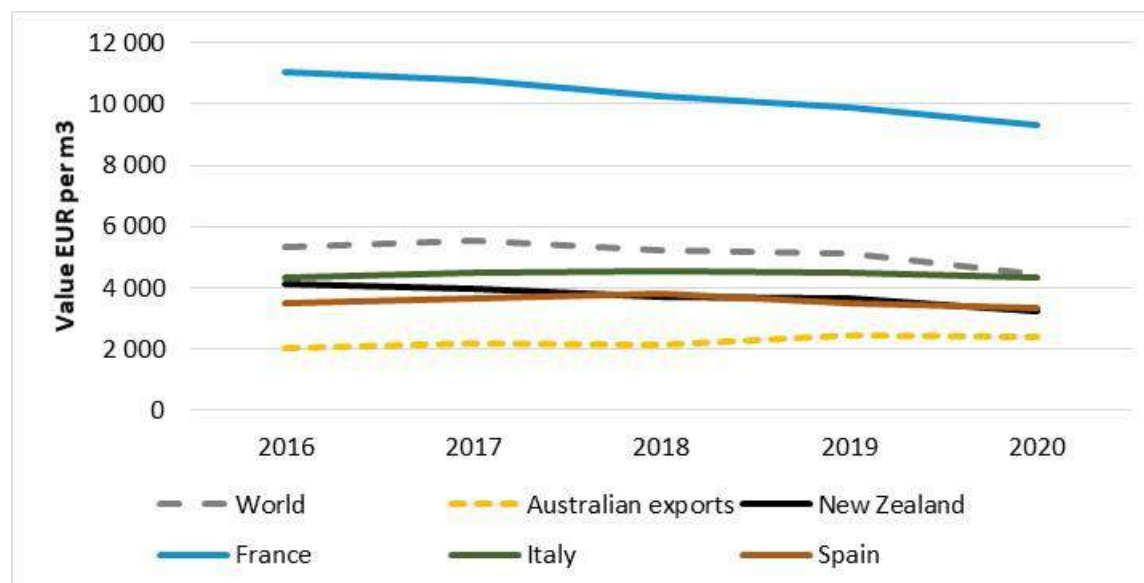
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2204.

The unit value of French wines in Australia was EUR 9 900 per m3 making it the highest unit valued wine in Australia and over 50% higher than the country with the second-highest unit valued wine, Italy. The presence of premium French wines such as Champagne helps to explain the reasoning behind the higher unit costs for French wine. Wine from New Zealand has a unit value of EUR 3 200 per m3 which is explained by its closer location to the Australian market and the free trade area that exists between the two countries.

Spanish and Italian both have a lower than the global average unit value in Australia with Italy having a unit value of EUR 4 300 and Spain having a unit value of 3 300, the global average is EUR 4 400. Australia however exports wine of a considerably lower unit price than it imports from any major exporter, Spain included.

Figure 5-19: Australian imports of wine by country, 2016-20; Value EUR per m3



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2204.

5.4.3.3 EU GI products

As explained in section 4.2.4, there is an agreement between the EU and Australia on wine which ensures the protection of many EU wine GIs in Australia. The last version of this agreement, which dates from 2009, can be found here:

<https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:028:0003:0087:en:PDF>

Since the signing of this agreement, Wine Australia has updated the list of EU GIs which are protected in its own GI register system, with the last update being in 2019; and this list register therefore contains the EU wine GIs that are *de facto* protected. This register of GIs is split into four parts; with the second part focusing on traditional expressions relating to wines originating in a foreign country and any conditions of use applicable to those expressions. The list of EU GIs protected is extensive and the register can be found here: <https://www.wineaustralia.com/labelling/register-of-protected-gis-and-other-terms>

Despite the extensive nature of the register, it is important to note that “Prosecco” is not among the protected EU GIs. Discussions will continue in the framework of the EU-Australia FTA, and more information on the issues surrounding GIs in this context can be found at the following link:

<https://www.dfat.gov.au/trade/agreements/negotiations/aeufta/geographical-indications>

5.4.3.4 Main competitors

Australia itself provides the main competition as it is a large producer of wine and a net exporter; plus the rebate system places domestic wines at an advantage compared to imported ones. Among other exporters, the main competitor for EU wines in the Australian market comes from New Zealand. New Zealand’s geographical location combined with favourable trade agreements with Australia present two

unique benefits that New Zealand wines have in the market over EU wines. Sauvignon blanc is also mass-produced in New Zealand and is popular in Australia. The key advantage of European wines - particularly those wines from France - is a luxury trait often associated to them with demand spiking during important events such as weddings or conferences. This is mainly the case for sparkling wines such as Champagne, but also extends to a lesser extent to other wines with luxury images. Other smaller competitors include the USA, Argentina, and Chile who all have a small presence in the Australian market.

5.4.4 Specific market entry requirements

Market Access and Entry; customs procedures

As set out in section 4.2, a permit to import goods subject to quarantine and a declaration of the manufacturer are required for wine imported into Australia. This is in addition to general import requirements.

In terms of tariffs, European wines face a value tariff of 5%, plus certain wines also face a quantity tariff of AUD 87.68 per litre of pure alcohol.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general wine category (2204) from France to Australia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=2204&origin=FR&destination=AU>

Standards, SPS measures

Standard 2.7.4 of the food standards code contains specific standards for wine, and standard 2.6.3 contains specific standards for Kava.

These standards can be found at the following addresses:

Standard 2.7.4: <https://www.legislation.gov.au/Series/F2015L00391>

Standard 2.6.3: <http://www.comlaw.gov.au/Series/F2015L00466>

Standard 2.7.4 defines wine as:

- a) *a food that is the product of the complete or partial fermentation of fresh grapes, or a mixture of that product and products derived solely from grapes; or*
- b) *such a food with any of the following added during production:*
 - i. *grape juice and grape juice products;*
 - ii. *sugars;*
 - iii. *brandy or other spirit;*
 - iv. *water that is necessary to incorporate any substance permitted for use as a food additive or a processing aid.*

For reference, there are wine production standards applicable to the production of wine in Australia only. These are covered by standard 4.5.1, a link to which can be found here:

<https://www.legislation.gov.au/Details/F2020C00202>

As noted above, there is a specific wine agreement between the EU and Australia which dates from 2009. As well as covering GIs, it aims to bridge differences in wine production between the two parties in areas such as oenological practices (and indeed can be considered to have been effective in this regard). For more details it is recommended that the full text of the agreement be consulted, it is available at: <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:028:0003:0087:en:PDF>

It should be noted that Australian and New Zealand wine benefits from a tax rebate that other imported wines do not benefit from. More details on this were provided in section 4.3.4.

Labelling

Section 4.2.3 contained detailed information on the labelling requirements for alcoholic beverages, including wine. This section should be consulted for details on labelling.

As noted in that section, standard 2.7.1 contains specific provisions for the labelling of alcoholic beverage. Alcoholic beverages must bear:

- A statement of alcohol content
- A statement on the number of standard drinks in the package
- A pregnancy warning label

There are specific provisions around these three requirements; it is recommended that the standard be consulted directly for more details. It can be found at:

<https://www.legislation.gov.au/Series/F2015L00469>

5.4.5 Distribution

The distribution of wine in Australia is dominated by food, drink and tobacco specialists – they account for almost 87% of all retail sales by volume. The modern retail grocery channels of discounters and supermarkets only account for around 3%. E-commerce is growing in popularity as secondary channel for wine distribution, with just over 10% of wine sold this way in 2019 (Figure 5-20). European wines are more likely to be sold through wine clubs or in the premium sections of specialist wine retailers such as Dan Murphy's and BWS; plus in supermarkets such as Coles and Aldi to some extent. There are also some specialist retailers which focus specifically on the sale of imported wines such as the European Wine Store and World Wine (both in Melbourne). With regards to wine clubs, bottles of European wine may be included in gift packs or variety boxes alongside Australian and New Zealand wine.

Figure 5-20: Distribution channel overview of wine in Australia (2019); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2020.

5.4.6 Challenges for EU products

The main challenge is that Australia alone is a large wine-producing nation and the wine sector is an important component of the agricultural economy. This challenge is further accentuated by what is effectively a non-level playing field as tariffs and a taxation rebate system available only to domestic producers leads to European wines generally costing more than their Australian counterparts. The presence of another large wine-producing nation, New Zealand within the proximity of Australia is also another large challenge. Australians have pride in products produced locally and this is extended to Australian wine. Most day-to-day consumption of wine from consumers will be domestic or wine from New Zealand with European wines typically reserved for more special occasions such as a wedding.

Market Takeaway: Wine

Consumption: Consumption declining in recent years; however, consumption remains amongst the largest in the world, consumption of organic and non-alcoholic wines has seen a growth in popularity in recent years. White is preferred.

Competition: Domestic wine and wine from New Zealand are the largest competitors in this market with smaller competitors including the USA, Argentina, and Chile.

Distribution: mainly through specialists, though e-commerce has a small but still notable, and growing role in distribution..

Challenges: Huge domestic production and an unequal taxation system that favours domestic and New Zealand producers combined with the presence of tariffs present the biggest EU specific challenges for EU wine producers.

Opportunities: European wine is associated with luxury and in demand during special occasions in Australia such as a wedding or conference.

5.5 Spirits

5.5.1 SWOT analysis

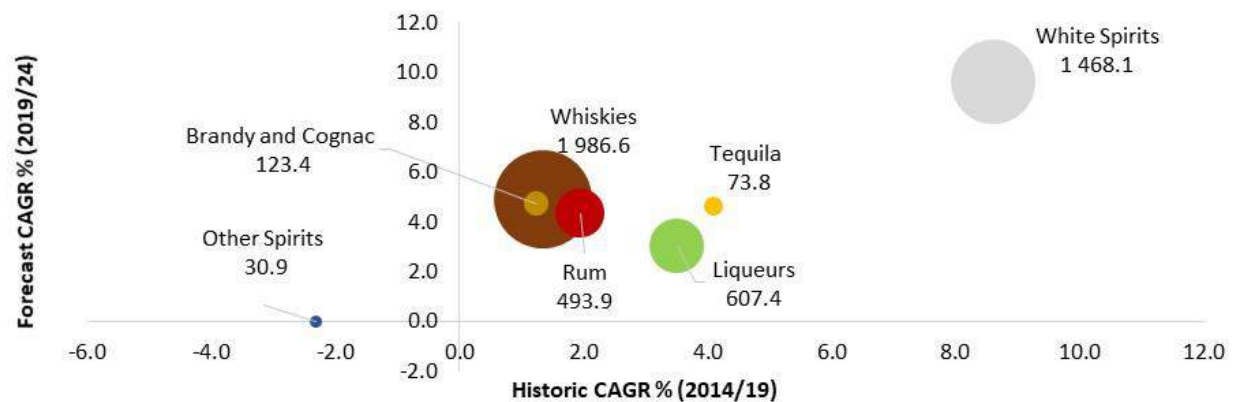
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Demand for premium spirits is growing and often facilitated by spirits produced in the EU. ▪ France is the largest exporter of vodka and grape spirits to Australia. ▪ Brand awareness is important to Australian spirit consumers and European brands are generally held in high esteem. 	<ul style="list-style-type: none"> ▪ Despite spirits growing in popularity, wine and beer continues to be consumed more per capita ▪ EU spirits will typically cost more than US spirits that are available on the Australian market due to the US benefiting from a free trade agreement ▪ The high costs of spirits in Australia makes it difficult for certain income classes to afford them
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Large structural deficit in spirits means a heavy reliance on imports. ▪ Tax reform is possible in the near future and this could make spirits more affordable than the present market. ▪ Many European holidays and festivals such as St Patrick's day are celebrated in Australia leading to a rise in the consumption of spirits such as whiskey ▪ Spirit consumption continues to rise and has become normalised in Australian society, which is a relatively new situation. 	<ul style="list-style-type: none"> ▪ The UK is the largest exporter of spirits to Australia and benefits from cultural and historical links which helps UK producers to effectively advertise in the Australian market. ▪ The USA is a large origin of imports and has favourable market conditions. ▪ Domestic production continues to increase, and Australian variants of European spirits are increasingly common in the market.

5.5.2 Consumption

5.5.2.1 Evolution of consumption

As observed below in Figure 5-21 whisky is the most popular spirit beverage in Australia, with a market value of almost EUR 2bn. The market for it has grown slowly in the last five years at just 1.3% per year, though going forward up until 2024 it is forecast to grow at a more rapid 4.9% per year. White spirits is the second largest market at just under EUR 1.5bn. Furthermore, it is fast growing market; growth over the last five years was 8.6% per year, and growth going forward of 9.6% per year is forecast. Markets for other spirits are much smaller, though there is a moderate size market for liqueurs (EUR 607m) and rum (EUR 494m), plus a smaller market for brandy and cognac (EUR 123m). All these categories have grown in the 1 to 3.5% range in recent years, and are forecast to grow at between 3 and 5% per year going forwards.

Figure 5-21: Evolution and forecast of spirits market in Australia, 2014-2024; total value, EUR millions



Source: Euromonitor International: Alcoholic Drinks, 2020.

5.5.2.2 Consumer profile and purchase criteria

Consumers

Spirit consumption has been growing in popularity in Australia. Premium brands are the main drivers of growth in the country - consumers have been shifting towards the premiumisation of their spirits with gin, rum, and tequila benefiting from this trend in particular. While the consumption of beer and wine has been steadily declining in Australia, consumption of spirit have remained stable although spirits remain the third most popular alcoholic beverage in the country. Spirit consumption is increasingly popular amongst younger consumers who have shown a preference for spirits over wine with the latter being more popular with older consumers. The aforementioned introduction of premium brands to Australia has helped to improve the reputation of certain spirits such as tequila which has been historically not very popular with Australian consumers. Australian consumers are increasingly conscious of the branding of their spirits and are seeking out new tastes which are facilitated by the rise in craft spirits being produced across the country. On average, men are more likely to consume spirits than women who have shown a preference for wine instead. Looking at consumers more likely to consume each type of spirit:

- Whisky: 22 to 34 year olds, mainly men (contrary to the popular perception that it is a drink of older consumers).
- White spirits: 18-30 year olds, both men and women due to the versatility of this category.
- Rum: 18 to 30 year old males.
- Ouzo: the large Greek origin population is a notable consumer, with the drink often consumed at home.

Drivers and method of consumption

The major drivers of spirit consumption in Australia come from the wider availability of premium spirits in the market in recent years and the increased presence of craft spirits. Australian consumers have been shown to routinely experiment with the spirit selections, continuously seeking out innovative and unique spirits present on the market. Many consumers also resonate with spirits that have a unique branding and

story attached to them. It's common in Australia to mix spirits, with tequila and tonic being noted as a new spirit mix that is increasingly common in Australia. Indeed, tequila has grown in popularity more broadly in the country and is now increasingly also used as a cooking ingredient. Spirits such as rum and gin are typically mixed with external beverages such as tonic or cola. Spiced rum has grown in popularity in the country as consumers continue due to the emerging cocktail culture. Australians will commonly consume spirits during social settings, particularly in on-trade channels such as bars and nightclubs. However the consumption of spirits in the home has become increasingly common and compounded by the impact of the COVID-19 pandemic. This domestic consumption includes the home mixing of cocktails.

Purchase criteria

Spirits are generally expensive in Australia, the high costs are a consequence of high taxation on alcoholic beverage sales, the alcohol taxation system negatively impacts spirits more than other alcoholic beverages such as beer and wine due to the higher alcohol levels generally found in spirits. Due to high taxes on spirits⁸¹ it's common in Australia for consumers to remark that Australian spirits are cheaper abroad than domestically. Due to high costs, spirit consumption regularly can be difficult for lower earners in the country who will likely move to cheaper alternatives such as beer. Alcohol content is a further consideration that consumers may take into account alongside price, with higher alcohol by volume drinks generally preferred.

Apart from pricing, branding is also an important purchase criterion for consumers, with consumers likely to resonate with brandings that tell a story or have a particular cachet attached to them. Taste is an important criterion for middle aged and older consumers (generally male) with higher incomes; while women are more likely to take into consideration the ability to mix spirits. Craft spirits have become more popular in recent years as a result of growing demand from the consumer for innovative spirits that can incorporate unique flavours and production methods.

Finally, country of origin is an important consideration. The origin will be considered alongside the type of spirit and the price, so while consumers may be willing to pay a premium price for Scotch Whisky or French brandy, these categories of products from other countries are unlikely to be "valued" the same by consumers.⁸²

⁸¹ Excise is typically in excess of AUD 80 per litre alcohol on spirits; see <https://www.ato.gov.au/business/excise-on-alcohol/lodging,-paying-and-rates---excisable-alcohol/excise-duty-rates-for-alcohol/> for precise excise rates.

⁸² Gin drinking is keeping spirits up, Roy Morgan, Available at <http://www.roymorgan.com/findings/8194-alcohol-consumption-currency-report-september-2019-201912012220>; Euromonitor International: Alcoholic Drinks, 2020.

Spirits on retailers' shelves in Australia

Imported spirits span the whole price range in Australia, from economy to premium. Prices of imported spirits can vary considerably depending on the type of the spirit, but as a general rule:

- Economy: up to AUD 35 per 700ml bottle
- Mid-range: AUD 35 to 45/50 per 700ml bottle
- Premium: above AUD 50 per 700ml bottle

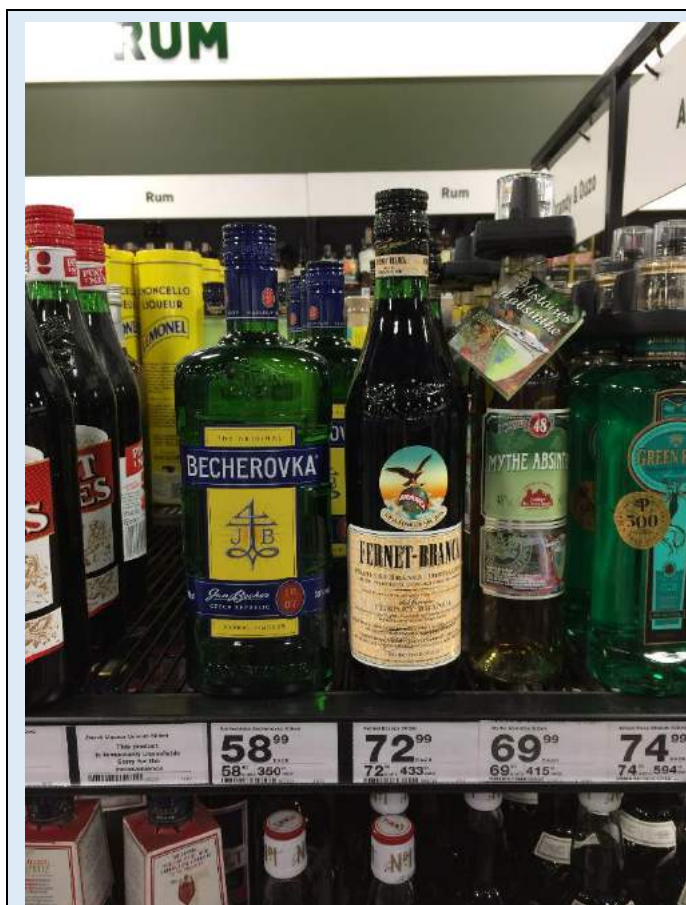
As noted above, country of origin is likely to impact the possibility to target a certain segment for a certain type of spirit.

700ml glass bottles are most common, though some products come in bottles of 500ml, 750ml or 1l. The range of products which can be found is very wide (see below). While the use of 500ml was falling, its use by craft spirits (in order to allow consumer experimentation) has led to a small revival in the format.





Products are generally organised by spirit type. Premium products are more likely to occupy eye or touch level spacing, while mid-range and economy products are more likely to be found at the stoop level.



Pictures: © Agra CEAS / Euromonitor International, 2021.

Driven by the craft spirit trend, there is a notably trend of creativity within packaging at the moment. Bottle and packaging designs that stand out may be successful in attracting consumers' attention.

5.5.2.3 Recent market trends

Trends in the Australian spirits market include the rising popularity of tequila which historically had a poor reputation in the market, the popularity of late is a consequence of the increased premiumisation of not just tequila but spirits as a whole. Rum has recently been popular with millennials who have been shown to routinely seek out spirits that incorporate hand-crafted production methods and unique brandings which is common for rum products. There has been a perception that dark rum has a rough taste amongst Australian consumers which is resulting in light rum growing in popularity in the country in recent years.

Craft spirits stand out as a key trend as consumers have resonated with spirits that are both innovative and also produced locally. Much like beer and wine, spirits produced locally are often brought a sense of pride to consumers that further incentivises them to purchase locally produced craft spirits. The demand for sustainable production practices has already had a large impact on the wine market and it is likely that as the spirits market evolves sustainability will grow ever important for consumers. Connected to this increased interest in sustainability and ethics, spirit companies such as Diageo and Beam Suntory donated to firefighter services battling the 2019-2020 Australian bushfires, which resulted in a positive public perception for the two companies.

5.5.3 Offer

5.5.3.1 Domestic production

Traditionally wine production has taken precedence as the premium alcoholic beverage produced in Australia. However spirit production has begun to also gain prominence in recent years. It is estimated that roughly 290 distilleries are in operation in Australia with the states of New South Wales, Victoria, and Tasmania, in particular, hosting a significant number of them.⁸³ Popular Australian-produced spirits include fire drum **vodka**, Bundaberg **rum**, and Sullivan's cove **whiskey**.

Overall, whisky stands out as a product with a fair level of domestic production. Other spirits, including notably brandy, have more limited production. Tasmania stands out as a large producer of whiskey with many Australians more prominent whiskeys coming from the island. Australian whiskey gained attention from abroad when Sullivan's Cove won the best malt whiskey award at the world whiskies awards in 2014. Crafts spirits have grown in popularity in the country and production has grown, the production of spirits across Australia as a whole however remains small with many producers not producing more than 100 000 litres per year.⁸⁴ Issues around taxation and licencing procedures continue to impact the ability of producers to scale production. However, there has been extensive lobbying on behalf of the spirits sector to curtail the impacts of taxation on production, and should this be successful it's likely Australian spirit production will grow further in the not too distant future. Overall, domestic production of Australian spirits is estimated to account for under 1/3 of domestic consumption.

5.5.3.2 Imports and exports

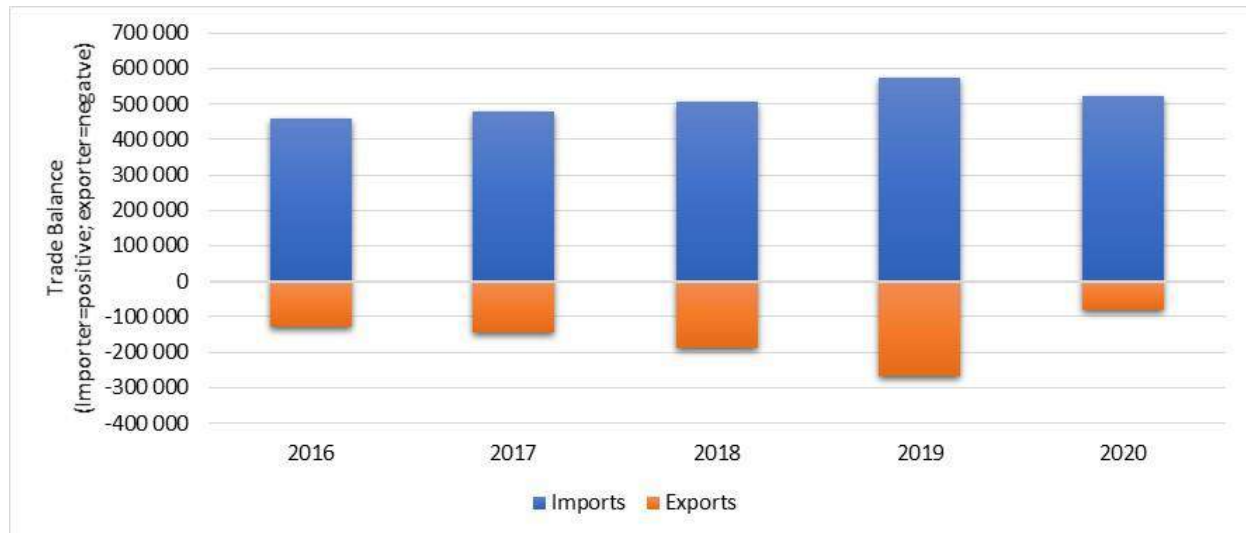
Spirits stand out as one of the key agri-good products that Australia has a large trade deficit with, this comes from the smaller domestic production base of spirits when compared to other agri goods and the demand for premium spirits which typically entails a demand for spirits from abroad. Imported spirits continue to be the predominant spirits visible in the market, despite tariffs in place for spirits entering the country (with the exception of some countries such as New Zealand and the US that have a free trade agreement with Australia),. Exports from Australia fell in 2018 from a value of EUR 265m in 2019 to a

⁸³ Australian Distilleries, the whiskey list, available at <https://thewhiskeylist.com.au/distilleries/australia>

⁸⁴ Diffords guide, the rise of craft distilleries in Australia, available at <https://www.diffordsguide.com/en-au/encyclopedia/714/au/bws>

value of EUR 82m in 2020. This is largely attributed to a fall in exports to China due to an ongoing political dispute (Figure 5-22).

Figure 5-22: Trade balance (imports and exports) of spirits in Australia, 2016-20; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2208.

Whiskies stand out as the most imported spirit into Australia, which is a result of demand for whisky from nations that produce mass premium whiskey products such as the UK and the US (Figure 5-23). Ireland stands out as the major exporter of whiskey to Australia from the EU as the third-largest exporter at a value of EUR 86m in 2020. Liquors and cordials are the second most imported spirit and the EU is a large exporter with Ireland, Italy, France, and Spain being in the top five exporting nations. France is also the largest exporter of vodka and grape spirits to the country with a value of EUR 16m and EUR 24m in 2020 respectively. Gin and jenever predominantly come from the UK while rum predominantly comes from the USA.

Figure 5-23: Trade balance (imports and exports) of spirits in Australia by type, 2020; EUR 000

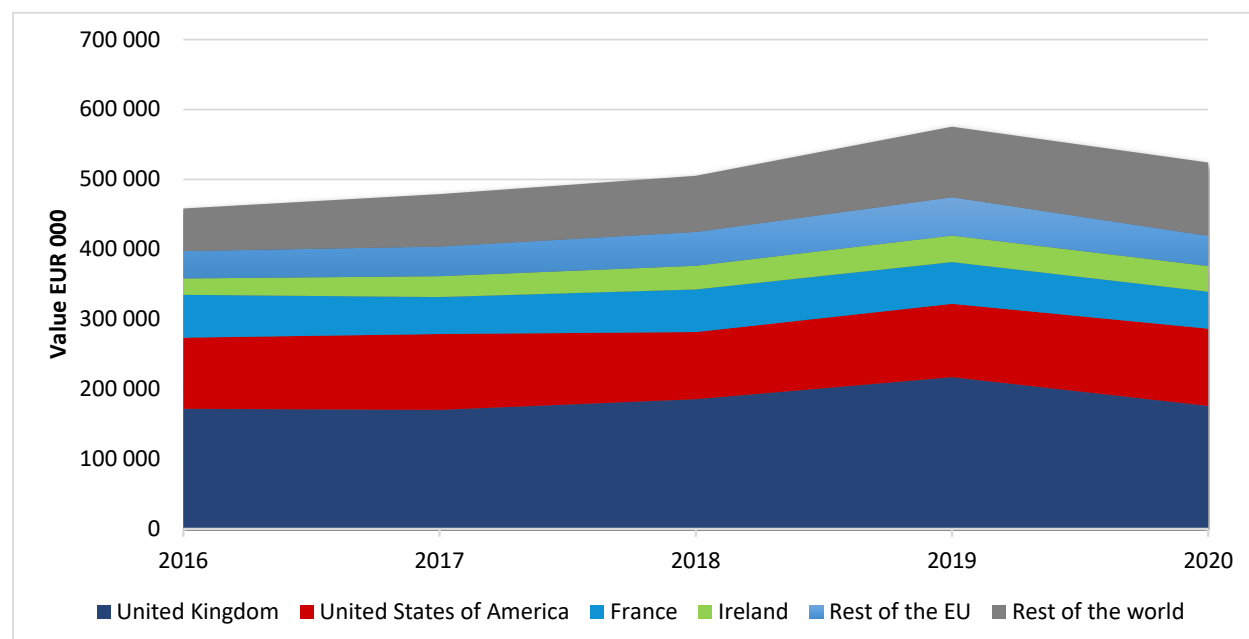


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Spirit names shortened. CN codes before spirit name.

Overall, the UK is the largest exporter of spirits to Australia with a total value of EUR 175m in 2020, this is then followed by the USA which exported EUR 110m worth of spirits to Australia. Out of the top ten countries that export spirits to Australia, three EU member states are featured - these are France (EUR 53m), Ireland (EUR 37m), and Italy (EUR 16m). Ireland mainly exports liquors and whiskey while Italy mainly exports liquors and cordials. Sweden exports a small amount of vodka while Spain has a small presence through exporting liquors and cordials. France stands out as the biggest EU player in the vodka and grape spirit sector as it is the largest exporter of these products both from the EU and globally (Figure 5-24).

Figure 5-24: Australian imports of spirits by country, 2016-20; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2208

5.5.3.3 EU GI products

As noted in section 4.2.4, currently GIs can be registered under trademark law in Australia as collective marks. Subsequently, no single, separate list of registered GIs for Australia exists. The best way to check if a GI has been registered as a collective mark in Australia is to check the following database:

<https://search.ipaustralia.gov.au/trademarks/search/quick>

5.5.3.4 Main competitors

While there is some domestic production, imports are the main source of competition. The UK and US are the top two exporters (and hence main competitors), though their exports are very much focused on whisky, and hence mainly in competition with Irish whisky (among EU products). In grape spirits for example, France leads among importers. The spirit industry in Australia is growing however, so it is possible that in the future the domestic industry will be a stronger competitor.

5.5.4 Specific market entry requirements

Market Access and Entry; customs procedures

As set out in section 4.2, a permit to import goods subject to quarantine and a declaration of the manufacturer are required for spirits imported into Australia. For brandy, whisky and rum, a document must be provided to certify that the product has been stored in wood for at least two years. These requirements are in addition to general import requirements.

In terms of tariffs, European spirits face a value tariff of 5%, plus a quantity tariff of between AUD 81.89 and 81.89 and 87.68 per litre of pure alcohol.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general spirits category (2208) from France to Australia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=2208&origin=FR&destination=AU>

Standards, SPS measures

Standard 2.7.5 of the food standards code contains specific standards for spirits. A link to the standard can be found here: <https://www.legislation.gov.au/Series/F2015L00399>

The standard includes some specificities by spirit type (e.g. *liqueur means an alcoholic beverage that is a spirit, flavoured by or mixed with other foods, which contains more than 15% alcohol by volume, measured at 20°C*) as well as restrictions on the use of geographical indications for spirits. It is recommended that the text be directly consulted.

Labelling

Section 4.2.3 contained detailed information on the labelling requirements for alcoholic beverages, including spirits. This section should be consulted for details on labelling.

As noted in that section, standard 2.7.1 contains specific provisions for the labelling of alcoholic beverage. Alcoholic beverages must bear:

- A statement of alcohol content
- A statement on the number of standard drinks in the package
- A pregnancy warning label

There are specific provisions around these three requirements; it is recommended that the standard be consulted directly for more details. It can be found at:

<https://www.legislation.gov.au/Series/F2015L00469>

5.5.5 Distribution

Food, drink and tobacco specialists dominate the retail landscape for spirits sales, they account for 93.5% of all sales by volume. E-commerce is a small but rapidly growing minor channel, with 4.4% of spirits sales taking place through this channel in 2019 (up 1 percentage point over the previous three years - see Figure 5-25).

Figure 5-25: Distribution channel overview of spirits in Australia (2019); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2020.

5.5.6 Challenges for EU products

The biggest challenge is competition – both indirect and direct. On the indirect front, wine and beer have always been preferred to spirits in Australia, placing the latter at a long term disadvantage. In terms of direct competition, the UK and US are important sources of spirits on the Australian market; though the nature of the product they tend to export – whisky – is different to that of many EU exporters. Taxation on spirits (and indeed all alcoholic beverages) in Australia is high; though the impact on spirits is arguably more visible as absolute prices seem very high to consumers (the average price of a litre of most spirits is in the AUD 60-70 range, largely due to taxation which is in the AUD 80 to 90 range per litre of alcohol – generally equating to AUD 20 to 25 on a 700ml bottle of spirits).

Market Takeaway: Spirits

Consumption: traditionally eclipsed by wine and beer, but consumption is growing.

Competition: imports from the UK and US, though domestic production is also growing.

Distribution: Almost entirely through specialist shops, though e-commerce is emerging as an alternative channel.

Challenges: the long term preference of other alcoholic beverages, high taxation and competition from the UK and US.

Opportunities: strong structural deficit in spirits as a whole. Spirits are growing in popularity, and may continue to do so due to a variety of factors.

5.6 Olive oil

5.6.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> Established and growing market for olive oil; 2/3 of Australian households now use olive oil – the product is becoming mainstream. Domestic shortfalls in production. 	<ul style="list-style-type: none"> Domestic production has increased rapidly, though there are signs it is now plateauing. Voluntary olive oil standards only.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> Structural shortages, the high price of domestic products and a growing market means there is a fundamental need for imports. Signs that there may be upward price pressure in the future as a result of the above. Increasingly premium market with trend towards extra virgin olive oil and novel products. 	<ul style="list-style-type: none"> Domestic production poses a small threat; most notably increased in interest specifically in locally produced oils is driving demand for this fledgling domestic production..

5.6.2 Consumption

5.6.2.1 Evolution of consumption

The market for olive oil shows a slow upward trend in recent years, reaching EUR 209m in 2020. It is forecast to grow at a more rapid 3.4% per year in the period up until 2025 in order to reach a value of EUR 240m; with a pre-COVID19 forecast average growth rate of 3.2% per year for the period to 2023. Per capita consumption, both historically and going forward is around 1.5kg person per year (Figure 5-26).

Figure 5-26: Evolution and forecast of the retail market for olive oil (value, EUR millions) and olive oil consumption per capita expenditure, in Australia, 2015-2025



Source: Euromonitor International: Packaged Food, 2021.

Note: figures for 2021 to 2025 based on forecasts.

5.6.2.2 Consumer profile and purchase criteria

Consumers

Australian consumers have been steadily replacing lard and animal fats with vegetable oils and fats; and overall consumers perceive olive oil to be healthiest of all oils available. Canola and sunflower oils are most commonly used for cooking, while olive oil remains more of a specialty oil. Nonetheless, it is estimated that 65% of Australian households now use olive oil to some extent, making the range of consumers very wide. Among the group that does not use olive oil, cost is a significant barrier to its use.

Australian consumers with Mediterranean heritage are particularly strong consumers of the product. Four further types of olive oil consumer in Australia can be distinguished:

- **Gourmet amateur cooks:** (Highly educated and high-income middle-aged Australians). This group value tastes and textures the most and often cooks with various oils. They are more likely to use extra virgin olive oil exclusively and buy the speciality products, often in 500ml bottles.
- **Recipe followers:** (20-40-year-old bracket and of high income and education). They buy olive oil on special occasions or if the recipe requires it. They are inclined to buy the speciality oils but are also price sensitive. They look at price and packaging as indicators of quality.
- **Traditionalists:** (Middle-income consumers and are either under 30 or over 50 years old). Olive oil is part of their heritage; they buy whatever their family uses. They use extra virgin and virgin olive oil but are price sensitive. They buy in the large 500ml bottles or bulk 4-litre tins.
- **Health driven:** (Primarily people with families, professional, or over 50 years of age). They are motivated by healthy oils and cooking food for their families. They consume olive oil because they believe it is the most beneficial oil and are inspired by nutritional information and, to a lesser extent, price

Drivers and method of consumption

As noted above Australians perceive olive oil to be the healthiest of all oils available and this combined with the flavour and taste of olive oil and the oil's price have been shown to be the most important influences, (both positive and negative) on the consumption and also the choice of olive oil. Until the pandemic, the increasing frequency in eating out had a marked influence on both the awareness of olive oil and ultimately in its use in participants' homes.

Olive oil is utilised in many applications including both culinary and non-culinary uses. That said, as a general rule consumers mostly use olive oil when they desire flavour, colour, and taste. Olive oil is used predominantly for special occasions and salad dressings, ; and also for example dipping with bread, to finish a meal before serving it (e.g. pouring it over grilled fish and vegetables) or as a dressing for salads and pasta. All of these uses are driven by being able to taste and enjoy the freshness and flavours of the olive oil. Its use as a cooking oil has historically been less common but has increased substantially during the COVID 19 pandemic and is now fairly common; as is its use in baking.

Home use and the retail market is the main driver of olive oil consumption in Australia; only around ¼ of all olive oil consumed in Australia is consumed through food service channels.

Purchase criteria

As noted above, flavour and taste are important factors, as reflected by the products most common uses. Furthermore packaging play an important role in the purchase of eating oils for high-involvement regular users. Price is still an important criterion as well for many users.

