AGRICULTURAL SECTORS

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

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

Given Australia's large agricultural base, market prospects for U.S. food products are best in areas drawing on innovative products, economies of scale, and the U.S. position as a counter-seasonal supplier of fresh product (for information on food export restrictions into Australia, see Chapter 5). According to Global Trade Atlas data, total exports of U.S. food, forestry and fishery products to Australia in the 12 months ending September 2011 were valued at over US$1.3 billion. The nature of agricultural products exported from the United States to Australia consists mainly of consumer-oriented and intermediate food products (US$943 million and US$219 million respectively in the 12 months ending September 2011).

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

Best Product Prospects

The organic, healthy and natural products market in Australia is growing rapidly. Although Australia is a large producer of organic raw products, it does not have the manufacturing capacity to satisfy demand for the processed segment. Prospects are excellent for organic and natural ingredients as well as consumer-ready processed foods and beverages. Examples of this are the nutritious snacks category which experienced an overall 5.8% rise in value in 2010. The ‘adult’ segment of this category experienced a value change of almost 16%. The rice crackers and rice & grain cakes segments of the biscuits category also continue to experience growth with a 6.2% and 5.4% rise in value respectively in 2010.

The iced tea segment of the beverages category is still performing well, with overall growth by grocery volume of 14% in rise in value in 2010 following a 29% rise in 2009.

The energy and sports drinks segments remain some of the best performing in the cold beverage category with value growth of 20% and 12% respectively in 2010. These segments are now valued at $225 and $120 million respectively.

The functional segment of the beverage category, which is relatively new to this market, grew very quickly in the past couple of years but has leveled off in 2010. The mineral water segment, however, grew by over 14% in 2010 with the segment split evenly between non-flavored and flavored varieties.

The value of the spices segment of the herbs & spices category grew by almost 11% in 2010 with a grown of 14% by volume. This segment is now valued at $21 million overall.

Elsewhere in the condiments category 'wet' recipe bases (sauces/marinades) grew by almost 23% by value in 2010. This segment is now valued at $26 million.

To view individual commodity reports produced by the Foreign Agricultural Service please go to the following website: http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx.