



Technical & complex

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Meat & Livestock Australia Market Snapshots – booklet



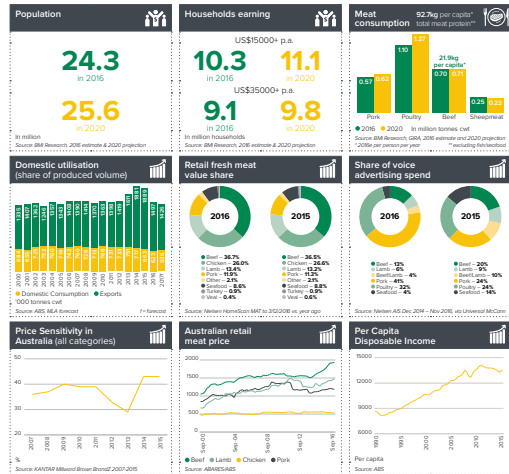
MARKET SNAPSHOT | BEEF Australia

Australian consumers are increasingly cautious and price-sensitive. Disposable income has not kept pace with inflation, with wage growth stagnating. Growth in food sales, including in the meat category, is largely driven by population growth and price inflation.

Beef consumption in Australia is facing some challenges and opportunities:

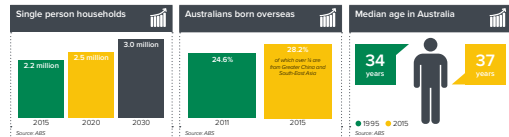
- Australians remain the second-largest consumers of meat per capita, and the sixth-largest consumers of beef in the world (Source: OECD).
- Changing demographics – including increased migration from Asian countries where pork is the dominant protein, and an aging population who are avoiding red meat for health/functional/price reasons.
- Increased competition from pork (marketing activity and chicken price pressure) will continue to challenge beef.

- Social factors such as increased consumer consciousness of environmental impact, animal welfare, health concerns, and increased demand for food integrity provide opportunities to consider in red meat messaging.
- Beef value share remains steady as prices increase. Maintaining value share, and limiting decline in volume, remain a challenge.



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Consumers

- Consumer demand for beef is affected by many factors, such as demographic change, and changes in attitudes and beliefs towards food from family, friends, and the media.
- Consumers are increasingly challenged to cut back on sugar, and eat more natural, fresh and unprocessed foods (Source: PIRSA Food Charts 2016).

- Consumers claim to want to see more food products that are "All natural" (Source: Nielsen – Estimating the Unlabeled 2016). "All natural" product claims doubled between 2009 and 2014 (Source: Nielsen, 2016).
- Regarding animal products, 60% of consumers claim they want to avoid antibiotics/hormones – the number one ranked concern (Source: Nielsen, 2016).

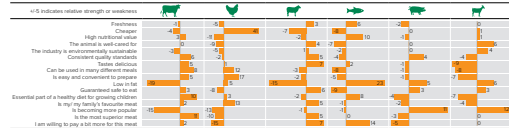
- MLA research has shown that, when consumers are choosing meat, the attributes most closely associated with frequent consumption are that it is a "family favourite" and that it is "easy and convenient to prepare".
- When consumers are shopping for beef, the key information they look for on pack relates to freshness and price.

- What things do consumers look for on a pack when buying beef?
- What are attributes that are important for Australian consumers? (all proteins)
- What key strengths does beef have?

Colour of meat	Is my family's favourite meat	Is the most superior meat
Price per kg	Is easy and convenient to prepare	Is an essential part of a healthy diet for growing children
Date packed	Is the most superior meat	Can be used in many different meals
Freshness	Tastes delicious	Consistent quality standards
Use by date	Consistent quality standards	Tastes delicious

- There's no doubt that price is a key barrier for Australians when considering beef, especially when compared to chicken. However, beef is seen as being more expensive than it actually is (Source: M&L Global Consumer Trends 2016).

