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The US Organic and Natural Food Product Export Initiative

A Guide to Exporting Food to Australia

Prepared for:

Western United States Agricultural Trade Association

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1. Summary

Australia is poised to become an excellent destination for US Organic and Natural Food products.

A Free Trade Agreement between the US and Australia is coming into effect in January 2005. This will remove many barriers which could have made the market difficult for US food products in previous years. It will also put the US at the forefront as a potential supplier of many food products.

The Australian market presents the following opportunities for US exporters:

- Opposite growing season to Australia, can supply in the off-season
- US products are regarded as high quality
- Australian processors cannot reach economies of scale for many types of products
- Organic demand is increasing, and fits in perfectly with Australian's lifestyle and attitudes towards food in general
- The foodservice sector is very open to both new and organic products.

Australia has mandatory labeling rules for Genetically Modified Organisms (GMO). All food products containing GMO ingredients must have these identified as such on the label. This is reducing the market appeal of products using GMOs and increasing demand for natural and organic products.

The main barrier for US exporters for trade with Australia could be the strict quarantine laws. These laws have come into existence after many natural disasters were caused by organisms foreign to the Australian ecosystem. These organisms found themselves without any natural predators and flourished (for example, rabbits and cane toads). These restrictions affect only certain types of products. Most retail food product is inert and is not affected by these regulations. Interested exporters should not be deterred by this, as quarantine may just be a formality for their product line.

Freight to Australia is somewhat expensive, as is inland freight between Australian cities. US exporters able to ship full container loads directly to the main cities would annul any freight advantage Australian processors may have.

Exporting to Australia is quite straight forward and the market could provide quite good returns.

Any US company serious about exporting food products should consider Australia.

2. Objectives

To build a comprehensive Guide for US organic and natural food companies considering exporting to Australia.

This Guide will contain the following information:

- Background information regarding Australia and its food industry
- Brief market overview of the Australian food distribution network for the following food categories:
 - Beans
 - Beverages
 - Canned Goods
 - Fresh Fruit & Vegetables
 - Frozen Foods
 - Grains
 - Refrigerated Foods
 - Shelf –Stable Foods.
- Australian food importation laws
- Food labeling requirements
- A comprehensive list of contacts within the government and trade.



3. About Australia...



The Australian...

Population:	19,731,984
GDP - real growth rate:	2.8%
GDP - per capita:	US\$25,300
GDP - composition by sector:	Agriculture: 3% Industry: 25% Services: 72%



* All figures 2003 (est.)

Geography

Australia is an island continent bordered by the Indian and Pacific Oceans and located just beneath Indonesia and Papua-New Guinea. It is sixth largest country in the world with a land mass of 7.7 million sq. kilometers. The population is highly urbanized with only 15% residing in rural areas. The remainder of the population is concentrated along its eastern coastline in the states of Queensland, New South Wales and Victoria.

Population of the Australian States and their capital cities

State	Total Population (2003)	State Capital City	Capital City Population (2003)
New South Wales	6.7 million	Sydney	4.0 million
Victoria	4.9 million	Melbourne	3.5 million
Queensland	3.8 million	Brisbane	1.6 million
Western Australia	2.0 million	Perth	1.3 million
South Australia	1.5 million	Adelaide	1.1 million
Tasmania	0.5 million	Hobart	0.2 million
Australian Capital Territory (ACT)	0.3 million	Canberra (Aust. Capital)	0.3 million
Northern Territory	0.2 million	Darwin	0.1 million

Trade Agreements

Australia plays a very active role in international trade policy initiatives. Its strongest relationship is with its neighbor New Zealand. The two countries enjoy free movement of goods due to extensive free-trade agreements.

Australia has strong trading relationships with its Asia Pacific neighbors, with whom it is linked through membership in the Asia-Pacific Economic Cooperation (APEC) forum. More recently, the Australian government has negotiated trade agreements with Singapore (effective July 28, 2004), and the United States (coming into effect January 1, 2005).

Government Role in the Economy

A reorientation of the economy over the past 15 years has transformed Australia from import-substitution to an internationally competitive and export-oriented economy. Major reforms include tariff elimination and other protective barriers, floating the Australian dollar exchange rate; and deregulation of the financial services sector.

In Australia, greater integration between federal and state economies, improved infrastructure, and privatization of many government services has taken place. This makes Australia a competitive player on world markets and has increased the diversification of the economy, from farm and mineral commodity-



based, to more value-added manufactured products, services, and technology.



Currency

Over the last few years, the Australian currency has strengthened considerably versus the US dollar. This has been beneficial for Australian tourists, but not so for the bottom line for Australian importers and exporters.

