

Required Report: Required - Public Distribution

Date: March 30, 2026

Report Number: AS2026-0004

Report Name: Food Processing Ingredients Annual

Country: Australia

Post: Canberra

Report Category: Food Processing Ingredients

Prepared By: Renee Pizzuta

Approved By: Lazaro Sandoval

Report Highlights:

Australia's manufacturing landscape is primarily led by the food, beverage, and grocery industries, which account for one-third of the country's total manufacturing output. In the 2023-24 period, the sector grew by 5 percent to US\$112 billion. While the industry is composed mostly of small businesses and solo entrepreneurs by number, a small number of large corporations generate most of the sector's revenue and employment. In 2025, Australia's imports of consumer oriented agricultural products from the United States increased by 9 percent over the previous year to US\$1.45 billion.

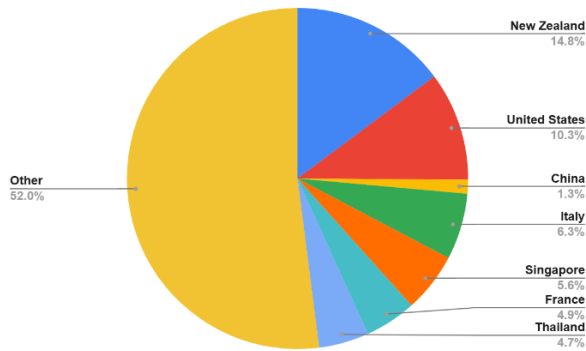
Market Fact Sheet: Australia

Executive Summary

Australia possesses a substantial economy, ranking 15th globally, and enjoys a high level of prosperity, evidenced by its high per capita GDP and second-highest median wealth per adult worldwide (UBS Global Wealth Report 2025). The U.S.-Australia Free Trade Agreement further benefits U.S. exporters by eliminating tariffs on many food products.

Consumer-Oriented Agricultural Imports

In 2025, Australia imported \$14.4 billion worth of consumer-oriented products with the United States' market share at 10 percent of the total imports (\$1.5 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

Australian consumers are prioritizing value and convenience, compelling focus on price, loyalty programs, and online sales. The sector has boosted revenue through technology and efficiency. Supermarkets are leveraging private-label brands while facing growing pressure from discounters like Aldi and Costco. Market shifts are also reflected in changing consumer habits, including a decrease in demand for premium dairy and red meat in favor of products like eggs, and a growing preference for fresh produce over packaged goods.

Food Processing Industry

Australia's food processing industry is the largest manufacturing sector in the country. In 2023-2024, the sector grew 5 percent. The food manufacturing turnover was US\$ 112 billion. The sector's revenue is mainly generated by large companies.

Food Service Industry

The Australian foodservice sector is demonstrating resilience and innovation by overcoming rising costs and labor shortages through strategic adaptation. Capitalizing on consumer demand for unique, ethical, and high-quality experiences, the industry is transforming its operations. Despite current cost-sensitivity pushing consumers toward value-driven take out, the sector is rapidly adopting AI, automation, and advanced digital systems to boost efficiency and personalization. This technological focus ensures the industry is well-prepared to deliver both premium experience and efficient, value-focused service for sustained growth as the economy improves and consumption recovers.

Quick Facts CY 2025

Total Imports of Consumer Oriented Products - \$14.4 billion

Australia's Top Consumer-Oriented Growth Products

- | | |
|-------------------------------|----------------------------|
| 1) Chocolate & Cocoa Products | 6) Fruit & Vegetable Juice |
| 2) Dairy Products | 7) Eggs |
| 3) Coffee | 8) Distilled Spirits |
| 4) Tree Nuts | 9) Cut Flowers |
| 5) Fresh Fruit | 10) Food Preparations |

Food Industry by Channels (\$ billion)

Retail Food Industry (2024)	\$157.2
Food Service – HRI	\$40.9
Food Processing (2023-2024 latest available data)	\$112
Food and Agriculture Exports	\$52.4

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): 27.7 (September 2025)
 GDP (billions USD): \$1.83
 GDP per capita (USD): \$65,946