Protein Image Profiles

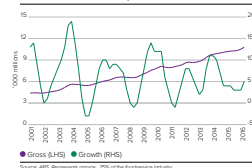


Source: M&L Global Consumer Trends 2016

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Foodservice

Quarterly turnover in millions & Growth Quarter vs Quarter YA

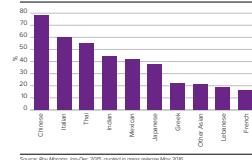


- The Australian foodservice sector is large, and competitive, with over 85,000 places to eat out, dominated by Quick Service Restaurants (QSR), cafes, and casual dining restaurants.

- Australians eat out an average of two to three times a week, spending \$45 billion per annum (nearly \$100 per household per week) (Source: International – Eating Out in Australia, quoted in press release Nov 2016).
- The foodservice channel is highly fragmented, with many individual companies having small market share. Exceptions include QSRs and institutional channels such as hospitals and aged care.

- Shifting consumer attitudes and behaviour drive innovation and evolution from foodservice providers and these are responsible for some of the volatility seen in the market. Foodservice growth is also impacted by tourism and therefore by international market dynamics, and by the fluctuating Australian dollar.
- The eating out behaviour of Australian consumers over recent years has seen slower rates of growth, and this is set to continue, with only 17% of Australians saying they are eating out more now than they were a year ago – with 36% saying less and only 17% say they are intending to eat out more in future (Source: M&L Global Consumer Trends 2016).

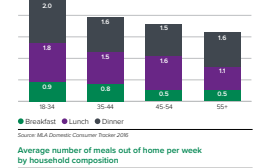
Favorite international cuisine types



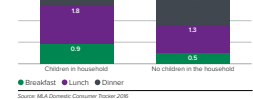
A trend to watch for 2017: tech-driven food delivery by aggregators such as Deliveroo, Foodora, MenuLog and UberEats

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Average number of meals out of home per week by age



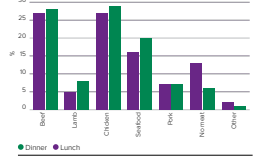
Average number of meals out of home per week by household composition



- There are many factors that contribute to the choice to eat out or not, mostly occasion-based (i.e. where and when the meal takes place, and with whom). Having children in the household indicates a higher level of eating out, as well as influencing choice of venue and choice of meat. When it comes to where to go, convenience, value and familiarity are key, which partly explains the rise of QSRs, supermarket meals-to-go, and other casual dining options.

- Other foodservice trends to watch are menu customisation (for example, McDonald's "Create Your Taste") and increased demand for integrity (e.g. Gusman Y Gomez' switch to 100% free range chicken). Authentic eating and personalisation are amongst the "Top 10 Global Consumer Trends for 2017", according to Euromonitor International.

