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Report Name: Food Processing Ingredients Annual

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Report Highlights:

A major driver of Australia's manufacturing sector is its food, beverage, and grocery industries, which account for a third of all activity. Recent growth has been strong, with an 11% increase in turnover to US\$107 billion in 2022-23. In 2024, Australia's imports of food processing ingredients totaled US\$13.6 billion, of which the United States provided US\$1.4 billion.

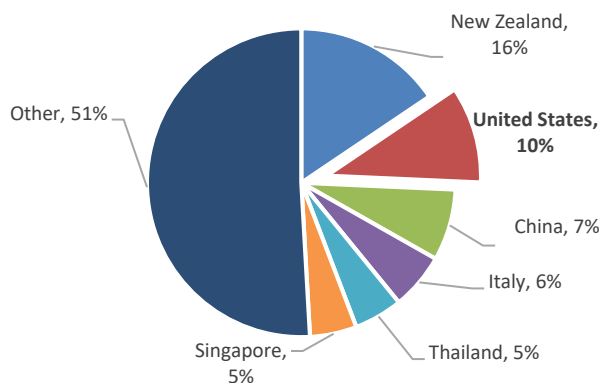
Market Fact Sheet: Australia

Executive Summary

Australia possesses a substantial economy, ranking 14th globally, and enjoys a high level of prosperity, evidenced by its high per capita GDP and second-highest median wealth per adult worldwide (UBS 2024). The U.S.-Australia Free Trade Agreement further benefits U.S. exporters by eliminating tariffs on many food products.

Consumer-Oriented Agricultural Imports

In 2024, Australia imported \$13.6 billion worth of consumer-oriented products with the United States' market share at 10 percent of the total imports (\$1.4 billion). Most of Australia's imports in this sector are sourced from New Zealand with 16 percent of the market share.



Source: Australian Bureau of Statistics

Food Retail Industry

Australia is currently grappling with a cost-of-living crisis fueled by rising inflation, which is changing how people shop. Consumers are increasingly prioritizing sustainability, waste reduction, food quality, and healthy eating when making purchasing decisions. In 2024, Australia imported US\$15.3 billion of consumer-oriented foods (including snacks, breakfast items, meat, dairy, produce, and beverages), fish, and seafood. The United States is the second-largest supplier in these categories, accounting for US\$1.4 billion (9%) of Australia's total food imports, while New Zealand leads as the primary source. For more information, please see the [Retail Foods](#) report.

Food Processing Industry

Australia's food processing industry is the largest manufacturing sector in the country. In 2022-2023, the sector grew 11 percent. The food manufacturing turnover was US\$ 107 billion. The sector's revenue is mainly generated by large companies.

Food Service Industry

High inflation and living costs have constrained Australia's consumer foodservice industry in 2023-24. Consumers face rising prices, cut discretionary spending, reducing demand for full-service restaurants and favoring cheaper, limited-service options like fast food. This shift has slowed the sector's growth after its post-pandemic recovery. For more information, please see the [Food Service Report](#).

Quick Facts CY 2024

Total Imports of Consumer Oriented Products - \$13.6 billion

Australia's Top Consumer-Oriented Growth Products

- | | |
|-------------------------------|----------------------------|
| 1) Bakery Goods | 6) Pork & Pork Products |
| 2) Food Preparations | 7) Condiments & Sauces |
| 3) Processed Vegetables | 8) Non-alcoholic beverages |
| 4) Chocolate & Cocoa Products | 9) Dog & Cat Food |
| 5) Processed Fruit | 10) Coffee |

Food Industry by Channels (\$ billion)

Retail Food Industry	\$141.1
Food Service – HRI	\$40.9
Food Processing (2022-2023 latest available data)	\$107
Food and Agriculture Exports	\$47.7

Top Australian Food Retailers

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

GDP/Population

Population (millions): 27.2 (June 2024)
GDP (billions USD): \$1.73
GDP per capita (USD): \$64,820