Although most importers will buy in US dollars, fluctuations between the US\$ and AUD of over 35% over the last two years have caused disruptions to imports, and added costs, as importers needed to buffer their margins to compensate for currency fluctuations.

\$1 Australian Dollar (AUD) in U.S. Dollars

	2000	2001	2002	2003	2004*
High	0.6686	0.5709	0.5751	0.7529	0.7981
Low	0.5112	0.4831	0.5060	0.5633	0.6839

Source: Reserve Bank of Australia, www.rba.gov.au

* From January – end July 2004.

Language

English is Australia's official language. Australians prefer to spell using English spelling methodology from England. It is recommended to use the 'English (UK)' language option when spell-checking promotional documents or letters for use in Australia.

Australians are very fond of abbreviating words, and have many local expressions. When ready to export to Australia, it is preferable to verify with the importer or customer to make sure that the brand / company name / product description doesn't have an unwanted double-meaning prior to going into the market and before making labels.

For example:

- The word 'camp' means 'gay' in many circles in Australia. But that didn't stop CAMP Pure Maple Syrup from becoming the No. 1 brand of pure maple syrup in Australia, although the company found out about the double-entendre many years after the product's introduction to the market.
- A brand name such as 'Buckleys' (major brand of cough syrup from Canada) would have difficulties in the Australian market because the word 'Buckleys' is commonly used instead of saying 'not a chance' / 'won't work', especially in the state of Victoria.



4. Consumer Market

The Australian consumer market is diverse and highly sophisticated, with an interest towards new food products and greater after-sales service.

Australia's population is becoming increasingly multi-cultural as the traditional Anglo-Celtic is being joined by immigrants from Eastern and Southern Europe, Latin America, the Middle East, and Asia. Such an increasingly multi-cultural society allows many opportunities for ethnic food products.

Australia's consumers are well-educated and affluent, with an interest in new-to-market food products. Their highest interest is in healthy, convenient goods. Consumers tend to eat products that are not as sweet as in North America, and many additives and colorings widely used in North America are frowned upon in Australia. An example of this is the use of annatto in North America to color dairy products yellow/orange. Most Australians view these products as artificial-looking, and highly industrial in appearance.

Australian consumers' shopping patterns are changing as consumers are making more frequent, but shorter, trips to the supermarket. Trips are shorter for various reasons; the main reason is that consumers have less free-time to shop. With a lack of free-time, it is no surprise that the frozen ready-meal market is expanding in the area of home-meal replacement. Furthermore, newer varieties and greater nutritional value have helped shift consumers towards frozen meals, and away from fast take-away foods.

Food Processing Industry

The food processing industry is Australia's largest manufacturing sector, employing about 170,000 Australians. It has an annual turnover in excess of AUD 50 billion.

Food processing makes up more than 20 percent of the manufacturing sector, and is growing at a rate faster than the overall manufacturing sector. This can be attributed to the development of more sophisticated processed foods, an increase in the value added to agricultural produce, and growth in exports.

The industry is located primarily along Australia's eastern seaboard. More than 80 percent of production by turnover is located in the states of Victoria, New South Wales, or Queensland.

Overview of Australia's Organic Industry

With more than 7.6 million hectares of land certified for organic production, Australian organic foods encompass a diverse range of industries, and include grains and pulses, horticulture, viticulture, beef, pork, poultry, dairy, honey, edible oils, and an increasing range of processed foods and consumer products.

Organic production has been growing steadily over the past few years, mostly to fulfill export market demand.



Across the organic value chain there are an estimated 2,000 organic producers, processors, retailers, wholesalers, and exporters in Australia.

Current strengths Australians have in organic food growing and processing

- Availability of relatively 'clean' land, highly regarded organic certification system, and quality assurance programs
- Growing consolidation of supply
- Six accredited certification bodies addressing the diversity of organic product categories, including horticultural products, grains, wine, herbs, and meats.
- Growing representation by the national industry body, **Organic Federation of Australia Inc (OFA)**, to represent the industry at both domestic and international levels
- Government support at national, state, and local level for industry development through applied research and development. Since the inception of the Organic Advisory Committee within the **Rural Industries Research and Development Corporation (RIRDC)**, over 65 research and development programs worth over AUD 1.1 million covering both organic production and marketing have been funded.

Organic food consumption has increased considerably over the last few years. In Melbourne, there were eight Health Food stores 5 years ago - there are now 23.