In addition to the criteria above, country of origin plays a varying role in influencing the purchase decision for olive oil. There is a perception amongst many regular and infrequent user participants that if the olive

oil came from a well-known olive oil producing country, most significantly Italy or Spain, then it is superior to other oils. Often consumers feel more comfortable with the European oils because they did not really know the difference between Australian and e.g. Italian oil.⁸⁵

Olive oil on retailers' shelves in Australia

Given Australia's reliance on imports to meet demand, it is unsurprising that imported products cover the whole market from economy to premium. Indeed, the distinction between the different segments is somewhat blurred, but in general terms, retail prices for the segments are roughly:

- Economy and mid-range: Under AUD 7 per 500ml (economy may be found at AUD 4 per 500ml)
- Premium: above AUD 7 per 500ml



⁸⁵

Euromonitor

International:

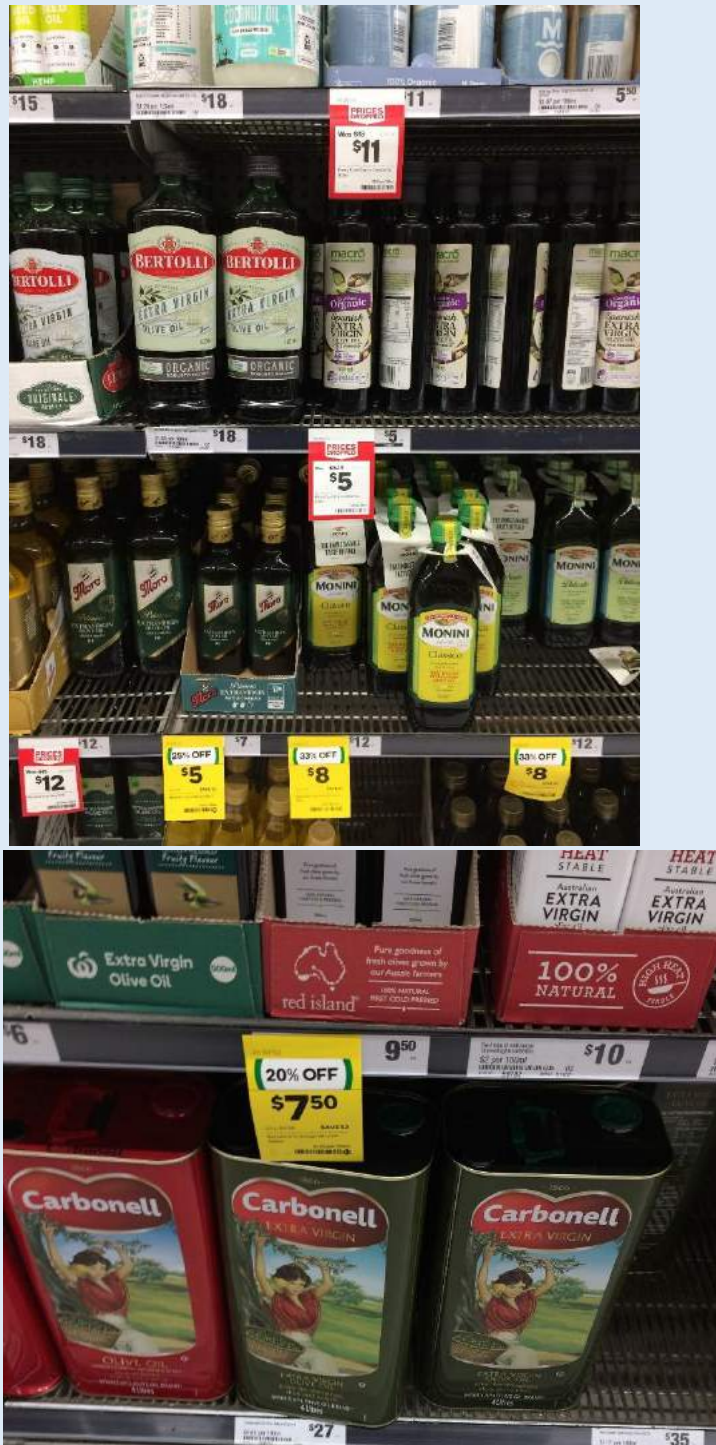
Packaged

Food,

2021;

<https://ro.ecu.edu.au/cgi/viewcontent.cgi?referer=https://www.google.com/&httpsredir=1&article=1083&context=theses>; <https://www.oliveindustrynetwork.com.au/Directory/australian-consumers-are-increasingly-demanding-with-the-evoo-they-buy-article-387.aspx#.YGQLfK8zY2w>;

Economy and mid-range products most commonly come in 500ml bottles – whether plastic or, more commonly, glass. Premium products are more likely to come in 750 or 1l glass bottles. Metal tins can be found, but are increasingly less popular, and relegated to bottom shelves, as consumers focus on smaller package sizes which minimise the risk of the product losing freshness during its lifespan.





Pictures: © Agra CEAS / Euromonitor International, 2021.

5.6.2.3 Recent market trends

Overall, olive oil can now be considered to be a mainstream product in Australia, as reflected by its increasing use in cooking. With this, consumers are becoming more interested in premium and novel products. Australian consumption of extra virgin olive oil has risen from 63% of olive oil sales in 2017 to 65% in 2019. The key drivers of this growth are health and quality, plus the flexibility of the product. Bottles are being increasingly preferred over bulk tins. In line with this interest in premium and novel products, organic olive oil and infused olive oil are products which, recently, have been popular among consumers

On one hand there is an increased interest in locally produced olive oils. On the other hand, the market still relies on imports to a high extent – over 60% of consumption is imported; and with climate change and seasonal yields affecting production, the need for imports can be a lot greater. The combination of

these factors, combined with the already higher price of domestic products and increased demand for olive oil points to the possibility of upward price pressure on olive oil in the coming years.

5.6.3 Offer

5.6.3.1 Domestic production

Olives are grown throughout temperate South Eastern and South Western Seaboard regions of the continent. Two regions in particular account for an estimated 70 per cent of Australia's current production i.e. north-central Victoria and north of Perth Western Australia. Australian Industry estimates around 10 million trees are grown on 450 commercial groves covering more than 30,000 hectares, with 70 per cent of the olive trees concentrated in 20 groves.

Australian olive oil production has increased rapidly since the turn of the millennium. In 2019, it reached around 21 000 tonnes. Nonetheless this represents under 1% of total global production in 2019. Australian olive oil production in the 2020 production season is estimated to have fallen to just under 9 000 tonne (10 million litres), only half of that produced in the 2019 season. This demonstrates the biennial bearing pattern of olive production in Australia. On a good year, domestic production can account for around 1/3 of total olive oil demand.⁸⁶

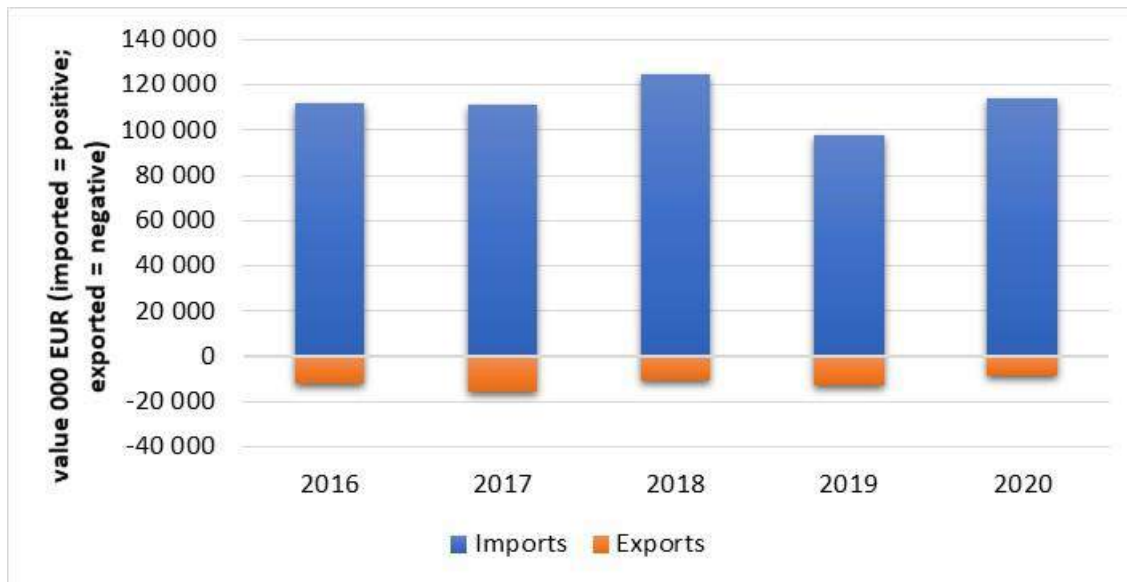
Domestic production is primarily extra-virgin (around ¾) and increasingly of high quality; plus local producers experiment with novel flavours which resonate with the local market, such as lemon myrtle and Tasmanian native pepper. However, it still lacks the scale to compete with European olive oil on price; typically domestic olive oil is between 15 and 30% more expensive than European olive oil.

5.6.3.2 Imports and exports

As can be seen in Figure 5-27 and as indicated in section 5.6.3.1, Australia is a net importer of olive oil. Despite rapid increases in domestic production since around the year 2000, around 60% of olive oil needs to be imported. Imports therefore outweigh exports by a factor of around ten to one. Over a longer period of ten years, olive oil imports have increased around three fold.

⁸⁶ <https://australianolives.com.au/olive-oil-overview-2020/>; <http://www.australianoliveindustry.com/australian-olive-industry-figures-for-harvest-table-olive-oil-production-imports-exports-till-2019/>

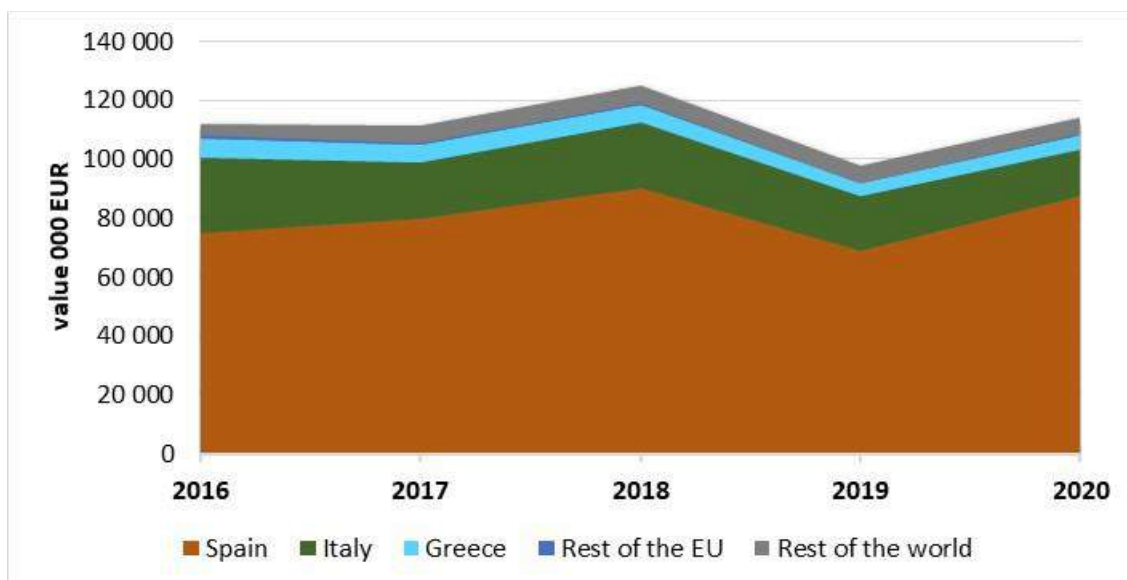
Figure 5-27: Trade balance (imports and exports) of olive oil in Australia, 2016-2020; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1509.

The EU is, and has concisely been the dominant source of olive oil imports, with Spain leading the way, accounting for around 80% of imports. Italy and Greece follow. Overall, the EU accounts for 95%+ of all olive oil imports (Figure 5-28).

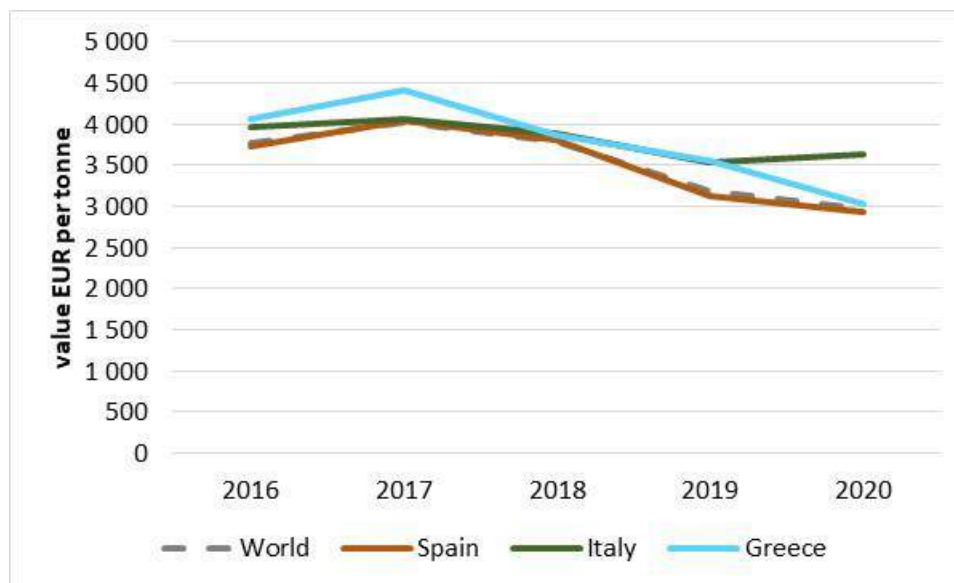
Figure 5-28: Australian imports of olive oil by country, 2016-2020; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1509.

In terms of unit value, that of Italian and Greek oil has been consistently slightly above that of Spanish oil (Figure 5-29). It has to be remembered that the world average value is inevitably skewed by the high importance of Spain as an origin.

Figure 5-29: unit value of Australian imports of olive oil by country, 2016-2020; EUR 000 per tonne



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1509.

5.6.3.3 EU GI products

As noted in section 4.2.4, currently GIs can be registered under trademark law in Australia as collective marks. Subsequently, no single, separate list of registered GIs for Australia exists. The best way to check if a GI has been registered as a collective mark in Australia is to check the following database:

<https://search.ipaustralia.gov.au/trademarks/search/quick>

5.6.3.4 Main competitors

As indeed is the case with global production, Europe – led by Spain and followed by Italy and Greece - dominates the market for olive oil in Australia. While local olive oil production has increased rapidly in recent years, Australia ultimately does not have many big growers and production is affected by e.g. climate issue - Red Island and Cobram Estate are the local players that stand out as gaining some sort of scale. Imports still therefore make up around 60% of consumption.

5.6.4 Specific market entry requirements

Market Access and Entry; customs procedures

As set out in section 4.2, a permit to import goods subject to quarantine and a declaration of the manufacturer are required for olive oil imported into Australia. These requirements are in addition to general import requirements.

In terms of tariffs, European olive oil does not face tariffs.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general olive oil category (1509) from Spain to Australia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=1509&origin=ES&destination=AU>

Standards, SPS measures

Part 2.4 of the food standards code contains specific standards for edible oils, though standard 2.4.1 on edible oils only contains a broad standard for all oils (with nothing specific for olive oil). A link to the standard can be found here: <https://www.legislation.gov.au/Series/F2015L00460>

A voluntary olive oil standard, introduced by Standards Australia, has existed since 2011. More information on this voluntary standard can be found at the following links:

<https://australianolives.com.au/australian-standards/>

<http://www.aph.gov.au/DocumentStore.ashx?id=ca0c9dd8-b5ee-45fa-b7e3-3078219d7be9>

Labelling

Section 4.2.3 contained detailed information on the labelling requirements for packaged foods. This section should be consulted for details on labelling.

5.6.5 Distribution

Figure 5-30 shows distribution channels by retail value for edible oils as a whole in the Australia. Modern grocery retailers are dominant with a 97% share of distribution; among these, supermarkets lead the way with 85%. E-commerce is a small but growing channel for the distribution of edible oils, with a share of 1.8% in 2020.

Figure 5-30: Distribution channels overview of edible oils (including olive oil) in Australia (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

With regards specifically to olive oil, high quality extra virgin oils are commonly purchased at gourmet and specialty stores. Liquor stores, food & wine exhibitions and olive oil cellar doors are few other options available for purchasing edible as well as non- edible olive oil. Italian restaurants are a notable driver of olive oil in the food service segment.

5.6.6 Challenges for EU products

The Australian olive oil market is an interesting one for EU producers – there are structural shortages, the EU dominates imports and there are strong tailwinds to consumption of the product. Overall, no major challenges stand out. There are more minor challenges in terms of increased competition from local producers and competition from other oils. However, local production is likely to remain limited. The voluntary only standards could be seen as a challenge of sorts given it potentially opens the door to products produced to a lower standard than those from countries with mandatory standards.

Market Takeaway: Olive oil

Consumption: fast growing – more or less mainstream. Olive oil accounts for around 40% of edible oil consumption. Extra virgin preferred.

Competition: Some domestic production, but this is small and price tends to be higher. Overall, EU olive oil, led by Spain, dominates.

Distribution: Supermarkets. Higher quality oils more likely to be purchased at gourmet stores.

Challenges: few, if any, major challenges. Minor challenges e.g. from local competition, voluntary only standards.

Opportunities: Overall good expected growth and reliance on EU imports; indeed shortfalls may lead to upward price pressure. An attractive market for olive oil.

5.7 Chocolate and confectionery

5.7.1 SWOT analysis

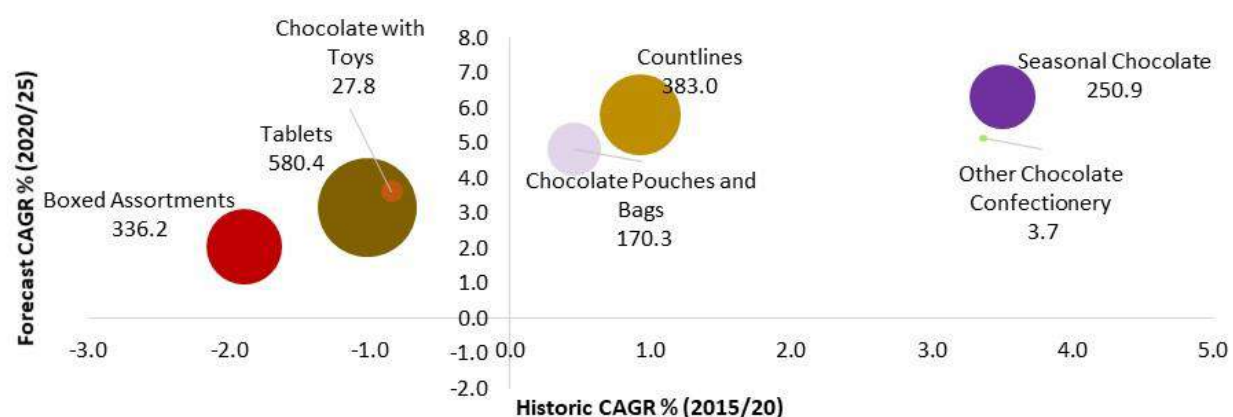
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ Diverse market with a range of different products and consumers. ▪ Domestic production does not meet demand of neither chocolate nor sugar confectionery. 	<ul style="list-style-type: none"> ▪ Increased focus on health issues placing pressure on some segments. ▪ Price consciousness has risen among some consumers driven by economic considerations.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Healthy and alternative products can take advantage of the increased health consciousness. ▪ Premium and high quality products increasingly in demand; particularly chocolate ones. ▪ Innovative flavours may attract curious consumers. 	<ul style="list-style-type: none"> ▪ Multinationals have strong positions in both markets. ▪ Local artisanal production, often using locally produced cocoa, is an emerging threat in the chocolate segment.

5.7.2 Consumption

5.7.2.1 Evolution of consumption

As shown in Figure 5-31 the biggest market is the one for tablets with a value of EUR 580m, followed by countlines (EUR 383m) and boxed assortments (EUR 336m). These markets have been fairly flat to shrinking in recent years, though going forwards they are forecast to grow at between 2 and 5.8%. The market for seasonal chocolate is the fourth largest by value (EUR 251m), and is both the fastest growing historically (6.4%) per year and has the fastest forecast growth (3.5%). The chocolate pouches market is worth EUR 170m. The other two categories of chocolate with toys and other chocolate are small.

Figure 5-31: Evolution and forecast of chocolate confectionery market in Australia, 2015-2025; total retail value EUR million

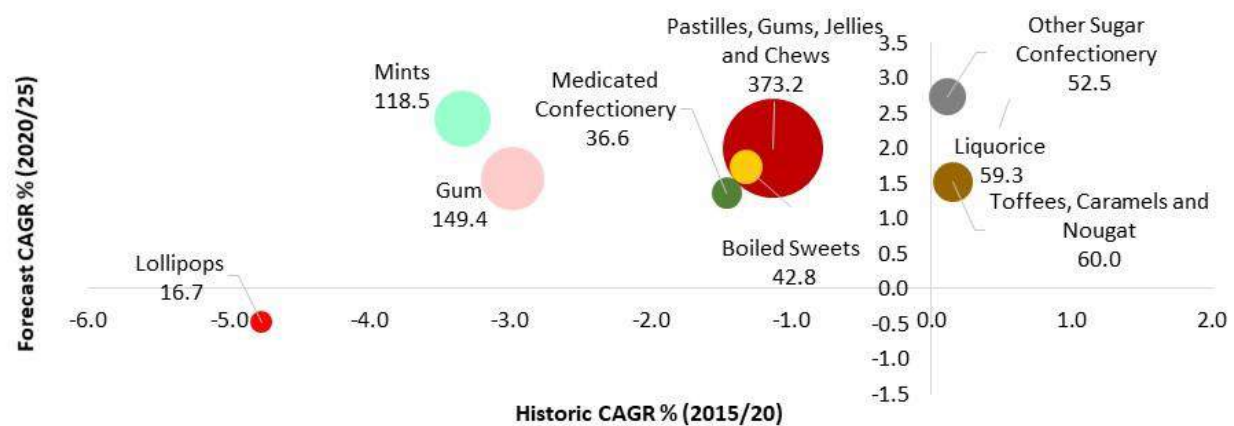


Source: Euromonitor International: Packaged Food, 2021.

In 2020 the total market size of the sugar confectionery market in Australia was just under EUR 1bn. As depicted in Figure 5-32 the biggest market by far is the one for pastilles, gums, jellies and chews with a value of EUR 373m. The market has shrunk by 1.1% per year over the last five years, but is forecast to

return to growth (2% per year) during the period up to 2025. Gum is the second largest market at EUR 149m, followed by mints with EUR 119m. Once again both have shrunk in recent years (and rapidly at 3%+ per year) but are forecast to return to growth going forwards. There are notable and growing niches for toffees, caramel and nougat (EUR 60m); liquorice (EUR 59m); and other sugar confectionery (EUR 53m). The markets for boiled sweets, medicated confectionery and lollipops are all smaller and have suffered in recent years, lollipops in particular which has shrunk by 4.8% per year and is forecast to continue to shrink at 0.5% per year going forwards.

Figure 5-32: Evolution and forecast of sugar confectionery market in Australia, 2015-2025; total retail value, EUR million



Source: Euromonitor International: Packaged Food, 2021.

5.7.2.2 Consumer profile and purchase criteria

Consumers

Chocolate and sugar confectionery consumers in Australia generally come from all different age and social groups. However, usually higher income groups tend to prefer higher quality chocolate over sugar confectionery. Sugar confectionery is more popular in the younger generations.

Chocolate consumers can be distinguished in different groups. In general consumers of chocolate are wealthy and well-educated. According to one study, women are the leading consumers of chocolate (chocolate blocks, bars and boxed chocolates) in Australia.⁸⁷ The typical chocolate-loving woman is still in University or a fresh graduate and lives in a household with kids aged between 6-15. Most chocolate-loving women in Australia, moreover, seem to live in Victoria.

There are different variations when it comes to typical consumers of specific types of chocolates. Generation X, which is born between 1961-1975/80 favours chocolate blocks. These consumers usually have a strong sense of community and are socially active. They are also more likely than the average Australian chocolate consumer to purchase additive-free food and eat healthily. Chocolate bars /

⁸⁷ Sweet tooth: 14.2m Aussies eating chocolate. Available at: <https://www.foodanddrinkbusiness.com.au/news/sweet-tooth-14-2m-aussies-eating-chocolate>

countlines on the other hand are preferred by Millennials who are born between 1975/80-1990/95. These consumers are looking for fun and freedom away from the family. This type of consumer also is more likely to purchase unpopular, store-branded chocolate and tends to snack during the day. Generation Z, which is born between 1991/95-2005 prefers boxed chocolates. These consumers are aware of the image they project and thus looking to improve their prospects in life. They enjoy food from all over the globe, they are careful about their sugar intakes and enjoy shopping.

With regard to sugar confectionery, children and young adults are the main consumers. Most notably, parents of 5 to 18 year olds are frequent purchasers of sugar confectionery. The exceptions to this rule are (1) power mints, which are more frequently purchased by adult smokers (generally over the age of 35); and (2) nostalgic young and middle aged adults, who may choose products they used to consume during childhood.⁸⁸

Drivers and method of consumption

The Covid-19 pandemic has changed the drivers of chocolate and sugar confectionery consumption. Caused by stockpiling, consumers are expected to purchase less chocolate until all their reserves are consumed. The same is the case for sugar confectionery, in particular nougat, caramels, and toffees. On the go snacking is not as popular anymore because consumers are more likely to work from home. In general, they spend more time with their family and friends in their homes. They still enjoy some indulgence, however, are now likely to share it with friends or family at home. Sugary treats such a confectionery are known to be a mood-lifter and an easy snack during a joyful day with family and friends.⁸⁹ Consumers are looking for comfort food in hard times. Caused by the crisis some consumers have less disposable income and thus look for cheaper yet good quality options. Affordable treats such as sugar confectionery can thrive even in unfavourable economic situations.

Australia has an increasing obesity rate driven by its high sugar consumption. This led to the development of increasing health and environmental awareness. Australian consumers focus on their well-being and fitness.⁹⁰ One important driver to decrease the sugar intake would be the implementation of the sugar tax which is still under discussion but has not yet come into existence. In particular young Australians are in favour of such a tax. Today, consumers want to indulge with no guilt and thus opt for healthier, low sugar and fat, and more sustainable chocolate and sugar confectionery options.

The pandemic was also a driver for the consumption of medicated confectionery as consumers started to pay much more attention to their health and thus was used to treat as basic medication and to treat mild cases of flu. Other functional sugar confectionery products that aim to boost the immune system also gained momentum. Finally, sugar confectionery has sometimes preferred over chocolate confectionery

⁸⁸ Why not all – chocolate that is! 2 million Australians love bars, blocks & boxes. Available at: <http://www.roymorgan.com/findings/8065-australian-chocolate-market-march-2019-201907260627>

⁸⁹ Why sugar is still sweet in convenience. Available at: <https://www.c-store.com.au/why-sugar-is-still-sweet-in-convenience/>

⁹⁰ Confectioners chew on changing customer tastes for healthier lollies. Available at: <https://www.abc.net.au/news/2019-06-28/health-push-changing-chocolate-and-lollies/11261178>

at sharing events (e.g. office reception or function) due to the individual wrappers, which are more hygienic. It is possible that this tendency has been further reinforced by the pandemic.

Usually, chocolate, in particular boxed assortments, is commonly used for gift-giving occasions. This includes seasonal events, such as Christmas and Easter, as well as personal gift giving occasions; indeed, seasonal events have long been a major driver of chocolate consumption. In 2020, due to Covid-19, consumers did not have as many gift-giving occasions as usual. Many events have been cancelled and people were socially distancing. However, this is forecast to change again, once the pandemic is over.⁹¹

Purchase criteria

Flavours and taste are important. The most popular chocolates are filled ones, followed by plain dark, plain milk and then white chocolate. Consumers of sugar confectionery and chocolate are looking for new flavours and ingredients. Some like to try new things, others prefer to stick to what they know.

The popularity of dark chocolate is increasing due to the health trend. Consumers who are health conscious increasingly choose dark chocolate over lighter types. They aim to reduce their sugar and fat intake and thus milk chocolate is not the best option. Sugar confectionery producers are introducing many sugar-free or sugar-reduced variations of their products to fulfil this purchase criterion.

Moreover, consumers also increasingly prefer products with high-quality ingredients, that are sourced ethically and sustainably.⁹² Consumers also tend to choose niche products like organic chocolate over mass-produced products.⁹³ Organic products are considered to be healthier and consumers expect producers of organic confectionery to be more transparent about the nutrient quotients of their products. Even though consumers choose healthier options, they are not willing to compromise the taste.

The demand for premium products is increasing as consumers also highly value indulgence and the experience that comes with consuming chocolate.⁹⁴ Artisanal products are often chosen over mass-produced chocolates by these consumers.

However, the price is also a consideration; in particular, now that some consumers lost some disposable income due to the pandemic. Private label products are thus becoming the popular choice for sugar and chocolate confectionery. Consumers often take value for money decisions. But the trend is forecast to

⁹¹ Euromonitor International 2021: Packaged foods.

⁹² Chocolate trends: a sweet or sticky situation? Available at: <https://www.playmr.com.au/blog/chocolate-trends-a-sweet-or-sticky-situation>

⁹³ Australia Chocolate Market By Product Type (Milk Chocolate, Dark Chocolate and White Chocolate), By Category (Tablets, Boxed Chocolates, Countline and Others), By Distribution Channel, Competition, Forecast & Opportunities, 2013-2023. Available at: <https://www.researchandmarkets.com/reports/4745017/australia-chocolate-market-by-product-type-milk>

⁹⁴ Australia Chocolate Market Report 2018: Competition, Forecast & Opportunities, 2013-2023 - Growing Chocolate Consumption and Rising Demand for Niche Products. Available at: <https://www.prnewswire.com/news-releases/australia-chocolate-market-report-2018-competition-forecast--opportunities-2013-2023---growing-chocolate-consumption-and-rising-demand-for-niche-products-300781418.html>

continue to go towards premium chocolate products once the economic situations go back to normal.⁹⁵ Sugar confectionery products are less premium and pricey, which is why they are always a good choice for consumers who have less disposable incomes.

Finally, the decision to purchase sugar confectionery tends to be more impulsive than the decision to purchase chocolate confectionery. Point of sale merchandising therefore tends to be effective with sugar confectionery, with the classic example being low-priced sugar confectionery placed near the checkout counter.

Confectionery on retailers' shelves in Australia

It is difficult to generalise about retail prices of confectionery products in Australia given that, not only the segment positioning, but also the nature of the product itself greatly influences retail prices. As a very broad rule, premium chocolate products tend to sell for AUD 5 per 100g or more. The majority of imported products on the market target the mid-range segment rather than the premium segment, with economy products (in rough terms those with a retail price of under AUD 1.50 per 100g), at least though from EU countries, somewhat rare. That said, a fair proportion of these mid-range products may be considered to be towards the upper end of mid-range.

Confectionery sections in supermarkets can be extensive, though they are also largely dominated by mainstream brands (see below).

⁹⁵Chocolate and Confectionery Manufacturing in Australia - Market Research Report: Available at: <https://www.ibisworld.com/au/industry/chocolate-confectionery-manufacturing/110/>



Products tend to be organised by type (e.g. countlines, bar, etc). It is not uncommon for upper mid-range and premium imported products to occupy the more prominent eye and touch level positions in a shelving display (see below); though where product ranges are extensive they may span all positions from eye to stoop.



As commented above in the purchase criteria section, price is increasingly a consideration for consumers, and in line with this price promotion of some type is fairly common, spanning all target markets from economy to premium (see below).

Unique packaging is common for more premium products including imported chocolates. Emphasizing the origin, heritage or special characteristics (e.g. organic) is fairly common for these products.



Folding cartons are increasingly being used for chocolate confectionery; including for more premium products. Flexible plastic packs are increasingly prevalent across both chocolate and sugar confectionery as they allow portion control; particularly if they are resealable. That said, environmental concerns of consumers are creating a push towards carton and paper based packaging for all products.



Pictures: © Agra CEAS / Euromonitor International, 2021.

5.7.2.3 Recent market trends

Innovative flavours

Many chocolate manufacturers are introducing new products with innovative flavours. Mondelez's Cadbury Dairy Milk with Oreo is now also available in mint and strawberry.⁹⁶ Mars's M&M's introduced its Fudge Brownie flavour and Nestlé launched new flavours such as Kit Kat Gold and the world's first gin-infused Kit Kat. Sweet and savoury combinations are also gaining popularity such as for KitKat Snak'it. Other cross-category combinations have been successful as well including chocolate and chips, or chocolate and Pretzels. Mondelez, moreover, introduced the world's first Dairy Milk 3D printer in Melbourne, where consumers can print chocolate charms in the shape of e.g. kangaroos or flip-flops.

New and exotic flavours also are a trend in the sugar confectionery segment. Even though unusual flavours might fail, they are still a good way to fight for shelf space, even if just temporary. Moreover, consumers are curious and mainly interested to try out sugar confectionery with new flavours.

Health-conscious and sustainable products

Due to the growing environmental awareness and health trend, Mondelez also introduced a trial for 100% recyclable paper packaging for its Cadbury Energy. The focus on eco-friendly packaging solutions such as biodegradable plastic and recycled materials is important for chocolate and sugar confectionery producers in the years to come. Mondelez moreover is creating a vegan Cadbury Dairy Milk bar that is supposed to taste just like the non-vegan original. The company is not the only one to follow this trend. Roborn Menz, a growing local Australian Chocolate brand already offers different varieties of vegan chocolates. In general, chocolate manufacturers are creating products that fit in the mindful eating trend to enable sensory experiences for their customers.

In particular sugar confectionery manufacturers are introducing many varieties of sugar-free or sugar-reduced confectionery to the market to follow the health trend. Companies generally aim to improve the quality of ingredients used including using natural flavours and colours. Mondelez's Natural Confectionery and Co offers a variety of fruit jelly lollies and chews free from artificial flavours or colours. Functional health confectionery is trending as well, such as immune-boosting confectionery. Sugar confectionery makers also follow the vegan trend and introduce a variety of vegan options to the market.⁹⁷

Larger Packs, Sharing and permissible indulgence

Larger packs gained popularity with the start of Covid-19 when consumers were not snacking on the go as often anymore. On top of this, big packs last longer and are better value for money. Moreover, due to the health trend, consumers try to limit their sugar intake and thus want to limit the amount of chocolate

⁹⁶ Australia Chocolate Market Report 2018: Competition, Forecast & Opportunities, 2013-2023 - Growing Chocolate Consumption and Rising Demand for Niche Products. Available at: <https://www.prnewswire.com/news-releases/australia-chocolate-market-report-2018-competition-forecast--opportunities-2013-2023---growing-chocolate-consumption-and-rising-demand-for-niche-products-300781418.html>

⁹⁷ Australian Confectionery Market: Hitting The Sweet Spot. Available at: <https://www.worldbakers.com/market-insights/hitting-the-sweet-spot/>

and sugar confectionery they consume. Larger packs with e.g. bitesize pieces for sharing occasions are a good solution for this. Even after the COVID-19 pandemic, this category is forecast to remain important because the Australian economy might enter a recession period in which consumers will mainly look for value for money.

Brand collaborations

Brands are continuously fighting for space on the shelves, which is why brand collaborations have become increasingly popular especially in the COVID-19 context. Examples are the collaboration of Krispy Kreme with M&M and Krispy Kreme with Maltesers. Sugar confectionery manufactures such as Tic Tac partnered with Coca-Cola and together released a special edition and Allen's worked together with Oat Milk and launched a special edition of flavoured milk. This trend is forecast to continue to be popular for chocolate manufacturers.⁹⁸

Nostalgia

In particular, in the sugar confectionery segment, playing on the consumer's nostalgia is a good selling point. For instance, Nestlé's Allen's reintroduced its old Black Cats and Mini Chocolate Bananas. Moringa, a Japanese company, introduced their popular Hi-Chew fruit flavoured lollies to the market and has a cult status as well.⁹⁹

5.7.3 Offer

5.7.3.1 Domestic production

Australia does produce its own chocolate, however, mainly on a small-scale boutique level. Yet, this sector has been growing and is still gaining popularity. Australia even has a few cocoa farmers. A few years back, in an eight-year-long trial period, farmers even started to cultivate and harvest cocoa beans. One of the first ones to do was is Daintree Estates at Mossman¹⁰⁰, in north Queensland. The Estate calls itself "Australia's first commercially grown and produced single-origin chocolate". Daintree Estates not only grows its own cocoa beans but also uses sugar and dairy ingredients from Australia for its chocolates. Besides Daintree Estates some other cocoa farmers can be found in the north such as Charley's Chocolate which won an International 2017 Cocoa of Excellence Award in Paris. Cocoa farmers can only be found in the north of Australia because they cannot grow below 10-18 degrees north or south of the equator.¹⁰¹

Australian chocolate manufacturers use the cocoa grown in Australia as well as a variety of imported cocoa from different regions of the world. Some popular Australian chocolate brands include Zokoko, Just

⁹⁸ Euromonitor International: Packaged foods, 2021

⁹⁹ Why sugar is still sweet in convenience. Available at: <https://www.c-store.com.au/why-sugar-is-still-sweet-in-convenience/>

¹⁰⁰ Daintree Estates. Available at: <https://www.daintreeestates.com/?variant=2565633179683>

¹⁰¹ Australia embracing its own chocolate. Available at: <https://www.theland.com.au/story/5944721/embracing-our-own-chocolate/>

William, and Haigh's, The Smooth Chocolator, Sweet Pea & Poppy, Kennedy and Wilson and Metiisto.¹⁰² In total, Australia has about 30-40 bean-to-bar producers.¹⁰³

The three biggest chocolate companies in Australia are Mondelez, Mars and Lindt & Sprüngli. Mondelez is the number one by far and accounted for about 35% retail value share in 2020. Mars ranked second with close to 15% and Lindt & Sprüngli ranked third with about 10%. Even though these big international companies do not have their origins in Australia, all three of them have chocolate factories in the country. Mondelez has a Cadbury Chocolate Factory in Claremont, Tasmania.¹⁰⁴ Mars celebrated the 40th anniversary of its factory in Ballarat, Victoria in 2019. The factory produces Maltesers, Milky Way, M&M's and Pods, and since another investment in the factory also M&M's Pretzel. Moreover, this factory is a regional innovation hub.¹⁰⁵ For example, Pods and M&M's Honeycomb have been invented in Ballarat.¹⁰⁶ Lindt & Sprüngli opened its factory more recently in Sydney as a result of the growing popularity of its products.¹⁰⁷

Australia is a big sugar producer. The country produces refined sugar from sugarcane. Most of the sugarcane is grown in Queensland and some of it in New South Wales.¹⁰⁸ Thus, the country has all it needs to produce its own sugar confectionery.