Strengths/Weaknesses/Opportunities/Threats

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

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

Section I: Market Overview

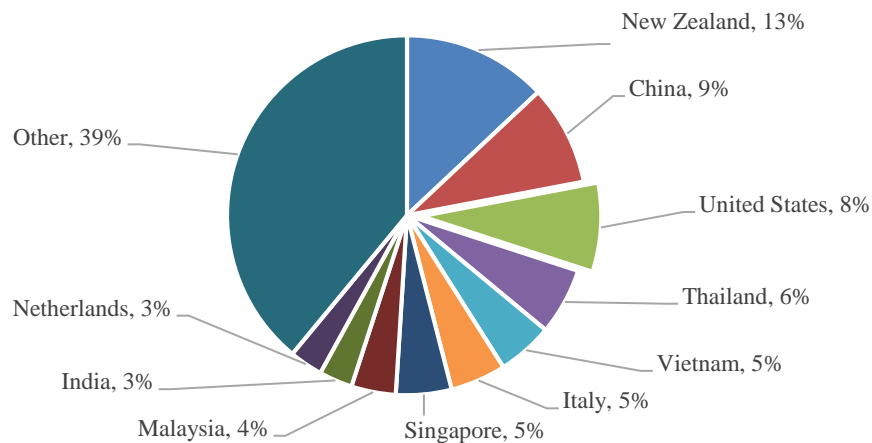
Australia's manufacturing sector is dominated by food, beverage, and grocery production, which represents one-third of all activity. The Australian Food and Grocery Council reports that the industry secured a 11 percent growth in turnover, reaching US\$107 billion in 2022-23. Record immigration levels significantly boosted demand, compounded by the unexpected rise in wholesale prices after a decade of stability.

Note: 2022-23 is the latest available data.

While the sector is dominated numerically by solo traders and small and medium-sized enterprises (SMEs), large companies capture most of the revenue and employment.

Australia's total imports of food processing ingredients in 2024 was US\$15 billion.

**Australian Imports of Food Processing Ingredients
2024**



Source: Trade Data Monitor/Australian Bureau of Statistics

Current trends in the market:

Redefining Value – Consumers prioritize value, carefully considering both immediate and future needs. Brands must respond with solutions that deliver clear benefits and tangible incentives.

Focused Selection – Consumers are overwhelmed by choice and desire a simpler, faster way to find what they need. Brands that prioritize clear communication and a streamlined user experience will capture their attention. Example – Coles, Australia's second largest grocery store, is reducing their offerings and removing 10% of product range from their shelves.

Eco Logical – While driven by values, consumers also expect performance from sustainable products. Brands must provide proof of their eco-claims and tailor them to specific product benefits and target markets.

Advantages and Challenges Facing U.S. Products in Australia

Advantages	Challenges
There's a strong cultural affinity between the U.S. and Australia.	Australia enforces stringent quarantine regulations for fresh produce, meat, and dairy products.
Communication is seamless with no language barriers.	Australia is a significant producer of a wide variety of agricultural products.
U.S. products are highly regarded and well-received.	'Buy Australian' campaign is significant.
A free trade agreement between the U.S. and Australia results in low to no import tariffs.	Australian labeling and advertising laws are different from the United States. This may require costly changes to food labels.
Australian consumers are receptive to innovation, showing a willingness to try new products, which allows for testing and market share growth.	Need to produce innovative food products to break into highly competitive retail food sector as most categories have substantial market leaders.
Due to limited domestic production, Australia must import ingredients and varieties like tea, coffee, cocoa, specific nuts, dried fruit, and natural colors.	An increasing number of low-cost foods ingredients are available from developing countries.
Many of the major trends in flavoring ingredients used in Australia have their origins in the United States.	

Section II: Roadmap for Market Entry

Entry Strategy

Market entry is complex, and local representation eases the process greatly. The local representative should be able to provide market knowledge, up-to-date information, guidance on business practices, trade-related laws, food standards, and sales contact. The type of local representation depends on the exporter and the products. The U.S. supplier should provide samples, product specifications, and nutritional data for all products and provide representatives with the necessary training. Using marketing materials and product information will allow the representative to canvass the customer base to determine the level of interest with existing and potential buyers, and market development expertise. FAS Canberra suggests that exporters engage a broker who knows the market and manufacturers and generally has a strong relationship with traders. These contacts should include the following: warehousing, distribution, and assistance with customs and quarantine paperwork.