The market for organic foods in Australia remains quite small and most products are still being handled by wholesalers/distributors. Outside of specialized organic stores, chains are not ready to buy organic foods directly as the volume is not sufficient yet to warrant it.

Most big supermarkets have small organic/natural sections, but few organic products can be found outside this section. Small Health Food stores tend to add large margins (close to 50% on many products) to compensate for the limited product offering, and also because there is basically little competition from the chains.

Export Markets

Australian exports of organic products are estimated at AUD 50 million annually. Approximately 30 percent of Australian organic products are currently being exported.

Organic grains represent more than half of Australia's export of organic foods. According to the Australian Quarantine and Inspection Service (AQIS), fruit juice, wine, and soy milk are the dominant categories in the export of organic beverages.

Private Label

Private label is growing steadily in Australia. At the present time, chains seem to focus mostly on offering private label staple food products. The organic market will have to increase in size before the chains will consider adding an organic line to their private label range.

Buy Australian



Australians are proud of their country and decades of promotion to buy Australian products have done wonders to elevate Australian food products over imported ones. Some retailers such as Woolworths and Coles will carry almost exclusively Australian produce, allowing some imported products only when local ones are either too expensive or simply out of season.

5. Opportunities for US exporters

Opposite growing season to Australia

Many Australian wholesalers, distributors, and retailers will buy Australian food products as much as possible, and will consider importing foods only when there is a shortage from local producers. The Australia–US free-trade agreement should help position US producers as a prime contender to fill the gap. The US having an opposite growing-season to Australia, I could give US producers a chance to react to poor conditions and know in advance what to plant to fill in the gaps in supply.

Quality

US food products are viewed as quality products. Being so close to Asia, Australian importers have been offered all sorts of foods coming from Asia on a consistent basis. These products vary widely in their quality.

Over the years, US food products have been viewed by the industry and consumers as being of very good, consistent quality. Some larger US companies have been putting some effort into developing their sales in Australia. Some achieving great success like Wrigleys 98% market share of the Australian chewing gum market.

Limited production

Due to its small population, Australia has a limited internal market for many food products. Farmers will reluctantly grow certain varieties due to this limited appeal. The same holds true for processors who will not be able to produce certain food products cost efficiently because the basic market is too small.

American processors, especially for organic products, have the chance to establish themselves as the market leaders in their respective categories by taking advantage of their own cost-effective production capabilities.

Organic way of life

Australians tend to have an outgoing, healthy life style. Organic and natural foods ring true with this predisposition. Organic foods are expected to grow in popularity as the market size increases to a sustainable level, and prices for organic foods become closer to their non-organic equivalents.



Foodservice may be the way in for new products

Australia has embraced 'fusion' cuisine in a big way. Australians are basically spoiled with a plethora of affordable fine dining establishments where they have the choice of many new foods and preparation techniques. Organic foods seem to be much more prominent in restaurants than they are in supermarkets. Anyone wanting to market a previously relatively unknown food in Australia may find a warmer reception in the foodservice sector.



6. Australian Food Distribution Network

Australia uses a system of brokers and distributors/importers in a very similar way as North America.

As most of the retail trade is concentrated in the hands of two major retailers (Coles and Woolworths have about 76% of food retail sales in Australia), most Australian-based food processors tend to deal directly with these chains without the use of a broker. In most instances, the role of the broker is purely one of merchandiser at retail level. This doesn't mean that brokers no longer exist, but very few are able to make a living working purely as brokers, so they are also importers, distributors, etc. brokering the odd product when the price needs to be kept low. In this report, any reference to brokers is made in the North American definition of the term (making sales calls, managing accounts, etc). Brokers hired purely to work at store level will be referred to as merchandisers.

Due to the size of Australia and its localized population, freight is a major issue that confronts all companies selling in Australia (local as well as overseas). Although freight from the US to Australia may seem expensive, inland freight between major cities can easily cost just as much. Fuel prices are higher than in North America, and distances between main cities can be great. For example, it takes about 10 hours to drive from Sydney to Melbourne. A US supplier able to ship products directly to the major cities in full container loads could see huge savings in the cost of its delivered product. A company offering a high demand product, or a wide array of products, could find themselves with freight costs comparable to Australian-based companies.

Over the years, Australia has often been used as dumping ground for many products. Its insular location and expensive freight costs made it a safe-haven for many overseas producers wanting to get rid of extra production. Strict import regulations especially regarding 'best before' dates have helped reduce this problem.

Because the market is very competitive, Coles, Woolworths, and other smaller chains try to buy as direct as possible. Franklins, with its 77 stores, is stopping its relationship with Metcash (major wholesaler) in order to increase its competitiveness by going direct and handling its own distribution. This direct approach applies to both local products and imports. All chains import some products directly.