The number of confectionery companies in Australia is declining, however, the number of small-scale businesses and candy boutiques, such as The Australian Sweet Co, is increasing. Thus, the competition between big international sugar confectionery producers and small-scale brands is increasing.¹⁰⁹

The leading companies in sugar confectionery sales in Australia are similar to the ones for chocolate. In 2020 Nestlé was the leading sugar confectionery sells with close to a 20% retail value share, followed fairly closely by Mondelez with more than 15%. Mars ranked third with about 10%. Nestlé in total has six

¹⁰² 23 Best Australian Chocolate Brands. Available at: <https://manofmany.com/lifestyle/food/best-australian-chocolate-brands>

¹⁰³ Australian Bean-to-bar producers. Available at: <https://beanbaryou.com.au/2016/10/australian-bean-to-bar-producers/>

¹⁰⁴ Why did Cadbury chose Tasmania as the site for its first chocolate factory outside the UK? Available at: <https://www.abc.net.au/news/2017-12-23/history-of-cadbury-chocolate-factory-in-hobart/9275224>

¹⁰⁵ MARS WRIGLEY CELEBRATES 40 YEARS OF MANUFACTURING IN BALLARAT. Available at: <https://www.medianet.com.au/releases/181480/>

¹⁰⁶ Mars Wrigley boosts local chocolate factory. Available at: <https://www.foodprocessing.com.au/content/processing/news/mars-wrigley-boosts-local-chocolate-factory-876577833>

¹⁰⁷ Lindt seizes Australian Growth with \$45m Sydney plant. Available at: <https://www.confectionerynews.com/Article/2016/07/06/Lindt-opens-45m-factory-in-Australia#:~:text=Lindt%20has%20opened%20a%20factory,and%20will%20employ%20350%20staff.>

¹⁰⁸ Sugar. Available at: <https://www.agriculture.gov.au/ag-farm-food/crops/sugar#:~:text=The%20Australian%20sugar%20industry%20produces,in%20northern%20New%20South%20Wales.>

¹⁰⁹ Australian Confectionery Market: Hitting The Sweet Spot. Available at: <https://www.worldbakers.com/market-insights/hitting-the-sweet-spot/>

factories producing chocolate and sugar confectionery in Australia.¹¹⁰ Nestlé's Allen's is an Australian brand and the leading brand for sugar confectionery in the country.¹¹¹

5.7.3.2 Imports and exports

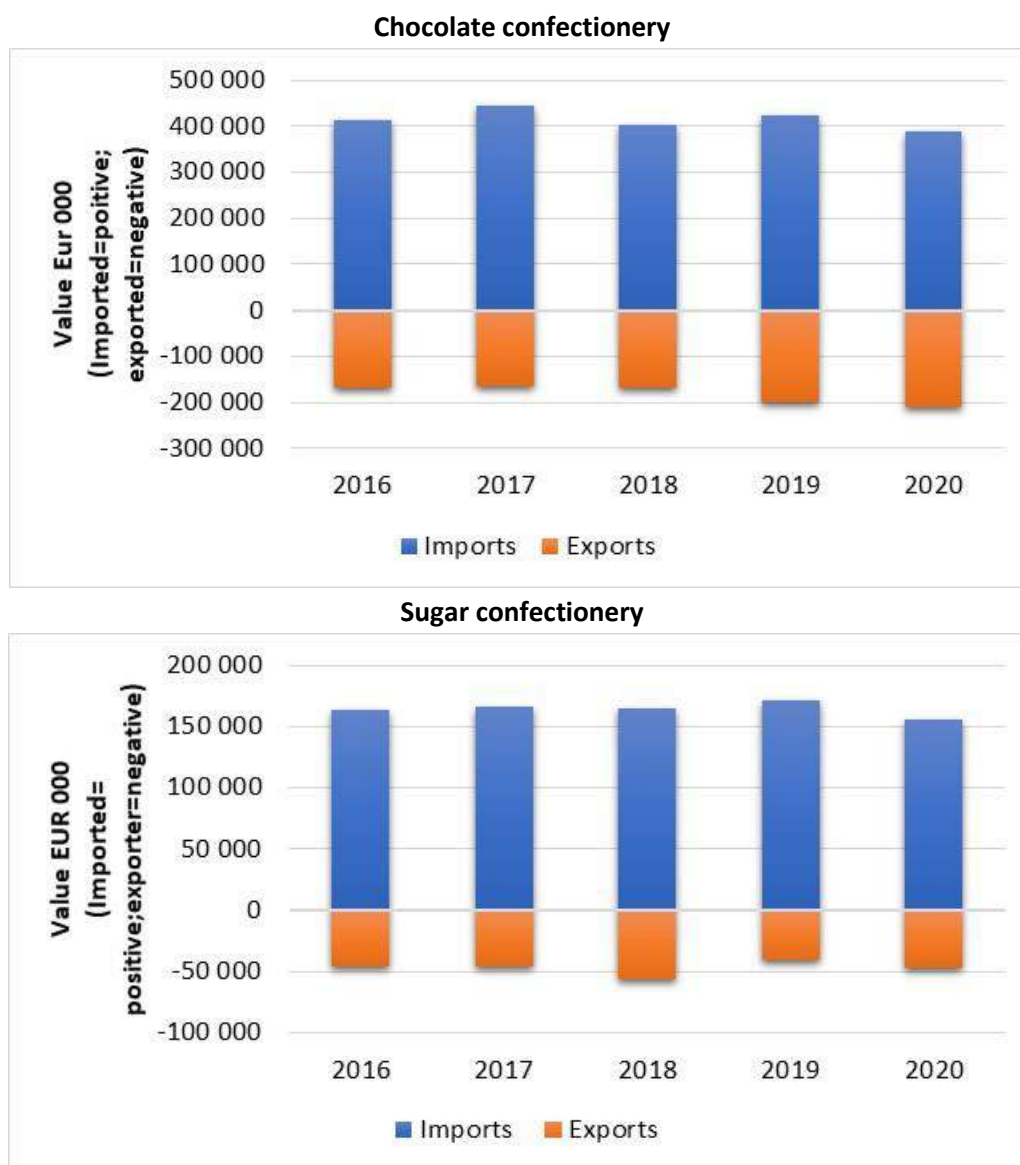
Figure 5-33 shows that Australia is a net importer of chocolate confectionery. In 2020 chocolate with a value of about EUR 388m was imported whereas chocolate with a value of around EUR 212m was exported. This means Australia imported chocolate with a value of around EUR 176m more than it exported in the same year. Since 2016 the value of imported chocolate decreased by around EUR 24m. The export market, on the other hand, increased by around EUR 44m over the same period.

Australia is also a net importer of sugar confectionery. In 2020 it imported a value of more than EUR 156m, whereas it exported close to EUR 48m. Until 2019 the value of sugar confectionery imports increased each year except in 2018, however, it decreased in 2020 and now is EUR 8m lower compared to 2016. The exports on the other hand increased by approximately EUR 3m over the same time and were specifically strong in 2018.

¹¹⁰ Our factories & offices. Available at: <https://www.nestle.com.au/en/aboutus/our-locations>

¹¹¹ Nestle-owned Australian confectionery brand Allen's ceases production of Marella Jubes. Available at: https://www.just-food.com/news/nestle-owned-australian-confectionery-brand-allens-ceases-production-of-marella-jubes_id140131.aspx

Figure 5-33: Trade balance (imports and exports) of confectionery in Australia, 2016-20; EUR 000



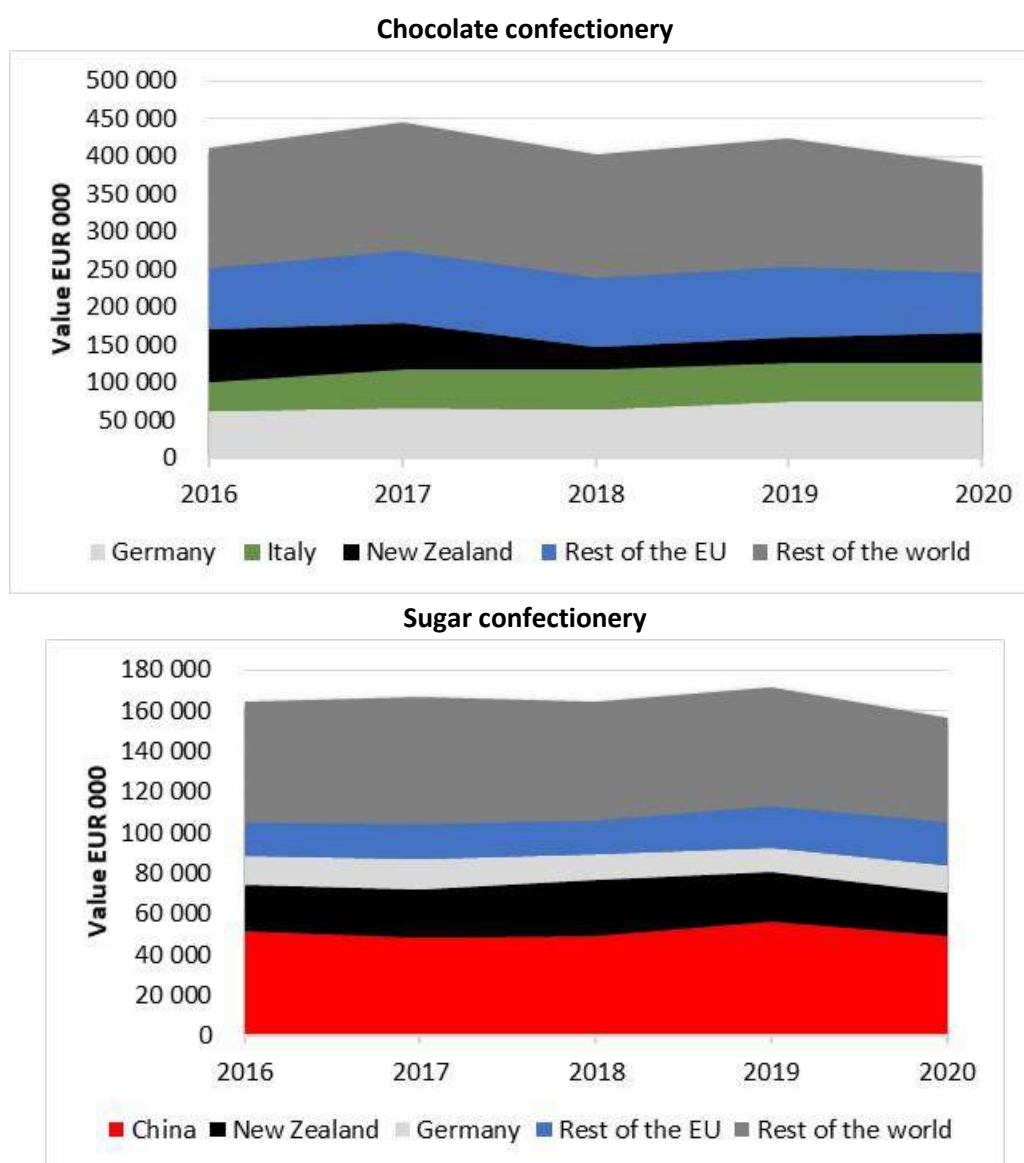
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1806 and 1704.

In 2020 Germany was the main exporter of chocolate confectionery to Australia and exported chocolate worth of more than EUR 74m as shown in Figure 5-34. Italy ranked second with an exported value of close to EUR 52m, followed by New Zealand with around EUR 40m. Out of the first 10 largest exporters in 2020, five were from the EU and together those five countries accounted for approximately 47% of total chocolate confectionery exports to Australia. Since 2016 the percentage of exported values covered by Germany and Italy shown in the figure remained relatively stable, whereas the exported value of chocolate confectionery exports from New Zealand decreased in 2018.

The main exporter of sugar confectionery to Australia in 2020 was China which exported a value of about EUR 49m, followed with a distance by New Zealand with a value of around EUR 22m and Germany with about EUR 13m. In total, only three out of the ten biggest exporters of sugar confectionery to China are from the EU: Germany, which ranked 3rd in 2020, as well as Italy and Spain. The whole rest of the EU combined accounted for just a bit more value than Germany did in 2020.

Figure 5-34: Australian imports of confectionery by country, 2016-20; EUR 000



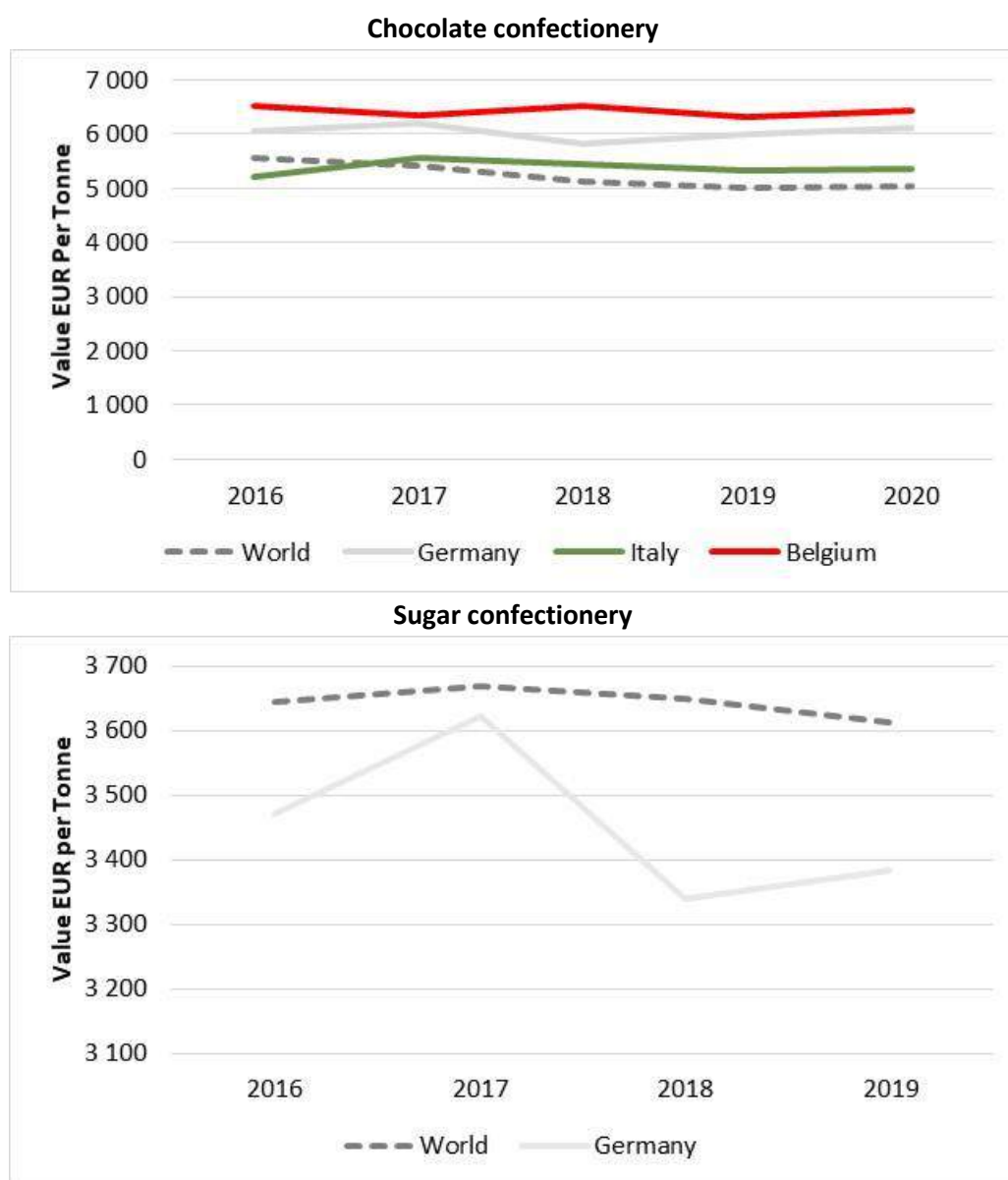
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1806 and 1704.

The unit values of the three main EU chocolate confectionery exporters (Germany, Italy and Belgium) are all far above the average world's unit value. In 2020 the world's unit value for chocolate confectionery exported to Australia was at about EUR 5 000 per tonne as depicted in Figure 5-35. In the same year

chocolate exported from Italy was worth approximately EUR 5 400 per tonne, from Germany about EUR 6 100 per tonne and from Belgium even much higher EUR 6 400 per tonne. These high prices for EU chocolate show the appreciation for EU chocolate products in Australia. Since 2016 the unit values for products from Belgium, Italy, Germany as well as the world's average remained relatively stable.

The world's unit value for sugar confectionery in 2019 was around EUR 3 600 per tonne. Germany's unit value for sugar confectionery in the same year was lower at approximately EUR 3 400 per tonne.

Figure 5-35: Per unit value of Australian imports of confectionery for selected countries, 2015-19 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1806 and 1704.

5.7.3.3 EU GI products

As noted in section 4.2.4, currently GIs can be registered under trademark law in Australia as collective marks. Subsequently, no single, separate list of registered GIs for Australia exists. The best way to check if a GI has been registered as a collective mark in Australia is to check the following database:

<https://search.ipaustralia.gov.au/trademarks/search/quick>

5.7.3.4 Main competitors

The chocolate, as well as the sugar confectionery market, are by far dominated by big international companies and their brands. The market leaders are giants Mondelez, Mars, Nestlé and Lindt & Sprüngli. Besides those big international companies, Australia has a high number of artisanal chocolate and even sugar confectionery manufacturers as well, which are big competition in particular for other smaller chocolate and sugar confectionery manufactures and companies. Chocolate imports are dominated by EU countries; however, New Zealand remains a big competitor. The competition in the sugar confectionery import market is big as this market is mainly dominated by China and, again, by New Zealand.

5.7.4 Specific market entry requirements

Market Access and Entry; customs procedures

As set out in section 4.2, a permit to import goods subject to quarantine, a declaration of the manufacturer and an authorisation of foreign foodstuff manufacturers are required for confectionery imported into Australia. These requirements are in addition to general import requirements.

In terms of tariffs, sugar and chocolate confectionery face an ad valorem tariff of 5%.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general sugar confectionery category (1704) from Germany to Australia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=1704&origin=DE&destination=AU>

Standards, SPS measures

Standard 2.8.1 of the food standards code contains specific standards for sugar and sugar products, though effectively it has little relevance for sugar confectionery. Standard 2.10.3 contains specific standards for chewing gum. Standard 2.10.4, which covers miscellaneous standards for other food products, contains standards for chocolate. These standards can be found at the following links:

- Standard 2.8.1: <https://www.legislation.gov.au/Series/F2015L00405>
- Standard 2.10.3: <https://www.legislation.gov.au/Details/F2017C00338>
- Standard 2.10.4: <https://www.legislation.gov.au/Series/F2015L00487>

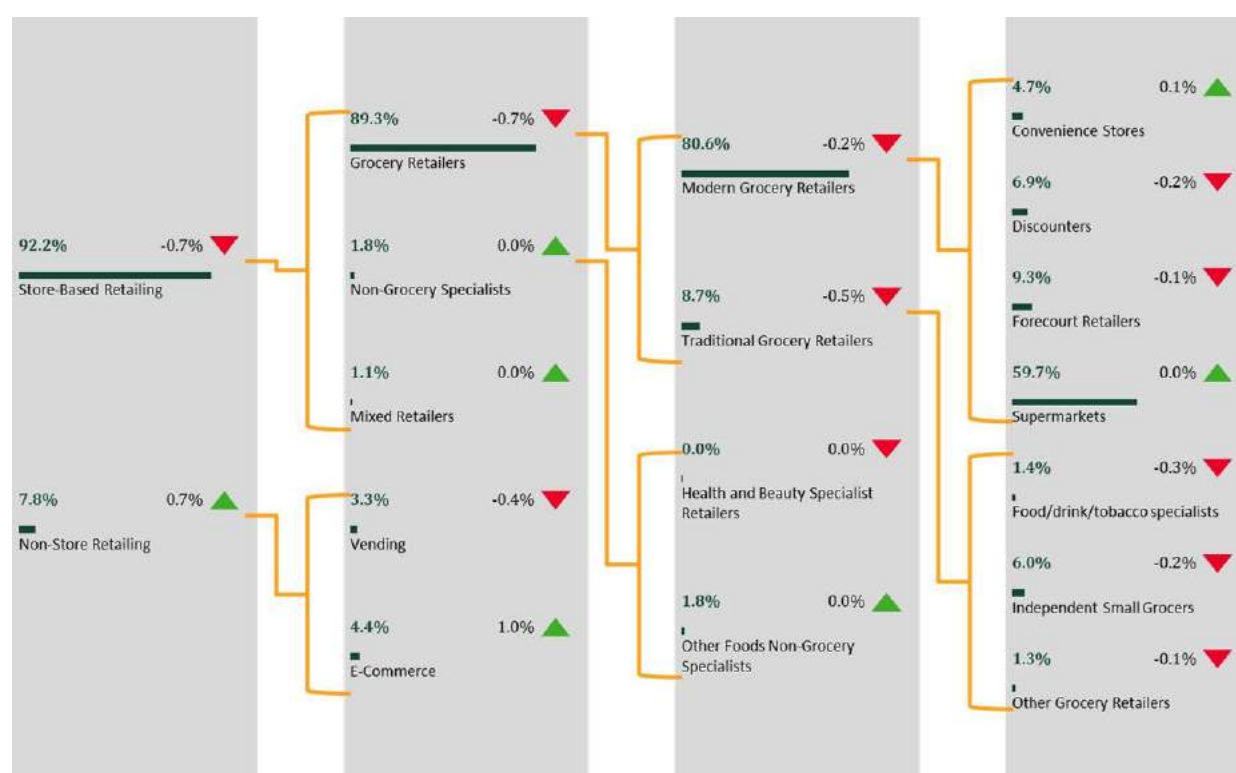
Labelling

Section 4.2.3 contained detailed information on the labelling requirements for packaged foods. This section should be consulted for details on labelling.

5.7.5 Distribution

As shown in Figure 5-36 chocolate confectionery is still mainly sold through modern grocery retailers (80% of retail value) with supermarkets the main channel among these (60%). Forecourt retailers, discounters and small independent grocers are other notable channels, though all under 10% and decreasing. Non store retailing, driven by e-commerce is of increasing importance.

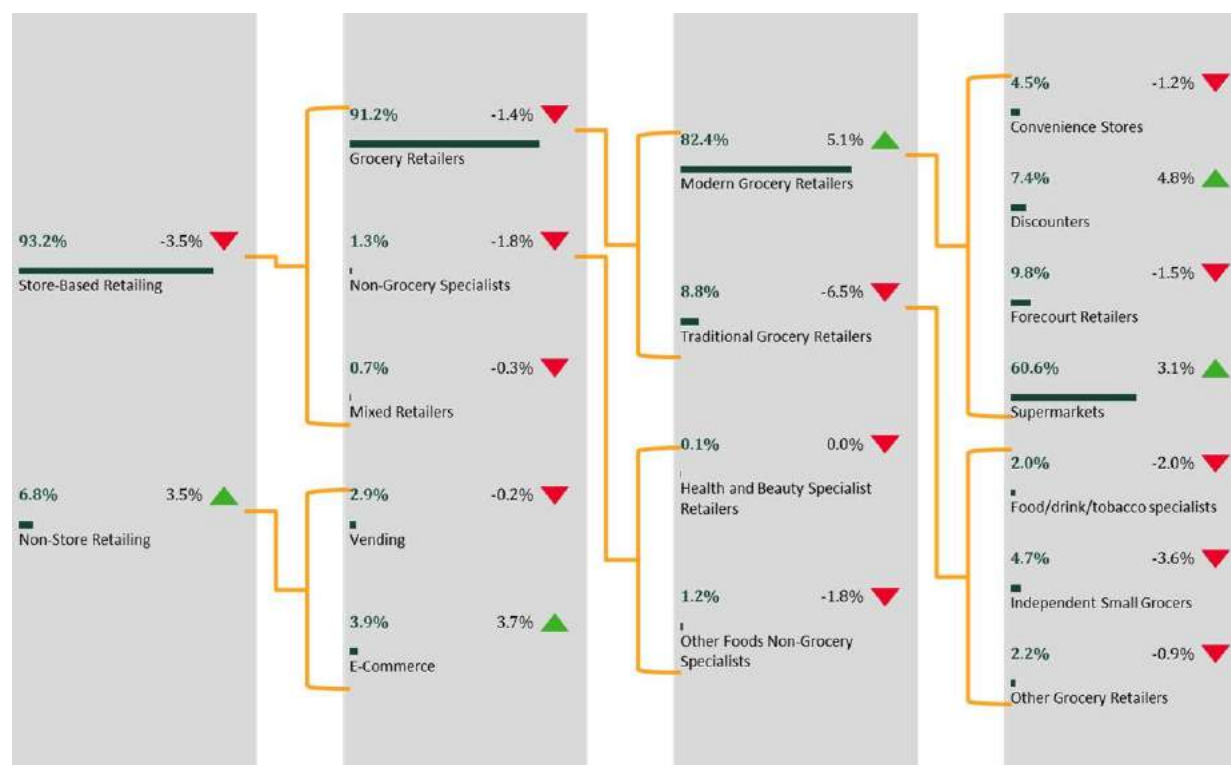
Figure 5-36: Distribution channel overview of chocolate confectionery in Australia (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

Figure 5-37 shows the distribution channel overview of sugar confectionery in Australia. Similarly to chocolate confectionery, modern retailers and more specifically supermarkets dominate. Forecourt retailers and discounters are other notable channels. E-commerce, while growing, is not as popular as it is for chocolate however.

Figure 5-37: Distribution channel overview of sugar confectionery in the Australia (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

5.7.6 Challenges for EU products

EU products will face a lot of competition on the Australian market for chocolate confectionery from big international companies, as well as from smaller artisanal chocolate and sugar confectionery manufacturers. International companies produce chocolate and confectionery locally in Australia. However, chocolate from the EU is perceived to be of high quality and Australian consumers value it a lot, which is why five out of ten main exporters of chocolate confectionery are from the EU and together account for about 47% of total exports.

The import sugar confectionery market is smaller than the one for chocolate. The competition is similar because the international companies Mondelez, Mars and Nestlé are also big competitors in the sugar confectionery market, though they hold smaller shares as the market for sugar confectionery is more fragmented than that for chocolate. China and New Zealand are by far the main sugar confectionery exporting countries to Australia and thus important competitors.

Increased health consciousness is a challenge which affects both chocolate and sugar confectionery markets; but it is also a challenge that is producing opportunities.

Market Takeaway: Chocolate and confectionery

Consumption: chocolate more popular than sugar confectionery, and within chocolate, tablets most popular. Wide range of competitors.

Competition: a combination of multinationals, imports (New Zealand and China for sugar confectionery) and local artisan production.

Distribution: Mainly through modern grocery retailers (80%) and more notably supermarkets. E-commerce playing an increasing role for chocolate in particular.

Challenges: a fair level of competition. Increased health consciousness is affecting both markets, but sugar confectionery in particular.

Opportunities: premium and high quality chocolate products. Sustainable products. Healthier versions of products.

5.8 Beer

5.8.1 SWOT analysis

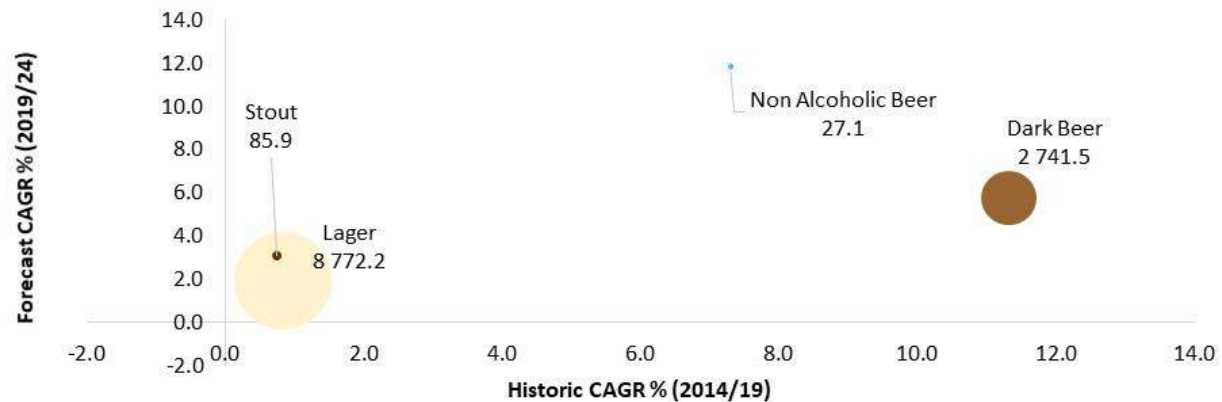
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> ▪ EU beers are common in Australia with German, Dutch and Italian beers being amongst the most exported to the country. ▪ Australian consumers seeking an alternative to domestic lagers may switch to European alternatives. ▪ European bars such as Irish and Spanish are common throughout Australia 	<ul style="list-style-type: none"> ▪ Taxation of beer in Australia is high and significantly impacts beer with a high ABV content ▪ Australia exports a relatively small amount of beer which makes the domestic market much more competitive as domestic producers largely focus solely on this market. ▪ Average consumption of beer has been declining in recent years and is now roughly level with wine by alcohol content.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> ▪ Non-Alcoholic beer and craft beers are by far the largest growing beers in Australia. ▪ A large European origin population in Australia helps to compound demand for beers from the EU. ▪ European beers are easily recognised by many Australian consumers and readily available in on-trade and off-trade establishments. 	<ul style="list-style-type: none"> ▪ Mexico is the largest beer exporter into Australia and mainly focuses on pale lager. ▪ New Zealand is a large exporter of craft beer into Australia. ▪ Taxation of beer in Australia was risen quite recently in 2019 and is calculated by ABV content, pushing consumers away from such beers.

5.8.2 Consumption

5.8.3 Evolution of consumption

As shown below in Figure 5-38 lager is the largest beer market in Australia; it was worth just under EUR 8.8bn in 2019. It is however also quite a mature market, having grown at just 0.8% per year in the five previous years, and is forecast to grow at 1.9% per year going forwards. At EUR 2.7bn, dark beer is a notable second market. Furthermore it is also fast growing; 11.3% per year during the previous five years and 5.7% per year going forwards. The markets for stout and non-alcoholic beer remain small at EUR 86m and EUR 27m respectively. The latter however is particularly fast growing (7.3% per year historical and 11.9% per year going forwards).

Figure 5-38 the beer market Australia (value, EUR million); 2014-2024



Source: Euromonitor International: Alcoholic Drinks, 2020.

5.8.3.1 Consumer profile and purchase criteria

Consumers

The legal drinking age throughout all of Australia is 18 and beer is often the first alcoholic beverage consumed in the country by consumers, consumers of beer come from across all social and economic backgrounds and is socially accepted throughout the country with the exception of alcohol-free zones which are typically national parks or in Urban centres with Sydney alone estimated to have roughly 60 alcohol free zones. Men are more likely to drink beer, with women in Australia often preferring wine or spirits. Craft beers have grown in popularity in recent years and are most likely to be consumed by younger consumers (average age 30 to 39) who are more open to trying new flavours compared to brand loyal consumers of an older generation. Non-alcoholic beer drinkers are mostly aged between 25 to 34 years and generally more health-conscious.

Drivers and method of consumption

Beer consumption is a common practice in Australia and is generally socially accepted. Australians attend numerous events which are synonymous with the consumption of beer such as sport events and BBQs. Cricket and rugby match often encourage the consumption of beer both at the stadium in question and those at home watching the game, BBQs are a common social event in Australian households and will typically incorporate the consumption of beer to some extent. Events such as Australia day and Christmas result in a rise in demand for beer products as consumers wish to celebrate the holidays. Consumption of beer largely mirrors that of the other western countries, however there are a number of local terms to refer to the measurement of a pint glass or bottle with notable examples including

- “Pony”- A quarter sized pint of beer
- “Butcher”- A South Australian expression for a 200ml glass of beer
- “Schooner”- Often used to order a three-quarter pint of beer

The warm climate of Australia acts as a major driver towards consuming cold beer with beer sold with ice often being common in Australia. A key driver of the non-alcoholic beer niche consumption by its consumers at social gatherings.

Purchase criteria

Beer in Australia is expensive when compared to other nations in the region. This can be partly explained by the higher standards of living enjoyed by Australians, which plays out through taxation. Australia has the fourth highest taxation on beer in the world and this tax has continued to rise in recent years. The taxation is calculated by ABV which is likely to result in more consumers switching from full-strength beers to medium strength beers. Similarly, a transition from the average medium strength beer consumer to low alcohol beer is expected.

Obviously this makes price a significant consideration for consumers. Taxation on beer has also had the side effect of encouraging consumers to purchase beer in bulk rather than separately in order to save some money. Beer purchases are therefore heavily impacted by the economic health of the country with consumers likely to abstain from purchasing beers during times of financial trouble.

With regards to the emerging craft segment, consumers of this beer are likely to be less brand loyal and open to new flavours and trends. Usually, they search for lighter, more refreshing tastes and the highest quality; plus they are keen to buy products which are environmentally beneficial or good for the local economy. This has resulted however in some of Australia's larger producers of beer acquiring craft breweries across the country in order to bolster their ability to cater to this new and rapidly growing demand for innovative flavours.

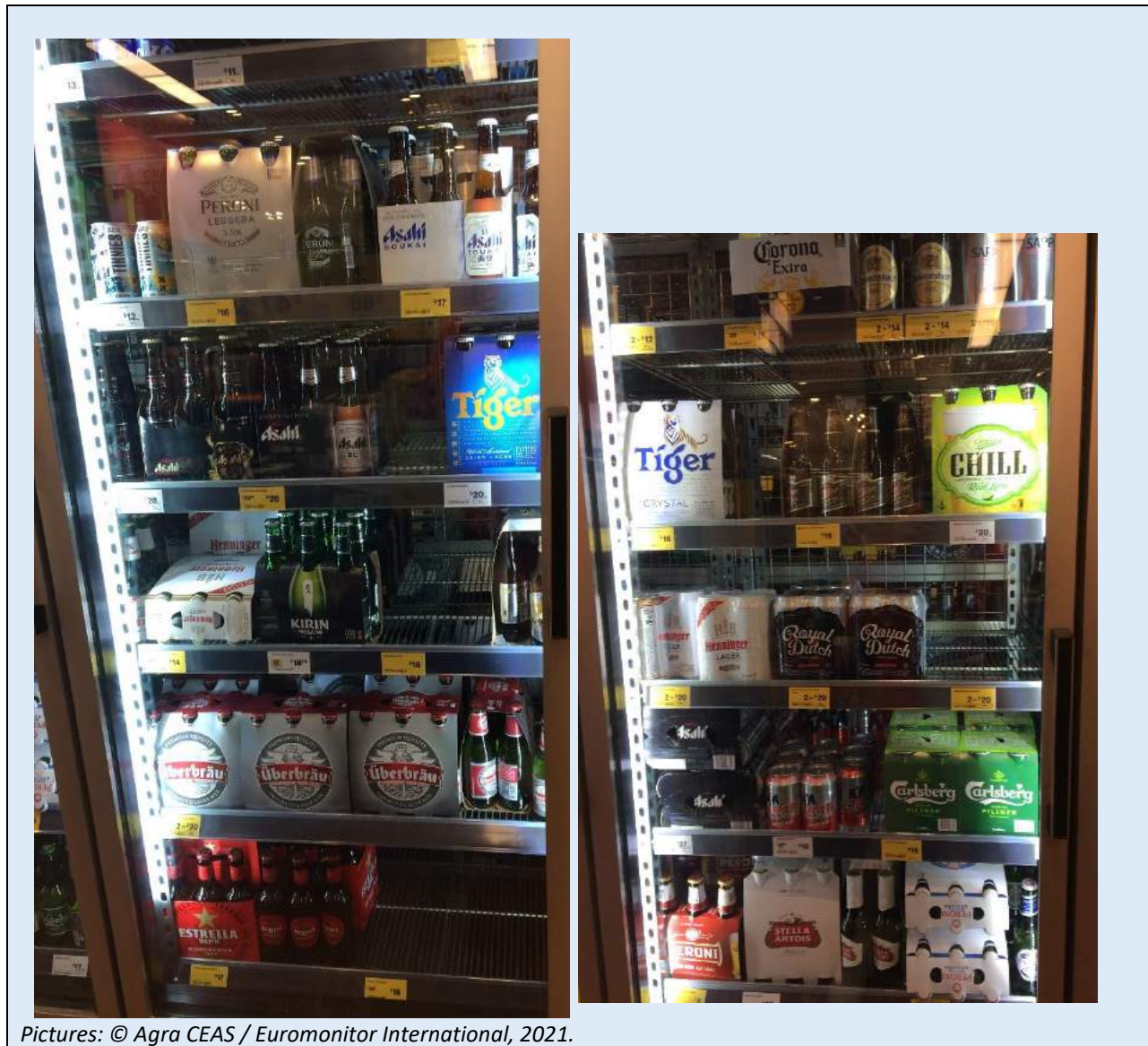
Beer on retailers' shelves in Australia

Imported beer tends to target the mid-range in Australia, with a retail price of AUD 4 to AUD 6 per 330ml. Imported beers may be found at higher prices, but this is fairly rare. Economy imported beers will generally sell at AUD 3 to 4 per 330ml.

Overall, 330ml is the most popular format – whether the container be glass or can. Both formats are common, and while glass bottles account for the majority of packaging, the popularity of cans is increasing, boosted by its association with craft beers in Australia. It is also common for 330ml beers to be sold in six packs. Nonetheless, some 500ml and 750ml products can be found (see below).



The sale of products already chilled is not uncommon (see below).



Pictures: © Agra CEAS / Euromonitor International, 2021.

5.8.3.2 Recent market trends

Beer has traditionally been the main alcoholic beverage consumed in Australia however consumption has been declining year on year from a high of around 60% of alcohol consumed in the country in 1998 to being roughly 40% in 2020, in line with wine's ascent. Indeed wine is poised to grow to become the largest consumed alcoholic beverage in the country to the expense of beer. Other reasons behind this shift include the rise in spirit sales which often has negative impacts for beer consumption levels, the rise of a health conscious consumer base and strict drink driving laws in Australia which are amongst the strictest in the world.

Craft beer and non-alcoholic beers have emerged as the fastest growing beers in recent years as consumers look for something different. Non-alcoholic beers has not had a large presence in the Australian beer market traditionally with most non-alcoholic beers coming from abroad, however younger

consumers have begun to drink non-alcoholic beers more readily and non-alcoholic beer consumption is now socially accepted. Indeed, over the last year, the shelf space in retailers dedicated to non-alcoholic beer has more or less doubled. The most popular non-alcoholic beer brand being Carlton Zero; it holds just over 1/3 of the non-alcoholic beer market. Alongside non-alcoholic beers, demand for low alcohol beer is also growing, albeit more slowly. Craft beers are also growing in popularity with an estimated 500 local breweries present throughout Australia.

The consumption of beer like other alcoholic drinks was heavily affected by the on-set of COVID-19 which saw a radical shift from on-trade consumption to off trade consumption as outlets selling beer such as bars and nightclubs were forced to close. This had a number of side effects that are likely to linger after the COVID-19 pandemic such as the increased likeliness of drinking from home and experimenting with new beer flavours that are not typically available in on-trade establishments. Imports of beer were also down due to supply chain disruptions during COVID-19.

