

Food Export Bulletin

Issue 3 - January 2010

South Australian food exports remain an important contributor to the State's economy.

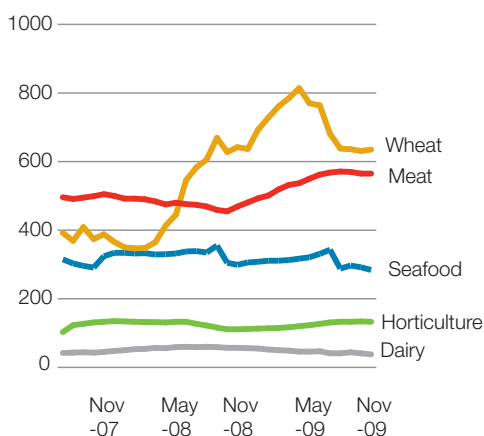
In the 12 months to November 2009, SA's total merchandise exports fell 19% from the previous year. Despite the challenging economic conditions food exports remained quite resilient with meat leading the way, increasing 18% over the period. Horticulture exports also saw a similar increase. Wheat exports remained stable. Seafood exports saw a 7% decline and dairy exports dropped 33%, with world demand and subsequent prices for many dairy products dropping in the last year.

This issue highlights the major markets for SA finished and commodity food exports, as well as the key export products and market conditions behind some of the export figures. SA exports food to a diverse range of markets, with more than 50 countries buying over \$1 million worth of SA food in the last year.

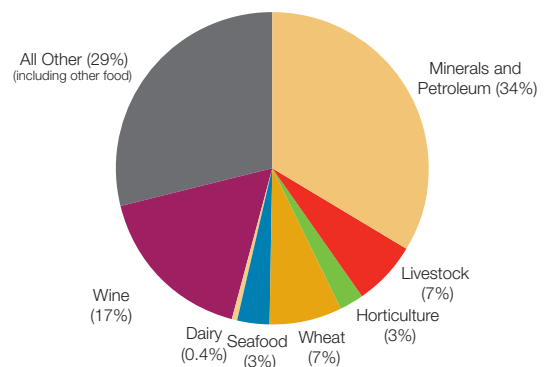
As a point of clarification - this bulletin differentiates between 'finished' food, that is food that is ready to be eaten, and 'commodity' food that requires further processing before consumption. Finished food includes products that are ready to be consumed as they are harvested such as fruit or fish, as well as processed food such as meat and packaged food. Commodity food exports from SA are largely field crop exports (for later processing to flour, malt, oil etc.) and live animals. This terminology is employed in the PIRSA Food Scorecard ([link](#)).

Matthew Palmer
PIRSA Market Intelligence Unit

SA Food Sector Exports 12 Month Rolling Total ABS Cat No 1307 - Unpublished



SA Merchandise exports by sector 12 months to November 2009 Total \$8.52 billion (-19% on previous year)



Government
of South Australia

a South Australian Food Centre
Regency International Centre TAFE SA
Days Rd (Main Entrance)
Regency Park SA 5010

p +61 8 8348 4442
f +61 8 8348 2484
e safocentre@saugov.sa.gov.au
w www.safocentre.com.au

Food Export Bulletin

Issue 2 - November 2009

Feature – Food Export Markets

South Australia's major export markets for finished food are Japan, USA and Hong Kong.

Japan is SA's largest market for SA food exports, with the total remaining steady for each of the last 3 years at approximately \$380 million. However this total remains less than at the start of the decade. Bluefin Tuna remains SA's largest seafood export and largest food export to Japan, but the current prices received in Japan are below those of earlier in the decade. A higher Australian dollar and increased competition from suppliers in the Mediterranean and Mexico also have contributed to the decline. Japan has been the largest market for SA canola exports this decade. However decreased production yields (and subsequent export volumes) in recent years and diversification to other export markets has contributed to the decline in SA's total canola exports to Japan. Canada is the major supplier of Canola to Japan, but some Australian canola does achieve a market premium in particular market segments, such as non-Genetically Modified Canola. Offsetting some of these declines in exports to Japan has been the steady growth in meat exports and increases in cheese and fruit exports.