Each market segment (industrial, foodservice, retail, and healthfoods) is easily delimited in Australia. Many importers and distributors will quickly lose interest in a product without exclusivity. This was caused by decades of mostly Asian companies offering their deals to everyone in the market. The importers/distributors who dropped their margin to close to nothing often concluding the business. US exporters should try not to offer their products to competing importers/distributors, when these are going after the same customers, as this will not be conducive to market access or long-term growth.

The network used for products changes little between imported and local products. In the following graphs, supplier and producer refer to both local and overseas.

Beans

Market

Australians tend to eat a lot of meat, but there are increasingly more vegetarians, or at least a conscious aim by many to reduce the amount of animal protein they consume. Demand for beans seems poised to continue to grow in the years to come.

In many segments of the market, bulk bins are viewed as not fresh. Most beans are sold packaged.

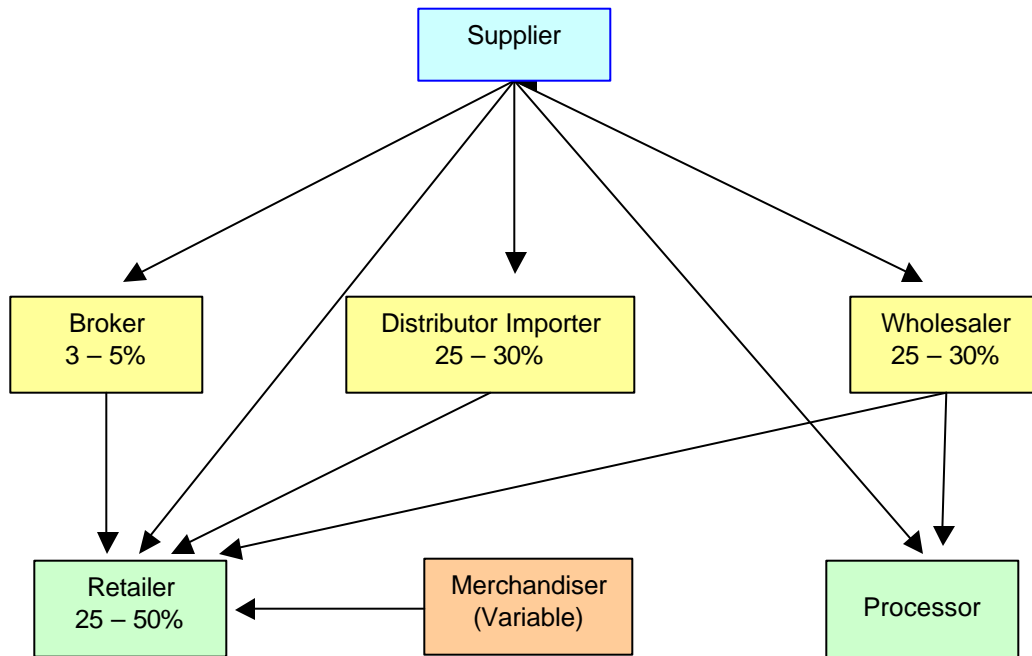
Considerations for imported product

Because the US has a reverse growing season to Australia, there could be an opportunity to step-in during crop shortages. Many wholesalers and distributors will not consider importing if there is an equivalent local product available at roughly the same landed price.

There could be an opening for specialty bean crops (natural and organic). As the market for organic, and many specialty beans is still somewhat limited, availability may not be consistent. This can be an issue for processors who would often need to supplement their requirements with a safe second source.

Fumigation for organic certified beans could be an issue as it could strip the organic nature of the beans. See section further in report on details of possible fumigation upon entry into Australia.

Distribution channel



Example of imported products currently on sale in Australian retail shops...

Store	Brand	Description	Size	Importer	Origin	Retail (AU\$)	US Price*
Bi-Lo (VIC)	Maharaja's Choice	Brown/Green Lentils	Bulk	Ostindo Intl.	Canada	\$2.95/Kg	US\$0.99/lb
Bi-Lo (VIC)	Marco Polo 'Pelagonia'	Borlotti Beans	375 g	Marco Polo Foods	(unspecified)	\$1.20	US\$0.89
The Olive	A/A	Borlotti Beans	500 g	A/A	USA	\$2.85	US\$2.11

* Retail price equivalent in US\$ (using average exchange rate of AUD 1.00 = US\$0.741)

Beverages

Market

Australians are quite similar to the British when it comes to beverages. Australians are not the big beer drinkers they once were. Soft drink consumption is lower per capita than in North America, but is still substantial.