5.8.4 Offer

5.8.4.1 Domestic production

Australian beer production has been traditionally dominated by regional producers, however after a steady stream of takeovers and acquisitions today the two largest producers are Carlton and Lion which are owned by the Asahi group holdings and Kiring company respectively. The beer industry in Australia is large and produces beer with a value of around EUR 10 billion per year, with the two largest local producers accounting for an estimated 85% of all beer consumed in the country. Roughly 103 000 jobs are sustained by the Australian beer industry through production and the supply chain. The rise in craft beer consumption has given confidence for small producers to believe they can be successful in the market, which has resulted in a large rise in microbreweries throughout the country with roughly 500 now in existence. Larger producers have noticed this rise and are increasingly acquiring some of the more popular craft breweries in the country to stay competitive in this field. There are a number of local beers associated with the states of Australia due to production with such examples including:

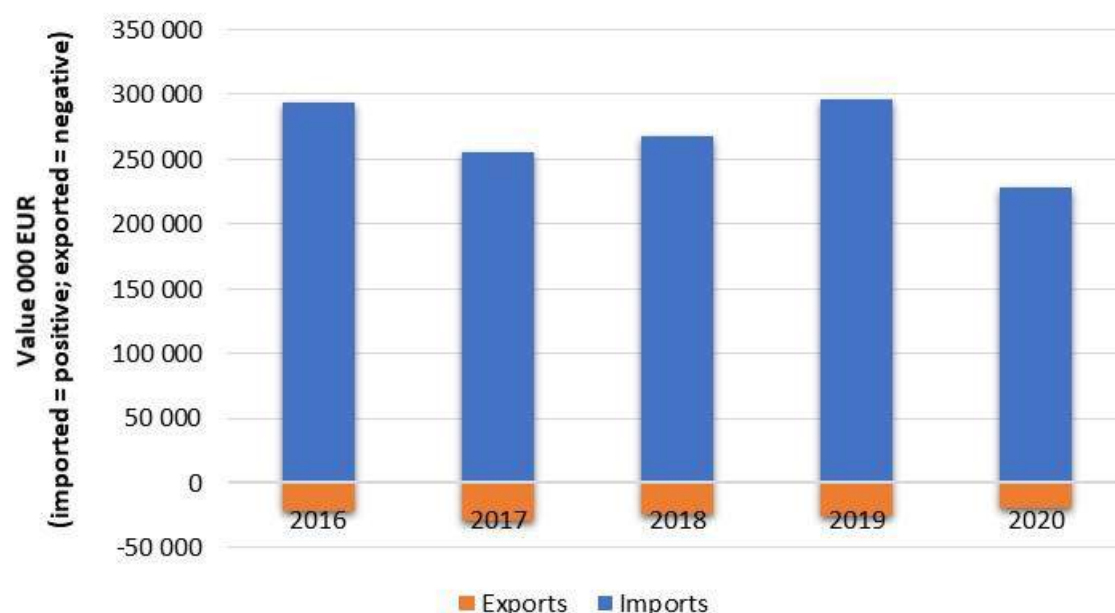
- New South Wales- Tooheys, Recshs and Tooths
- Northern Territory- NT Draught
- Queensland- Castlemaine
- South Australia: Coopers, West End and Southwark
- Tasmania: Boags and Cascade
- Victoria: Carlton Draught, Foster's Lager, Victoria Bitter and Melbourne Bitter
- Western Australia: Swan, Emu and Kalgoorlie

5.8.4.2 Imports and exports

As shown below in Figure 5-39 it can be observed that Australia imports far more beer than it exports. This however is not an indication of a low production base as most beer produced in Australia will be consumed within the country and Australian beers are generally the most popular in the country. In 2020 a total of EUR 228 million worth of beer was imported into Australia which is the lowest figure in recent

years however can largely be attributed to the outbreak of COVID-19 which resulted in less demand from on trade establishments for imported beers.

Figure 5-39: Trade balance (imports and exports) of beer in Australia, 2016-20; EUR 000



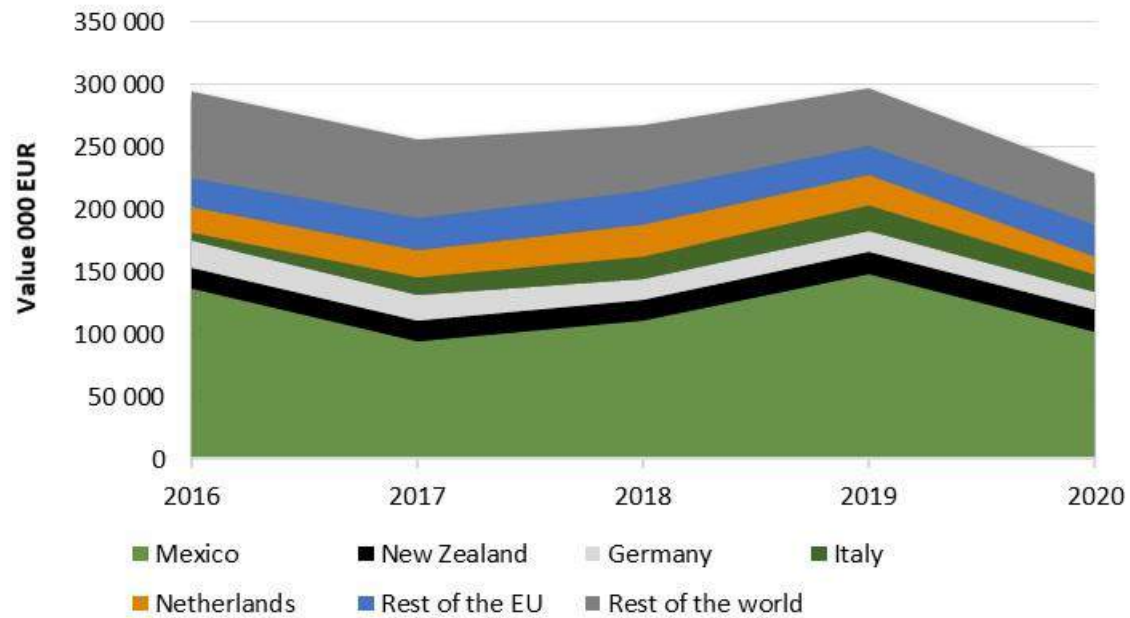
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2203.

Figure 5-40 shows that Mexico is the largest exporter of beer to Australia with the Corona beer being amongst the most popular Mexican beers in the country. New Zealand is the second largest exporter of beer and largely catering to the rise in demand for craft beers. Germany is the largest exporter from the EU with beer from the region of Bavaria in particular being popular in Australia - total German beer exports to Australia in 2020 were valued at EUR 13m. Italy is also a large exporter of beer to Australia with Peroni being a common beer consumed in Australia. Out of the top ten largest exporters of beer to Australia, five are from the EU namely Germany, Italy, the Netherlands, Belgium and Ireland. Dutch and Belgian beers are popular, while Guinness from Ireland is commonly one of the main stouts consumed in the country.¹¹²

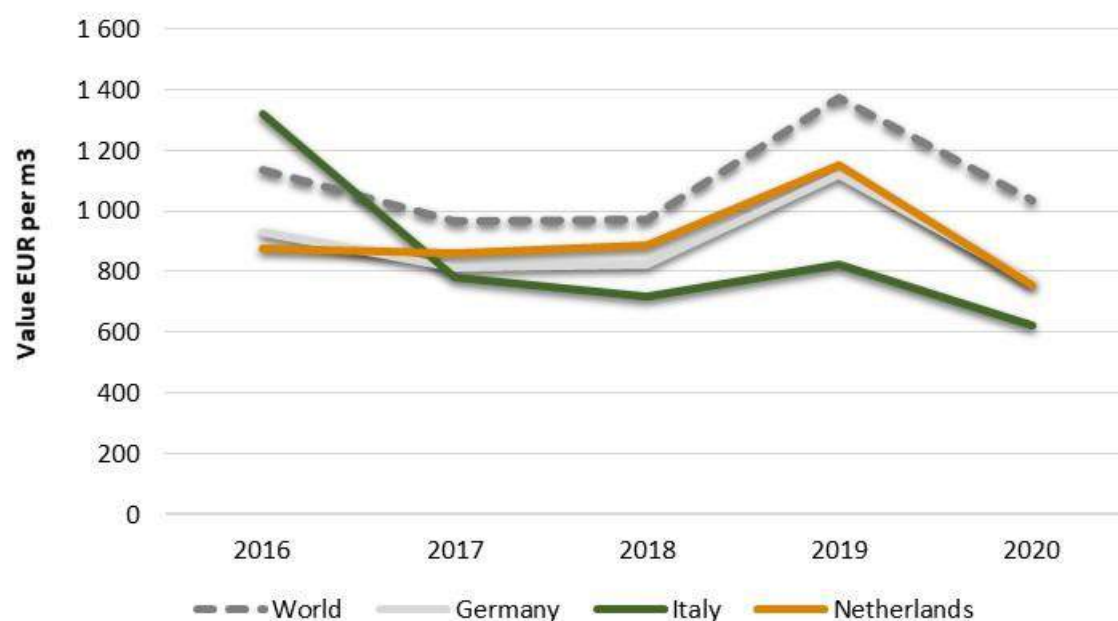
¹¹² Euromonitor International: Alcoholic Drinks, 2020.

Figure 5-40: Australian imports of beer by country, 2016-20; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
 Data for CN code 2203.

Figure 5-41 shows the unit value of Australian beer imports with Germany Italy and the Netherlands, the three biggest beer exporters from the EU all falling below the global average of EUR 1034 per m3.

Figure 5-41: Per unit value of Australian imports of beer for selected EU countries, 2016-20 (EUR per m³)

Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
 Data for CN code 2203.

5.8.4.3 EU GI products

As noted in section 4.2.4, currently GIs can be registered under trademark law in Australia as collective marks. Subsequently, no single, separate list of registered GIs for Australia exists. The best way to check if a GI has been registered as a collective mark in Australia is to check the following database:

<https://search.ipaustralia.gov.au/trademarks/search/quick>

5.8.4.4 Main competitors

The main competitors for EU beer producers come from the large presence of Australian domestic beers already in the market with producers in Australia typically relying exclusively on sales from the domestic market to remain competitive. Despite Mexico being the largest origin of imported beer by country their main beer exports concerns pale large, which offers room for EU producers of different beers. New Zealand has been actively targeting the growing craft beer scene in Australia as the country has a longer history of craft beer production compared to Australia and is also a competitor for EU craft or craft style beer producers. Generally, EU beers are held in a high regard in Australia and will be viewed as a beer of a good quality which has helped European brands to retain a significant present in the Australian market despite the pressures from domestic production .

5.8.5 Specific market entry requirements

Market Access and Entry; customs procedures

As set out in section 4.2, a permit to import goods subject to quarantine and a declaration of the manufacturer are required for beer imported into Australia. These requirements are in addition to general import requirements.

In terms of tariffs, European beers generally face a quantity tariffs of between AUD 8.89 and 51.77 per litre of pure alcohol.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general beer category (2203) from Belgium to Australia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=2203&origin=BE &destination=AU>

Standards, SPS measures

Standard 2.7.2 of the food standards code contains specific standards for beer. A link to the standard can be found here: <https://www.legislation.gov.au/Series/F2015L00384>

It defines beer as:

- a) *the product, characterised by the presence of hops or preparations of hops, prepared by the yeast fermentation of an aqueous extract of malted or unmalted cereals, or both; or*
- b) *such a product with any of the following added during production:*
 - i. *cereal products or other sources of carbohydrate;*
 - ii. *sugar;*
 - iii. *salt;*
 - iv. *herbs and spices.*

A reference to beer includes a reference to ale, lager, pilsener, porter or stout.

Labelling

Section 4.2.3 contained detailed information on the labelling requirements for alcoholic beverages, including beer. This section should be consulted for details on labelling.

As noted in that section, standard 2.7.1 contains specific provisions for the labelling of alcoholic beverage. Alcoholic beverages must bear:

- A statement of alcohol content
- A statement on the number of standard drinks in the package
- A pregnancy warning label

There are specific provisions around these three requirements; it is recommended that the standard be consulted directly for more details. It can be found at:

<https://www.legislation.gov.au/Series/F2015L00469>

5.8.6 Distribution

In 2019, on-trade sales of beer accounted for 23% of all sales by volume however this figure declined in 2020, due in part largely to the outbreak of COVID-19 and subsequent lockdown measures that were enacted by the Australian government. It is likely that on-trade sales will return to the 2019 figure once the most severe impacts of COVID-19 begin to settle. Off-trade sales have in turn continued to be the main channel of distribution for beer in Australia with a figure in 2019 of 77% of all sales. As shown in Figure 5-42, food, drink and tobacco specialists account for the majority of distribution of beer in Australia through off trade channels with an almost 89% share. E-commerce is rapidly becoming an important secondary channel; in 2019 it accounted for 6.2% of sales, having grown from 4.3% just three years earlier. Modern grocery retailers are of minor importance for beer sales.

Figure 5-42: Distribution channel overview of beer in Australia (2019); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2020.

5.8.7 Challenges for EU products

Pricing remains a challenge for EU products in the Australian market, which may dissuade price-conscious consumers. This is a result of the high taxation of Australian beers. European producers who produce beer of a low ABV content may be able to offset most this challenge to an extent. Australia exports a relatively small amount of beer, which results in domestic producers relying largely on domestic consumption to remain competitive - this in turn results in active lobbying and promotional dissuasion against consuming

foreign beers. Competition from other nations concerns mainly niche areas such as pale ales from Mexico or craft beers from New Zealand.

Market Takeaway: Beer

Consumption: Consumption of beer has been declining in recent years and is now roughly level with total consumption of wine by alcohol content. Non-alcoholic and craft beers stand out as the two fastest growing beer products in the country.

Competition: Domestic producers are the largest competitor and rely heavily on the domestic market for business sustainability, Mexico is a large pale ale competitor while New Zealand is a large craft beer competitor

Distribution: Largely distributed through food/drink/tobacco specialist who account for 88% of all off-trade sales. On-trade sales heavily impacted by the outbreak of COVID-19 while e-commerce sales have grown .

Challenges: The high costs of all beer in Australia is a significant challenge, particularly for producers of beer with a high ABV content as Australia taxes beer by ABV levels. General decline in conventional beer.

Opportunities: some structural shortages. Craft beer and non-alcoholic beer show particular potential.

5.9 Processed meat

5.9.1 SWOT analysis

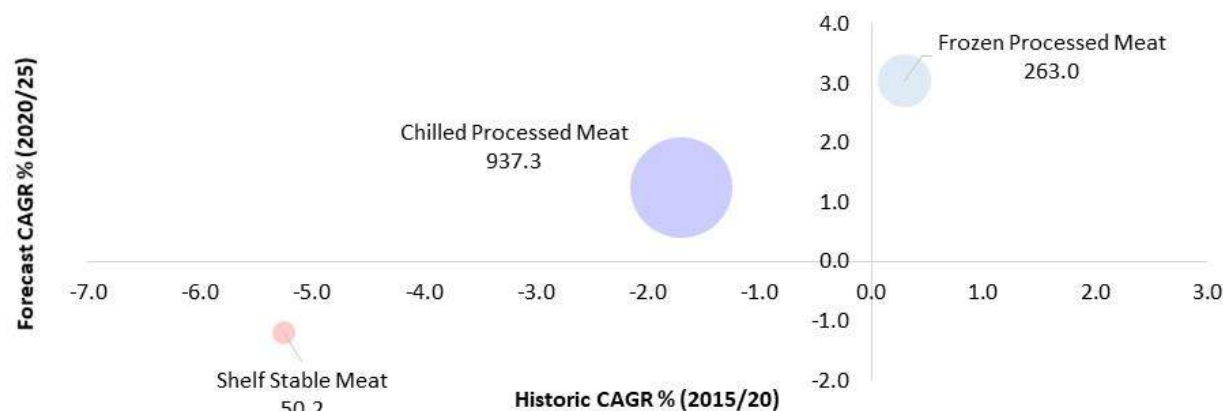
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> Fast foods commonly one of the main outlets of food present during long commutes on the highways of Australia between urban centres. Processed meats widely available and normalised in Australia. 	<ul style="list-style-type: none"> The rise of fresh meat consumption and plant-based diets is having an impact on this sector. Australia by itself is already largely able to meet domestic demand for processed meat. Australian processed meat consumption had been declining year on year until 2020, and will likely continue to decline once the impact of COVID-19 settles. Mass market fast food processed meat is the main product available.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> Processed meat substitutes are increasingly popular in Australia Products that are designed to remain durable in the harsher climates of Australia will resonate with consumers in those regions. Niche opportunities for pork-based charcuterie. 	<ul style="list-style-type: none"> New Zealand and the USA are both large exporters of processed meats to Australia and enjoy favourable trading conditions, Areas where meat plants operate and act as key drivers of employment are less likely to be attracted to EU processed meats. Getting approval to export processed meat from the EU to Australia is challenging, and regionalisation recognition is amongst other SPS challenges.

5.9.2 Consumption

5.9.2.1 Evolution of consumption

Figure 5-43 illustrates the retail value of various processed meats in Australia. Chilled processed meat is the largest market with a retail value of EUR 937m in 2020. However, the market has shrunk at 1.7% per year over the last five years, and is only forecast to partially recover with growth of 1.2% per year over the period to 2025. Frozen processed meat is the second largest segment with a market value of EUR 263m. It grew marginally over the period 2015 to 2020, but is forecast to grow more rapidly going forwards at 3% per year. Shelf stable meat is the smallest segment. Despite very recent boosts from the COVID 19 situation, it has contracted rapidly over the last five years as a whole, and is forecast to further shrink going forwards. (Figure 5-43).

Figure 5-43: Evolution and forecast of the processed meat market in Australia, 2015-2025; retail value EUR million



Source: Euromonitor International: Packaged Food, 2021.

5.9.2.2 Consumer profile and purchase criteria

Consumers

Consumers of processed meats can come from any income class and social background in Australia due to the wide-scale availability of the product in the country. In general meats, both fresh and processed, are not expensive in Australia which lessens the costs appeal of processed meats in Australia that is prevalent in other markets. Consumers across ages and income classes will instead generally lean towards a preference in taste when it comes to purchasing fresh or processed meats. One advantage that came to the forefront in 2020 was the durability of shelf-stable meats, which benefited from increased demand due to the on-set of COVID-19 this having led to concerns about the ability of supply chains to continue operating effectively. Shelf-stable meats, which had declined by 5% in 2019, saw a return to growth in 2020 largely as a result of COVID-19.

It is likely that as the effects of COVID and concerns about supply chain durability decrease that processed meats will continue their general decline in consumption in Australia which has been compounded by increased health concerns surrounding the consumption of processed meats and the increased availability of meat substitute products in the country. It should also be remembered that there are certain consumer groups which either do not consume meat, or are restricted in the meats that they eat (see section 5.1.2.2).

The imported niche for charcuterie style products in Australia is believed to be quite small. No solid data on the segment exists, but by way of indication, exports of Prosciutto di Parma to Australia in recent years have been around the 500 tonne mark per year. Consumers are likely to be the same as those of gourmet imported products more widely – i.e. middle aged, high income and married with a household of 3 to 4.

Drivers and method of consumption

Fast food outlets are one of the main drivers of processed meat consumption in Australia and every major urban centre will host a large number of them. This fact combined with fast food outlets being commonly one of the only food selling outlets located alongside the vast highways of the country that connect the distant urban centres means that fast food has become synonymous with daily Australian life. Some of the most popular fast-food restaurants in Australia include McDonald's, KFC, and Hungry Jacks, all major sellers of processed meats. BBQs which are also popular in Australia, are another major driver of processed meat consumption with hot dogs and sausages being common foods eaten during them. Australian consumption of processed meats mirror that of the other western countries in many ways and similarly the rise of healthier alternatives has had an impact on the consumption of processed meat in the market.

With regards specifically to charcuterie products, outreach to consumers may be beneficial to drive consume interest in what remains a fairly niche segment. In this context, it may be worth noting that one producer has participated in the consumer focused Good Food and Wine show, in order to achieve this aim.

Purchase criteria

As touched on, processed meats are not much cheaper than fresher alternatives. This is largely due to the large-scale production of fresh meat alternatives in the country combined with relatively high salaries which generally means consumers can choose fresh or processed meat without focusing excessively on price. Mainstream processed meats as a result do not benefit from being cheaper than some of their fresh comparators, and producers have to leverage their tastes and durability to advertise to consumers. The harsh climate of the interior of Australia, which also makes freezing fresh meat difficult, is an area that processed meats have an advantage as canned meats can be stored in this harsh climate, the major downside being that the population is low in the interior. Consumers purchasing processed meats in Australia will typically be incentivised by the taste, the method of consumption (such as a BBQ) and for those living in harsher climates the durability of processed meats over fresh alternatives.¹¹³

5.9.2.3 Recent market trends

COVID-19 resulted in processed meats finding a renewed demand from consumers as concerns about the viability of meats in retailers combined with the ability to store processed meats for a long time incentivised concerned consumers to purchase processed meats. Canned spam, sausages, and hot dogs all saw a rise in demand in 2020 after years of decline, it is however likely that this decline will continue once again after the ongoing effects of COVID-19 begin to decrease. Meat substitute products have grown substantially in recent years due to a number of factors. These include the need to have healthier diets; the rise of media coverage around the production of processed meats, which often causes a small backlash; and the demand for more sustainable products due to the effects of climate change and the impacts it is having on Australia in particular.

¹¹³ Euromonitor International: Packaged Food, 2021

5.9.3 Offer

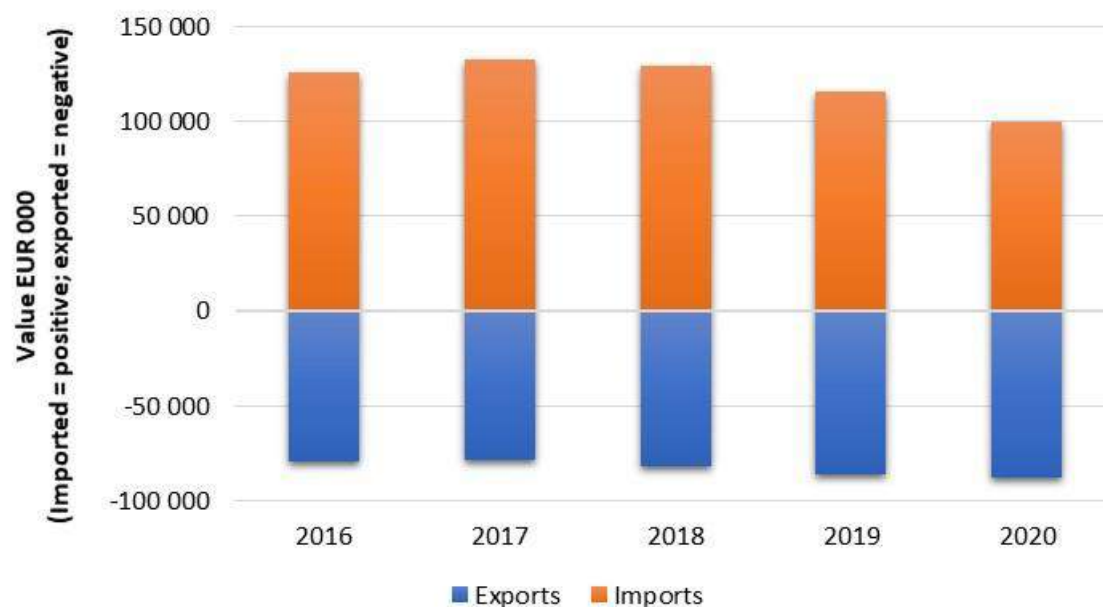
5.9.3.1 Domestic production

It is estimated that the red meat processing sector of Australia more broadly contributed roughly EUR 14 billion to the Australian economy each year; though this includes processing for fresh meat products such as cutting.¹¹⁴ Notable meat processors in Australia include Coles, Primo, and Brannan's. While the production of processed beef, poultry, lamb, and goat is high in Australia the production of pig meat and its associated processing meat remains low. Processed poultry is likely to continue growing in production as poultry consumption in general continues to grow. This has enticed producers to innovate in the areas of chilled and frozen poultry. Red meat processing production is likely to decline as consumption of this product declines.

5.9.3.2 Imports and exports

Figure 5-44 shows that Australia almost has a trade equilibrium of imports and exports of processed meats. This is largely due to imports falling in recent years while exports grew slowly. Despite this total trade of processed meat both in and out of the country is quite low. Domestic production can meet most of the demand for processed meats in Australia with only pigmeat standing out as the only fresh meat of significance that is imported into Australia. In relation to exports, most of Australia's domestically produced processed meats are sent to China, South Korea, and The USA.

Figure 5-44: Trade balance (imports and exports) of processed meat in Australia, 2016-20; value in 000 EUR

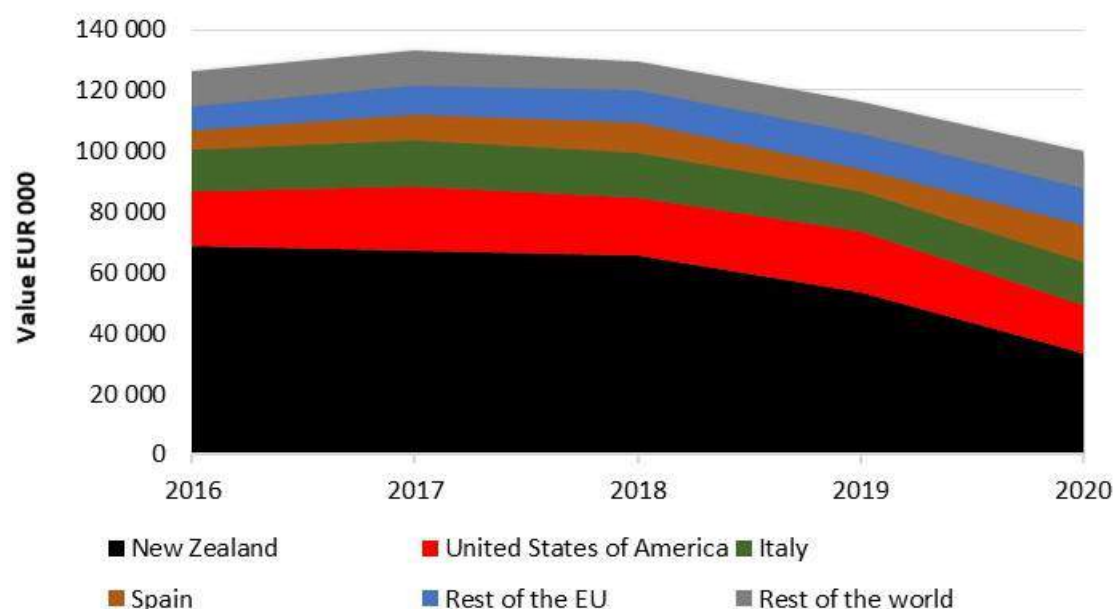


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN codes 0210, 1601, 1602.

¹¹⁴ AMPC, Australia meat processing industry, Available at <https://www.ampc.com.au/aust-meat-processing-information>

Figure 5-45 shows that New Zealand is the biggest exporter of processed meats to Australia, which can be largely be explained by the geographic location of New Zealand, the common SPS standards applying to both countries and the presence of a free trade agreement between the two countries. The United States stands as the second biggest exporter of processed meats to Australia and it too also benefits from a free trade agreement. Italy and Spain are the largest exporters from the EU. In general exports of processed meats from the EU as a whole are low.

Figure 5-45: Australian imports of processed meat by country, 2016-20; value in 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 0210, 1601, 1602.

5.9.3.3 EU GI products

As noted in section 4.2.4, currently GIs can be registered under trademark law in Australia as collective marks. Subsequently, no single, separate list of registered GIs for Australia exists. The best way to check if a GI has been registered as a collective mark in Australia is to check the following database:

<https://search.ipaustralia.gov.au/trademarks/search/quick>

5.9.3.4 Main competitors

Main competitors from outside of Australia include New Zealand and The United States, both of which have existing free trade agreements with Australia. The exportation of processed pork meat to Australia remains the largest areas of opportunity currently existing in the Australian market for processed meat producers due to low domestic production. Australian processed meats produced domestically also account for a fair segment of processed meats consumed in Australia.

5.9.4 Specific market entry requirements

Market Access and Entry

As set out in section 4.2, a permit to import goods subject to quarantine, a declaration of the manufacturer and a veterinary animal health certificate are required for fresh meat products imported into Australia. In certain cases there may be additional specific requirements (e.g. CITES). This is in addition to general import requirements.

Imports of meat products are tightly controlled. It is generally necessary for a country to have negotiated a protocol before specific meat products from that country can be exported to Australia. The terms of this protocol may determine additional requirements. Furthermore, the situation may change due to e.g. disease outbreaks. Australia maintains a database (BICON) with updated requirements by product and it is highly recommended that this be consulted. It can be found at:

<https://bicon.agriculture.gov.au/BiconWeb4.0/>

Tariffs on processed meat products vary:

- There are no tariffs for those under 0210
- Those under 1601 and 1602 generally face a 5% tariff with a few exceptions

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – smoked, salted and meat in brine category (0210) from Spain to Australia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=0210&origin=ES&destination=AU>

Standards, SPS measures

Standard 2.2.1 of the food standards code contains the standards for fresh meat. It contains various definitions for certain types of meat product such as those sold as sausage. The standard can be found here: <https://www.legislation.gov.au/Series/F2015L00427>

As noted in section 4.3.4, there are multiple barriers with SPS related impacts relevant to meat. More specifically:

- Lack of recognition of regionalisation in the EU (notably for African swine fever).
- Requirements for porcine reproductive and respiratory syndrome (PRRS), unless a separate condition has been negotiated (Denmark has such a condition).
- Cooked meat cannot generally be exported to Australia. Australian Authorities allow to exclusively export salami, not cooked, seasoned for at least 400 days, and obtained from meat of pigs born, reared and slaughtered in the same Member State – this constitutes a barrier for products such as the Italian GI “Mortadella Bologna”. Heat treatment and deboning restrictions may also constrain impacts of other charcuterie products.

- There are restrictions on regions which can export some products to Australia; for example, only 10 of 12 Italian regions can export their pork products at present.
- Restrictions on bovine animals and products due to BSE.

It is recommended that these sections be consulted for full details.

Equivalency agreements have been negotiated between some Member States and DAWE, allowing slightly preferential treatment of imports from these countries. Nonetheless, conditions are still generally strict under these agreements. At the time of writing, agreements notably exist for:

- Certain varieties of cured ham from Spain and Italy
- Foie gras from France

Labelling

Section 4.2.3 contained detailed information on the labelling requirements for packaged foods in general. Standard 1.2.1 contains specific requirements for labelling which may apply to certain meat products. This section should be consulted for details on labelling. It should be remembered that there is country of origin labelling in Australia. More information on this can be found at: <https://www.accc.gov.au/consumers/groceries/country-of-origin>

5.9.5 Distribution

Figure 5-46 outlines the main distribution channels from processed meat in Australia. Modern grocery retailers dominate the landscape, led by supermarkets with a 78% share. Discounters account for a further 19%. E-commerce and traditional grocery retailers each account for 1.5%.

Figure 5-46: Distribution channel overview of processed meat and seafood in Australia (2020); retail value



Source: Euromonitor International: Packaged foods, 2021.

5.9.6 Challenges for EU products

The approval process for processed meat products entering the Australian market is long and extensive, and approval can take many years. EU processed meats will be entering a market that has seen a decline in overall processed meat consumption in recent years with 2020 being a rare exception and should consider appropriate innovation practices in areas of tastes and durability in order to be competitive in the Australian market. The market is also primarily geared towards products such as hamburgers, sausages and fast food, rather than charcuterie; with considerable effort and a stable presence generally needed to have some success with charcuterie products .

Market Takeaway: Processed meat

Consumption: Consumption has been declining in recent years with 2020 being a rare exception and largely explained by the impact of COVID-19 on Australian supply chains. Consumption likely to continue declining after COVID-19 due to a combination of health concerns and the rise in demand for sustainable alternatives,

Competition: New Zealand and the USA present themselves as the largest competitors for EU processed meats and have favourable trading agreements with Australia and SPS access, the largest overall competitor however comes from domestic producers in the country.

Distribution: three-quarters of sales come from modern grocery retailers such as supermarkets and hypermarkets, independent grocers are also a notable distribution channel accounting for roughly 14% of sales.

Challenges: A market with declining processed meat consumption combined with another large processed meat producer in the region, New Zealand is the biggest feasibility challenge for EU producers, while the long SPS approval time to enter the Australian market is a large practical challenge.

Opportunities: Swine meat is produced at a lower level in Australia than other meats and imports of processed meats are overwhelmingly Swine meats. This presents opportunities for large swine-producing member states such as Italy and Spain, while bearing in mind the challenges set out above.

5.10 Ice cream

5.10.1 SWOT analysis

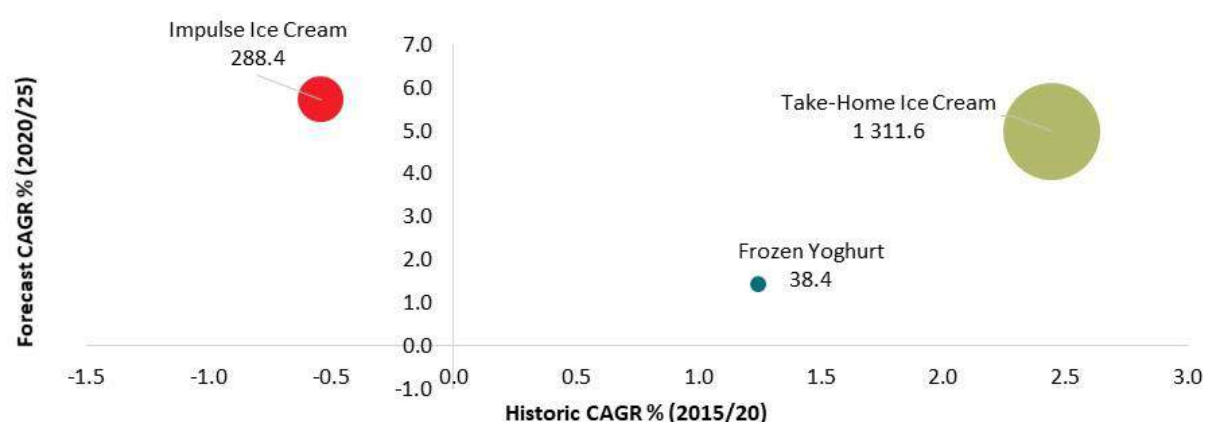
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> Large market with ice cream popular. Wide range of flavours and consumer willingness to try new flavours. 	<ul style="list-style-type: none"> Large multinationals hold the strongest position in the market. The market is distant, meaning logistics costs with cold storage may be high.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> Take home ice cream has benefitted from the pandemic. Structural shortage means ice cream imports required. Premiumisation trend. 	<ul style="list-style-type: none"> Local producers well plugged in to local trends, including with respect to flavours. Dual local competition from multinationals and artisanal producers.

5.10.2 Consumption

5.10.2.1 Evolution of consumption

The whole ice cream market in Australia is worth EUR 1.6bn. Take-home ice cream accounts for the vast majority, as shown in Figure 5-47. The category was worth EUR 1.3bn in 2020; it grew at 2.4% per year in the five preceding years and is forecast to grow at 5% per year going forwards. Impulse ice cream is the second largest segment at EUR 288m. Though it has shrunk in the last five years it is forecast to grow at a rapid 5.7% per year going forwards. The market for frozen yoghurt is quite small at EUR 38m; it has both grown and is forecast to grow at just over 1% per year.

Figure 5-47: Evolution and forecast of the ice cream market in Australia, 2015-2025; retail value EUR million



Source: Euromonitor International: Packaged Food, 2021.

5.10.2.2 Consumer profile and purchase criteria

Consumers

Australia is one of the countries with the highest ice cream consumption worldwide, and thus Aussies love ice cream.¹¹⁵ Consumers are spanning all groups of society from younger to older inhabitants as well as lower to higher income. However, depending on the income levels consumers may prefer different ice cream categories in price terms. Over 90% of people are consuming ice cream in general, most of them more than once a year. In particular, kids love ice cream, however, the biggest contributors to ice cream consumption are smaller households without kids (1-2 person) such as independent singles, young and senior couples.¹¹⁶

Drivers and method of consumption

One of the main drivers of ice cream consumption is seasonality. The summer months especially drive the ice cream consumption in Australia. It is important to keep in mind that the Australian seasons are opposite to the ones in the northern hemisphere and thus, summer is from December to February. Ice cream sales usually peak around December.

Due to the COVID-19 pandemic, people spend an increasing amount of time in their homes, often away from many people, and some disposable incomes have declined. As a result, consumers increasingly bought ice cream to enjoy at home and only with friends and family. Value for money became key due to the decreasing disposable income. Due to the closure of foodservice establishments, eating out or having ice cream on the go became less popular.

However, this is expected to change the more Australia is opening up and once the pandemic is over, with consumption patterns returning more to normal. According to these more normal patterns, people generally enjoy their ice cream on hot days together with friends and family. The peak purchasing times usually are between 2-4 pm and 8-10 pm.¹¹⁷

Australian consumers enjoy ice cream a lot because of its indulgence aspect. Everyone can find something fitting to its taste due to the availability of a wide range of tastes, sizes, etc. It is seen as an enjoyable treat.¹¹⁸

Purchase criteria

Due to the negative economic influences of the COVID-19 pandemic, consumers pay more attention to **value for price**, which is why bulk ice cream is a common choice at present. In particular, because it can easily be stored at home for a long time and consumers can indulge it whenever they feel like it because they had to stay home more than usual due to the pandemic.

¹¹⁵Consumer and Market Insights: Ice Cream Market in Australia. Available at: <https://store.globaldata.com/report/cs1921mf--consumer-and-market-insights-ice-cream-market-in-australia/>

¹¹⁶Australians love for ice cream still growing. Available at: <https://insidefmcg.com.au/2017/03/21/australians-love-for-ice-cream-still-growing/>

¹¹⁷ Ice Cream Season: Is It Over Already? Available at: <https://squareup.com/au/en/townsquare/ice-cream-report>

¹¹⁸ Euromonitor International: Packaged foods, 2021.

The demand for affordable treats is forecast to continue, however, consumers also value **indulgence** and thus often choose more **premium** and luxury ice cream products, including the demand for artisanal products. Australian consumers have developed a more sophisticated palate. The increasing **health awareness** is in line with this. Health-conscious consumers prefer to purchase ice cream which is low in calorie or sugar. In combination with the rising **environmental awareness** health-conscious consumers also more often choose vegan, raw and generally lactose-free ice cream options.¹¹⁹

One of the main purchase criteria is and probably will always be the **flavour**. In 2020 the top 10 flavours were the following: Vanilla, Chocolate, Strawberry, Peanut butter, chocolate chip, Neapolitan, Caramel, Coffee, Cookies & Cream, Honey, and Fairy Floss. While these are more or less more traditional, in particular the first three flavours, Australians increasingly choose exotic and non-traditional flavours such as pandan, yuzu durian or lavender, rhubarb, rose, ginger, custard and black sesame.¹²⁰ The choice of non-traditional flavours also is in line with the premiumisation/indulgence trend. Moreover, more than 7/10 Australians purchase ice cream on a stick rather than ice cream cones or other options.¹²¹

5.10.2.3 Recent market trends

In the last years the following trends in particular have been shaping the ice cream category:

Indulgence and flavours

Many manufacturers focus on creating new flavours for their customers. 2020 ice cream launched included flavours such as rose and saffron to appeal to adventurous Australian consumers but also many others targeting other consumer types. New exotic fruit flavours and flavour combinations are popular as well. Consumers are interested in trying out new flavours, which enrich their experiences.

Experimental marketing favouring personalisation and premiumisation

As is the case for other food items as well, consumers are increasingly looking to purchase experiences rather than just ice cream. Indulgence is highly important for consumers, which is why manufacturers need to come up with a lot of new ideas such as flavours, but also premiumisation and personalisation options. Experimental marketing in the ice cream sector has become one of the main strategies to grow value sales. For example, Magnum opened “Pleasure Stores” where customers can create their own Magnum ice cream bars choosing from a range of different dipping. Customers can even order their customised magnum ice cream bars through Uber Eats.