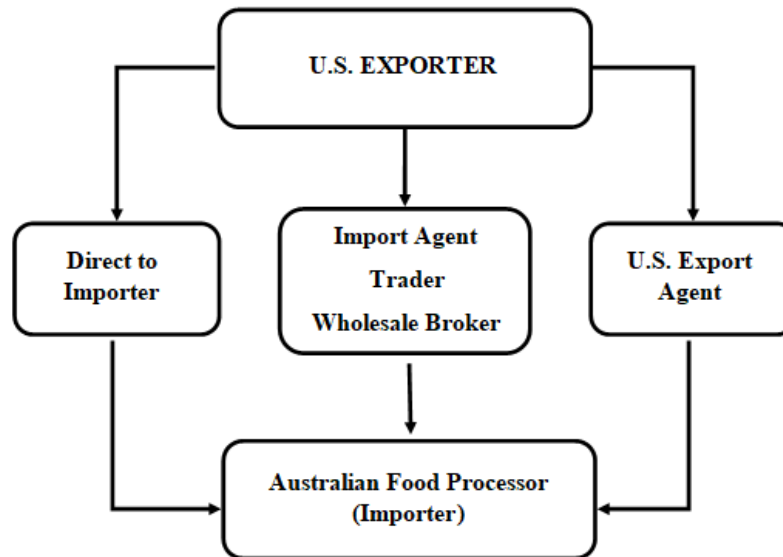
Import Procedure

Most food ingredient imports move through a third party, such as an import agent, trader, or wholesaler. This third party can often provide invaluable assistance to help overseas suppliers meet import conditions. Most food processors in Australia use import agents to source products and buy direct from other processors or producers.

Australia has strict import conditions and labeling requirements that differ from the United States. The Food and Agriculture Import Regulations and Standards (FAIRS) narrative report also provides information on Australia's import requirements. The latest version of this report can be downloaded from the [USDA website](#).

Distribution Channels

Imported food ingredients mostly move from the U.S. exporter to the Australian processor through an import agent or by Australian companies going directly to the U.S. exporter. The diagram below shows the flow of products through the distribution chain.

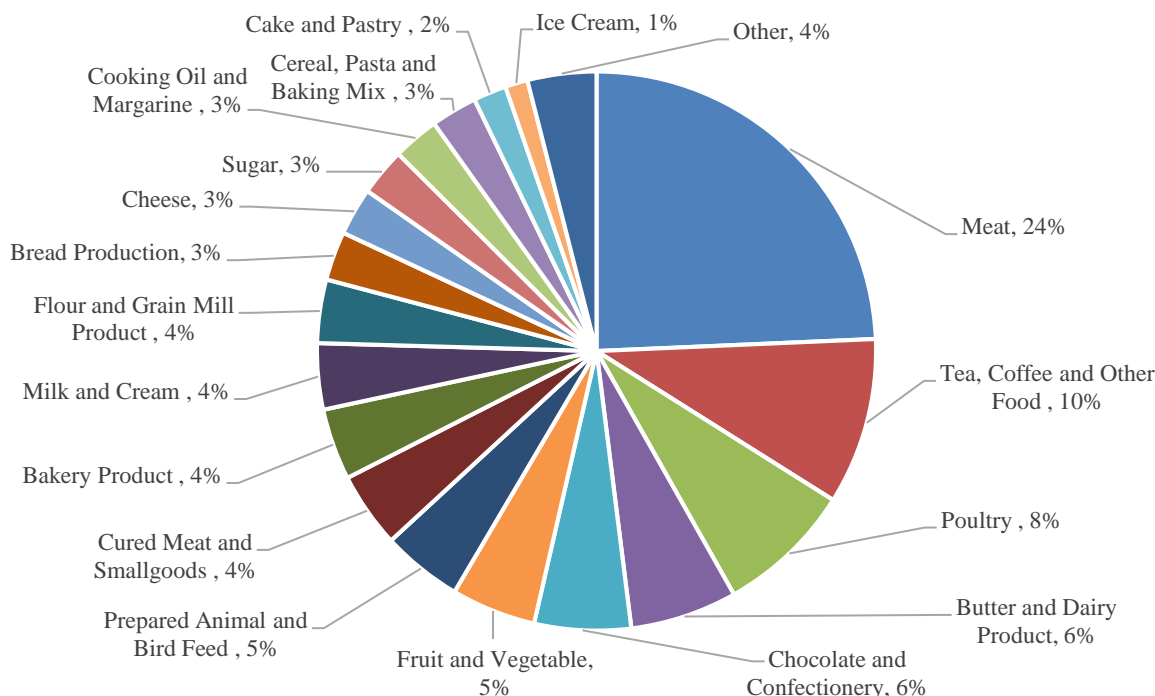


Market Structure

Australian consumers' strong affinity for American food trends creates significant opportunities for U.S. food exporters. The U.S. market's scale allows for greater product diversity, enabling the introduction of unique and innovative food items, such as specialized flavors, to the Australian market. With numerous avenues for market entry, the Australian food processing sector presents a fruitful ground for imported products.

Share of Major Segments in the Food Processing Industry

IBISWorld data for 2024 shows a diverse food processing industry. Meat processing as its largest sector, producing US\$31.8 billion in revenue. Tea and coffee manufacturing held the second position, with US\$12.6 billion.