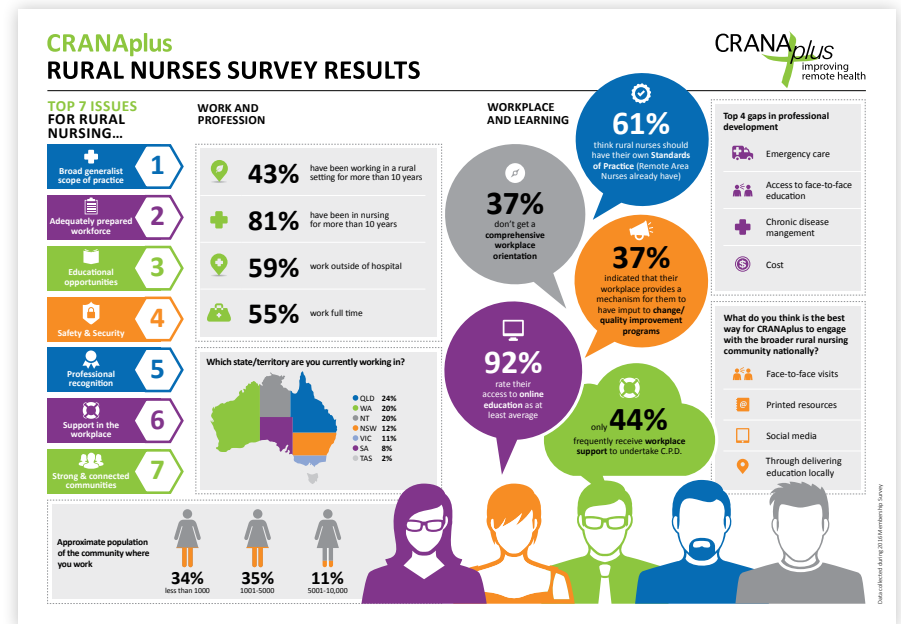
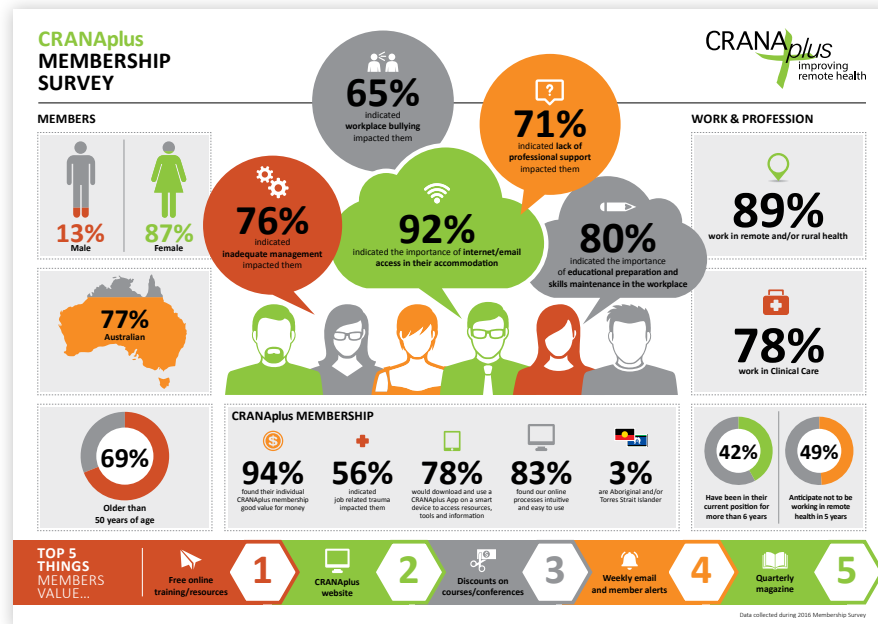
Meats eaten when dining out – lunch and dinner

