Global network geared to future markets
Austrade’s focus for 2015-16

- Premium Australia
- Food Security
Discretionary food demand is growing rapidly

Global middle-class consumers: 2009 vs 2030 forecast.

- **North America**
  - 2009: 338 m
  - 2030: 322 m

- **Central and South America**
  - 2009: 181 m
  - 2030: 313 m

- **Asia Pacific**
  - 2009: 525 m
  - 2030: 3228 m

- **Europe**
  - 2009: 664 m
  - 2030: 680 m

- **Middle East and Africa**
  - 2009: 137 m
  - 2030: 341 m
The shift in Asian markets
What does Australia need to do to adapt?

FROM

Short-term
Price-driven

TO

Integrated supply chains

Long-term relationships

Differentiation between suppliers and countries of origin
Premium Australia opportunities and challenges

Our target consumer is high income, highly discerning, and will pay a premium for the food they want.

Every high quality food producer in the world is competing for these consumers.

Our industry is historically weak at product innovation, marketing, and promotional support for export customers.

Australia’s reputation for food is strong, but it is a critical challenge for us to remain relevant and a preferred choice.
Australia needs to position our food products to compete in the higher margin premium niche.

To support this, Austrade will:

- Position Australia as a differentiated, aspirational source of food and beverages, rather than competing on price.
- Tell the story of Australian food, and its links to our high-integrity production systems and clean environment.
- Address the industry’s current fragmented approach to international promotion, and drive more cohesive sector-wide approaches to promoting our strengths wherever possible.
Austrade will focus where Australia is competitive in the premium market

- Strategic customer engagement across key channels – on the table, on the shelf and online
- Promotions and education – wine, seafood, red meat, fresh produce, dairy
- Food safety as a marketing asset
- Leveraging FTAs
THE CHINA E-COMMERCE OPPORTUNITY
The e-commerce opportunity in China

- 330 million consumers
- Relatively high income, seeking direct connection to their favoured brands
- New “cross-border trading” rules: lower taxes, more flexible quarantine and inspection regime
- 18 million Chinese consumers buying direct from overseas (cross-border shoppers)
  - 39% of these have bought from Australia
- But only ~50 Australian brands represented
But which option is best for you?

- Online shopping mall (e.g. Blackmores, Bellamy’s Organic)
- Hypermarket
- Specialty market
- Business-to-business

- Consumer-to-consumer
- Online-to-physical
- Flash sales
- Different consignment models/distribution pathways
- DIY?
Taking the first step

Launch of initiative and 40 page report in June, with Alibaba, YHD, JD.com, and VIP.com

Subscribe for updates through 2015-16

Tailored services and advice from Austrade specialists in China
  - Marketplace selection
  - Product feedback
  - Introductions
  - Standard and tailored packages

Australian-themed promotions in China over 2015-16 in cooperation with key platforms

Financial support – EMDG and EFIC
FOOD SECURITY

*many nations will continue to view reliance on imports of staple food as a strategic risk*

**Emerging economies seek safe, reliable sources of nutrition**

Global food demand is expected to increase 70% by 2050.

**Highly integrated food supply chains are emerging**

Transitioning away from consolidators and merchandise trading towards provenance assurance.

**Increasing desire to improve domestic production**

Opportunity to provide technical assistance to develop capability in agricultural technology, policy, systems, skills, services and education.
Australia needs to be positioned as a centre of food production expertise

To support this, **Austrade will:**

- position Australia as a committed provider of food security solutions with our key trading partners
- reinforce Australia’s reputation as a high-quality producer across both bulk and premium foods
- identify new areas of demand for differentiated bulk food products
- work with Australian agri research, education, services, technology and equipment suppliers to identify areas of capability
- help the Australian agri services industry to grow beyond the domestic market, so that new investment into agricultural productivity continues in Australia
Austrade will focus on areas of Australian capability

- Dairy production
- Herd improvement and health
- Agri-education, skills and R&D
- Grains, oils and pulses
- Seafood production
Food & Agribusiness is a critical sector across all Austrade markets.

**Premium Australia**
- China
- Hong Kong
- India
- Indonesia
- Japan
- Korea
- Malaysia
- MENA
- Mexico
- Myanmar
- Philippines
- Singapore
- Taiwan
- Thailand
- USA
- Vietnam

**Food Security**
- Brazil
- China
- India
- Japan
- Korea
- MENA
- Myanmar
- Pakistan
- Philippines
- Singapore
- Sri Lanka
- Taiwan
- Thailand
- Vietnam
Major food & agribusiness events in 2015-16

September - December
- **AsiaFruit Logistica** – Hong Kong
- **Australian Grand Wine Tasting** – Seoul & Tokyo
- **Grandview, Sogo premium retail promotions** – Guangzhou, Shanghai
- **YHD.com, VIP.com Australian Pavilion promotions** – Shanghai, Guangzhou
- **Fine Food Australia, International Food & Bev Trade Week (Vic Govt)** – Sydney, Melbourne
- **Savour Tasmania (Tas Govt)** – China various
- **Indonesia-Australia Business Week** – Jakarta
- **MENA Connections Roadshow** – Australia 7 cities
- **Seafood Directions** – Perth
- **North Asia FTA seminar series** – Australia various
- **China oats and barley buyer delegation** – Australia various
- **South Asian dairy development seminars** – India, Pakistan, Sri Lanka
- **Food safety workshops** – Vietnam, Hong Kong

*75+ events over FY15-16*
Major food & agribusiness events in 2015-16

January - March

- **Japan premium retail showcase** – Tokyo
- **Australian Grand Wine Tasting** – Singapore, Hong Kong, Seoul
- **Craft beer showcase** – Seoul, Hong Kong
- **Now in Season horticulture promotion** – Philippines, Thailand, Korea, China (TBC), Japan (TBC)
- **China e-commerce platform Australian Pavilion promotion** - TBC
- **Rustan’s premium retail F&B promotion** – Manila
- **Korea grains mission** – Seoul
- **Global Grains Asia & AGIC Singapore** – Singapore, Hong Kong
- **Gulfood** – UAE + KSA
- **Australia Day-linked promotions** – Kuala Lumpur, Manila
- **Australia Week in USA (agri-innovation theme)** – USA
- **Australian edible oils food safety workshop** – Taiwan
- **Wheat technical awareness training with AEGIC** – Manila

75+ events over FY15-16
Role of Austrade

- Identifying opportunities and trends
- Providing insights, information and tailored in-market support
- Promoting Australian capabilities

- Supporting development of an Australian food and agriculture brand and the ‘Australia’ story
- Facilitating a unified approach across industry and government to international markets
- Promoting investment into Australian agriculture
CONTACT AUSTRADE

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