Personal and environmental health trend

Due to the increasing environmental and personal health awareness of Australian consumers, manufacturers need to offer a variety of new products in line with this trend. Demand for low in sugar or lactose-free, as well as high in protein ice cream is increasing as well as the demand for vegan ice cream

¹¹⁹The big scoop- Australia’s ice cream habits. Available at: <https://blog.retail.org.au/newsandinsights/the-big-scoop-australias-ice-cream-habits>

¹²⁰Australians love for ice cream still growing. Available at: <https://insidefmcg.com.au/2017/03/21/australians-love-for-ice-cream-still-growing/>

¹²¹ Euromonitor International: Packaged foods, 2021.

or ice cream with native Australian ingredients such as Bush Honey, pear, lime, Davidson plum or cinnamon myrtle. Different flavours in general tap into the different wellness and health attributes that consumers are looking for. It is expected that leading players will continue to follow this trend, in particular, because the gap between taste and nutrition is narrowing and healthier ice cream options are expected to be normalised at some point.

5.10.3 Offer

5.10.3.1 Domestic production

The Australian ice cream market is increasingly getting fragmented due to many new smaller players as well as artisanal manufacturers and their premium offerings. Artisanal ice cream manufacturers and shops can be found all over the country and are very popular due to their high-quality offerings.

However, the leading ice cream companies in Australia are big international ones. Sales by Australasian Food Group in 2020 accounted for around 30% of the sector's value, followed by Unilever Australia with 25% and Regal Cream Products with ~15%. The headquarter of the Australasian Food Group is located in Mulgrave, Victoria, Australia. Regal Creams Products is headquarters in Derrimut, Victoria, Australia and thus an Australian company as well.¹²² Even though Unilever Australia is not an Australian company, it still has an ice cream factory in Australia (Minto, New South Wales), where it since 2021 produces the popular Weis ice cream line. The original Weis factory closed at the end of 2020 in Toowoomba, Queensland.¹²³

Bulla, which is a Regal Cream Products brand, is the second most popular ice cream brand in Australia. Bulla is an Australian-owned dairy company that manufactures a range of ice cream. The brand was established in 1910 and ever since has been managed by three inter-related families.¹²⁴ Peters Ice Cream is Australia's favourite ice cream brand in Australia. The brand is Australian, however is a subsidiary of the European food firm Froneri. Other important brands are Blue Ribbon, Magnum and Ben & Jerry's.

5.10.3.2 Imports and exports

Australia is by far a net-importer of ice cream as shown in Figure 5-48. In 2020 the country imported ice cream with a value close to EUR 61m and exported ice cream with a value of around EUR 30m and thus

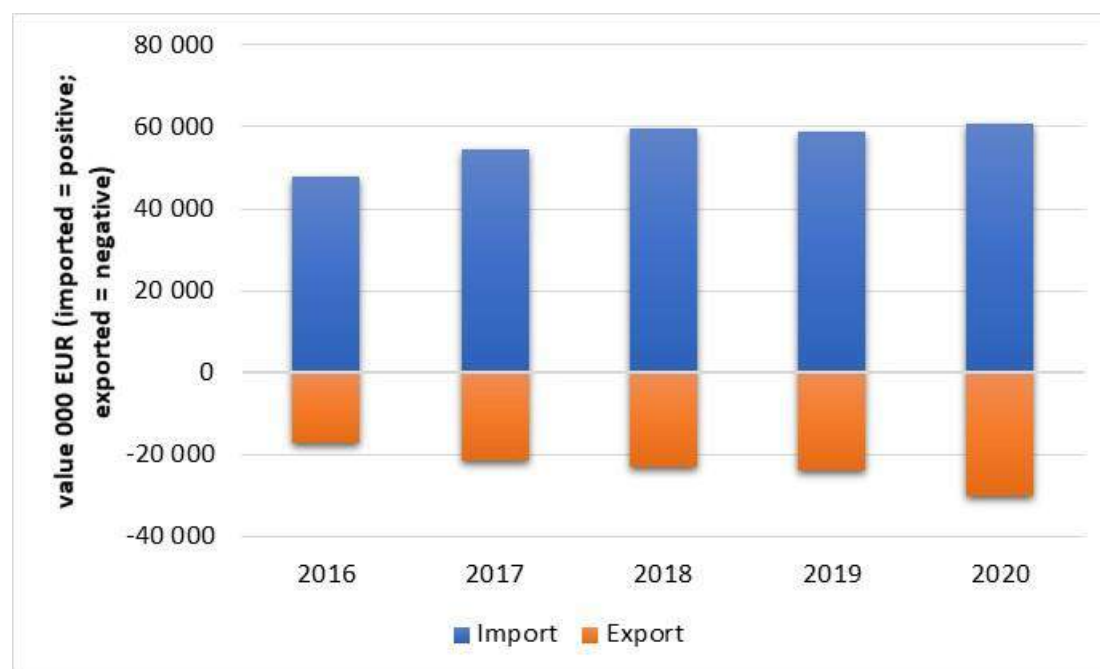
¹²² REGAL CREAM PRODUCTS PTY. LTD. Available at: <https://www.dnb.com/business-directory/company-profiles/regal-cream-products-pty-ltd.c3006cd321efd8743a430f0df9a50ad9.html>

¹²³ Unilever to close original Weis ice cream factory and move production to NSW. Available at: https://www.foodbev.com/news/unilever-to-close-original-weis-ice-cream-factory-and-move-production-to-nsw/?_cf_chl_jschl_tk=_95eeb5ab1cd144ec8adf4ec88f438ed1a8af1894-1617102093-0-ATnctiayaqQTIZbGITEZyKzDe-pgGUEPII5XXIjdEBepq5tFBeWGORXl1gLOHhPAaVyhZdMYS-G290S9aivSNzUgA-L834u7gryEQmKR72nUpXNGtC9cXCIA8g9jr7s2ClcY-UFhwsjAZQZFdt0nthNLdbaNx9KDeO-6-IWsxVfRefWReaMIh3P3IafZDND8OQHlNxyla7S2Kn17ytQEH6fdkAhTdpWz0m2AS0hauNxsU5FS9NxCreugPLo1C9q1J_uZGytgsoPNCMDMNpu5aXyHzYBgthtWK9tmlZdBtCuPoJv6P4_4fpB44qmV-w9EGk-cSbbgUr5iNlrGDmpt-iR13rPGEg1ttPHNteQEWo20h8usQ1FVQN9xxzK8Ts8JcxuSzHQBhU34V4u-1tf8i0ZsfhAZmutLgm2ClgqlbNQPCrTy2EDSiRyUwgjvvZsWOHBXK1Tya6uFkQK8xC1BLK1ctm0Rvz7ky0swBgVW534RKd

¹²⁴ Bulla Dairy Foods founded <https://australianfoodtimeline.com.au/bulla/>

the imported value was twice as much as the exported one. Since 2016 imports, as well as exports, have been more or less increasing. The Australian ice cream imports rose by approximately EUR 18m, which means about 21%. The exports increased less value-wise by about EUR 13m, but more percentage-wise by around 43%.

Figure 5-48: Trade balance (imports and exports) of ice cream in Australia, 2016-20; tonnes

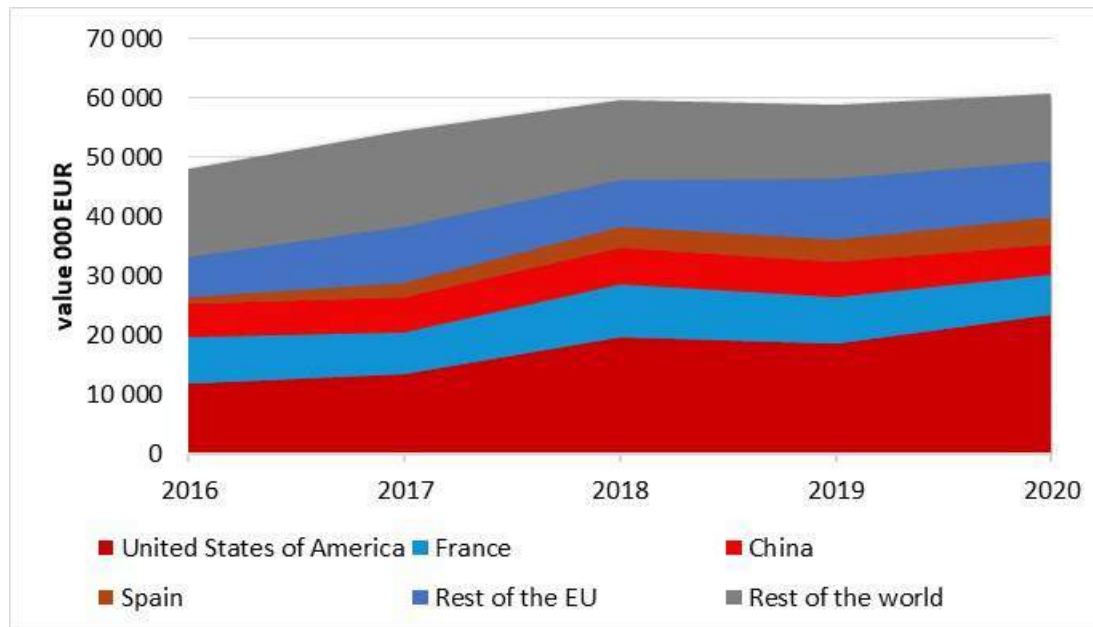


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2105.

The largest exporter of ice cream to Australia is the US, which exported ice cream with a value of around EUR 23m in 2020, followed by France with close to EUR 7m as shown in Figure 5-49. China ranked third with a value of EUR 5m and Spain fourth with a value of around EUR 4.6m. Even though the US dominates the Australian import market, five out of the top ten ice cream exporters are from the EU (also including Hungary, Italy and Netherlands). Together these five countries accounted for over 30% of the total value of ice cream imports. The exports from the rest of the EU's together are important as well as depicted by the big part they make up in the graph.

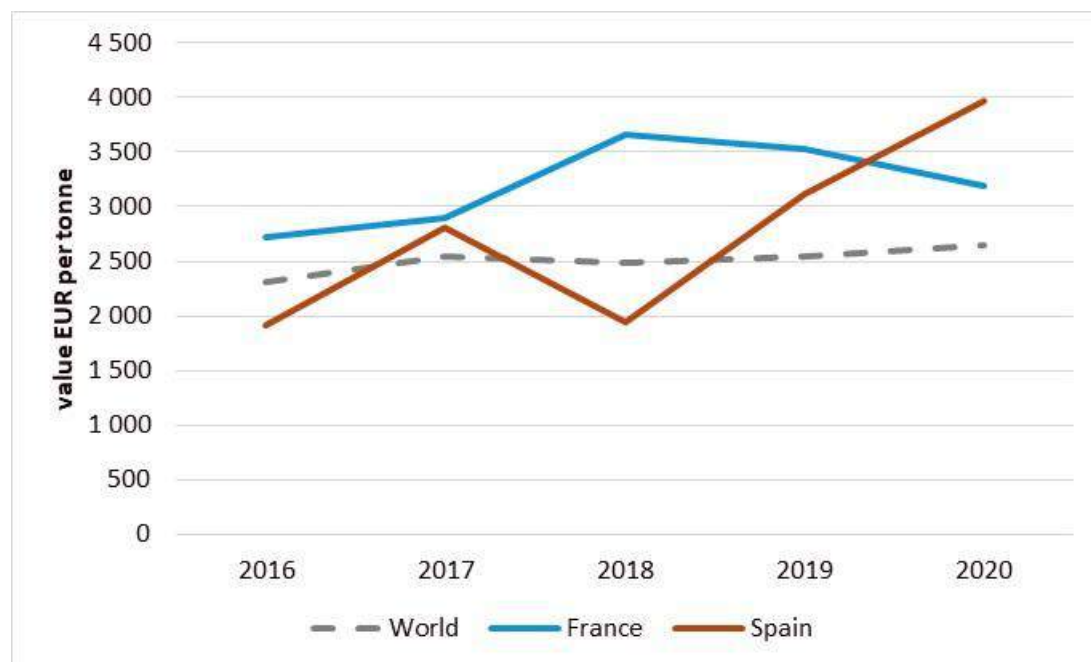
Figure 5-49: Australian imports of ice cream by country, 2016-20; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
 Data for CN code 2105.

The world's unit value of ice cream exports to Australia was around EUR 2 650 per tonne in 2020 as depicted in Figure 5-50. Ice cream unit values from the two main exporting countries from the EU are higher than the world's average. France's unit value in 2020 was about EUR 3 200 per tonne and Spain's unit value of ice cream was even higher than that at around EUR 4 000 per tonne and thus close to 35% higher than the world's average. Since 2016 the world's average has been slightly increasing whereas the ones for France and Spain evolved not as steady, but more in an up and down movement. In 2016 and 2018 the average of the Spanish exports went below the world's average, whereas France's average remained above it.

Figure 5-50 Australian of ice cream by country, 2016-20; Value EUR per tonne



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 2105.

5.10.3.3 EU GI products

As noted in section 4.2.4, currently GIs can be registered under trademark law in Australia as collective marks. Subsequently, no single, separate list of registered GIs for Australia exists. The best way to check if a GI has been registered as a collective mark in Australia is to check the following database:

<https://search.ipaustralia.gov.au/trademarks/search/quick>

5.10.3.4 Main competitors

Australia itself is a big competitor due to its high ice cream production. Many big international companies have their headquarters in Australia and even if they do not, they still have ice cream production facilities in the country. The Australasia Food Group, Unilever Australia and Regal Cream Products are the main competitors. Competition in the export market is high as well. The US and China are the two countries exporting ice cream to Australia from outside Europe. However, EU countries, namely France and Spain rank second and fourth and can compete with the first two, which rank first and third.

5.10.4 Specific market entry requirements

Market Access and Entry; customs procedures

As set out in section 4.2, a permit to import goods subject to quarantine, a declaration of the manufacturer and an authorisation of foreign foodstuff manufacturers are required for ice cream imported into Australia. These requirements are in addition to general import requirements.

In terms of tariffs, ice cream faces an ad valorem tariff of 4%.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general ice cream category (2105) from France to Australia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=2105&origin=FR&destination=AU>

Standards, SPS measures

Standard 2.5.6 of the food standards code contains specific standards for ice cream. The standard can be found at the following link: <https://www.legislation.gov.au/Series/F2015L00424>

It contains a definition and requirements. These are:

Definition: *ice cream means a sweet frozen food that is made from cream or milk products or both, and other foods, and is generally aerated.*

Requirements: *a food that is sold as ‘ice cream’ must:*

- a) *be ice cream; and*
- b) *contain no less than:*
 - i. *100 g/kg of milk fat; and*
 - ii. *168 g/L of food solids.*

Labelling

Section 4.2.3 contained detailed information on the labelling requirements for packaged foods. This section should be consulted for details on labelling.

5.10.5 Distribution

As shown in Figure 5-51, the distribution landscape in Australia for ice cream is more fragmented than it is for most packaged food goods. Supermarkets account for the largest share of distribution with 53%. Independent small grocers are the second most important channel with 16%. Forecourt retailers and convenience stores each account for around 10%, with discounters accounting for 7%. E-commerce is surprisingly growing in popularity and accounted for 1.5% of sales in 2020.

Figure 5-51: Distribution channel overview of ice cream in Australia (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

5.10.6 Challenges for EU products

A notable challenge is to compete with big international companies dominating the market such as the Australasia Food Group, Unilever Australia and Regal Cream Products as well as to find a unique place in the market. Due to the premiumisation trend, there are good opportunities for EU products because they are often seen to be of high quality, and may be higher priced (as reflected by the unit value of imports). Nonetheless, it can be challenging to keep up with the latest marketing, health and flavour trends.

Market Takeaway: Ice cream

Consumption: Popular product with a wide range of consumers, though families the main consumers.

Competition: multinationals have the strongest position; rest of the market quite fragmented. Structural shortages.

Distribution: supermarkets most popular; small independent grocers are next.

Challenges: To compete with big international companies with a strong position in the market, and local producers plugged in to trends.

Opportunities: take home ice cream has been on an upward trend. Premiumisation trend.

5.11 Processed fruit and vegetables

5.11.1 SWOT analysis

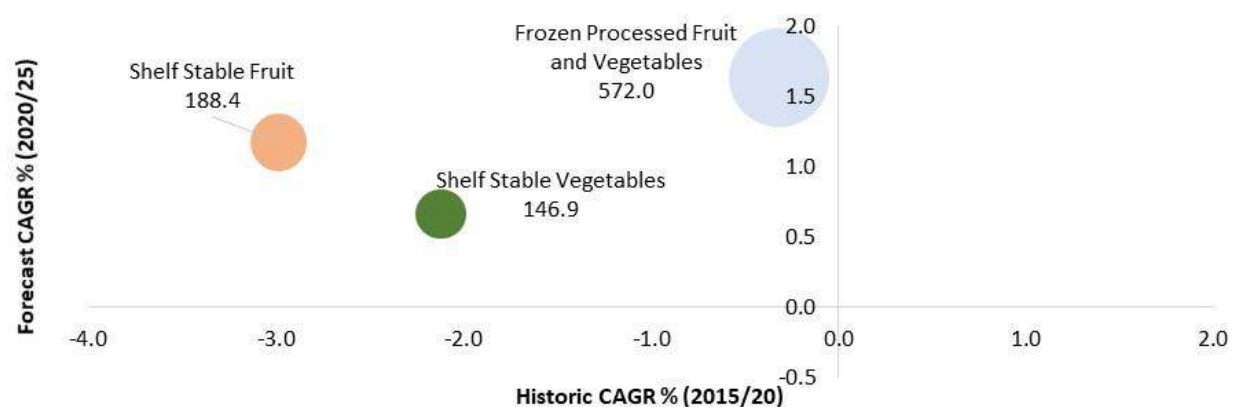
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> Domestic production of processed fruit and vegetables is small compared to other sectors. Many EU speciality goods such as French fries and organic processed fruit and vegetables remain popular in Australia. 	<ul style="list-style-type: none"> Consumption of processed fruit and vegetables has been declining in recent years through a rising healthy dietary trend driving consumers to fresh produce. Australian purchases of processed fruit and vegetables are heavily influenced by externalities such as the price of fresh fruit and vegetables.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> Products that offer convenience and innovate toward proving more health benefits for consumers will attract attention in Australia. Many processed fruit and vegetable products produced in the EU are also popular in Australia such as frozen potatoes and vegetables. 	<ul style="list-style-type: none"> Backlash by Australian processed fruit and vegetables producers against European and foreign imports has resulted in slight resentment of these products in the market Australian producers have shifted towards healthier alternatives which threaten a slight advantage EU producers had in the market.

5.11.2 Consumption

5.11.2.1 Evolution of consumption

Frozen fruit and vegetables are by the largest category in Australia, with a market worth EUR 572m. Shelf stable fruit and shelf stable vegetables have fairly similar market sizes of EUR 188m and EUR 147m respectively. All segments have shrunk over the last five years – by between 0.3% and 3% per year; and all are forecast to recover somewhat in the coming five years, with growth of between 0.7% and 1.6% per year (Figure 5-52).

Figure 5-52: Evolution and forecast of the processed fruit and vegetable market in Australia, 2015-2025; retail value, EUR million



Source: Euromonitor International: Packaged Food, 2021.

5.11.2.2 Consumer profile and purchase criteria

Consumers

Consumption of processed fruit and vegetables had been declining in recent years in Australia due to the rise in demand from consumers for fresher alternative products and fears about the levels of preservatives and sugars in processed fruit and vegetables. This decline was halted however due to the on-set of COVID-19 which saw demand for processed fruit and vegetable increased, spurred by consumers seeking products that can be stored for a prolonged period of time and supply shortages of fresh fruit and vegetables. Processed fruit and vegetables also suffered supply shortages as consumers rushed to the supermarkets to purchase products such as canned tomatoes and frozen vegetables which led to retailers implementing restrictions on the number of products consumers could purchase. Consumers are likely to continue moving away from processed fruit and vegetable products post-COVID-19 as health concerns persist. Consumers of processed fruit and vegetables can be found across all of Australia however in certain environments such as the harsh interior of the country it is likely that processed fruit and vegetables will be consumed more than in urban centres as access to fresher alternatives is more difficult.

Drivers and method of consumption

A major driver of processed fruit and vegetable products is the convenience they bring to consumers combined with their ability to be stored for a prolonged period which became a major driver during the COVID-19 lockdown. French fries and smoothies stand out as two popular processed fruit and vegetable products in Australia and are widely available throughout the country, consumers value how quickly these products can be delivered to them and this has allowed these two products to withstand most of the general decline in consumption for processed fruit and vegetables. In 2020, fresh fruit and vegetables reach an all-time high in relation to pricing. This dismayed price-sensitive consumers who instead turned to processed fruit and vegetables. However as prices of fresh fruit and vegetables stabilise and decline it is likely these price-sensitive consumers will return to fresh fruit and vegetables.

Purchase criteria

Purchase criteria for processed fruit and vegetables largely revolve around the preference of taste and durability of processed fruit and vegetables with pricing mainly being a factor of demand depending on the costs of fresh fruit and vegetables. Consumers of all income classes and age groups may readily purchase processed fruit and vegetables if they have access to them, however as discussed, health trends are negatively impacting sales of processed fruit and vegetables with many producers shifted towards making healthier alternative such as processed fruit and vegetables without sugar or added preservatives in an effort to fight off competition from fresh alternatives.

5.11.2.3 Recent market trends

The on-set of COVID-19 led to a spike in demand for processed fruit and vegetables due to stay at home orders and the demand for products that have a long shelf life. This, in turn, saw processed fruit and vegetable sales grow for the first time in years. However, it is likely that total consumption of processed fruit and vegetables will decline post-COVID. The demand for healthier products and concerns about the ingredients added to processed fruit and vegetables has led to negative sales which will likely continue

post-COVID-19. Many producers have now shifted production towards products without sugars or added preservatives in an effort to entice lost consumers back to their products with these properties increasingly becoming necessary to resonate with Australian consumers. Processed potatoes stand out as a product that is increasingly popular in Australia with European producers increasingly targeting the Australian market for French fries, which has led to concerns from local producers.

Frozen processed fruit and vegetables have been more popular in Australia for a while, with the majority of households having the capacity to store frozen processed fruit and vegetables for a prolonged period of time. Shelf-stable processed fruit and vegetables grew in popularity due to the COVID-19 pandemic with shelf-stable beans standing out as a key product that saw a rise in sales. Overall however this can be considered a one-off event and it is likely that shelf-stable processed fruit and vegetables will not continue such strong growth in the coming years.

5.11.3 Offer

5.11.3.1 Domestic production

Processed fruit and vegetable production in Australia is small compared to its much larger fresh fruit and vegetable sector. Generally, it is one of the main sectors that is influenced by the import of cheaper products from abroad which has disincentivized many domestic producers in the country from investing significant capital into the processed fruit and vegetable market. Some of the larger producers of processed fruit and vegetables in Australia include Simplot, Coles, and SPC Ardoma with foreign producers such as McCain Foods also having a large presence in the market. Private label products are also present.

Fears about general processed fruit and vegetable decline due to health concerns have spurred many of these producers to innovate in order to continue attracting consumers with examples including SPC Ardoma introducing organic tomatoes in 2019. Overall, foreign processed fruit and vegetables have a much larger relative presence in Australia than in more or less any other major food and beverage sector.

5.11.3.2 Imports and exports

Identifying data on trade in processed fruit and vegetable product is extremely complicated due to the number of different lines under which such products can be imported. Data on trade in processed fruit and vegetables is ultimately captured under the trade data for fruit and vegetables in section 5.2.3.2.

5.11.3.3 EU GI products

As noted in section 4.2.4, currently GIs can be registered under trademark law in Australia as collective marks. Subsequently, no single, separate list of registered GIs for Australia exists. The best way to check if a GI has been registered as a collective mark in Australia is to check the following database:

<https://search.ipaustralia.gov.au/trademarks/search/quick>

5.11.3.4 Main competitors

The processed fruit and vegetable market in Australia is fragmented between a number of producers with Simplot Australia having roughly a 20% market share and having a number of key brands such as Raguletto and Five Tastes. Coles and SPC Ardoma have a market share of roughly 10% respectively with Coles also being a large fresh fruit and vegetable producer and having links to many of Australia's largest retailers such as Woolworths. While it is not possible to isolate data on imports, overall imports play a notable role in the market.

5.11.4 Specific market entry requirements

Market Access and Entry

As set out in section 4.2, a permit to import goods subject to quarantine, a declaration of the manufacturer and a phytosanitary certificate are required for processed fruit and vegetables imported into Australia. A certificate of fumigation will likely be required. This is in addition to general import requirements.

Fruit and vegetable imports, including processed ones are tightly controlled. Australia maintains a database (BICON) with updated requirements by product and it is highly recommended that this be consulted. It can be found at:

<https://bicon.agriculture.gov.au/BiconWeb4.0/>

In terms of tariffs, processed fruit and vegetables generally attract tariffs of between 0% and 5%.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – Frozen vegetable category (0710) from Belgium to Australia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=0710&origin=BE&destination=AU>

Standards, SPS measures

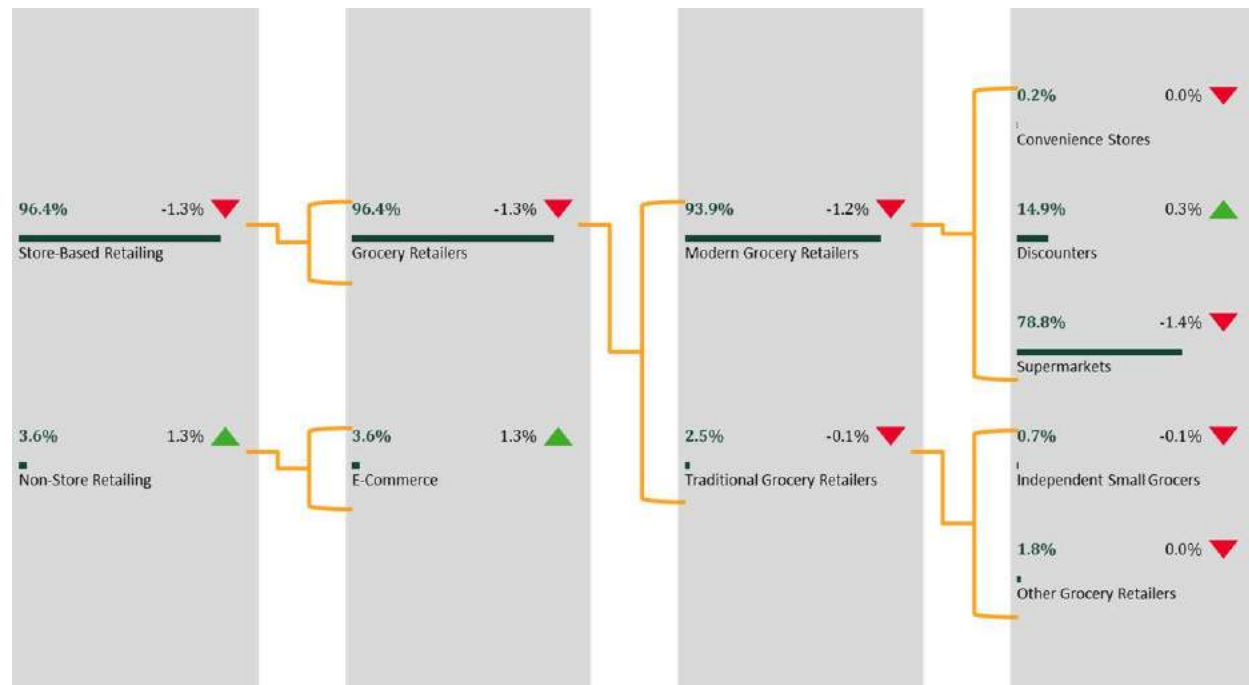
Standard 2.3.1 of the food standards code contains the standards fruit and vegetables, though in effect it contains minimal provisions only really relating to the pH of preserved fruit and vegetables. The standard can be found here: <https://www.legislation.gov.au/Details/F2015L00458>

As noted above and previously, Australia has strict biosecurity measures. It is recommended that the Bicon database (like provided above) be consulted for the latest information.

5.11.5 Distribution

As can be seen in Figure 5-53, modern grocery retailers (primarily supermarkets, though also to a certain extent discounters) are the most important channel for the distribution of processed fruit and vegetables in Australia, accounting for 94% of sales. Traditional grocery retailers only play a minor role; and in recent years e-commerce has become a more important channel – it now accounts for 3.6% of sales.

Figure 5-53: Distribution channel overview of processed fruit and vegetables in Australia (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

5.11.6 Challenges for EU products

Consumption of conventional processed fruit and vegetables have been declining in Australia. However certain products which will be of interest for EU producers such as French fries and organic processed fruit and vegetables are still popular; and such products offer an opportunity for European producers as the capacity for Australian producers to produce these products remains relatively small. This in turn has caused a backlash amongst Australian farmers and processed fruit and vegetable producers who have concerns about the levels of European imports in this sector of the market which in turn presents an image challenge for EU products in the country – this is particularly an issue for frozen potato chips, a product which has been highlighted due to dumping concerns. Producers in Europe who innovate in this market by offering sugar-free, no additional preservative or organic processed fruit and vegetable products may find opportunities with consumers in Australia despite the backlashes.

Market Takeaway: Processed fruit and vegetables

Consumption: Consumption declining in recent years due to health concerns with growth in 2020 largely attributed to the outbreak of COVID-19. Frozen processed fruit and vegetables are the most popular in the country.

Competition: highly fragmented market, with competition from Australian producers such as Coles and Simplot Australia who benefit from brand recognition in the country. Notably overseas supply.

Distribution: dominated by modern retail channels, more specifically supermarkets.

Challenges: Innovating products to suit the Australian consumer such as sugar-free alternatives and organic processed fruit and vegetable products are important in order for products to resonate with Australian consumers.

Opportunities: Processed fruit and vegetables one of the key sectors that has a large foreign presence driven largely from a small domestic production base.

5.12 Pet food

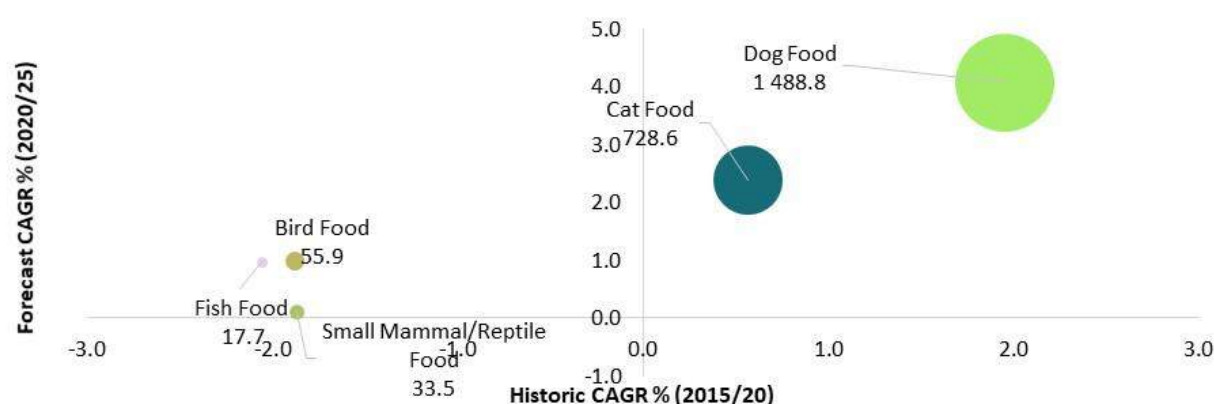
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> High level of relative petfood ownership Pets are more often than not treated as family members, creating a market with a high level of premium products Australia is a net importer of petfood 	<ul style="list-style-type: none"> Despite the high level of ownership, population limits the size of the market Strange regulatory situation with voluntary industry standards
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> Market is becoming increasingly polarised between premium and economy, creating opportunities in each segment Various opportunities in customisation, health related products, nutrition and safety 	<ul style="list-style-type: none"> Large two producers hold strong positions across species; and there is considerable fragmented competition among smaller players Biosecurity requirements for imports may be challenging

5.12.1 Consumption

5.12.1.1 Evolution of consumption

Figure 5-54 below illustrates that dog food is the most popular pet food item in Australia (EUR 1.49bn), followed by cat food (EUR 0.73bn). At 2% per year, the sale of dog food has grown faster than that of other categories over the last five years; and at 4.1% per year is expected to continue to grow more quickly than other categories over the period to 2025. Cat food in contrast grew at 0.6% per year and is forecast to grow at 2.4% per year going forwards. Foods for other animals remain niches: the bird food market is worth EUR 56m, small mammal/reptile worth EUR 34m and fish food worth EUR 18m. All three have shrunk by around 2% per year in the last five years, and are forecast to expand only slightly (under 1% per year) going forwards.

Figure 5-54: Evolution and forecast of the market for pet food (EUR million) in Australia, 2015-2025



Source: Euromonitor International: Pet Care, 2021.

5.12.1.2 Consumer profile and purchase criteria

Consumers

At 29m, there are more pets in Australia than people. It is estimated that three in every five households in Australia have a pet, making it one of the countries with the highest level of pet ownership in the world. In terms of percentage of households, dogs are most popular, followed by cats. Pet owners are most likely to exhibit the following characteristics:

- Female (roughly 2/3 of pet owners)
- Moderate to higher income households (roughly 2/3 of pet owners)
- Families with children under 6 (three quarters of families in this group own pets)
- 18 to 24 years old (seven in ten people in this group own a pet)

Pets are most commonly treated as a member of the family in Australia.

Drivers and method of consumption

With pets being commonly treated as family members, the choosing of products for this “family member” – whether premium, indulgence, breed specific or being suited for a special dietary requirement, is a notable driver of pet food consumption. Customisation plugs into this broader driver.

The voluntary regulation approach of the pet food industry in Australia, coupled with some recent voluntary recall cases for dog food, does mean that concerns about safety of food is a concern and driver – particularly in the dogfood sector.

Convenience is increasingly a consideration for pet owners, as time poor pet owners increasingly use subscription services to overcome the need to repeatedly buy products.

These drivers are in addition to the underlying drivers of the mix of pets covered in the section above, and reflected by the overall split of petfood sales.

Purchase criteria

The market for petfood in Australia is polarising, with two key segments emerging, each with slightly differing criteria. At one end of the scale, the premium market is very strong - it accounts for around half of the dogfood market, and while its importance in the cat food market is much lower at around 30%, it is growing quickly. Consumers in this segment are more likely to look at the quality of the product and its suitability for their specific pet. Indulgence may be a notable criterion. At the other end, economic concerns of some consumers mean that the economy segment remains quite strong at the other end of the scale. While many consumers will still care about the characteristics of the petfood they purchase, price will be a very important criterion for them. The mid-range segment is being squeezed for all pet foods – in dogfood it is a clear second place to the premium segment and further shrinking; and while it

remains the largest segment in cat food it is under clear pressure. In both cases, products in the segment attempt to take on more premium characteristics to meet consumer demands.¹²⁵

5.12.1.3 Recent market trends

In line with the landscape set out in section 5.12.1.2 above, the major trend of late is premiumisation. Even private label products, traditionally a mainstay of the economy part of the market, have been repositioning to offer more premium trends in the cat food market. A particularly strong trend in this regard is that of customisation. In the area of dogfood, there are now manufacturers who not only offer products customised to breeds, but factors such as age, weight and lifestyle. There is strong interest in novel format premium treats, particularly if they can offer health benefits or functionality.

The convenience trend has led to both the increase in popularity of subscription services for pet foods, and an increase in the level of use of e-commerce for purchasing petfood.

Bringing together two of the above trends, nutrition with convenience has been a niche theme, boosted also by the potential for them to reduce the need for medical check-ups. For example, dental treats and oral care related products have increased in popularity.

The recall issues referred to above have indeed led to consumer concerns about the safety of some pet foods, and the market impact of this has been more interest in raw food or food to cook at home in the dogfood segment.

5.12.2 Offer

5.12.2.1 Domestic production

Mars and Nestlé Purina hold strong positions across all petfood types and both produce within the country though they also import some products. Combined they hold about 60% of the dogfood market and 45% of the cat food market. Mars is also very strong in the petfood market for other animals. There are numerous local players, including most notably Blackhawk Premium Pet Care and The Real petfood company. Private label products are also popular. Overall, after the big two players identified above, there is a high level of fragmentation in the petfood market. Domestic production is not sufficient to meet demand, as will be seen in the next section.¹²⁶

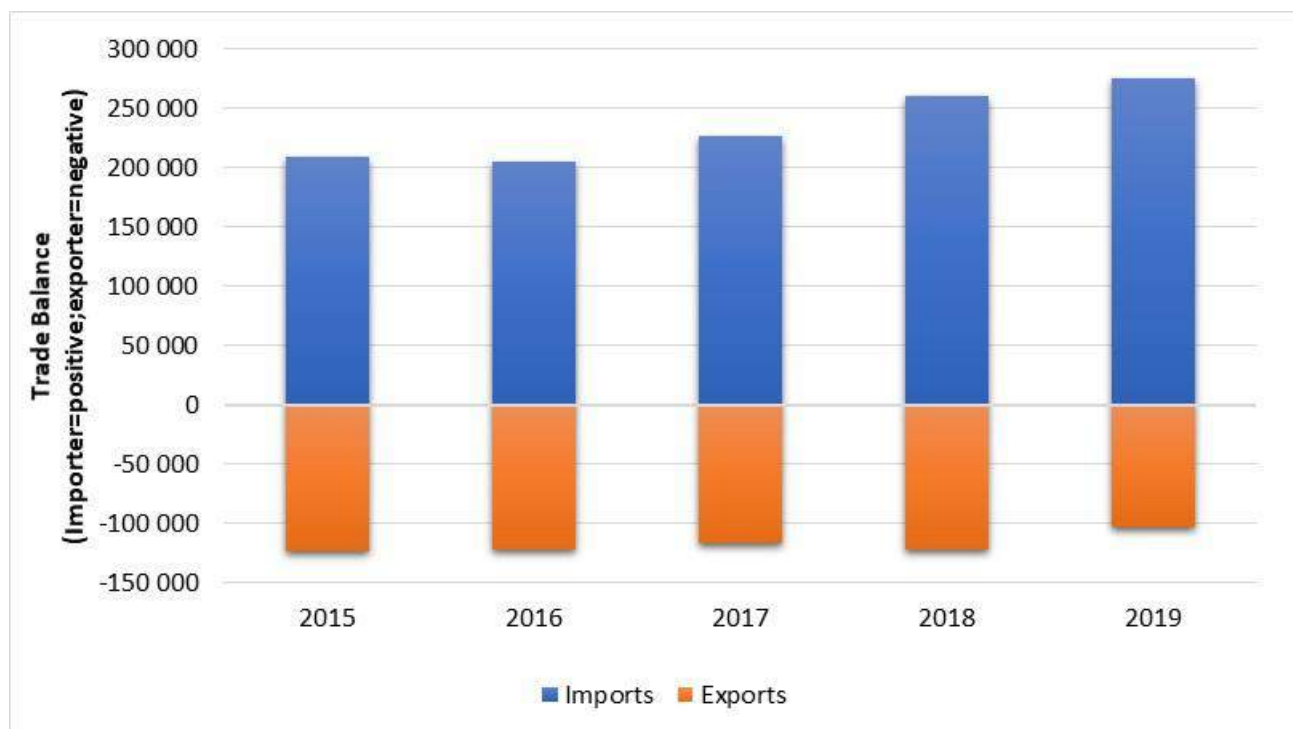
5.12.2.2 Imports and exports

Figure 5-55 shows that Australia is a substantial and increasing net importer of cat and dog food, with net imports of around EUR 150m in 2020, up from under EUR 100m in 2016.

