

Voluntary Report – Voluntary - Public Distribution

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Report Name: Australia a Key Market for US Fresh Fruit

Country: Australia

Post: Canberra

Report Category: Fresh Fruit

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Report Highlights:

Australia is a crucial market for U.S. fresh fruits because of the year-round demand for high-quality products. The U.S. has benefitted from a well-established reputation for producing quality and safe fruits. While demand for fresh fruit was low in Australia from 2018-2020, the fresh fruit industry has recovered, and demand will likely increase for the next five years.

Strong Market for U.S. Fresh Fruit

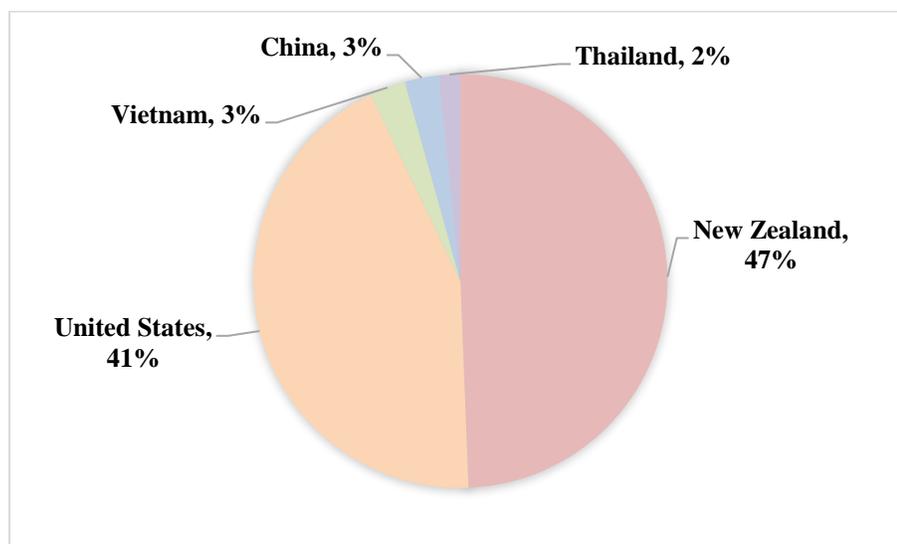
Australia is a well-developed market for fresh produce, including imports. The United States has a good reputation for supplying safe, high-quality produce. A major advantage for Northern Hemisphere growers looking to import into Australia is counter-seasonal growing (see Figure 1).

Figure 1: United States and Australia Growing Seasons

Fruit	United States Growing Season	Australia Growing Season
Table Grapes	July to November	November to May
Stone Fruit	Late May to September	November to April
Citrus	November to March	May to September
Pomegranates	September to February	March to May
Cherries	California – mid-May – mid-June Pacific Northwest – mid-June-mid-August	Mid/late October- late February
Kiwi	November to March	September – November

Behind New Zealand, whose top exports are avocados and kiwi, the United States is the second largest supplier of fresh fruits to Australia - with 41% of the market in 2022 (see Figure 2).

Figure 2: Australia's Top 5 Fresh Fruit Importers



Source: Trade Data Monitor

The leading fresh fruit imports into Australia from the United States include California table grapes, California stone fruit, citrus, California pomegranates, and California and Pacific Northwest cherries. In 2022, imports of California kiwifruit significantly increased due to Italian kiwifruit being shut out of the market.

Figure 3: Top U.S. Fresh Fruit Exports to Australia

Fruit	US\$ Million	% Of Australian Imports from U.S.	Competitors
Table Grapes	44.1	94%	Mexico – 5%
Peaches	7.1	100%	
Plums	3.5	100%	
Oranges	20.5	97%	Egypt - 2%
Cherries	10.3	100%	
Kiwi	2.9	23%	New Zealand - 77%

Source: Trade Data Monitor

Note: Data based on five-year average

Figure 4: Advantages and Challenges for U.S. Fresh Fruit

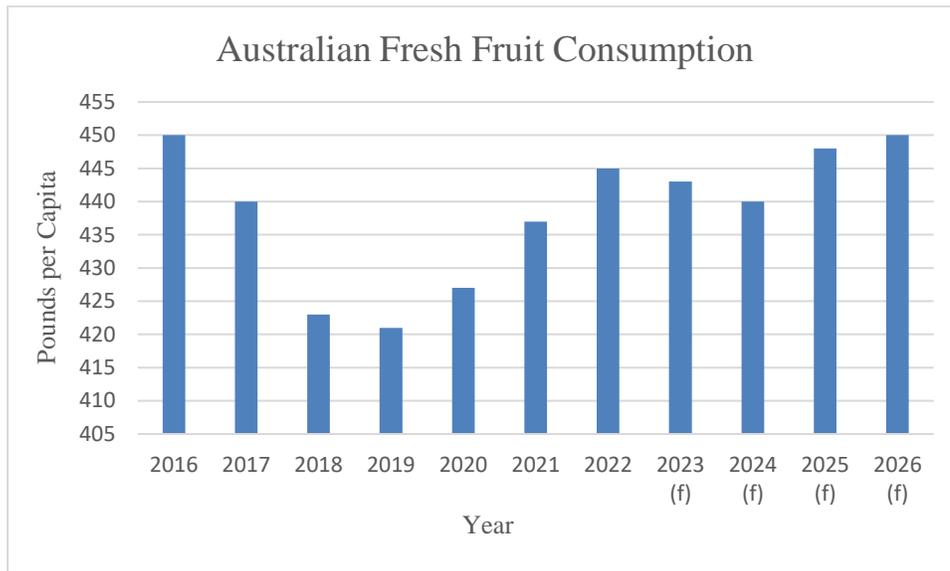
Advantages	Challenges
Strong demand for United States counter seasonal fruit	High cost and reliability of air and sea freight
Australian consumers view U.S. produce as high quality	“Buy Australian” marketing campaign promoted by Australian fruit and vegetable growers is strong.
US-AUS Free Trade Agreement, no tariffs or quotas to bring fresh produce into Australia	Strict biosecurity requirements for products to enter Australia