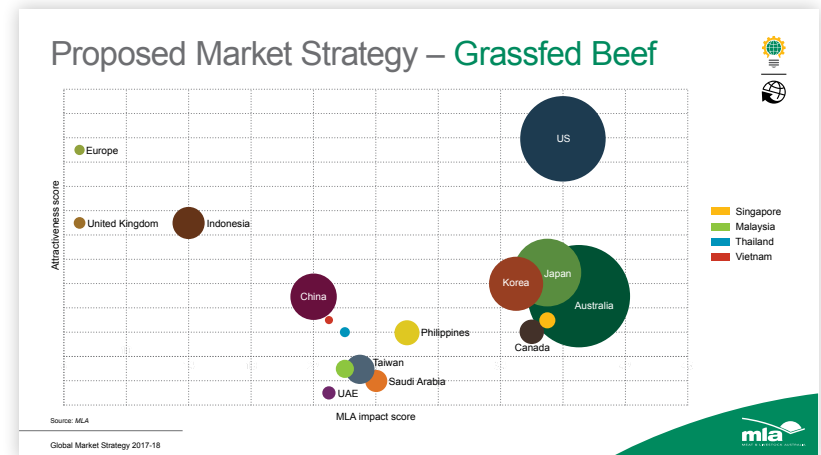
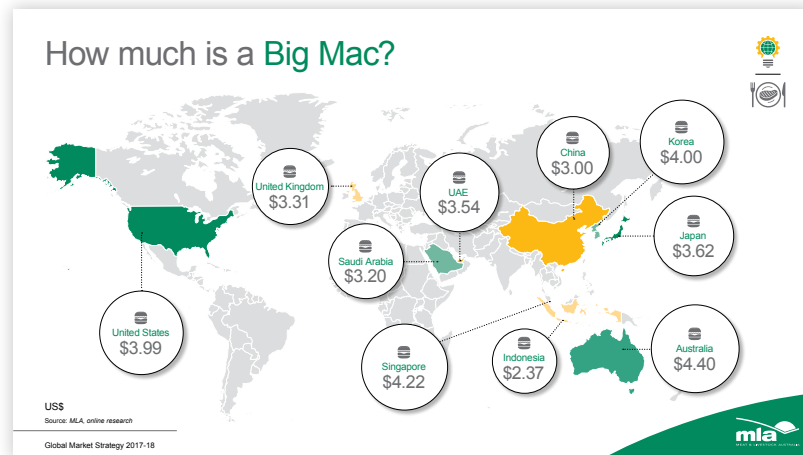
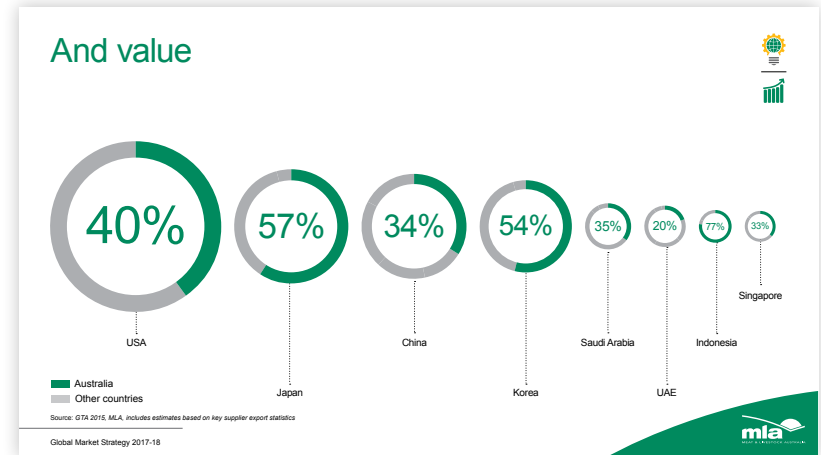


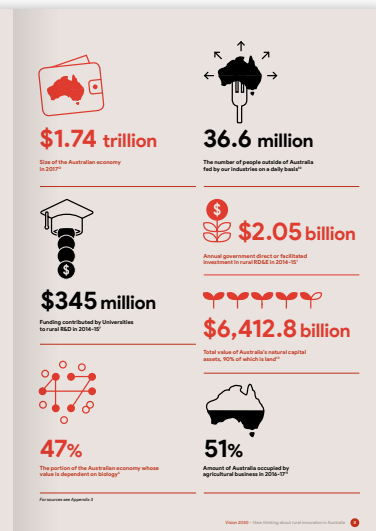
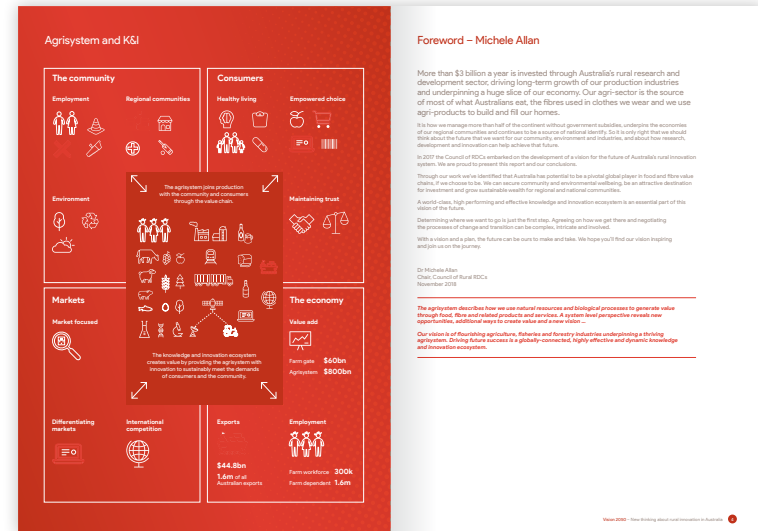
Source: M&L Global Consumer Trends 2016