¹²⁵ Euromonitor International: Pet care, 2021; <https://kb.rspca.org.au/knowledge-base/how-many-pets-are-there-in-australia/>

¹²⁶ <https://pfiaa.com.au/pet-food-business/>; Euromonitor International: Pet care, 2021

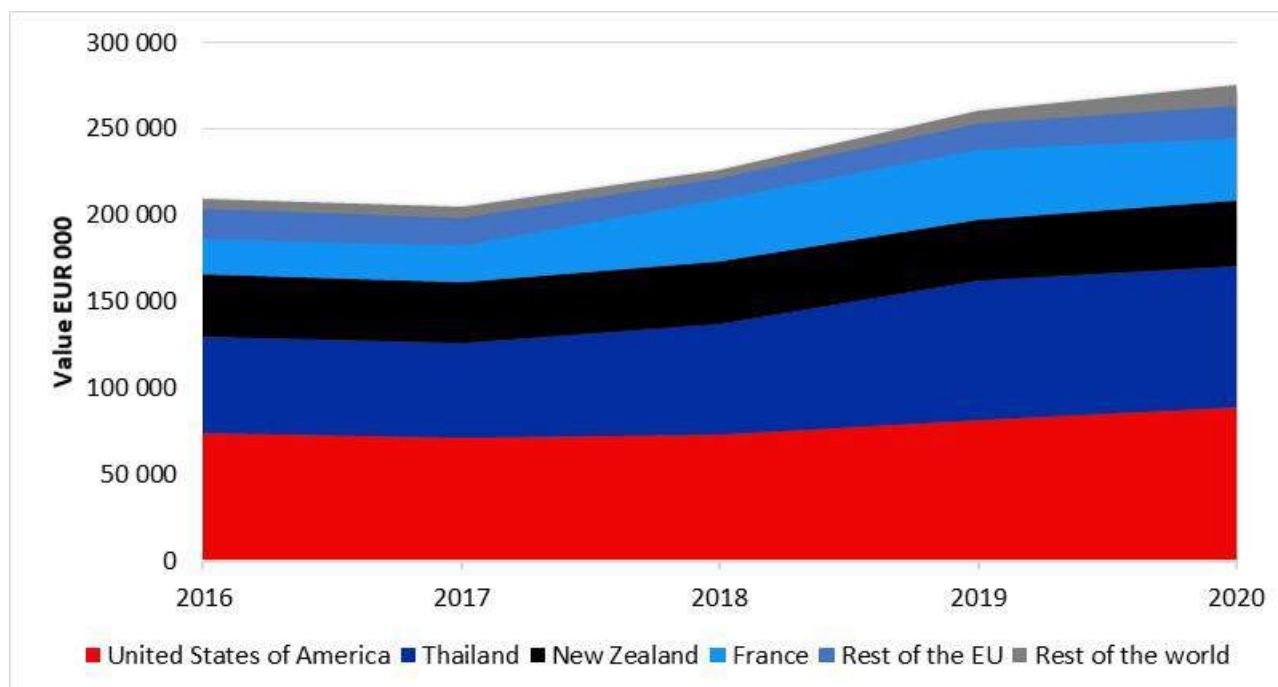
Figure 5-55: Trade balance (imports and exports) of pet food (cat and dog) in Australia, 2016-20; value EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 230910

Figure 5-56 illustrates the market origins for pet foods imported into Australia. The largest origin of imports are the USA and Thailand, each of which accounts for around 30% of imports. New Zealand is in third place with around 15% of imports, followed by France with a roughly similar share. The rest of the EU accounts for a bit over 5%.

Figure 5-56: Australian imports of pet food (cat and dog) by country, 2016-20; value EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 230910

5.12.2.3 Main competitors

There is competition from multiple angles on the Australia market. The largest two companies, Mars and Nestle Purina hold commanding shares in the dog food market in particular. Some of this product is produced local and some is imported. Beyond these two companies, there is nonetheless notable competition from numerous smaller local players as well as imports, the main sources of which are the USA and Thailand.

5.12.3 Specific market entry requirements

Market Access and Entry; customs procedures

In addition to the general import requirements set out in section 4.2, the following are required for the import of pet food into Australia:

- a permit to import goods subject to quarantine
- a declaration of the manufacturer
- veterinary health certificate for animal products
- import permit for wildlife and wildlife products, if the product is subject to CITES

In terms of tariffs, pet food products generally are not subject to tariffs.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – pet food category (2309) from France to Australia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=2309&origin=FR&destination=AU>

Standards, SPS measures

Imported petfood must comply with the provisions of the Biosecurity Act 2015, administered by DAWR.

The Pet Food Industry Association of Australia (PFIAA) introduced a code of practice for the manufacturing and marketing of pet foods in 2011; this was subsequently updated in 2017 (AS5812-2017). An estimated 95% of petfood food sold in Australia is made by members of the PFIAA, so while the code is not a legal requirement it can be considered the standard.

The full standard is available for purchase at the following link for around AUD 120:
https://infostore.saiglobal.com/en-au/standards/as-5812-2017-99333_SAIG_AS_AS_208845/

More information providing a general overview of the standard (and other neighbouring standards of relevance) can be found at the following link:

<https://pfiaa.com.au/pet-food-standards/>
<https://www.aph.gov.au/DocumentStore.ashx?id=3de21a57-a306-47bc-8bb1-5e10d3c252d1&subId=658685>

Labelling

Section 3 of the Australian Standard for the Manufacturing and Marketing of Pet Food (AS 5812:2017) provides guidelines for the labelling of petfood. It specifies requirements on:

- Direction regarding variety identification for different pet food formats – dry, canned, treats, retorted, chilled etc (sections 3.1.1-3.1.4)
- Identification as pet food (3.1.5)
- Nutrition information requirements (3.1.6)
- Directions for use (3.1.7)
- Date labelling (3.1.8)
- Ingredient listing (3.1.10)
- Notice of irradiation – if undertaken (3.1.11)

5.12.4 Distribution

Figure 5-57 below shows that the distribution landscape for petfood in Australia is quite fragmented. Supermarkets account for the largest share but not the majority with 41%. Pet superstores account for 23% and pet shops for 29%, meaning that combined over half of all petfood is sold through these channels. The share of e-commerce is now approaching 5%.

Figure 5-57: distribution of pet food in Australia (2020); retail value



Source: Euromonitor International: Pet Care, 2021.

5.12.5 Challenges for EU products

There is considerable competition on the Australian market – both from multinational and smaller, predominantly Australian operators - and this undoubtedly provides a challenge for EU producers. Indeed, only France stands out at present as having a notable foothold in the market. Biosecurity import requirements may also pose challenges. The existence of voluntary standards rather than mandatory ones creates both a challenge (in terms of consumer confidence), but also a potential opportunity as recalls of some brands have dented confidence in them. Despite the challenges, there are good opportunities in this pet-loving country.

Market Takeaway: Pet food

Consumption: very high level of pet ownership. Dogs most common followed by cats. Pets often treated as family members.

Competition: a combination of two large multinational and various smaller, predominantly local players.

Distribution: specialist petfood superstores or shops. E-commerce playing an increasing role.

Challenges: competition. Biosecurity import requirements. Voluntary rather than mandatory standards.

Opportunities: premiumisation trend creates various broad and niche opportunities in a quite large market. The situation with voluntary standards on one hand has caused concerns among consumers, but on the other hand creates opportunities amongst consumers concerned about product safety at the expense of operators which have decided to invoke recalls.

5.13 Pasta

5.13.1 SWOT analysis

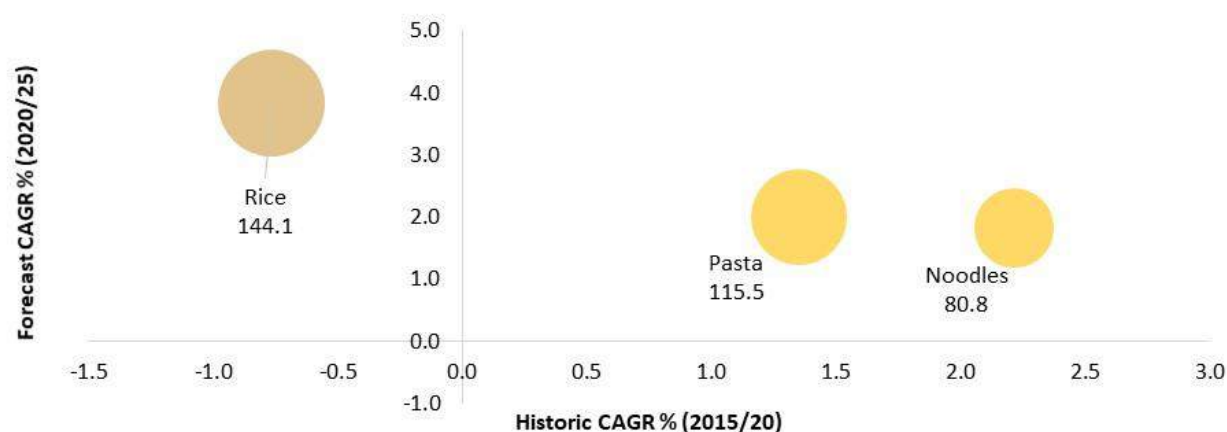
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> Popular – second most consumed staple. Long history of pasta consumption and use similar to that which can be found in many parts of Europe. Consequently, the range of pasta products consumed is wide. 	<ul style="list-style-type: none"> Conventional pasta consumption has slowed in recent years. The rising awareness of adverse health effects of consumption of high-carbs food among consumers is expected to impede the growth of some segments.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> Structural deficit. The demand for healthier alternatives is growing The rise in internet retailing provides a new potential channel to expose EU pastas to Australian consumers. 	<ul style="list-style-type: none"> Strong local production. Consumer interest in ensuring that local farmers are protected.

5.13.2 Consumption

5.13.2.1 Evolution of consumption

Figure 5-58 shows that the pasta market is the second biggest staple market in Australia after rice. Consumption has increased slightly in recent years at 1.4% per year; and is forecast to increase more rapidly going forwards. However, rice consumption is forecast to grow more quickly than that of pasta in the next five years, after having shrunk during the previous five.

Figure 5-58: Evolution and forecast of the market for pasta compared to rice and noodles (000 tonnes) in Australia, 2015-2025



Source: Euromonitor International: Packaged Food, 2021.

5.13.2.2 Consumer profile and purchase criteria

Consumers

Australians are known to prefer grains and grain-based products as compared to other food groups. Pasta is considered as one of the fundamental food products in Australia, and it is often consumed as the main dish for dinner. The most popular varieties of industrial pasta are spaghetti, vermicelli and fresh pasta filled with fresh ingredients. Pasta meals are on high rotation in many households in Australia, meaning that the consumer group is very wide.

Drivers and method of consumption

Australia has a pasta culture that is similar to that of Italians, and they are fond of seasoning their pasta with seafood. The sauces made with tuna, shrimps and snapper fish are very popular. Also, various locally cultivated vegetables, including asparagus, broccoli, celery, cauliflower, leek and squash are important ingredients for sauces.

A key driver in the consumption of pasta both positively and negatively has been the swing in favour of healthier alternative pasta style products. This has provided downward pressure on traditional pasta consumption, but driven the market for alternatives.

Purchase criteria

While there's an abundance of pasta shapes and styles to choose from, durum wheat spaghetti is the most popular. Consumers are now often choosing pastas based on pulses and legumes in particular as they consider it to be a better option as its higher in fibre than both rice- and corn-based pastas and also regular (non-wholemeal) wheat pastas; plus they are higher in protein. Many consumers in Australia want information about where their food comes from. They also go for different labelling requirements depending on whether the food is grown, produced, made or packed in Australia or another country, whether the food is a 'priority' or 'non-priority' food, how the food is displayed for sale – and this trend is extending somewhat to the pasta market.¹²⁷

5.13.2.3 Recent market trends

Recent trends have been very much shaped by the pandemic. Demand has spiked during the pandemic due to lockdown; and combined with supply chain issues, there have been difficulties with product availability. Bushfires have also had effects; both to product supply and also to company behaviour, with some producers either donating their products to food banks or a percentage of the revenue from their products to charity to assist.

In terms of consumer preferences, healthier and alternative products are gaining traction, with gluten free pasta in particular standing out as a product that is experiencing growth. High protein and high fibre products are also increasingly appearing on shelves.

¹²⁷ Eurmonitor International Ltd: Pacakged foods, 2021; <https://www.sutori.com/story/history-of-food-in-australia--hfv9jrHgE1Rr65YwKF57tvoy>; <https://www.choice.com.au/food-and-drink/groceries/snack-foods/buying-guides/pasta>

5.13.3 Offer

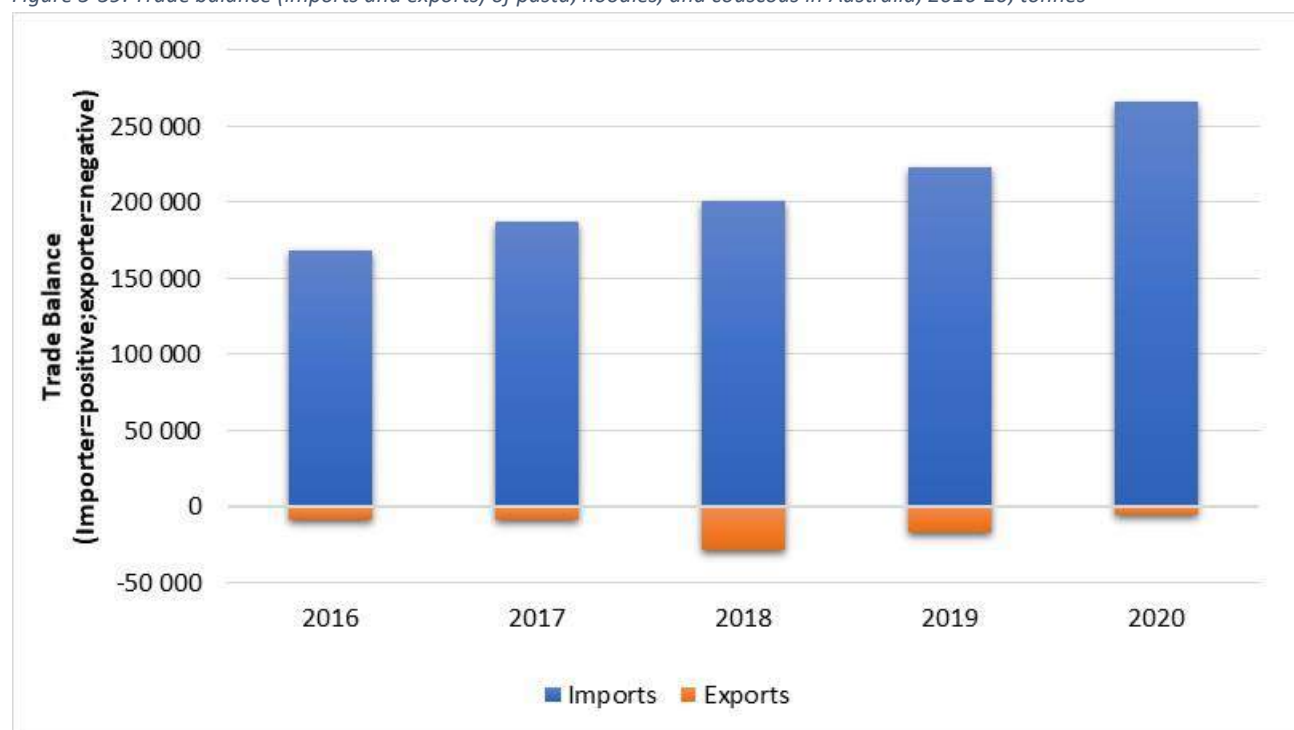
5.13.3.1 Domestic production

There is substantial domestic production of pasta in Australia, with the long established European (and particularly Italian origin) population playing a role in this. Indeed, major local pasta manufacturers have 70 years plus of history producing in the country. San Remo, which mainly manufactures in Adelaide, is the market leader for pasta (with an estimated 30 to 40% share of the pasta market). Latina Fresh, a subsidiary of US company General Mills is also a notable player. However, there are also various more artisan pasta makers such as L'Abruzzese.¹²⁸

5.13.3.2 Imports and exports

Figure 5-59 below shows that Australia is a large net importer of pasta, noodles and couscous. Imports were just over EUR 250m in 2020, while exports were minimal. Furthermore, imports show a steady upward trend since 2016. Nonetheless, the main origins suggest that the majority of these imports – ¾ or more – are likely to be noodles or couscous rather than pasta.

Figure 5-59: Trade balance (imports and exports) of pasta, noodles, and couscous in Australia, 2016-20; tonnes



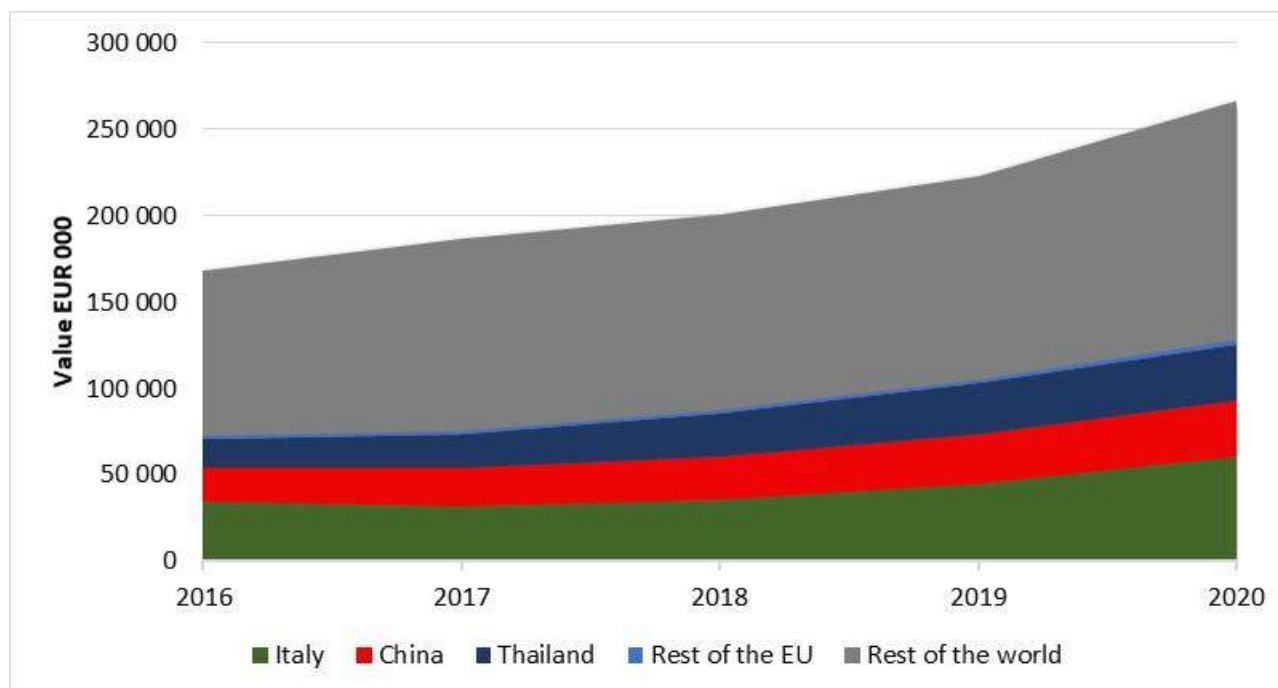
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 1902.

Import sources are quite fragmented, partly as a result of the composite nature of the CN code. Figure 5-60 shows that Italy is the largest exporter of pasta, noodles and couscous to Australia with just under

¹²⁸ Euromonitor International: Packaged foods, 2021; <https://www.labruzzese.com.au/>; <https://sanremo.com.au/about/history/>

EUR 50m of imports in 2020. China and Thailand follow. There are only minimal imports from EU countries other than Italy.

Figure 5-60: Australian imports of pasta, noodles, and couscous by country, 2016-2020; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 1902.

5.13.3.3 EU GI products

As noted in section 4.2.4, currently GIs can be registered under trademark law in Australia as collective marks. Subsequently, no single, separate list of registered GIs for Australia exists. The best way to check if a GI has been registered as a collective mark in Australia is to check the following database:

<https://search.ipaustralia.gov.au/trademarks/search/quick>

5.13.3.4 Main competitors

The main competition to the predominantly Italian imports of pasta is arguably the long and well established local production. Australia has a long history of pasta production. San Remo is the local market leader, and while it is estimated to have an imposing market share in the 30 to 40% range, this share has been falling in recent years. There is considerable artisan local production as well.

5.13.4 Specific market entry requirements

Market Access and Entry; customs procedures

As set out in section 4.2, a permit to import goods subject to quarantine, a declaration of the manufacturer and an authorisation of foreign foodstuff manufacturers are required for pasta imported into Australia.

In the case the pasta contains animal products, a veterinary health certificate for animal products is also required. These requirements are in addition to general import requirements.

In terms of tariffs, pasta faces an ad valorem tariff of 5%.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – general pasta and noodles category (1902) from Italy to Australia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=1902&origin=IT&destination=AU>

Standards, SPS measures

While standard 2.1.1 of the food standards code contains specific standards cereal and cereal products, there are no references specific to pasta. The standard, which does define terms such as wholegrain and wholemeal, can be found here: <https://www.legislation.gov.au/Series/F2015L00420>

Labelling

Section 4.2.3 contained detailed information on the labelling requirements for packaged foods. This section should be consulted for details on labelling.

5.13.5 Distribution

As shown in Figure 5-61 below, supermarkets account for 88% of pasta sales. The remainder is split between a variety of distribution channels, with convenience stores the most notably of these with 7%. E-commerce sales now stand at almost 2%.

Figure 5-61: Distribution channels of pasta in Australia (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

5.13.6 Challenges for EU products

Without a doubt, the main challenge is local production – with both large commercial and smaller, more artisan production present in Australia. As witnessed by the support offered during recent bushfires by local producers, there is solidarity with the challenges that local producers face; and imported products may struggle with their perception against this background.

Market Takeaway: Pasta

Consumption: second most consumed staple, and growing. Dried pasta dominates.

Competition: strong local production, with two companies in particular having very strong positions; though artisan production as well.

Distribution: supermarkets dominant.

Challenges: local production and the interest of consumers in ensuring that local farmers affected by climatic issues are well supported.

Opportunities: some structural deficit. Alternative and healthy pastas are on trend at present.

5.14 Baked goods

5.14.1 SWOT analysis

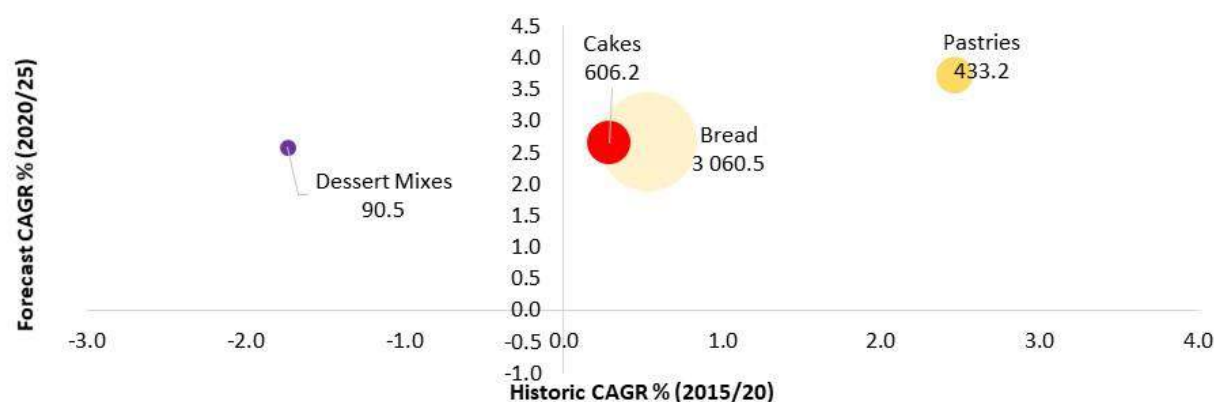
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> Market is not dominated by one or a few large companies. Imports are required to meet domestic demand. 	<ul style="list-style-type: none"> Bread is by far the dominant segment, limiting opportunities for other products. Very wide range of consumers and consumer preferences, making it challenging to identify specific niches.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> Market for pastries is growing quickly. Bake at home trend spurred by the COVID 19 situation provides an opportunity where importers are not disadvantaged by freshness. Healthy products are trending. 	<ul style="list-style-type: none"> Local, fragmented production is tuned in to meeting local consumer needs.

5.14.2 Consumption

5.14.2.1 Evolution of consumption

Bread is the largest segment of the baked goods market. It was worth just over EUR 3bn in 2020. It is a fairly stable market, having grown at 0.5% per year since 2015, and forecast to grow at 0.3% per year up to 2025. (Figure 5-62). At EUR 606m, cakes form the second largest segment, with historical and forecast growth similar to that of bread. The pastries market is worth EUR 433m, and is the fastest growing both historically (2.5% per year) and going forwards (3.7% per year). The market for dessert mixes is small at EUR 91m and it is forecast to return to growth having shrunk since 2015.

Figure 5-62: Evolution and forecast of baked goods market in Australia (million euros), 2015-2025; total value



Source: Euromonitor International: Packaged Food, 2021.

5.14.2.2 Consumer profile and purchase criteria

Consumers

Australian consumers of baked goods come from all parts of society, social classes and age groups. Depending on the amount of disposable income their choices might vary. Some consumers love indulgence and thus pastries and cakes, while others pay a lot of attention to their health and consume healthier bread type products with good ingredients. Most consumers, however, are a mix of both. They aim to live a healthy life but also enjoy some treats from time to time.

Drivers and method of consumption

The COVID-19 pandemic highly influenced the baked goods sector. Consumers had to increasingly stay at home and socially distant. In particular, those who were studying or working from home needed easy options for lunch and snacks which drove the baked goods sales up. However, at the same time the pandemic negatively impacted baked good sales through foodservice caused by the lockdown and social distancing consumers were buying less. Once things will go back to normal, the consumption of baked goods at home is forecast to slightly decrease because of the opening of the foodservice sector and people spending more time outside again.

At the same time, many consumers started to bake more at home to fill their free time. This increased the demand for baking ingredients and dessert or ready-to-bake mixes. On one hand, consumers are becoming very health conscious and thus try to limit their consumption of e.g. high-sugar and calorie foods. On the other hand, consumers still like to treat themselves which is driving the consumption of sugary cakes and pastries. This latter driver is fuelled by the lockdown, social distancing and the general uncertain and stressful times of the pandemic.¹²⁹

Purchase criteria

The purchase criteria depend on what consumers are looking for. Baked goods, in particular cakes, are often chosen as a nice treat to enjoy. When it comes to treating oneself, the consumer is less likely to pay close attention to the ingredients or sugar volume within the treat, even if they are normally otherwise health aware. In 2020 their favourite pastries were doughnuts by far, yet, scones and croissants were popular as well. The product's taste, presentation and freshness are important criteria.¹³⁰

However, most of the time, in particular when purchasing bread or other products that are not necessarily seen as an occasional treat consumers increasingly pay attention to ingredients. Due to the rising health trend, consumers aim to lower their sugar intakes and thus would choose options lower in sugar. Consumers might also prefer to purchase products including certain ingredients which are known to be healthier such as grains or vitamins.

¹²⁹ Euromonitor International: Packaged foods, 2021.

¹³⁰ Trends in the Baking Scene. Available at: <https://finefoodaustralia.com.au/bakery/shopping-purchasing-trends-in-the-baking-scene/>

Consumers can choose between fresh products from artisanal bakeries or in-store supermarket bakeries or packaged products mainly from supermarkets. The choice depends on several factors, such as price, quality of products and occasion for buying them.¹³¹

The health trend, often in combination with rising environmental awareness also leads to consumers wanting to consume fewer livestock products and thus often choose vegan options over standard ones. This criteria is expected to become stronger over the next years. As previously mentioned, the pandemic encouraged consumers to bake more at home and thus one criteria is if they only need ingredients or ready to bake mixed to bake by themselves at home or if they prefer to purchase baked goods.¹³²

5.14.2.3 Recent market trends

The following trends are dominating the baked goods market in Australia:

- **Health and wellness trend.** The sugar aversion of Australian consumers is increasing and consumers, in general, aim to improve their health. Thus, baked goods containing healthy ingredients such as fibres and vitamins are trending, as well as low carb options. Many consumers decreased their bread intake and switched to healthier options such as flatbread. Mission Foods is one example following this trend with their introduction of wraps reduced in salt. Wonder White products are trending such as their gluten-free range and in particular, families trust that these products are healthier for their kids. To gain the consumer's trust, Tip Top rolled out a campaign featuring the faces of their farmers on the packaging of their baked products. This, local touch, reassures consumers and makes them feel confident in the brand. Consumers moreover pay attention to portion control, which is why unpackaged pastries benefit from the idea of a balanced diet.
- **Baking at home.** The COVID-19 pandemic urged consumers to find new hobbies while spending more time at home than usual due to lockdown and social distancing. Many people picked up baking. As a result, the demand for baking ingredients and dessert mixes and ready-to-to-bake cakes has been increasing. In particular, Betty Crocker cake mixes, and Mrs. Brunt's Shake'n Bake profited from this trend. These and other players also focus on bringing together the baking at home trend with the health and wellness trend, which results in many new products including healthy dessert mixes. For example, KOJA's protein pancakes were a big success during the lockdown period. More players are expected to follow this trend with their product developments in the future.
- **Vegan options.** An increasing number of baked goods players focus on developing plant-based products. This trend is forecast to increase during the coming years. Fry's launched a vegan brioche bun, which is traditionally made with lots of butter. The vegan brioches are sold all over Woolworths in Australia. The leavened packaged and unpackaged bread sector is forecast to

¹³¹Bakery Product Manufacturing in Australia industry outlook. Available at: <https://www.ibisworld.com/au/industry/bakery-product-manufacturing/4227/>

¹³² Euromonitor International: Packaged foods, 2021 .

introduce many more vegan options. One important marketing strategy is the clear labelling of vegan-friendly products making it easier for consumers to find them.¹³³

5.14.3 Offer

5.14.3.1 Domestic production

The bakery product manufacturing sector in Australia has close to 7 000 businesses employs more than 40 000 Australians.

There are many small and artisanal bakeries in Australia. Artisanal bakeries are highly popular because the products are expected to be of higher quality than packaged baked goods. However, these artisanal bakeries increasingly have to compete with in-store supermarket bakeries.¹³⁴

The baked goods market in Australia is highly fragmented. No company had a two-digit retail value in 2020 and only six companies had a retail value over 1 %. Goodman Fielder is with close to 10% of the retail value in 2020 the market leader, followed closely by George Weston Foods with close to 10% as well. Aldi Stores Supermarkets ranked third with approximately 5%.

Goodman Fielder is a non-Australian company with production facilities in Australia.¹³⁵ The case is similar for George Weston Foods. It is a big consumer product company in Australia but owned by the multinational company Associated British Foods, with local production facilities in Australia.¹³⁶

5.14.3.2 Imports and exports

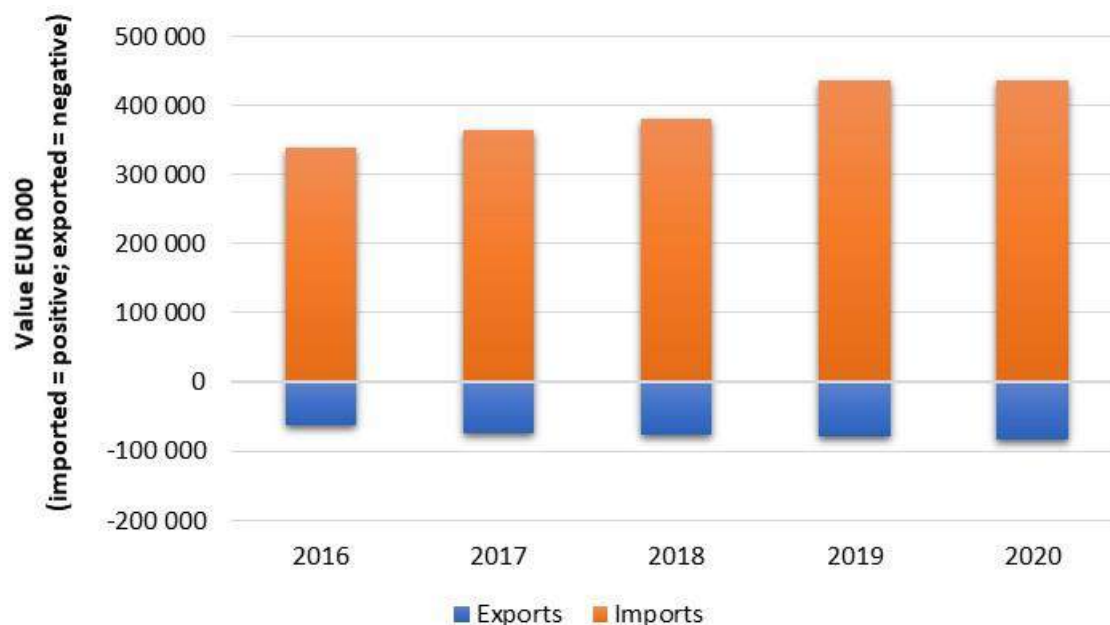
Australia is by far a net importer of baked goods. The value of baked goods imports is more than 5 times higher than the value of Australia's exports. Imports have steadily grown in recent years, reaching about EUR 437m in 2020 (Figure 5-63). Exports have been increasing since 2016 as well and reached close to EUR 83m in 2020.

¹³³ Euromonitor International: Packaged foods, 2021.

¹³⁴ Bakery Product Manufacturing in Australia industry outlook. Available at: <https://www.ibisworld.com/au/industry/bakery-product-manufacturing/4227/>

¹³⁵ Who we are. Available at: <https://goodmanfielder.com/who-we-are/>

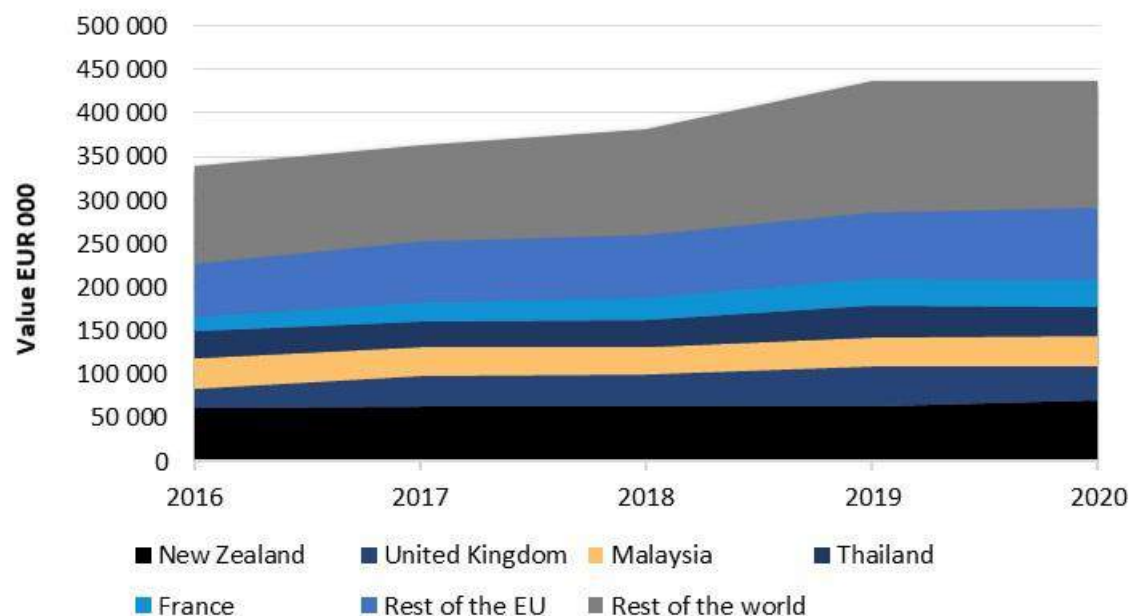
¹³⁶ About us. Available at: <https://www.gwf.com.au/about-us/>

Figure 5-63: Trade balance (imports and exports) of baked goods in Australia, 2016-20; tonnes

Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 190590.

As depicted in Figure 5-65 the baked goods import market is highly fragmented. None the less New Zealand is the market leader with an imported value of more than EUR 69m in 2020. The country is followed by some distance by the United Kingdom with about EUR 40m, Malaysia with a bit less than EUR 35m, as well as Thailand with approximately EUR 33m and France with about EUR 31m. In total three out of the top ten exporters are from the EU (France, Italy and Spain). In general, the rest of the EU still accounts for an important part of the market. Since 2016 the exported values from the four main countries remained quite stable and have been slightly increasing over time.

Figure 5-64: Australian imports of baked goods by country, 2016-20; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN code 190590.

5.14.3.3 EU GI products

As noted in section 4.2.4, currently GIs can be registered under trademark law in Australia as collective marks. Subsequently, no single, separate list of registered GIs for Australia exists. The best way to check if a GI has been registered as a collective mark in Australia is to check the following database:

<https://search.ipaustralia.gov.au/trademarks/search/quick>

5.14.3.4 Main competitors

The market is very highly fragmented, meaning that no single competitor or group of competitors stands out. Overall, competition can be summarised to come primarily from the domestic industry, which is – as a reflection of the market as a whole – highly fragmented, and despite the presence of some big companies, is also dependant on many small bakers and brands. Domestic production is nonetheless insufficient to meet domestic demand, and New Zealand, the United Kingdom, Malaysia, Thailand and France are important sources for imports. The EU as a whole is definitely a very big importer of baked goods to Australia and thus the market clearly offers opportunities for EU exporters.

5.14.4 Specific market entry requirements

Market Access and Entry; customs procedures

As set out in section 4.2, a permit to import goods subject to quarantine, a declaration of the manufacturer and an authorisation of foreign foodstuff manufacturers are required for baked goods imported into Australia. In the case the product contains animal products, a veterinary health certificate for animal products is also required. These requirements are in addition to general import requirements.

In terms of tariffs, baked goods generally face an ad valorem tariff of 5%.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – Bread, pastry etc - other category (190590) from Italy to Australia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=190590&origin=IT&destination=AU>

Standards, SPS measures

Standard 2.1.1 of the food standards code contains specific standards cereal and cereal products. As well as defining terms such as wholegrain and wholemeal, it contains further definitions of relevance to baked goods. The code can be found here: <https://www.legislation.gov.au/Series/F2015L00420>

Labelling

Section 4.2.3 contained detailed information on the labelling requirements for packaged foods. This section should be consulted for details on labelling.

5.14.5 Distribution

Distribution of baked goods in Australia is quite varied. Supermarkets account for just over half of all sales. Food and drink specialists (including specialist bakers) account for a further 30%. Discounters and independent small grocers hold notable small shares of 5% and 3% respectively (Figure 5-65).

Figure 5-65: Distribution channel overview of baked goods in Australia (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

5.14.6 Challenges for EU products

As is often the case with baked goods, a highly fragmented market is dominated by local production, led by smaller producers. While imports are required to meet the much bigger domestic demand, these come from many different countries across the world. A key factor which is both a challenge and an opportunity is the huge variety of products in this market, meaning it is not easy to identify products with universal popularity; rather, success is more likely to come from targeting a carefully researched niche, though considerable work may be needed for this. European products are generally seen to be of high quality and in combination with following one of the current trends in the baked goods sector, possibilities to successfully export to Australia are available.

Market Takeaway: Baked goods

Consumption: Baked goods are universally consumed, though preferences differ between consumers. Bread the largest segment.

Competition: Main competitors are fragmented local producers. Imports are required to meet demand.

Distribution: Mainly supermarkets followed by specialist bakeries.

Challenges: Competition and finding a suitable niche in the market.

Opportunities: Bake at home goods – an area where imports can overcome the challenges of distance. Healthy products.

5.15 Biscuits and cereal bars

5.15.1 SWOT analysis

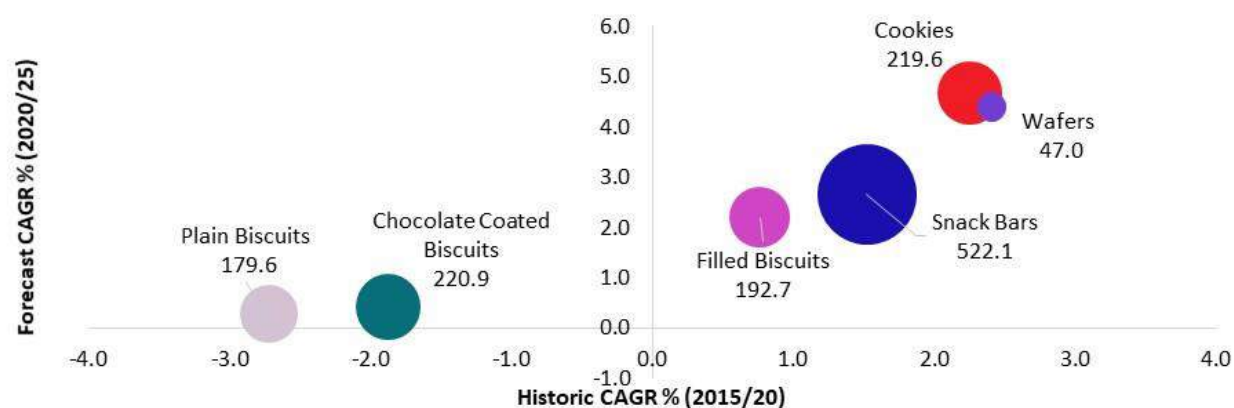
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> Large market size, with multiple categories – notably snack bars and cookies – growing quickly. Strong reliance on imports to meet demand. 	<ul style="list-style-type: none"> Certain level of price consciousness of consumers. Highly fragmented sources of imports.
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> Healthy and functional products in demand of late. Increased attention paid to consumers on sustainability. 	<ul style="list-style-type: none"> A few companies including multinationals dominate the biscuit market. The snack bar market is more fragmented. At the more fragmented end of the markets, niche competition can be expected.

5.15.2 Consumption

5.15.2.1 Evolution of consumption

While the overall market for biscuits is larger than that of snack bars, at EUR 522m the market for snack bars is the largest individual segment. It has grown at 1.5% per year since 2015, and is forecast to grow at 2.6% per year until 2025. Among the various biscuits segments, chocolate coated biscuits are just the largest (EUR 221m), though the market for them has contracted at 1.9% per year since 2015 and is forecast to remain more or less flat going forwards. Cookies are the next largest (EUR 220m) and also the fastest growing segment alongside the small segment of wafers (EUR 47m), having grown at over 2% per year since 2015 and being forecast to grow at just under 5% during the period up to 2025. The fairly stable segment for filled biscuits (EUR 193m) are next followed by the recently shrinking market for plain biscuits (EUR 180m - Figure 5-66).

Figure 5-66: Evolution and forecast of the market for sweet biscuits and snack bars in Australia, 2015-2025; EUR million



Source: Euromonitor International: Packaged Food, 2021.

5.15.2.2 Consumer profile and purchase criteria

Consumers

Generally, Australians from all age and social groups consume biscuits and cereal bars. People from Australia Capital Territory & New South Wales consume the most, followed by people from Victoria & Tasmania.

Adults and young adults are primary buyers of biscuits.¹³⁷ Australians aged 65 and older are the main biscuit consumers, however, teenagers are avid biscuit consumers as well although they are more demanding. Young consumers are interested in new products and varieties of biscuits. Around four out of ten Australians eat at least one sweet biscuit per week.¹³⁸

Drivers and method of consumption

The COVID-19 pandemic boosted sales because consumers had to work more from home and remain socially distanced in general as well. This led to consumers increasingly snacking at home and sometimes out of boredom or to treat themselves in this complex and not easy situation. Once the pandemic is over, the on-the-go consumption is expected to increase a bit again. The beginning of the pandemic furthermore drove stockpiling of biscuits and cereal bars. With restrictions becoming less and less harsh, snacking is forecast to become less frequent and consumers will not continue to buy a lot because they first have to finish their biscuits and cereal bars that they still have stocked at home.

Another important driver for the consumers' biscuits and cereal bar intake is their growing health awareness. Consumers are increasingly paying attention to eating healthy and thus biscuits and cereal bars are not the first go-to anymore. Yet, many new products are low in sugar, or have other healthier ingredients or have added functionalities to counteract this development.

Purchase criteria

As usual, the price is an important purchase criterion, however, in this category prices are generally closer than in some other food categories. Consumers, in particular younger generations, tend to favour innovative products and interesting flavours over regular ones. The format of these snacks plays a role as well depending on if the consumer aims to eat it at home or on the go.

Due to the rising health awareness of Australian consumers, the ingredients of biscuits and cereal bars are an important purchase criterium as well. Thus, consumers often choose products with added benefits such as protein or energy bars or products with probiotics. Low in sugar products are a popular choice as well. Organic products are often seen to have more high-quality ingredients and thus can be popular. Some environmentally aware customers also pay attention to the type of packaging used for these snacks.

¹³⁷ Australia Biscuit Market to Cross \$ 4 Billion by 2025: TechSci Research. Available at: <https://techsciblog.com/australia-biscuit-market-to-cross-4-billion-by-2025-techsci-research/#:~:text=Adults%20and%20young%20adults%20are,based%20global%20management%20consulting%20firm.>

¹³⁸ Young and old Aussies go crackers for biscuits. Available at: <http://www.roymorgan.com/findings/6777-young-and-old-aussies-go-crackers-for-biscuits-201604272326>

In particular, parents also pay attention to healthy snacks for their kids and thus are more likely to purchase biscuits and cereal bars that are healthy and maybe even part of initiatives such as Responsible Marketing to Children (RMCI).

5.15.2.3 Recent market trends

Healthy options and products with added functionality. Most new products in this category have a focus on health and functionality. Carman's for example introduces a health-conscious snack bar for kids with a high health rating due to them being high in fibres and low in sugar. Danone introduced snack bars high in protein, without sugar and even introduced some options with collagen. Products including probiotics, that aim to increase gut health are appearing as well. Organic products are popular as well due to the expected higher quality of their ingredients. Moreover, products without gluten, wheat and dairy (some of them are vegan, are gaining followings too.¹³⁹ Since hemp became a legal food ingredient in Australia in 2017 it is increasingly used and now seen as a superfood due to its high levels of omega-3 and omega6 fatty acids. This trend is forecast to continue to grow.

Sustainable packaging and different formats. More and more consumers care about the environmental footprint of the products they consume and thus pay a lot of attention to sustainable packaging. Nestlé was one of the first international manufacturers to introduce snack bars with recyclable packaging. Even though this trend is not as popular in Australia yet, it is forecast to be very important for the coming years until 2025. Moreover, multipacks that enable better portion control are increasingly popular as well. Examples are Oreo and Barni which are packed in smaller packages within a bigger pack.

5.15.3 Offer

5.15.3.1 Domestic production

The Australian biscuit and cereal bar manufacturing industry is substantial – it can be estimated as being close to EUR 1bn based on trade balances and some estimates.¹⁴⁰ The fragmentation of the biscuit and snack bar market increased in 2020, however, Arnott's is still the leading brand in sweet biscuits even though it is gradually losing profits to smaller players such as major retailers including Coles and private label products. Australia has more than 60 biscuit manufacturing businesses employing close to 3 000 people.¹⁴¹

In the sweet business category, Arnott's Biscuits is leading the market with about 45% of the total market value, followed by Woolworth Australia with just under 15% and Mondelez Australia with under 10%. The snack bar category is more fragmented. Vitaco Health Australia is the market leader with a value of around 15%, followed by Carman's Fine Foods with over 10% and Nestlé Australia with just under 10%.

¹³⁹ ENGAGING AUSTRALIA'S NEW BISCUIT GENERATION. Available at: <https://www.mintel.com/blog/food-market-news/engaging-australias-new-biscuit-generation>

¹⁴⁰ Biscuit Manufacturing in Australia - Market Size 2007–2027. Available at: <https://www.ibisworld.com/au/market-size/biscuit-manufacturing/>

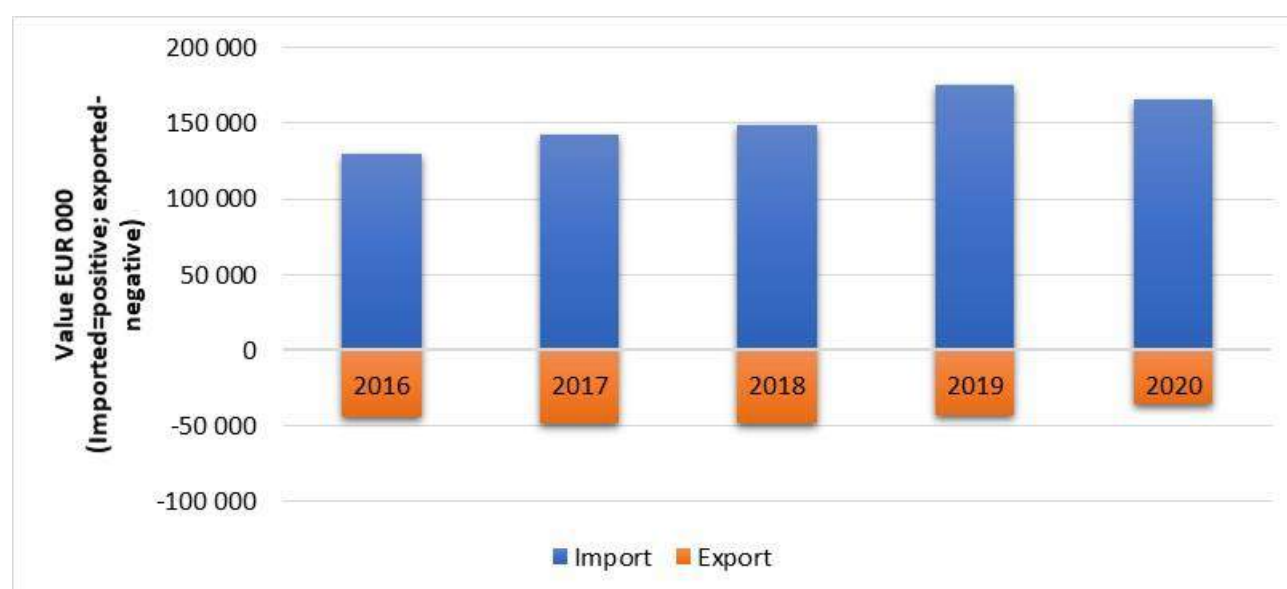
¹⁴¹ Biscuit Manufacturing in Australia - Market Research Report. Available at: <https://www.ibisworld.com/au/industry/biscuit-manufacturing/107/>

Arnott's Biscuits Limited is Australia's biggest biscuits manufacturer. However, the company was bought by the American private equity firm Kohlberg Kravis Roberts (KKR) in 2019. Carman's Fine Foods, the second biggest in the market for snack bars is an Australian company as well and produces in Australia.¹⁴² Even though the others are well-known multinational organisations some of them also have production facilities in the country.

5.15.3.2 Imports and exports

Despite considerable domestic production, Australia is ultimately a significant net importer of biscuits, waffles and wafers, with imports outweighing exports by a factor (Figure 5-67). Australia imported a value of around EUR 165.5m in 2020. Since 2016 the value has increased, except for a small drop in 2020. In the same year, Australia exported biscuits, waffles and wafers worth close to EUR 36m. Since 2016 and 2018 the exported value increased, however also slightly dropped in 2019 and even more in 2020.

Figure 5-67: Trade balance (imports and exports) of biscuits, waffles and wafers in Australia, 2016-20; tonnes

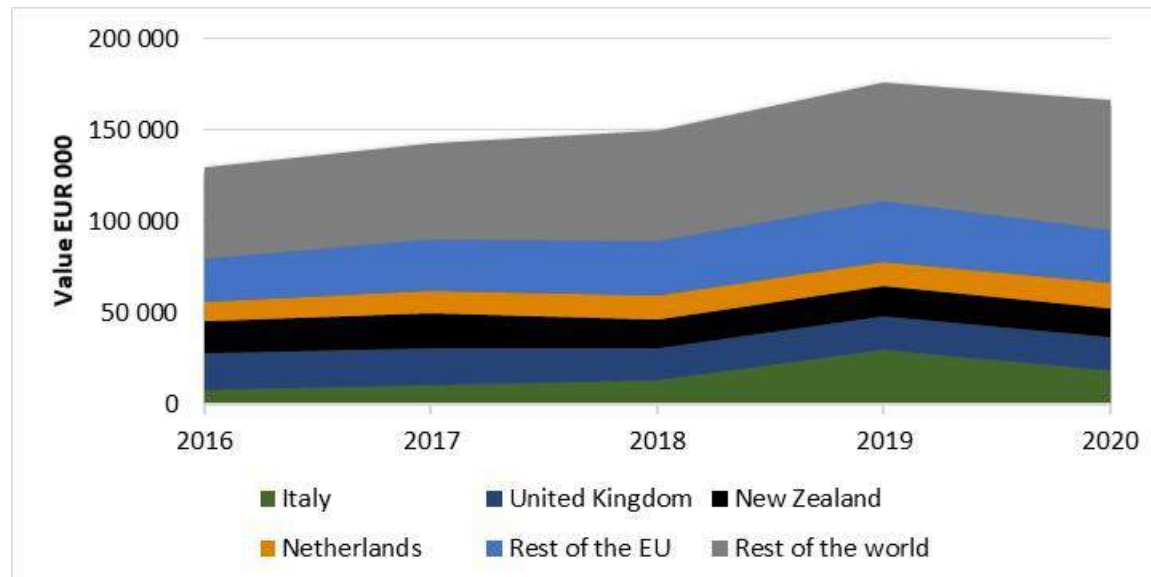


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
Data for CN codes 190531 and 190532.

The Australian market for biscuits, waffles and wafers is quite fragmented, however, Italy is the number one exporter to Australia with an exported value of more than EUR 18.6m. Other competitors follow closely: The United Kingdom with about EUR 17.3m, New Zealand with close to EUR 16m and the Netherlands with about EUR 14.4m as shown in Figure 5-68. The remaining EU countries also account for another big part of the exported value in this sector. An even bigger part of the market's value comes from the rest of the world. The exported value in particular from Italy decreased visibly in 2020.

¹⁴² Our brand. Available at: <https://www.carmanskitchen.com.au/our-story/our-brand/>

Figure 5-68: Australian imports of biscuits, waffles and wafers by country, 2016-20; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>
 Data for CN codes 190531 and 190532.

5.15.3.3 EU GI products

As noted in section 4.2.4, currently GIs can be registered under trademark law in Australia as collective marks. Subsequently, no single, separate list of registered GIs for Australia exists. The best way to check if a GI has been registered as a collective mark in Australia is to check the following database: <https://search.ipaustralia.gov.au/trademarks/search/quick>

5.15.3.4 Main competitors

The Australian biscuit and cereal bar market, while highly fragmented is also very competitive. Arnott's is the biggest player in the market, largely thanks to its popular Arnott's brand including products such as its famous Tim Tam's. Yet, Woolworth and Mondelez account for over 1/5th of the total market of sweet biscuits; and the companies ranked from 3 to 11 all have single-digit shares. While Australia produces a lot of biscuits and cereal bars in the country, it is insufficient to meet domestic demand, leading to quite heavy imports from all around the world but mainly from Italy, the United Kingdom, New Zealand and the Netherlands.

5.15.4 Specific market entry requirements

Market Access and Entry; customs procedures

As set out in section 4.2, a permit to import goods subject to quarantine, a declaration of the manufacturer and an authorisation of foreign foodstuff manufacturers are required for biscuits imported into Australia. These requirements are in addition to general import requirements.

In terms of tariffs, biscuit products generally face an ad valorem tariff of 5%.

Detailed information on import duties and Rules of Origin and customs procedures can be consulted on the European Commission website:

Main page – select product, country of origin and destination country:

<https://trade.ec.europa.eu/access-to-markets/en/home>

Example link – sweet biscuits category (190531) from Italy to Australia

<https://trade.ec.europa.eu/access-to-markets/en/search?product=190531&origin=IT&destination=AU>

Standards, SPS measures

Standard 2.1.1 of the food standards code contains specific standards cereal and cereal products. As well as defining terms such as wholegrain and wholemeal, it contains further definitions of relevance to biscuits. The code can be found here: <https://www.legislation.gov.au/Series/F2015L00420>

Labelling

Section 4.2.3 contained detailed information on the labelling requirements for packaged foods. This section should be consulted for details on labelling.

5.15.5 Distribution

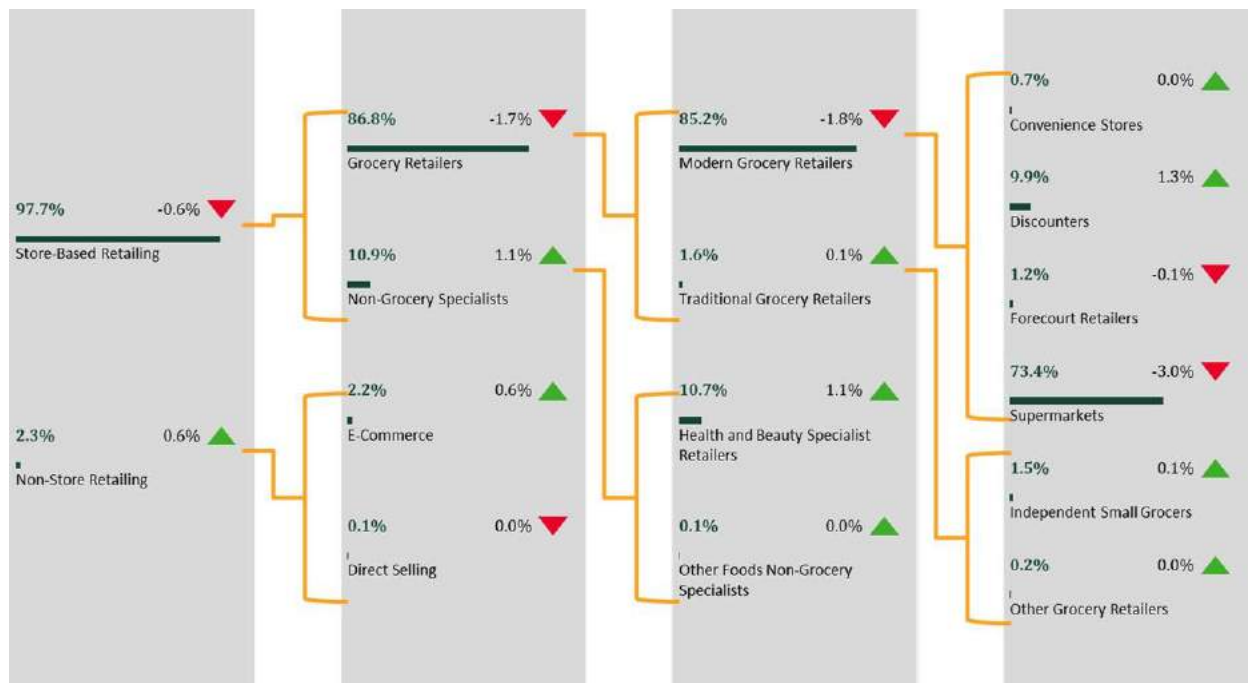
The distribution of both biscuits and of snack bars relies mainly on modern grocery retailers; more specifically, supermarkets (Figure 5-69 and Figure 5-70). Supermarkets account for 78% of biscuit sales and 73.4% of snack bar sales. Discounters are an important secondary channel accounting for around 10% of each product. Health and beauty specialist retailers play an important role for the distribution of snack bars with a 10.7% share, but are of negligible importance for biscuits. E-commerce accounts for 2.3% and 2.2% of sales respectively.

Figure 5-69: Distribution channel overview of sweet biscuits in Australia (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

Figure 5-70: Distribution channel overview of snack bars (including cereal bars) in Australia (2020); retail value



Source: Euromonitor International: Packaged Food, 2021.

5.15.6 Challenges for EU products

One of the biggest challenges that EU products have is identifying a suitable niche in a large and competitive market. Only three companies have a market share in double digits (though together they hold over 70% of the market), with 9 in the sweet biscuits category and 15 within the snack bars category holding single-digit shares above 1%. On one hand, there are some clear established preferences, such as for certain brands and clear trends including an increased focus on low sugar products and added functionalities boosting health. On the other hand, companies have to constantly stay up to date in terms of format, flavours and packaging to try and capture the wishes of consumers. The market is led by big Australian and international companies. However, there is enough space for products from the EU as reflected by EU exports to Australia of these products.

Market Takeaway: Biscuits and Cereal bars

Consumption: Biscuits consumed mainly a sweet treat; snack bars a meal replacement or supplement.

Competition: three companies dominate the biscuit space. Snack bars are more fragmented. Import origins are highly fragmented.

Distribution: modern retailers dominate though e-commerce starting to gain a footing.

Challenges: Finding a suitable niche in this large, fragmented and highly competitive market.

Opportunities: healthy and functional products. Products that can boast sustainability criteria of some sort.

6 Communication

Companies wanting to market products and advertise in Australia have a number of different channels to consider. The aim of this section is to breakdown each section of the mass media landscape in Australia and to introduce the main communication channels (new and traditional media, as well as fairs) available in the country, as well as provide a brief overview of key regulations for the advertisement of food and beverages.

6.1.1 Online & Digital Media

Australia has a well-developed internet infrastructure system that allows 86% of the population to have access to the internet. While this figure is lower than neighbouring New Zealand which has 90% internet penetration it is important to remember that the vast size of the Australian continent makes internet access in some of the most remote interior parts of the country particularly difficult, while urban centres around the country generally have access to high-speed internet connections.

The online marketing of products is viewed as essential within the Australian consumer market. Australian consumers have been accustomed to the internet for a number of years and are generally well accustomed to digital marketing promotions such as the use of QR codes and online promo codes. Australian online users on average use the internet for a period of five and a half hours per day, which has grown substantially since the on-set of the COVID-19 pandemic.¹⁴³

Digital advertising agencies may provide companies with support to develop a successful digital marketing strategy for Australia. The box below includes some of the larger digital advertising companies though other agencies also exist.

Notable Australian Digital Advertising Agencies:

Engine Scout, <https://enginescout.com.au/>

Emote Digital, <https://www.emotedigital.com.au/>

Online marketing gurus, <https://www.onlinemarketinggurus.com.au/>

Far Siight, <https://farsiight.com/>

Search max, <https://www.searchmax.com.au/>

Vine street digital, <https://www.vinestreetdigital.com/>

Webomaze, <https://www.webomaze.com/>

App growth network, <https://appgrowthnetwork.com/>

Luminary, <https://www.luminary.com/>

Frank Digital, <https://frankdigital.agency/>

¹⁴³ Infocube, Digitalmarketing in Australia, Available [at infocubic.co.jp/en/blog/australia/digital-marketing-australia/](https://infocubic.co.jp/en/blog/australia/digital-marketing-australia/)

6.1.1.1 Social media platforms

As internet usage has continued to be established as a core component of day-to-day activity in Australian society so has the importance of social media as an advertising platform. Individuals aged 25-34 represent the highest users of social media in Australia while those aged 55-64 represent the smallest percentage of active users.¹⁴⁴

YouTube

YouTube is the most widely used social media channel in Australia with roughly 78% of the population between 16-64 using the platform in any given month. The potential audience that google reports can be reached through YouTube in Australia is 20.5 million. It is estimated 51% of the audience that YouTube reports in Australia is female while the male is 49%. YouTube is increasingly used over television due to the advantages that on-demand videos have over traditional cable television in the country.

Notable YouTube food orientated channels in Australia

[Mycupcake addiction](#)

[How To Cook That](#)

[Charlies Crafty Kitchen](#)

[Cook With Aussie](#)

[Tess Begg](#)

[TasteMade](#)

Facebook

Facebook is also very popular in Australia, it is estimated that there were 17.2 million Facebook accounts belonging to people living in Australia in 2020, of which 53% were women. People aged 25-34 were the highest percentage of Facebook users with an estimated 4.6 million profiles from individuals between this age bracket. 97% of Facebook users in the country routinely access their profiles from any kind of mobile phone. The platform has grown increasingly important for small producers to advertise their products via promoted posts or the Facebook marketplace. Video advertising on the platform is largely viewed as the newest way to engage with users as it's estimated that over half of Australians on Facebook will watch a video on the platform each day.¹⁴⁵

Instagram

It is estimated that roughly 41% of the Australian population has an Instagram account, this, in turn, has made the platform very important for the advertising of products in the digital space in the country. Roughly half of users will log on to their Instagram account at least 3 times a week. Many users in Australia will use Instagram to promote both themselves and the foods they make, Australian food bloggers will often view Instagram as a vital platform for reaching out to their fans and for general social engagement.

¹⁴⁴ Hootsuite, digital dataportal (Australia), available at <https://datareportal.com/reports/digital-2021-australia>

¹⁴⁵ Facebook for business, Australia, Available at <https://www.facebook.com/business/news/Key-Trends-Australians-on-Facebook>

Top Food Instagram influencers in Australia[ZomatusAus](#)[TopFoodMelbourne](#)[Melbfoodbaby](#)[Sydneybrunchcrawler](#)[Eatdrinkplaysyd](#)[4foodssake](#)**Twitter**

Twitter is the third most popular social media platform in Australia and many food bloggers will use the platform to advertise their works. Twitter is an important outlet for Australians to get their news and played a key role in the reporting of wild bush fires in Australia and the impacts the fires have had on the country's environment. Twitter users often link their accounts with various other social media platforms such as Instagram and YouTube which allows Twitter to act as a central social media platform for users in the country.

Other platforms

Other platforms are also widely popular in Australia such as WhatsApp and Snapchat. WhatsApp has not garnered the same levels of popularity in Australia as seen in other nations in the region with Facebook messenger being the more popular messaging service, although WhatsApp is popular with the country's Asian population. Snapchat became largely popular during the mid-2010s and according to google, 6.8 m users can be reached through advertising on the platform.

6.1.1.2 Food blogs

Food blogs are popular in Australia and it is quite common for bloggers to advertise products of a European origin or influence. The many unique dishes found in Australia's spread-out urban areas have garnered a following from Australians seeking out the various dishes that exist in their nation. Social media has become the new home of food blogs in a move away from more traditional methods of communication such as newspapers and television.

The box below contains a selection of notable food bloggers in Australia, though this list is not extensive and certain blogs may be particularly relevant for certain food and beverage products. The box below does include some of the owners of YouTube and Instagram accounts previously mentioned. The sources in the footnotes may be referred to for more comprehensive lists of food bloggers.

Selected top Australian Food Bloggers[Recipetin eats](#)[Not Quite Nigella](#)[Man of Many](#)[My Korean Kitchen](#)

[How to cook that](#)
[Bake Play Smile](#)

6.1.2 Traditional Media

Despite the increasing popularity of digital and online media, traditional media still plays an important role in Australia particularly as traditional media will generally cover local news stories which are important considering the geographic distances between many of Australia's urban centres. Traditional media is also one of the few avenues of information within the interior of the country with the radio playing a vital role in providing locals with information and news. Despite this, digital media is increasingly more present in the country with many traditional media outlets also having a presence in the digital space. It is likely that as internet penetration continues to expand into the interior of the country that digital media will grow in importance.

- **Television:** TV is a popular outlet in Australia with most of the states and cities having their own unique channels and news programmes. Some of the most popular channels available throughout Australia include ABC, SBS, and Channel 9. Popular community channels include TVS (Television Sydney), C31 Melbourne, and Access 31 (Perth). Indigenous television services are also available in more isolated areas such as the Northern territory. On average, an Australian household will have 1.8 televisions and televisions are viewed as an essential product in the average household.¹⁴⁶
- **Print media:** Print media, like in much of the developed world has been declining in Australia, Print media is impacted by a number of factors including the general rise of digital media and the rising importance of sustainability within Australia which brings to question for many individuals the viability of printing media on a daily basis. Like TV, many print media outlets will cater to a general urban centre or region of the country with such examples including The Canberra Times, The Sydney Morning Herald, and The West Australian. There is only one nationwide newspaper which is The Australian; this is circulated throughout the entire territory of the country. The circulation of Australian newspapers continues to decline however most outlets have shifted their focus towards digital media and retain an audience via this platform.
- **Radio:** Radio remains popular in Australia and in many instances is the main form of information and entertainment within the interior of the country. Radio benefits from its adaptability to many different electronics and products such as a laptop or vehicle. Radio stations also generally cater to local areas and will report on news or play local music which resonates with Australians. According to a national listener survey held in late 2019, the majority of Australians listen to the radio for local news and information, followed by listening to local voices and opinions and local and national music.¹⁴⁷

¹⁴⁶ Statista, Average number of screens per household in Australia, Available at <https://www.statista.com/statistics/977621/average-screens-per-household-by-type-australia/>

¹⁴⁷ McNair yellow square, NLS 2019, Available at <https://www.cbaa.org.au/sites/default/files/media/McNair%20yellowSquares%20-%20NLS%20Fact%20Sheet%20-%20Australia%20-%202019%20-%20Wave%20%232%20-%20190101.pdf>

6.1.3 Fairs and exhibitions

In addition to the digital approach or traditional media, companies may decide to promote their products at various trade fairs. Trade fairs are a source of excitement and pride for many urban centres with such examples including the food service Australian fair held in Melbourne and the Adelaide food fringe festival. Australian cities will actively promote their local food fairs and they are generally an occasion for many local and international producers to showcase their goods to a new market. Each city will have its own food festivals as a reflection of the distances between urban centres which allows each food fair to have its own unique theme akin to the city in question.

A list of selected major upcoming food-related events and fairs can be found in section 8.4. Further, more comprehensive lists including more specialist fairs which may be of very limited or specific relevance can also be found online at websites such as:

- <https://10times.com/australia/food-beverage>
- <https://www.australia.com/en/events/australias-best-food-and-drink-festivals.html>

6.2 Advertising regulations

Advertising regulations in Australia are primarily regulated through the Australian consumer law (Schedule 2, competition and consumer act 2010). The Australian consumer law (ACL) prohibits misleading content or deceptive conduct which is likely to mislead consumers. Such examples of false representations include

- The price of goods or services.
- Place of origins of goods or services .
- Sponsorship, approval, affiliation, performance characteristics, accessories, uses, or benefits of goods or services.

The ACL is supplemented by additional voluntary or self-industry codes from organisations such as the Australian national association of National Advertisers (AANA). Under statutes from the AANA there are limits and requirements for the advertising of:

- Tobacco
- Gambling
- Therapeutic goods
- Telecommunication services
- Financial products or services
- Consumer credit
- Alcohol
- Food and beverages
- Motor Vehicles
- Marketing to children
- Environmental claims

In relation to food and beverages, AANA operates a food and beverages advertising and marketing communications code which aims to ensure advertisers develop and maintain a sense of social responsibility, this code includes requirements such as:

- Ads for food and beverage products must present healthier dietary choices or be in the context of a healthy lifestyle.
- Ads for food and beverages must not be placed in a programme or editorial aimed at children.

In relation to packaging, full labelling requirements were covered in section 4.2.3, though information that must be present includes:

- Place of origin.
- Nutritional information must be clearly displayed.
- Advertising of prizes in relation to food and beverage product must be in line with general requirements to advertise only healthy food and beverage products.

Generally, the advertising of food and beverage products in Australia is within a list of strict requirements especially for children. However, many of the requirements are self-industry requirements, and as such the ability to effectively monitor and sanctions those who violate these provisions is limited. Nonetheless, going against these voluntary requirements may not be well seen by consumers. The ACL remains the most important law regulating the advertising of food and beverages.

7 Australian Etiquette

7.1 Quick facts

Cultural practices in Australia in many ways mirror those in Europe, particularly the UK. This is due to the extensive historical and cultural links between both entities with a large percentage of Australians coming from a British, Irish, Italian, and German background. Despite this however due to the geographical distance between Europe and Australia, a number of uniquely Australian cultural traits have developed such as:

- Australians are generally not very strict about being punctual however, as in Europe, being on time or arriving within a respectful time frame is appreciated, punctuality in the business sense is much stricter.
- Many Australians feel pride in local arts and cultural events, many will not respond favourably to being compared with the UK or USA with the idea of the Americanisation of their culture being a big social issue in the country in recent years. Comparisons to New Zealand will also lead to mixed reactions depending on the individual you are communicating with.
- The dress code in Australia is quite casual with the exception of the interior of the country where it's expected that appropriate provisions and dress wear be brought to maintain health in the harsh environment.
- Business cards are not a crucial part of meeting as is the case in other countries in the region such as Malaysia. However presenting a business card will be appreciated but often not reciprocated, this is not to cause offence rather it is likely the person present simply does not carry a business card.
- Australians aren't generally reserved about their feelings in a business meeting and will likely inform you if they disagree with an aspect of the meeting directly - this is also not to cause offense but rather a component of the general business atmosphere in the country.
- Due to the size of the country, it may take many hours or often days to travel between urban centres. Also when travelling be sure to bring appropriate provisions as retail outlets can often be many kilometres from each other.
- Australia has one of the strictest custom restrictions in the world, expect to have your luggage extensively checked and to answer several questions before entry to the country. This is due to the delicate bio system of the country. Australian officials will not hesitate to issue fines or simply refuse entry if custom provisions are not respected at the point of entry to the country.
- The wildlife of Australia should be respected, follow local guidance advice and research animals that are found in the area. This is particularly important for travelling in the interior of the country or swimming in the ocean. Wildlife in the country can be deadly and researching them effectively will give visitors some peace of mind before travelling.
- It is common for people to be invited to an Australian BBQ, this is generally a social gathering and will likely involve several members of the hosts family and community.

7.2 Key DOs and DON'Ts

Dos	Don'ts
<ul style="list-style-type: none"> • Respect the size of Australia and plan journeys between urban centres with the mindset that it may take many hours, often flying is the most efficient way to get around the country. • Australians are quite social and will likely invite you to social gatherings in the country, many respect the long distances it generally takes to travel to the country and will do their best to make you feel welcome, this should be respected also by visitors. • Research the local wildlife and follow local guidelines to ensure your safety in the country. • Expect various opinions and even rejections of your proposals during meetings, this is not to cause offense but rather a component of Australian business culture. • Handshaking is common and appreciated, although the onset of COVID -19 has impacted this custom. • Respect that there are many time zones across Australia and schedule meetings accordingly. 	<ul style="list-style-type: none"> • Avoid comparing Australian cultural and political norms with other countries, this will likely not be well received. • Avoid travelling to the interior of the country without a guide or adequate provisions, this is one of the most isolated and difficult environments in the world. • Respect indigenous issues and avoid speaking in a way that may cause offense. • Avoid showing up late to meetings; while Australians are not generally strict on punctuality, it will not be appreciated. • Don't forget to wear adequate clothing depending on the environment of the region you are visiting; Australia is generally a very hot climate and appropriate clothing should be considered. • Don't bring any wildlife or plant life with you in your luggage as this will lead to heavy fines from customs officials and often the refusal of entry to the country. • Don't approach any wildlife you are not accustomed to, often this can prove to be deadly. • Don't discuss interior Australian political or historical issues, this will likely not be well received.

8 Directory of Trade Support Projects, Organisations, and Service Providers

There are a variety of services available, both within the EU and in Australia, for producers wishing to export to Australia. These service providers include EU funded projects, services provided by the Member States and their embassies, other organizations and service providers, as well as buyers, importers, and distributors.

- Section 8.1 contains the project profiles for EU funded initiatives operating in Australia.
- Section 8.2 contains the contact information for Member State embassies within Australia.
- Section 8.3 contains a listing of service providers including some information on the services available.
- Section 8.4 provides a calendar of exhibitions, trade shows, and other events to be held in the Australia in 2021.
- Section 8.5 contains a database of professionals' contacts (buyers, importers, and distributors).

8.1 European Union Organisations


Certain EU-funded, or co-funded, projects within Australia offer a range of business-enabling services and information providing important insights into the Australian market. Depending on your company profile these services can be free or fee-based; and are available for companies from any EU Member State.




European Australian business council

The European Australian business council is a corporate forum that aims to facilitate and grow trade links between Europe and Australia. Working in close partnership with the official agencies of the European Commission and the Australian Government, and other peak business organisations. The Council has long-championed a more ambitious economic framework for the bilateral relationship through the negotiation of a comprehensive Australia-EU Free Trade Agreement.

Contacts

 44 Phillips Street, Sydney


 +61 2 8272 0600


 <https://www.eabc.com.au/>

**Delegation of the European Union in Australia**

The delegation represents the interests of European union projects and initiatives in Australia and can be contacted for representation of a business interest. The delegation also works within the on-going free trade negotiations between Australia and Europe.