SA food exports to the USA have increased each of the last five years, nearly doubling in that time to \$280 million in 2008/09. This strong growth has been driven almost entirely by increasing value in the exports of meat, particularly lamb. Australian and New Zealand lamb competes in the US and in most of the major markets for lamb outside of Europe. While not included in the presented figures, USA is also SA's second largest export market for wine. Another substantial food export to the USA is citrus, which largely competes against South African citrus. 2008/09 saw an increase in SA fish exports to the USA.

Hong Kong is the third largest market for SA finished food. SA sells a range of finished food products to Hong Kong, including seafood, meat and fruit. Seafood accounts for much of export total, with lobster and abalone being the largest value products. Increasing prices received for lobster in Hong Kong has been the main reason for growth in exports to the market in recent years. Recognising the demand from the market, many other countries also target the Hong Kong/China market. Despite the range of suppliers Southern Rock Lobster has maintained a market premium, with the red colour and firm flesh valued. This market premium is achieved even against Western Australian lobsters. Meat exports have also grown strongly over the last five years,

from less than \$1m a year to over \$11 million in 2008/09. Fruit, nuts and processed food are also exported to Hong Kong.

Other substantial markets for SA finished food exports include New Zealand, Malaysia, Singapore, Korea and UAE. In addition to the fresh and frozen products already mentioned, a wide range of processed food products such as pasta, sauces and juices are also exported. While the UK is SA's largest market for wine, in 2008/09 it was just the 23rd largest food export market.

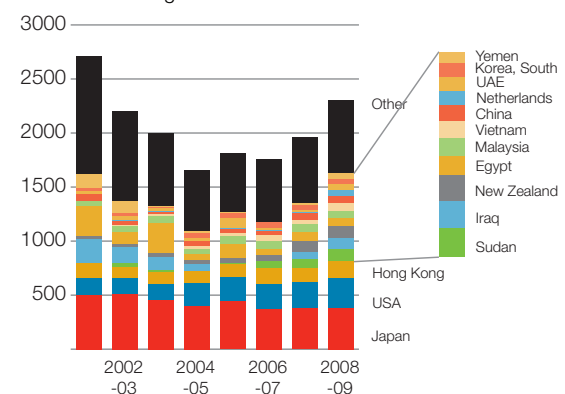
SA's commodity field crop export totals vary substantially from year to year, influenced by a range of factors including seasonal conditions, international markets and the value of the Australian dollar. 2008/09 was a large export year, with commodity field crop exports worth over \$1 billion. The large export total came on a moderate crop volume, but high world prices and a favourable Australian dollar for much of the period contributed to the total.

Wheat is SA's largest field crop and largest export product. In the past AWB International managed all bulk wheat exports. The largest markets for SA wheat are in the Middle East and North Africa, to countries including Sudan, Iraq, Egypt, Yemen and Kuwait. South East Asian and Pacific countries are also important markets for SA wheat.

Barley is also substantial export crop, but detailed figures are kept confidential by the ABS. Japan has been the single largest export market for SA canola for much of the decade. However, in 2008/09 canola exports were largely to Europe, which despite Europe being a substantial producer of canola, was short on domestic supplies this last season. South Asian countries (including India, Bangladesh and Pakistan) are important markets for SA pulses, and also for oilseeds in some years.

SA Food Export Markets - \$A million

ABS rade - via Agrifood Infonet

Government
of South Australia

a South Australian Food Centre
Regency International Centre TAFE SA
Days Rd (Main Entrance)
Regency Park SA 5010

p +61 8 8348 4442
f +61 8 8348 2484
e safoodcentre@saugov.sa.gov.au
w www.safoodcentre.com.au