CRANaplus Membership Survey – poster Nurses Survey – poster







Introduction

The future of Australia's rural industries is bright and evolving rapidly. Innovation has been core to the success of Australia's rural industries over many decades. Research and development has enabled producers to manage Australia's conditions to create wealth that supports our regional and rural economies and communities, contribute to our national economy, and sustainably manage over 60% of Australia's land.

However, we know there are significant challenges and opportunities ahead. Now, more than ever before, Australia needs to harness its innovation capacity to further the ability of our agricultural sector to adapt to new and emerging challenges and to capitalise on future opportunities. It is time for new ways of thinking about the role and opportunities of our agricultural, fisheries and forestry industries, and what we can learn from research, development and innovation.

Through the Council of Rural Research and Development Corporations, the RDCs have been developing a vision for the future of Australia's rural innovation system. Our aim is to encourage the right settings for our rural R&D and innovation sector, ensuring it is fit for progress in a complex, global and fast-paced production, economic, social and environmental world.

Our vision is of flourishing agriculture, fisheries and forestry industries underpinning a thriving agrisystem. Driving future success is a globally connected, highly effective and dynamic knowledge and innovation ecosystem. The knowledge and innovation ecosystem provides the capacity to sustainably meet the demands of consumers and the community.

Our nation builds on the strengths of our production industries and research capacity to feed and realise opportunities to create wealth and prosper. Our agrisystem is successful and prosperous, growing sustainable wealth, supporting national, rural and regional economies and improving community and environmental wellbeing.

A globally connected, high-performing knowledge and innovation ecosystem underpinning a thriving Australian agrisystem

Innovation is the driver of future productivity growth and prosperity. It is a process through which we apply knowledge, skills and experience to adapt and transform. Australia has a high-quality research sector which will be world class in the future, but this work needs to be better integrated with the current and future needs of industry. Taking a systems approach, aligning around ambitious goals and implementing appropriate governance arrangements will support more efficient, effective and impactful responses.

Australia's agrisystem improves community and environmental wellbeing, positions Australia as an investment destination of choice, and grows sustainable wealth through the national and regional economies

The agrifood and fibre system, or agrisystem, describes how we use natural resources and biological processes to generate value through food, fibre and related products and services. It is a system that provides wealth and opportunity, additional ways to create value and a new value for our production industries underpinning future prosperity with benefits for the community, economy and environment.

The agrisystem covers an estimated \$600 billion of the Australian economy, is the source of basic requirements for society, and supports employment of over 300,000 people. It is a source of basic requirements for society, and supports employment of over 300,000 people. It is a source of basic requirements for society, and supports employment of over 300,000 people.

Community and consumers are king

The future of Australia's production industries will be driven by the needs and preferences of consumers and the community. Consumer responses will determine what products and services are successful. The community's needs and expectations will determine what production systems are needed. Meeting the needs of consumers and communities will require greater connectivity and flow of information up and down food and fibre value chains.

Between them, consumers and the community will determine the future conditions industry will operate under – the social licence to operate. Increased production and productivity provide a foundation for the social licence to operate. It is about ensuring the generation and distribution of food and fibre products, without production, there is no agri-system.