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

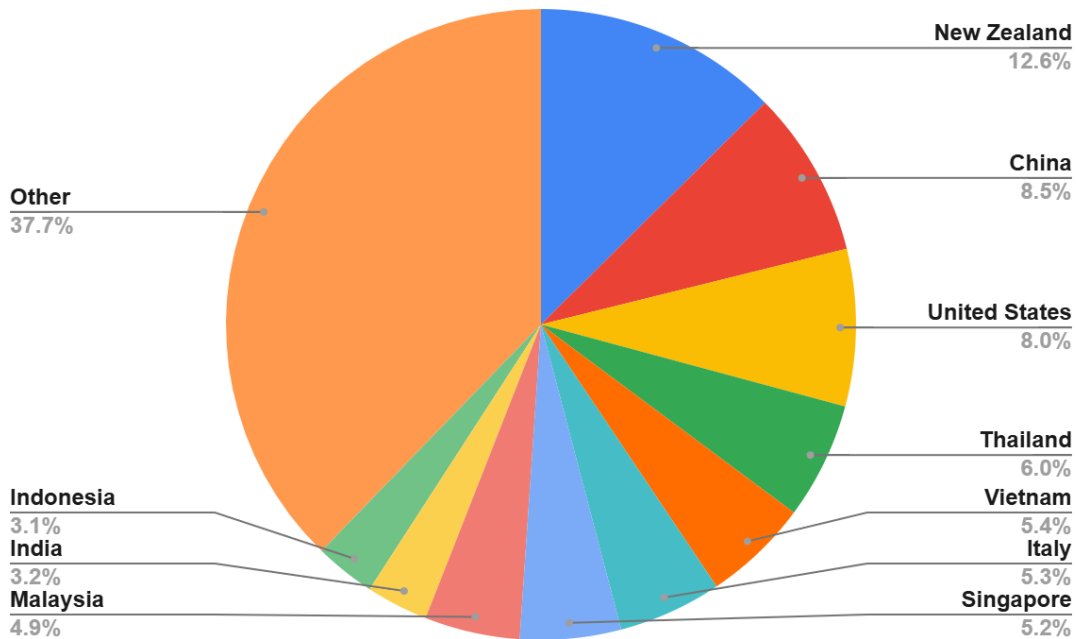
Section I: Market Overview

Australia's manufacturing sector is dominated by food, beverage, and grocery production, currently generating one-third of the nation's total manufacturing activity. According to the Australian Food and Grocery Council, the sector grew by 5 percent during the 2023-24 period reaching US\$112 billion. This sector is experiencing strong growth, largely driven by surging demand for high-quality, sustainable, and healthy products.

Note: 2023-24 is the latest available data.

Although solo traders and small-to-medium enterprises (SMEs) make up most of the sector by number, the industry's economic weight is heavily concentrated by a small group of large corporations accounting for the bulk of both total revenue and employment.

Australia's total imports of food processing ingredients in 2025 were US\$16.1 billion.



Source: Trade Data Monitor/Australian Bureau of Statistics

Current trends in the market:

AI and Automation – AI is being integrated into the core infrastructure of the industry, improving production efficiency, predictive maintenance, and product development.

Sustainability and Transparency - Manufacturers are required to provide data backing up sustainability claims, with a push toward eco-friendly packaging and regenerative production.

Operational Resilience - High costs and supply chain disruptions are forcing manufacturers to focus on cost-efficient production, local sourcing, and operational discipline to remain competitive.

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.

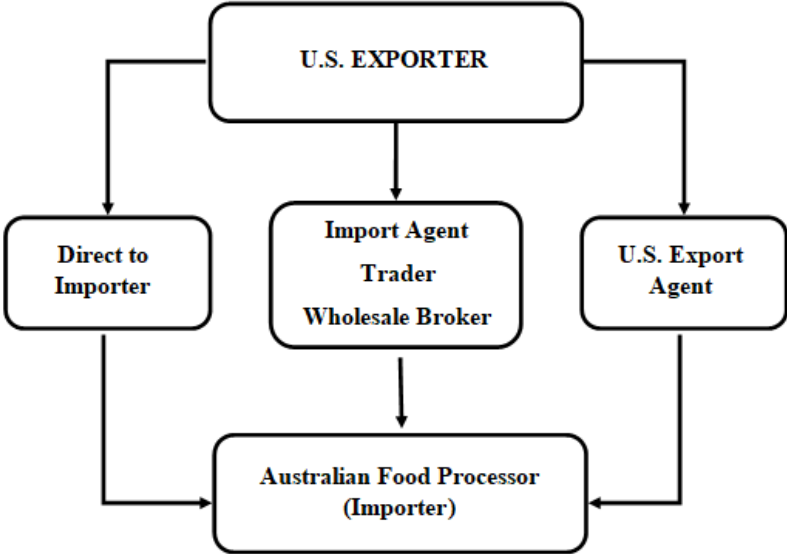
Import Procedure

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 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.