Source: FAS/Canberra and Produce Marketing Australia

Fruit Consumption Expects to Grow

Between 2018 and 2020, Australia saw a decrease in fruit consumption. This decrease was due to a drought in 2018 and 2019, limiting the supply. Prices for fresh fruit also increased while the supply was low, which deterred consumers from purchasing. When drought conditions ended in 2021, Australia saw an increase in consumption by 2%. Along with the supply returning, this increase was due to population growth, healthier eating, habits, and demand for convenience. Fresh fruit consumption increased from 2020 through 2022; however, in 2024 it will decrease while gradually increasing in 2025-26. (see Figure 5).

Figure 5: Australian Fresh Fruit Consumption



Source: IBISWorld

The Australian Government has funded initiatives to promote healthy eating increasing profits for the fruit industry. Food experts predict that the fresh fruit industry will benefit from changing dietary trends emphasizing fresh fruit consumption. Major supermarkets throughout Australia have also driven the growth in fresh fruit consumption and imports by offering customers a range of fresh produce products throughout the year. Woolworths, one of Australia’s biggest supermarkets, started a “Free Fruit for Kids” campaign. This campaign offers kids free apples, bananas, pears, and mandarins at the grocery store to help build healthy eating habits from an early age. Since the start of the campaign in 2015, over 14,000 tons of free fruit have been consumed by children.

Australian consumers have seen several trends change in the fresh fruit industry in the last few years. COVID-19 had a significant impact on consumer food purchasing behavior. One of the biggest trends to arise is the growth of online shopping, which wasn’t as prominent in Australia before the pandemic. Consumers are also choosing healthier options due to social influences and spending more time at home.

Figure 6: Product Trends in the Australian Fresh Fruit Market

Trend	Examples
Health	Increased demand for fresh fruit due to consumers focus on good nutrition and wellbeing
Consumption	Increase presence for on-line shopping and delivery of groceries
Lifestyle	Changes to work routine, spending more time at home, on-line entertainment and social interactions are influencing consumers to make healthier food choices

Source: FAS/Canberra and Produce Marketing Australia

Australia Import Styles

Most imports arrive in Australia on the east coast, through Sydney, Melbourne, and Brisbane by air and sea. All cherry and stone fruit imports arrive in Australia by air due to mandatory pre-shipment fumigation, which significantly reduces their shelf life. Most air freight imports from the United States are on direct passenger flights across the Pacific.

In 2020, Australia closed its international borders due to the COVID-19 pandemic, which resulted in almost no passenger air freight capacity. During this time, exporters used specialized air freight services. This situation led to reduced volumes and higher freight costs, resulting in higher consumer costs, and impacting consumer demand.

Australia has an efficient system for distributing fresh produce around the country. The cold chain system is well developed, with refrigerated road transport being the mode of distribution. Even towns and cities thousands of miles from capital cities can receive fresh produce imports. Two national supermarkets, Coles and Woolworths, dominate the food and grocery sector. Woolworths has around 1,000 stores, and Coles has about 800 stores in all states and territories. Regarding fresh produce imports, both supermarkets have relationships with U.S. suppliers and use preferred importers to manage logistics through their Distribution Centers. Smaller supermarkets and the independent retail sector source produce from wholesale markets, where many importers are based.

Australia has a vibrant wholesale market system, with major markets in every mainland capital city. The markets are well positioned to receive fresh produce (domestic and imports) and function as a hub for retailers. In addition to being the primary source of fresh produce for many retailers, the wholesale markets are the leading suppliers for the food service sector.

Market Entry Strategy

- Enter the market through an established distributor, importer, or sales and marketing agent. Eight to ten importers in Australia specialize in fresh produce from the United States. These importers supply wholesalers through wholesale markets located in every mainland capital city. These markets supply second-tier supermarkets, independent greengrocers, and the food service sector.
- Trade, retail, and consumer communication and promotion, such as product launches in store, in-store demonstrations, sampling, and providing promotional materials to supermarkets and distributors.
- Consumer communication and advertising in publications such as food and lifestyle magazines, social media, billboards, etc.
- Exhibit at trade shows throughout Australia; Hort Connections, the Foodservice Show, and Fine Food Australia, which is endorsed by the USDA.

Company Profiles and Additional Information

Supermarket Group	About	Market Share	Store Names
Woolworths Group	One of the largest	37.1%	Woolworths

Limited	companies in Australia. Currently operates in Australia and New Zealand		Woolworths Metro
Coles Group Limited	Has been expanding rapidly since it became a stand-alone company in 2018.	27.9%	Coles Coles Express
Aldi Stores (A Limited Partnership)	Australian-entirety of Austria-based Hofer KG.	9.5%	Aldi
Metcash Limited	Publicly owned Australian company	6.9%	IGA Supa IGA IGA X-press Foodland Friendly Grocer

Source: IBISWorld

Examples of U.S. Stone Fruit in Stores Throughout Australia



Source: Ziggy's Fresh Fruit Market, Canberra. Photo by FAS/Canberra



Source: Frescorp Hornsby, Sydney.
Photo by Fresh Intelligence Consulting



Source: IGA, Sydney.
Photo by Fresh Intelligence Consulting

Key Contacts and Further Information

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Attachments:

No Attachments.