More than food and fibre

Food and fibre production are the heart of our industries, and through these value chains they address basic needs of society. Opportunities will arise to build on our strengths and grow new, diverse sources of value. Industries need to step up to produce and compete in the face of challenges from international competitors and emerging food and fibre products will embody new technologies for wealth and systems, such as integrated food and fibre systems. Markets will be connected for our strengths through technology, innovation and research to create value for our communities, and we know how and regularly can be packaged into tools and services to be supported and sold around the world.

Beyond the farm gate

Agricultural output was \$6 billion in 2016-17 and the RFF has set a target of growing this to \$100 billion by 2030. The target is ambitious and represents a significant challenge. However, farm-gate value adds up to \$100 billion. The value added in the processing and distribution of food and fibre products is the strength of the production sector to create value up and down value chains, delivering benefits for producers and consumers in the world.

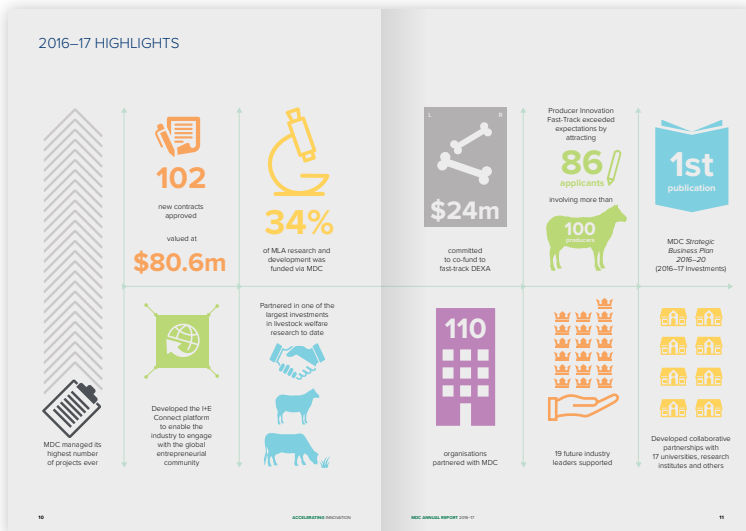
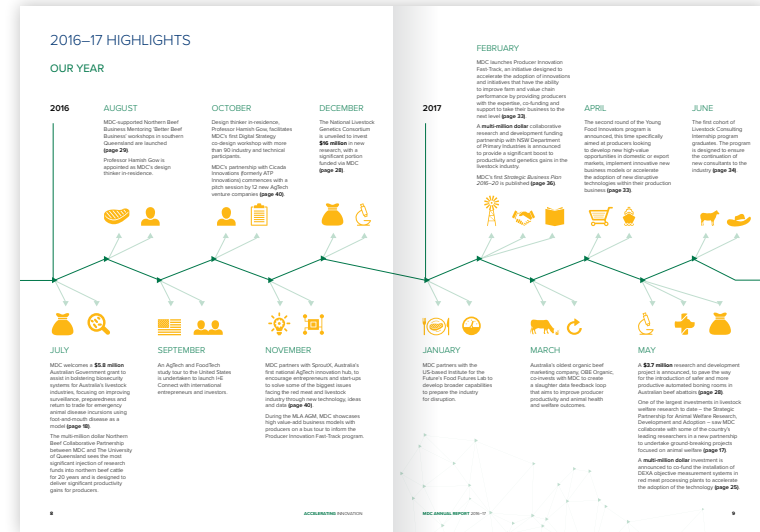
Geography is not a defining feature

Whether located in production or processing, the global context where they sell, their technology, products and services are key to success. The traditional farm-gate producer's role is changing. New production sites, including remote communities and urban food production, are emerging. The traditional farm-gate producer's role is changing. The traditional farm-gate producer's role is changing. The traditional farm-gate producer's role is changing.

Understanding the necessity of meeting the expectations of consumers and the community is at the heart of four key challenges and opportunities facing rural industries as we progress to 2050.



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