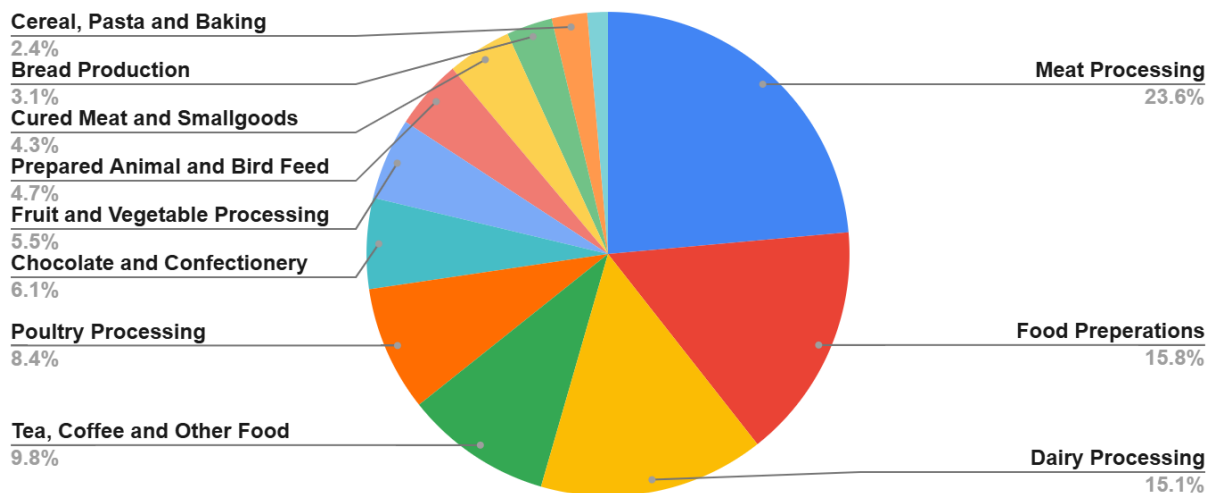


Market Structure

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 2025 describe a diverse food processing industry. Meat processing is the largest sector, producing US\$20 billion in revenue (June 2024 – June 2025 data). Food preparations manufacturing held the second position at US\$13.4 billion.



Source: IBISWorld

Company Profiles

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

Food and Drinks Business list of Australia's Top 100 food and beverage companies for 2025 can be found [here](#).

Sector Trends

- **Functional & Health-Focused Foods**- Increased demand for products offering mental, physical, and emotional wellness, such as gut health support and fortified foods.
- **Alternative Proteins and Plant-Based Growth** - Plant-based foods remain a fast-growing segment, alongside continued innovation in protein diversification.
- **Flavor Evolution** -Popularity of bold flavors like Gochujang and harissa

Section III: Competition

Australia's imports of food ingredients totaled \$16.2 billion in 2025. The United States is the third largest supplier of these products, with imports of US\$1.3 billion (eight percent of total imports) in 2025, behind New Zealand (twelve percent) and China (nine percent).

Australian Imports of Food Ingredients from the World \$M USD

	2023	2024	2025
World	\$13,193.8	\$14,915.9	\$16,151.2
New Zealand	\$1,872.6	\$1,936.0	\$2,033.9
China	\$1,103.3	\$1,375.5	\$1,380.0
United States	\$1,142.2	\$1,188.8	\$1,299.9
Thailand	\$808.4	\$955.2	\$965.6
Vietnam	\$650.9	\$786.9	\$876.2
Italy	\$641.6	\$744.9	\$857.7
Singapore	\$571.5	\$675.3	\$836.5
Malaysia	\$544.0	\$622.8	\$789.9
India	\$408.1	\$449.8	\$501.3
Indonesia	\$408.1	\$449.8	\$501.3
Other	\$5,024.1	\$5,622.5	\$6095.3

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
- Confectionary/Candy
- Dog & Cat Food
- Chocolate
- Distilled Spirits – whiskey, vodka, gin, rum

Products Not Present in the Market with Good Sales Potential

- Bakery Goods – cereals, pasta, pastry, cookies
- Non-alcoholic beverages
- Condiments and Sauces
- Wine

Products Not Present due to Significant Barriers

- Bone-in pork

- Apples

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 2025 derived from data published by the Reserve Bank of Australia: A\$1.00 = US\$0.65.

Attachments:

No Attachments