Source: IBISWorld

Company Profiles

Fonterra Co-Op Group	George Weston Foods
JBS Foods Australia	Saputo Dairy Australia
Coca-Cola Europacific Partners	Nestle
Asahi Holdings	Wilmar Sugar
Baiada Poultry	Lactalis Australia
Bega Cheese	Manildra Group
Thomas Foods International	Lion
Ingham's	Pepsi Co Australia
Tey's Australia	Mondelez Australia
Treasury Wine Estates	Sunrice

Food and Drinks Business list of Australia's Top 100 food and beverage companies for 2024 can be found [here](#).

Sector Trends

- 2025 is the year to reset – consumer confidence and income are picking up
- Attribute importance
- At-home occasions will continue to be popular
- Treats still driving growth

Section III: Competition

Australia's imports of food ingredients totaled \$14.9 billion in 2023. The United States is the third largest supplier of these products, with imports of US\$1.2 billion (eight percent of total imports) in 2024, behind New Zealand (thirteen percent) and China (nine percent).

Australian Imports of Food Ingredients from the World

	2022	2023	2024
World	13,581,962,072	13,193,800,831	14,915,928,988
New Zealand	1,817,653,623	1,871,623,188	1,935,979,314
China	1,193,229,831	1,103,280,590	1,375,557,765
United States	1,148,399,038	1,142,193,519	1,188,784,491
Thailand	896,267,836	808,462,098	955,155,510
Vietnam	744,760,037	650,927,734	786,937,920
Italy	611,832,229	641,576,651	774,864,684
Singapore	645,079,150	571,452,439	675,264,613
Malaysia	611,874,916	544,028,543	662,729,872
India	372,384,966	408,149,865	474,178,190
Netherlands	490,448,141	457,644,543	463,974,835
Other	5,072,168,637	5,024,139,194	5,622,501,794

Source: Australian Bureau of Statistics

Section IV: Best Product Prospects

Products Present in the Market with Good Sales Potential

- Dairy Products – cheese, whey, ice cream
- Bakery Goods – cereals, pasta, pastry, cookies
- Dog & Cat Food
- Chocolate
- Distilled Spirits – whiskey, vodka, gin, rum

Products Not Present in the Market with Good Sales Potential

- Confectionary/Candy
- Non-alcoholic beverages
- Condiments and Sauces
- Wine

Products Not Present due to Significant Barriers

- Cooked Turkey
- Apples
- Beef

Section V: Keys Contacts and Further Information

Agricultural Affairs Office U.S. Embassy Canberra Physical Address: Moonah Place, Yarralumla, ACT 2600 http://www.fas.usda.gov	Phone: +61 2 6214 5854 Email: Agcanberra@usda.gov
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Department of Agriculture, Fisheries and Forestry – Government Agency for Agriculture
Website: <https://www.agriculture.gov.au/> Tel: +61 3 8318 6700 (from outside Australia)

Food Standards Australia New Zealand (FSANZ) – Agency that develops and administers the Australia New Zealand Food Standards Code
Website: <https://www.foodstandards.gov.au/> Tel: +61 2 6271 2222

[Food and Agricultural Import Regulations and Standards Report](#)

NOTES

- The following chapters of the Harmonized Tariff Code were used for querying trade data to include in this report.

02 Meat and edible meat offal; **03** Fish and crustaceans, etc.; **04** Dairy products; eggs; honey; **0504** Guts, bladders and stomachs of animals (not fish); **07** Edible vegetables ; **08** Edible fruit and nuts; **09** Coffee, tea, mate, and spices; **10** Cereals (wheat, rye, barley, oats, corn, rice, buckwheat, millet, other cereals); **11** Products of milling industry; malt; starches; inulin; wheat gluten; **12** Oilseeds; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw fodder; **13** Lac; gums, resins, other vegetable saps, and extracts; **15** Animal, vegetable fats, and oils; **16** Preparations of meat, fish, crustaceans, mollusks; **17** Sugar and sugar confectionery; **18** Cocoa and cocoa preparations; **19** Preparations of cereals, flour, starch or milk; pastry cooks' products; **20** Preparations of vegetables, fruit nuts or other parts of plants; **21** Miscellaneous edible preparations (extracts, yeasts, sauces, soups, ice cream, NESOI); **2209** Vinegar
NOTE: NESOI = Not elsewhere specified or included.
- The exchange rate used to convert Australian dollars to U.S. dollars throughout this report is the average exchange rate for 2024 derived from data published by the Reserve Bank of Australia: A\$1.00 = US\$0.66.

Attachments:

No Attachments