Contacts

 18 Arkana Street Yarramula, ATC 2600

 (+61) 2 6271 2777










 delegation-australia@eeas.europa.eu

 <https://eeas.europa.eu/delegations/australia>

8.2 Directory of EU Member State Embassies/Consulates

EU MS	Address	Contact information
Austria (Embassy)	12 Talbot street, Forest, Canberra	☎ (+61) 2 6295 1533 ✉ Contact Through Website 🌐 https://www.bmeia.gv.at
Belgium (Embassy)	19 Arkana street, Yarramula, Canberra	☎ (+61) 2 627 325 01 ✉ canberra@diplobel.fed.be 🌐 https://australia.diplomatie.belgium.be/
Bulgaria (Embassy)	29 Pindari Crescent, O'Malley, Canberra	☎ (+61) 62869600 ✉ embassy.canberra@mfa.bg 🌐 https://www.mfa.bg/
Croatia (Embassy)	14 Jindalee Crescent, Canberra	☎ (+61) 2 6286 6988 ✉ croemb.canberra@mvep.hr 🌐 http://au.mvep.hr/
Cyprus (Honorary Consulate)	30 Beale Crescent, Deakin, Canberra	☎ (+61) 2 6281 0832 ✉ info@cyprus.org.au 🌐 www.cypusembassy.net
Czech Republic (Embassy)	8 Culgoa court, O'Malley, Canberra	☎ (+61) 2 62901386 ✉ canberra@embassy.mzv.cz 🌐 https://www.mzv.cz/Canberra
Denmark (Embassy)	15 Hunters Street, Yarramula, Canberra	☎ (+61) 2 6270 5333 ✉ cbramb@um.dk 🌐 https://australien.um.dk/en/
Estonia (Honorary Consulate)	12 Darwin Avenue, Yarramula, Canberra	☎ (+61) 2 6100 7717 ✉ embassy.canberra@mfa.ee 🌐 https://canberra.mfa.ee/
Finland (Embassy)	12 Darwin Avenue, Yarramula, Canberra	☎ (+61) 626 733 603 ✉ Sanomat.can@formin.fi 🌐 https://finlandabroad.fi/
France (Embassy)	6 Perth Avenue, Yarramula, Canberra	☎ (+61) 2 6216 0100 ✉ Contact through website 🌐 https://au.ambafrance.org/
Germany (Embassy)	119 Empire Circuit, Yarramula, Canberra	☎ (+61) 2 62 70 11 ✉ Contract through website 🌐 https://australien.diplo.de/
Greece (Embassy)	9 Turrana St, Yarramula, Canberra	☎ (+61) 62710100 ✉ gremb.can@mfa.gr 🌐 https://www.mfa.gr/Australia

EU MS	Address	Contact information
Hungary (Embassy)	17 Beale Crescent, Deakin, Canberra	☎ (+61) 6285 3484 ✉ mission.cbr@mfa.gov.hu 💻 https://canberra.mfa.gov.hu/
Ireland (Embassy)	20 Arkana St, Yarramula, Canberra	☎ (+61) 2 62140000 ✉ Contact through Website 💻 https://www.dfa.ie/
Italy (Embassy)	12 grey St, Deakin, Canberra	☎ (+61) 472 785 072 ✉ ambpa.canberra@esteri.it 💻 https://ambcanberra.esteri.it/
Latvia (Honorary Consulate)	32 Parnell St, Sydney	☎ (+61) 413 001 995 ✉ syd.lat.consul@gmail.com
Lithuania (Honorary Consulate)	12 Darwin Avenue, Canberra	☎ (+61) 460 718 920 ✉ amb.au@urm.lt 💻 /LietuvosAmbasadaAustralijoje/
Luxembourg (Honorary Consulate)	120 Empire Circuit, Yarramula, Canberra (Embassy of the Netherlands represents Luxembourg in Australia)	☎ (+61) 02 6220 9400 ✉ can@minbuza.nl 💻 http://www.mfa.nl/can
Malta (Honorary Consulate)	Suite 10.04, Level 10, 31 Market St, Sydney	☎ (+61) 02 9262 9500 ✉ maltaconsulate.sydney@gov.mt 💻 https://foreignandeu.gov.mt/
The Netherlands (Embassy)	120 Empire Circuit, Yarramula, Canberra	☎ (+61) 02 6220 9400 ✉ can@minbuza.nl 💻 http://www.mfa.nl/can
Poland (Embassy)	7 Turrana St, Yarramula, Canberra	☎ (+61) 2 6272 1000 ✉ canberra.amb.sekretariat@msz.gov.pl 💻 https://www.gov.pl/web/australia
Portugal (Embassy)	Suites 8&9 Stephen House, 32 Thesiger CT, Deakin	☎ (+61) 02 62 604 970 ✉ camberra@mne.pt 💻 camberra.embaxadaportugal.mne.gov.pt
Romania (Embassy)	4 Dalman Crescent, O'Malley, Canberra	☎ (+61) 2 62862343 ✉ canberra@mae.ro 💻 https://canberra.mae.ro/
Slovakia (Embassy)	47 Culgoa Circuit, O' Malley, Canberra	☎ (+61) 262902405 ✉ emb.canberra@mzv.sk 💻 https://www.mzv.sk/

EU MS	Address	Contact information
Slovenia <i>(Australian embassy responsible for Slovenian representation in Indonesia)</i>	26 Akame Circuit, O'Malley, Canberra	 (+61) 2 6290 0000  sloembassy.canberra@gov.si  http://www.canberra.veleposlanistvo.si/
Spain <i>(Embassy)</i>	15, Arkana St. Yarramula, Canberra	 (+61) 02 6273 35 55  emb.canberra@maec.es  http://www.exteriores.gob.es/
Sweden <i>(Embassy)</i>	5 Turrana St, Yarramula, Canberra	 (+61) 2 6270 2700  ambassaden.canberra-visum@gov.se  https://www.swedenabroad.se

8.3 Other organisations and service providers

8.3.1 Trade promotion organisations (TPOs) and agri food promotion organisations (APOs)

EU MS	Address	Contact information
Belgium (Flanders) Flanders' Agricultural Marketing Board (APO)	<i>Belgium</i>	☎ 32 2 552 80 11 ✉ export@vlam.be
Belgium (Wallonia) AWEX / Wallonia-Brussels, Sydney Trade Office (TPO)	Suite 601, Level 6 282 Oxford Street Bondi Junction NSW 2022	☎ 61 2 93 89 33 81 ✉ sydney@awex-wallonia.com
Cyprus Trade Service of the Ministry of Energy, Commerce and Industry (TPO)	<i>Cyprus</i>	☎ 35722867155 ✉ ts@meci.gov.cy
France Business France in Australia (TPO)	31 Market Street, St Martins Tower, Level 35, Sydney	☎ 61 (0)2 9287 9249 ✉ armelle.rebuffet@businessfrance.fr
France SOPEXA (APO)	<i>France</i>	☎ (+33) 01 55 37 50 00 ✉ mybusiness@sopexa.com
Estonia Enterprise Estonia (TPO)	<i>Estonia</i>	☎ (+372)6279421 ✉ info@eas.ee
Finland Business Finland (TPO)	Porkkalantaku 1 Helsinki	☎ +358 29 50 55000 ✉ harry.dhavilla@businessfinland.fi
Germany Federation of German Food and Drink (APO)	<i>Germany</i>	☎ (+49) 30 200786-157 ✉ bve@bve-online.de
Greece Enterprise Greece / Office of Economic and Commercial Affairs (TPO)	2/219-223 Castlereagh str. NSW 2000	☎ 61 2 9284 5500/512 ✉ ecocom-sydney@mfa.gr
Hungary Hungarian Export Promotion Agency (TPO)	<i>Hungary</i>	☎ (+36) 1 922 2600 ✉ info@hepa.hu
Ireland Enterprise Ireland (TPO)	Level 26, 1 Market St, Sydney 2000, NSW	☎ 617-9273-8514 ✉ David.eccles@enterprise-ireland.com
Ireland BoardBia (APO)	Bord Bia South East Asia and Oceania office, Ireland House 541 Orchard Road Liat Towers, 8th Floor Singapore 238881	☎ 65 6804 9344 ✉ ciaran.gallagher@bordbia.ie

EU MS	Address	Contact information
Italy Italian Trade Agency (TPO)	LEVEL 19, 44 MARKET STREET- 2000, SYDNEY	☎ (+612) 92999954 ✉ sydney@ice.it
Lithuania Enterprise Lithuania (TPO)	<i>Lithuania</i>	☎ 37 061 299 015 ✉ info@enterpriselithuania.com
Malta Trade Malta (TPO)	<i>Malta</i>	☎ (+356) 2247 2400 ✉ info@trademalta.org
Netherlands Netherlands Enterprise Agency (TPO)	<i>Netherlands</i>	☎ 31 627654698 ✉ Shanti.pahladsingh@rvo.nl
Portugal Portuguese Trade & Investment Agency – AICEP (TPO)	<i>Portugal</i>	☎ (+351) 217909500 ✉ aicep@portugalglobal.pt
Slovenia Spirit Slovenia (TPO)	<i>Slovenia</i>	☎ (+386) 1 589 18 70 ✉ info@spiritslovenia.si
Spain FIAB (APO)	<i>Spain</i>	☎ 34 91 411 72 11 ✉ internacionalizacion@fiab.es
Spain ICEX / Economic and commercial office of Spain in Australia (TPO)	New South Head Road, 203-233 - Suite 408, Edgecliff Centre, Sydney 2027	☎ (+61) 2107247195 ✉ ana.raquel.garcia@comercio.mineco.es
Spain (Catalunya) Catalonia Trade and Investment Office (TPO)	Suite 603, 46 Market Street- Sydney NWS 2000	☎ 61 (0)2 9299 9234 ✉ gemmapuig@catalonia.com
Spain (Basque country)		☎ (+34) 94 403 71 67 ✉ mmadinabeitia@basquetrade.eus

8.3.2 Other service providers

Service provider	Address	Contact information
SERVICES FOR AUSTRIAN COMPANIES		
Advantage Austria Sydney	1 York St, Sydney	☎ (+61) 2 9247 8581 ✉ Sydney@advantageaustria.org 🌐 https://www.advantageaustria.org/
SERVICES FOR BELGIAN COMPANIES		
Belgian-Luxembourg Chamber of Commerce for Australia	72 River St, South Yarra, Victoria	☎ (+61) 02 931 025 88 ✉ mieke@aecude.com.au
SERVICES FOR BULGARIAN COMPANIES		

Service provider	Address	Contact information
Bulgarian Australian Business Council	2G Nikolay Haitov St, Floor 12, Office 39, Sofia	☎ (+359) 894 620 073 ✉ info@babbc.biz 💻 http://www.babbc.biz/
SERVICES FOR CROATIAN COMPANIES		
Australian - Croatian Chamber of Economy	81 Carnarvon St, Silverwater, NSW	✉ Contact through website 💻 https://accconline.org/
SERVICES FOR CZECH COMPANIES		
Czech Chamber of Commerce	Florentinum, Na Florenci 2116/15, 110 00 Praha 1	☎ +420 266 721 300 ✉ office@komora.cz 💻 www.komora.cz
SERVICES FOR CYPRIOT COMPANIES		
Cyprus Chamber of Commerce and Industry	38, Grivas Dhigenis Ave. & 3, Deligiorgis Str., P.O.Box 21455, 1509 Nicosia	☎ +357 22889800 ✉ chamber@ccci.org.cy
SERVICES FOR DANISH COMPANIES		
Denmark chamber of commerce in Australia	1/81 Strickland St, Denmark, Western Australia	☎ (+61) 9848 2065 ✉ Contact through website 💻 https://denmarkchamber.com.au/
SERVICES FOR DUTCH COMPANIES		
Netherlands chamber of commerce in Australia	Melbourne, PO box 6232	💻 https://www.ncca.com.au/
SERVICES FOR ESTONIAN COMPANIES		
Estonian Chamber of Commerce & Industry	Toom-Kooli 17, 10130 Tallinn	☎ +372 604 0060 ✉ koda@koda.ee
SERVICES FOR FRENCH COMPANIES		
Australian - French chamber of commerce and industry	Level 35, 31 Market St, Sydney	☎ (+61) 2 9099 1320 ✉ Nsw@facci.com.au 💻 www.ifcci.com
SERVICES FOR GERMAN COMPANIES		
AHK Australien	Level 6, 8 Spring St, Sydney	☎ (+61) 02 8296 0400 ✉ Contact through website 💻 https://australien.ahk.de/
SERVICES FOR ITALIAN COMPANIES		
Italian chamber of commerce in Australia	Level 2, 140 Williams St East, Sydney	☎ (+61) 02 8354 0777 ✉ info@icciaus.com.au 💻 https://icciaus.com.au/
SERVICES FOR LATVIAN COMPANIES		
Latvian Chamber of commerce and industry	35 Krisjana Valdemara str., Riga,	☎ +371 67225592 ✉ info@chamber.lv
SERVICES FOR LITHUANIAN COMPANIES		

Service provider	Address	Contact information
Lithuanian Chamber of commerce and industry	Vašingtono sq. 1-63a, LT-01108 Vilnius	 +370 2613 102  info@chambers.lt  https://chambers.lt/en/
SERVICES FOR LUXEMBURG COMPANIES		
Belgian-Luxembourg Chamber of Commerce for Australia	72 River St, South Yarra, Victoria	 (+61) 02 931 025 88  mieke@aecude.com.au
SERVICES FOR MALTESE COMPANIES		
The Malta Chamber of Commerce, Enterprise and Industry	64, Republic Street, Valletta, Malta	 + 356 2203 2000  https://www.maltachamber.org.mt/
SERVICES FOR POLISH COMPANIES		
Polish chamber of commerce in Australia	Erindale business park, Building B, 2 Lanscell Circuit, Canberra	 (+61) 0 262 946 180  info@polishchamber.com  http://www.polishchamber.com/
SERVICES FOR PORTUGUESE COMPANIES		
Camara de comercio (Portuguese Chamber of commerce)	Rua Das portas de Santo Antao,89	 + 351 213 224 050  geral@ccip.pt  https://www.ccip.pt/en/
SERVICES FOR ROMANIAN COMPANIES		
Chamber of Commerce and Industry of Romania	Address: 2, Octavian Goga Blvd, sector 3, 030982 Bucharest	 +40 21 3117534  narcis.pirnaeu@ccir.ro  www.ccir.ro
SERVICES FOR SLOVAK COMPANIES		
Slovak Chamber of Commerce & Industry	Gorkého 9, 81603 Bratislava, Slovakia	 +421 2 54433272
SERVICES FOR SLOVENIAN COMPANIES		
Chamber of Commerce and Industry of Slovenia	Dimičeva 13, SI-1504 Ljubljana	 +386 1 5898 000  info@gzs.si
SERVICES FOR SPANISH COMPANIES		
La Camara	Suite 408, 203 New South heads road, Edgecliff, NSW	 (+61) 0421 036 001  spanishchamber@lacamara.com.au  https://www.lacamara.com.au/
SERVICES FOR SWEDISH COMPANIES		
Sweden Chamber of Commerce	Brunnsgatan 2, 111 38 Stockholm, Sweden	 (+46) 8 555 100 00  https://www.chamber.se/

8.4 Calendar of trade events and exhibitions 2021

Australia has a lot of reoccurring exhibitions and trade events related to food products. Below is a list of some main ones.

Note: the ongoing issues with coronavirus at the time of writing both resulted in various cancellations/delays without fixed rescheduling dates and may result in further changes to the calendar outlined below. In view of this:

- **It is strongly recommended to monitor the links provided for any future events to check whether they are still going ahead, and if not whether a new date has been decided.**

Event	Date	Recurrence	Venue	Organiser Details
April 2021				
Sydney Royal Easter Show	1 st – 12 th	Annual	Sydney Showground	☎ (+61) 02 9704 1000 ✉ callcentre@eastershow.com.au 💻 https://www.eastershow.com.au/
Mai 2021				
Sydney Market	7 th – 10 th	Annual	The Cutaway at Barangaroo Reserve	💻 https://www.thefinderskeepers.com/sydney-markets/
Good Food & Wine Show - Melbourne	28 th - 30 th	Annual	Melbourne Convention and Exhibition Centre	✉ contact through website 💻 https://goodfoodshow.com.au/melbourne/
Naturally Good Expo	30 th – 31 st	Annual	International Convention Centre Sydney	☎ (+61) 3 9261 4500 ✉ naturallygood@divcom.net.au 💻 https://naturallygood.com.au/
April 2021				
F.O.O.D Week	9 th – 18 th	Annual	Orange, Australia	☎ (+61) 0429 841 602 ✉ foodadmin@orangefoodweek.com.au 💻 https://orangefoodweek.com.au/
Mai 2021				
International Cake Show Australia	14 th – 16 th	Annual	Brisbane Showgrounds, Brisbane	✉ Contact through website 💻 https://www.acada.com.au/
June 2021				

Event	Date	Recurrence	Venue	Organiser Details
Whisky Live Sydney	4 th – 5 th	Annual	Royal Randwick Racecourse, Sydney	☎ (+61) 02 8338 0032 ✉ contact through website 🌐 https://www.whiskylive.com.au/sydney/
Good Food & Wine Show - Sydney	25 th -27 th	Annual	International Convention Centre Sydney	✉ contact through website 🌐 https://goodfoodshow.com.au/
July 2021				
Cake Bake And Sweets Show - Melbourne	9 th -11 th	Annual	Melbourne Convention and Exhibition Centre	✉ contact through website 🌐 https://cakebakeandsweets.com/
Gluten Free Food Expo	10 th – 11 th	Annual	Brisbane Convention & Exhibition Centre	✉ contact through website 🌐 https://www.glutenfreeexpo.com.au/
Food And Wine Expo Canberra	16 th – 18 th	Annual	National Convention Centre Canberra	🌐 https://www.eventbrite.com.au/e/canberra-food-and-wine-expo-tickets-77961790815
Foodpro Sydney	25 th – 28 th	Annual	Sydney Showground	☎ (+61) 3 9261 4515 ✉ foodproexpo@divcom.net.au 🌐 https://foodproexh.com/
The Good Food and Wine Show – Perth	30 th – 1 st of August	Annual	Perth, Australia	✉ contact through website 🌐 https://goodfoodshow.com.au/perth/
August 2021				
Food & Hospitality Queensland	1 st -2 nd	Annual	Brisbane Convention & Exhibition Centre	☎ (+61) 03 9999 5462 ✉ tim@specialisedevents.com.au 🌐 https://www.foodandhospitality.com.au/
Aroma Coffee and Chocolate Festival	14 th – 15 th	Annual	Maitland Riverside Car Park	🌐 https://www.maitland.nsw.gov.au/events/aroma-coffee-and-chocolate-festival
September 2021				
Gold Coast Food & Wine Expo	3 rd – 5 th	Annual	Gold Coast Convention and Exhibition Centre	☎ (+61)07 5538 7118 ✉ info@cfmevents.com.au 🌐 https://www.goldcoastpoint.com.au/events/gold-coast-food-wine-expo/
Fine Food Australia	06 th – 9 th	Annual	International Convention Centre Sydney	☎ (+61) 3 9261 4500 ✉ finefood@divcom.net.au 🌐 https://finefoodaustralia.com.au/

Event	Date	Recurrence	Venue	Organiser Details
South Gippsland Dairy Expo	7 th – 21 st	Annual	Korumburra Showgrounds, Melbourne	 (+61) 0419 878 055  dairyexpo@jaydee.net.au  https://www.dairyexpo.org.au/
Melbourne International Coffee Expo	9 th – 11 th	Annual	Melbourne Convention and Exhibition Centre	 (+61) 406 343 104  simon.coburn@primecreative.com.au  https://internationalcoffeeexpo.com/L
Royal Melbourne Show	23 rd – 3 rd of October	Annual	Melbourne Showgrounds	 (+61) 03 9281 7469  customerservice@rasv.com.au  https://royalshow.com.au/
October 2021				
Cake Bake And Sweets Show – Sydney	22 nd – 24 th	Annual	Sydney Showground	 contact through website  https://cakebakeandsweets.com/
UnWined Subiaco	23 rd – 24 th	Annual	Market Square Park, Perth	 (+61) 08 9201 9888  info@wineandfood.com.au  https://www.wineandfood.com.au/unwinedsubiaco
Good Food & Wine Show-Brisbane	22 nd – 24 th	Annual	Brisbane Convention & Exhibition Centre	 https://goodfoodshow.com.au/brisbane/
November 2021				
Bitter & Twisted Boutique Beer Festival	6 th – 7 th	Annual	Maitland Gaol, East Maitland	 (+61) 02 4931 2888  info@bitterandtwisted.com.au  https://www.bitterandtwisted.com.au/

8.5 Database of professionals' contacts

8.5.1 List of relevant buyers, importers, and distributors

Company name	Type	Area of interest	Contact information
European Foods	Wholesaler	F&B	 (+61) 08 9328-7455  orders@europeanfoods.com.au  https://europeanfoods.com.au/
Milano Food Traders	Import/ Distribution	F&B	 (+61) 02 9725 2452  info@milanofoods.com.au  https://www.milanofoods.com.au/
Alpina Fine Food & Beverages	Import/ Distribution	F&B	 (+61) 03 9088 8601  info@alpinafoodandbev.com.au  https://www.alpinafoodandbev.com.au/
EuroPacific Liquor Pty Ltd	Import/Distribution	Alcoholic Beverages	 (+61) 07 3264 3648  info@europacificliquor.com.au  http://www.europacificliquor.com.au/
European Importers Pty Ltd	Importer / Distribution	Alcoholic Beverages	 (+61) 0418 965 604  sales@europeanimporters.com.au  https://www.europeanimporters.com.au/
Broadway Liquor Distributors	Import/Distribution	Alcoholic beverages (Spanish wines)	 +1 212-481-0322  info@broadwayliquor.com.au  http://www.broadwayliquor.com.au/
Empire Liquor	Import/ Distribution	Alcoholic Beverages	 (08) 8371 0088  sales@empireliquor.com.au  https://www.empireliquor.com.au/
IPO Wines (Liquid Specialty Beverage)	Import/Distribution	Alcoholic beverages (wines)	 1300 668 736  INFO@IPOWINES.COM  http://ipowines.com/
Domaine Wine Shippers (D.W.S.)	Import/Distribution	Alcoholic Beverages (Wine)	 +61 (3) 9878 7848  dws@domwineship.com.au  http://www.domainewineshippers.com.au/

Company name	Type	Area of interest	Contact information
Fine Wine Wholesalers	Distribution	Alcoholic Beverages (Wine)	☎ (+61) 8 9314 7133 ✉ sales@fww.com.au 💻 http://www.fww.com.au/
Proximo Spirits Australia	Import/Distribution	Alcoholic beverages (Spirits)	✉ International@proximospirits.com 💻 https://proximospirits.com/lite/
World Brands Australia	Import/ Distribution	Alcoholic Beverages	✉ info@wbaustralia.com.au 💻 http://www.wbaustralia.com.au/
Alpen Liquor Wholesalers	Import/ Distribution	Alcoholic Beverages	☎ (+61) 07 3463 0780 ✉ info@alpenliquor.com.au 💻 https://www.alpenliquorwholesalers.com.au/
Global Fine Wines	Import/ Distribution	Alcoholic Beverages	☎ (+61) 02 8006 0013 ✉ contact through website 💻 https://www.globalfinewines.com.au/
Andrew Guard	Import	Alcoholic Beverages (wines)	☎ (+61) 0417 872 398 ✉ contact through website 💻 https://www.andrewguard.com.au/
Wine World Import	Import/ Distribution	Alcoholic Beverages	☎ (+61) 7 55 640 994 ✉ info@wineworldimport.com 💻 http://www.wineworldimport.com/
Vintage Fine Wine Distributors	Import/ Distribution/ Wholesaler	Alcoholic Beverages (wines)	☎ (+61) 417 926 263 ✉ vintex@bigpond.com 💻 https://www.vfwd.com.au/
Airoidi Fine Wines	Import/ Distribution	Alcoholic Beverages (Wines)	☎ (+61) 0407 856 334 ✉ contact through website 💻 https://www.airoidifinewines.com.au/
World Wine	Import/ Distribution	Alcoholic Beverages	☎ (+61) 1300 288 115 ✉ wine@worldwine.com.au 💻 https://worldwine.com.au/
Manon Fine Wine	Import/ Distribution	Alcoholic Beverages (French wines)	✉ info@manonfinewine.com 💻 https://www.manonfinewine.com/
Mondo Imports	Import/ Distribution	Alcoholic Beverages (wines)	☎ (+61) 03 9816 9443 ✉ contact through website 💻 http://www.mondoimports.com.au/

Company name	Type	Area of interest	Contact information
Negociants Australia	Import/ Distribution	Alcoholic Beverages (Wines)	 (+61) 1300 616 072  contact through website  https://www.negociants.com/au/home
Ergo Wines	Wholesaler/ Distribution	Alcoholic Beverages (wines)	 (+61) 0431 597 151  contact through website  https://ergowines.com.au/
Bibendum Wine Co.	Wholesaler	Alcoholic Beverages	 (+61) 1300 610 919  orders@bibendum.com.au  https://www.bibendum.com.au/
QED Artisan Wine Merchant	Wholesaler	Alcoholic Beverages (wines)	 (+61) 02 9314 5000  sales@qedwines.com.au  https://www.qedwines.com.au/
Nicks Wine Merchants	Retailer	Alcoholic Beverages	 (+61) 03 9848 1153  sales@nicks.com.au  https://www.nicks.com.au/store/imported-wines
Star Beverages	Import/ Distribution	Alcoholic Beverages (Wines)	 (+61) 02 4773 4400  hello@starbeverages.com.au  https://starbeverages.com.au/
Combined Wines and Food	Import/ Distribution	Alcoholic Beverages	 (+61) 02 9533 7955  info@combinedwines.com.au  http://www.combinedwines.com.au/
Alba Whiskey	Distribution	Alcoholic Beverages (Spirits)	 contact through website  https://www.albawhisky.com.au/
Paramount Liquor	Import/ Distribution	Alcoholic Beverages (Spirits)	 (+61) 03 9034 9621  orders@paramountliquor.com.au  https://www.paramountliquor.com.au/
Toro Wines	Import/ Distribution/ Wholesaler	Alcoholic Beverages	 (+61) 08 9248 8665  enquiries@torowines.com.au  https://www.torowines.com.au/
Bidbeer	Import/ Distribution	Alcoholic Beverages (Beers)	 (+61) 02 9667 3755  info@bidbeer.com  https://www.bidbeer.com/
Heron Beverages	Import/ Distribution	Alcoholic Beverages (Beers)	 (+61) 450 907 251  contact through website

Company name	Type	Area of interest	Contact information
			 https://heronbeverages.com/
Beer Cartel	Import/ Distribution (online)	Alcoholic Beverages (Beers)	✉ contact through website  https://www.beercartel.com.au/
World of Beers	Import/ Distribution	Alcoholic Beverages (Beers)	✉ contact through website  https://www.worldofbeers.com.au/
Beer Moth	Import/ Distribution (online)	Alcoholic Beverages (Beers)	☎ (+61) 431 474 721 ✉ info@lotusbeer.net  https://www.beermoth.com.au/
Bucket boys	Import/ Distribution (online)	Alcoholic Beverages (Beers)	✉ contact through website  https://www.bucketboys.com.au/
Nicks	Import/ Distribution (online)	Alcoholic Beverages (Beers)	☎ (+61) 3 9848 1153 ✉ sales@nicks.com.au  https://www.nicks.com.au/
Copper & Oak	Import/ Distribution (online)	Alcoholic Beverages	☎ (+61) 08 9440 4989 ✉ info@copperandoak.com.au  https://www.copperandoak.com.au/
Good Drop	Import/ Distribution (online)	Alcoholic Beverages (Beers)	☎ (+61) 1300 603 344 ✉ info@lotusbeer.net through website  https://gooddrop.com.au/
A&E Beer Imports	Import/ Distribution	Alcoholic Beverages (Beers)	☎ (+61) 1300 537 286 ✉ contact through website  https://www.aebeerimports.com.au/
Jim's Cellars	Import/ Distribution	Alcoholic Beverages	☎ (+61) 02 9052 6705 ✉ info@jimscellars.com  https://www.jimscellars.com.au/
Dan Murphy's	Import/ Distribution	Alcoholic Beverages	☎ (+61) 1300 723 388 ✉ contact through website  https://www.danmurphys.com.au/dm/home
Beach Avenue Wholesalers	Import/ Distribution	Alcoholic Beverages	☎ (+61) 03 8791-1400 ✉ sales@baw.com.au  https://www.baw.com.au/
Liquorland	Mainly distribution	Alcoholic Beverages	☎ (+61) 1300 300 640  https://www.liquorland.com.au/





Company name	Type	Area of interest	Contact information
1st Choice liquor	Mainly distribution	Alcoholic Beverages	☎ (+61) 1300 308 833 💻 https://www.firstchoiceliquor.com.au/
BWS	Import/ Distribution	Alcoholic Beverages	☎ (+61) 1300 138 297 ✉ through website: https://partnerhub.woolworthsgroup.com.au/s/ 💻 https://bws.com.au/
Stuart Alexander	Import/ Distribution	Confectionery, packaged FMCG	☎ (+61) 2 9282 7700 ✉ https://www.stuartalexander.com.au/partner-with-us/make-enquiry 💻 https://www.stuartalexander.com.au/
Binbrek foodstuffs	Import/ Distribution	Meat	☎ (+61) 411296293
Uchews International	Import/ Distribution	Meat / petfood	☎ (+61) 731983351 💻 https://www.u-chews.com.au/
Swift & Company Trade Group	Import/ Distribution	Meat	☎ (+61) 7 3838 2300 💻 https://swifttrade.com.au/
Alessi Beverages	Import/ Distribution	Various fine foods (esp. Italian) inc. wines, confectionery	☎ (+61) 3 9580 3700 ✉ info@alessibeverages.com.au 💻 https://www.alessibeverages.com.au/
Alepat Taylor	Wholesale	Alcoholic Beverages	☎ (+61) 03 9487 2599 ✉ alepat@alepat.com.au 💻 https://alepat.com.au/
Bon Food	Import/ Distribution	Various fine European foods inc. pasta, confectionery, oils	☎ (+61) 3 9495 8200 ✉ Through website 💻 https://www.bonfood.com.au/
Produce Marketing Australia	Representation consultancy	/ Fruit and vegetables	☎ (+61) 2 9642 1555 💻 https://producemarketing.com.au/
Apromo Trading	Import/ Distribution	Fine Foods and Confectionery	☎ (+61) 02 8017 2400 ✉ contact through website 💻 https://apromotrading.com.au/
Blue Bay Gourmet	Import/ Distribution	Fine Foods	☎ (+61) 02 6685 7328 ✉ sales@bluebaygourmet.com.au

Company name	Type	Area of interest	Contact information
			 https://bluebaygourmet.com.au/
Angeles Fine Foods	Import/Distribution/ Wholesaler	Fine Foods (mainly cheese and meat)	 (+61) 1300 762 138  admin@angelesfinefoods.com  https://angelesfinefoods.com/
Bruno Fine Foods	Import/ Distribution	Fine Foods and Beverages	 (+61) 03 8371 8000  sales@brunofinefoods.com.au  https://brunofinefoods.com.au/
The Gourmet Co.	Distribution	Fine Foods	 (+61) 2 8018 8910  info@thegourmetco.com.au  https://www.thegourmetco.com.au/
Spiroski Foods	Import/ Wholesaler	Fine Foods	 (+61) 2 9792 7900  angelina@spiroski.com.au  https://www.spiroski.com.au/
Mayers Fine Foods	Import/ Distribution	Fine Foods inc dairy	 (+61) 02 9669 2211  info@mayers.com.au  https://mayers.com.au/
Marchetti	Import/ Distribution	Fine Foods (Italy)	 (+61) 03 9383 1496  enquiries@marchettisg.com.au  https://www.marchettifinefoods.com.au/
GJ Food	Import/ Distribution	Fine Foods	 (+61) 02 9518 9988  contact@gjfood.com.au  https://www.gjfood.com.au/
Sandhurst	Import/ Distribution	Fine Foods	 (+61) 02 9522 4522  info@sandhurstfinefoods.com.au  https://sandhurstfinefoods.com.au/
Food Link Australia	Distribution	Fine Foods	 (+61) 02 9666 4818  orders@foodlinkaustralia.com.au  https://foodlinkaustralia.com.au/
Blue Bay Gourmet	Import/ Distribution	Fine Foods	 (+61) 02 6685 7328  sales@bluebaygourmet.com.au  https://bluebaygourmet.com.au/about/
Pronto Fine Foods	Wholesaler	Fine Foods	 (+61) 8 9209 3655  sales@prontofinefoods.com.au  http://www.prontofinefoods.com.au/
Kebia Importex	Import/ Distribution	Fine Foods	 (+61) 02 9558 8555  info@kebia.com.au

Company name	Type	Area of interest	Contact information
			 https://www.kebia.com.au/
PGF Premium Gourmet Food	Import/ Distribution	Fine Foods	 (+61) 1300 168 428  contact through website  https://premiumgourmetfood.com.au/
Visco Food	Distribution	Fine Foods	 (+61) 7 3393 3553  orders@viscofoods.com  https://viscofoods.com/
Manassen Foods	Import/ Distribution	Fine Foods inc. dairy	 (+61) 1800 888 606  enquiries@manassen.com.au  http://manassen.com.au/
Fino Foods	Distribution/ Wholesaler	Fine Foods	 (+61) 1300 890 049  info@finofoods.com.au  https://www.finofoods.com.au/
Marco Polo Foods	Distribution	Fine Foods & Beverages	 (+61) 02 9718 8922  sales@marcopolofoods.com.au  https://www.marcopolofoods.com.au/
Omega Foods	Import/ Distribution	Fine Foods and Beverages (Greece)	 (+61) 08 8346 6499  sales@omegafood.com.au  http://omegafood.com.au/
Devings Fine Foods	Distribution	Fine Foods	 (+61) 8 9248 5834  sales@devings.com.au  http://www.devings.com.au/
Rosco Fine Foods	Import/ Distribution	Fine Foods (Confectionery & Gourmet)	 (+61) 2 9789 1088  contact through website  https://www.roscofinefoods.com.au/
Roberto Fine Foods	Import/ Distribution	Fine Foods (Italy)	 (+61) 08 9456 4423  admin@robertofinefoods.com.au  https://robertofinefoods.com.au/
Big Ben Specialty Foods	Distribution	Fine Foods	 (+61) 03 9555 2690  contact through website  https://bigbenspecialtyfoods.com.au/
Euro Foods Qld	Import/ Distribution	Fine Foods	 (+61) 07 3893 3535  admin@eurofoodsqld.com  http://eurofoodsqld.com/
Avo Trading	Distribution	Fine Foods	 (+61) 08 8395 7548  orders@avotrading.com.au  https://www.avotrading.com.au/
Pisconeri	Import/ Distribution	Fine Foods and Beverages	 (+61) 8 9242 1588

Company name	Type	Area of interest	Contact information
			✉ info@pisceneri.com.au 🌐 http://www.pisceneri.com.au/
Conga Foods	Import/ Distribution	Fine Foods and Beverages (dairy, olive oil)	☎ (+61) 03 9487 9500 ✉ contact through website 🌐 https://www.congafoods.com.au/
Basile Imports	Import/ Distribution	Fine Foods and Beverages	☎ (+61) 1800 635 268 ✉ foodandwine@basile.com.au 🌐 http://www.basile.com.au/
Europlus	Import/ Wholesaler Distribution/ Wholesaler	F&B	☎ (+61) 03 9580 0006 ✉ contact through website 🌐 https://europlusfinefood.com.au/
Icnussa	Import/ Wholesaler Distribution/ Wholesaler	Fine Foods and Beverages (Italy, Sardinia)	☎ (+61) 02 9648 1654 ✉ sales@icnussa.com.au 🌐 https://www.icnussa.com.au/
Deni International Foods	Distribution/Wholesaler	Fine Foods	☎ (+61) 02 9316 9990 ✉ orders@denifoods.com.au 🌐 https://www.denifoods.com.au/
Classica International	Import/ Distribution	Fine Foods (Italy)	☎ (+61) 3 9077 2422 ✉ info@classica.net.au 🌐 https://www.classica.net.au/
Lario	Import/ Distribution	Fine Foods and Beverages	☎ (+61) 2 9699 5600 ✉ contact through website 🌐 https://www.lario.com.au/
IFA Italian Food Australia	Import/ Distribution	Fine Foods	☎ (+61) 02 9748 7569 ✉ admin@italianfood.com.au 🌐 https://www.italianfood.com.au/
Global Food Distributors	Import/ Distribution	Fine Foods and Beverages	☎ (+61) 1300 710 824 ✉ gfd@globalfood.com.au 🌐 http://www.globalfood.com.au/
Gourmet & More	Wholesaler	Fine Foods	☎ (+61) 08 9337 8634 ✉ hello@gourmetandmore.com.au 🌐 https://gourmetandmore.com.au/
Kirk Food	Wholesaler	Fine Foods	☎ (+61) 3 9553 2188 ✉ melfood@kirkfood.com.au 🌐 http://www.kirkfood.com.au/
Premier Foods	Import/ Distribution	Fine Foods	☎ (+61) 03 8390 6322 ✉ info@premierfoods.com.au 🌐 https://premierfoods.com.au/

Company name	Type	Area of interest	Contact information
Leo's Imports	Import/ Distribution	Fine Foods and Beverages (Italy)	☎ (+61) 3 9359 0658 ✉ warehouse@leosimports.com.au 🌐 https://www.leosimports.com.au/
Ras Trade	Import	Fine Foods and Beverages	☎ (+61) 03 9793 6210 ✉ office@rastrade.com.au 🌐 https://www.rastrade.com.au/
Divine Food & Wine	Distribution/ Wholesaler	Fine Foods and Beverages (Italy)	☎ (+61) 2 9601 5522 ✉ sales@divinefw.com.au 🌐 http://divinefw.com.au/
Ambrosia Food and Beverage	Import/ Distribution/ Wholesaler	Fine Foods and Beverages (Greece)	☎ (+61) 0413 332 111 ✉ nick@ambrosiafoodbev.com.au 🌐 https://www.ambrosiafoodbev.com.au/
Crown Imports	Import/ Distribution	Fine Foods and Beverages (Greece & Cyprus)	☎ (+61) 03 9462 0177 ✉ sales@crownimports.com.au 🌐 https://www.crownimports.com.au/
The Forage Company	Distribution	Fine Foods and Beverages	☎ (+61) 1300 566 144 ✉ orders@theforagecompany.com 🌐 https://www.theforagecompany.com/
The Distributors Brisbane	Distribution	F&B	☎ (+61) 07 3802 7800 ✉ adminsales@distbris.com.au 🌐 https://www.thedistributorsbrisbane.com.au/
Vittoria Food & Beverage	Import/ Distribution	F&B (Italy)	☎ (+61) 2 9748 0299 ✉ enquiries@vittoriacoffee.com 🌐 http://vittoriafandb.com/
MBC Metro Beverage Co	Import/ Distribution	Beverages	☎ (+61) 1300 123 622 ✉ sales@mbcdrinks.com.au 🌐 https://mbcdrinks.com.au/
Tavolino	Import/ Distribution	F&B	☎ (+61) 08 9350 6949 ✉ sales@tavolino.com.au 🌐 https://tavolino.com.au/
ABF Australian Bulk Foods	Import/ Distribution	Confectionery	☎ (+61) 07 3260 6311 ✉ admin@abf-foods.com.au 🌐 http://www.abf-foods.com.au/
Candy Time	Distribution/ Wholesaler	Confectionery	☎ (+61) 07 5665 9900 ✉ customercare@candytime.com.au

Company name	Type	Area of interest	Contact information
			 https://www.candytime.com.au/
Sweetcraft	Wholesaler	Confectionery	 (+61) 02 9740 3080  sales@sweetcraft.com.au  https://sweetcraft.com.au/

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