Drinking habits differ from North America. It is not common to take a coffee on the go. Very few people drink while walking or even in their cars.

Juices tend to be tarter (not as sweet) as in North America. The number of imported products shows that there is a healthy demand for imported beverages and especially specialty products.

Considerations for imported product

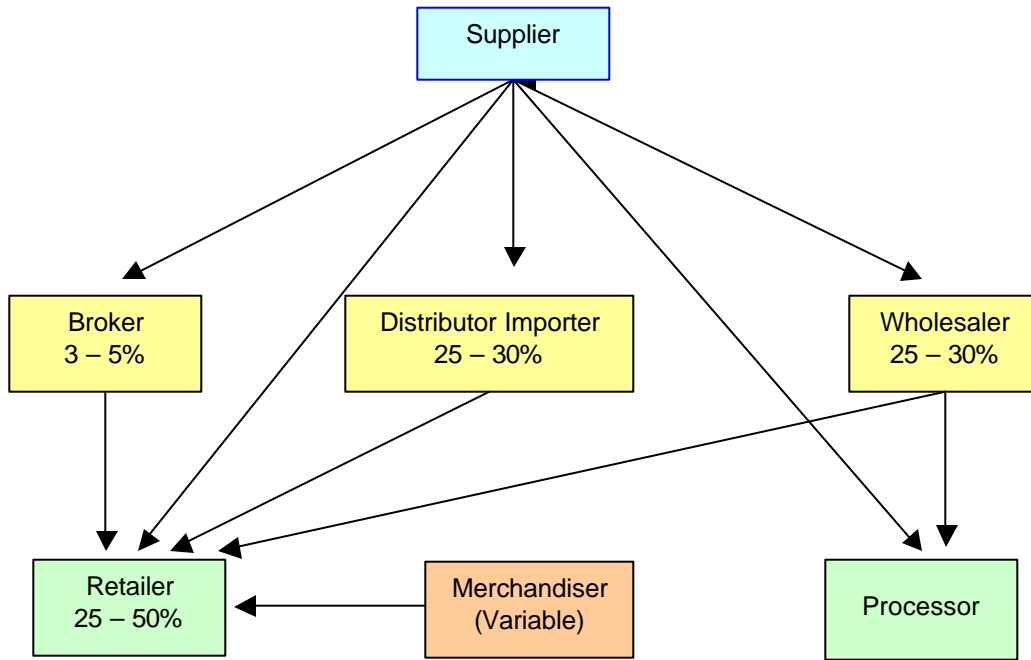
Wine, even certified organic, will be a hard-sell in Australia. Australia over-produces wine and annual imports have remained low in the US\$75M range. This is quite small when comparing it with Australia's annual export of wine which is valued at over US\$1.9B.

There could be some possibilities for certified organic beverages in Australia as offering is somewhat limited specialty beverages certified organic would help cater to both the healthfood and high end market.

Flavors are also different. For example, Passion fruit is a very much sought-after flavor, and available in many products.

Distribution channel





Example of imported products currently on sale in Australian retail shops...

Store	Brand	Description	Size	Importer	Origin	Retail (AU\$)	US Price*
Coles (NSW)	Santa Cruz Organic	Lemonade and other drinks	354 ml	Kadac Pty Ltd.	USA	\$2.99	US\$2.22
Harris Farms (NSW)	Eco Organics	Arabica coffee	250 g	Eco Farms Pty Ltd.	Papua New Guinea	\$6.49	US\$4.81
Harris Farms (NSW)	Good Hope Dewlands	Fruit cocktail juice	1 L	Holmac Sales	South Africa	\$2.50	US\$1.85
Bi-Lo (VIC)	Tasty	Camomile tea		Menora Foods	Germany	\$4.31	US\$3.19
Bi-Lo (VIC)	Twinings	Tea (bags)	10 pack	Manassen	UK	\$1.52	US\$1.13
Bi-Lo (VIC)	Moccona	Indulgence coffee in jar	100 g	Douwe Egberts	Holland	\$7.71	US\$5.71
Safeway (VIC)	Bekunis Tea	Herbal tea	80 g	Thursday Plantation Labs	Germany	\$8.99	US\$6.66
Safeway (VIC)	Old Orchard	Ruby red grapefruit	1.89 L	ANZ Beverage Co.	USA	\$4.99	US\$3.70
Safeway (VIC)	Wonder Berry	Wild Mountain cranberry drink	1 L	Aquaries Pty.	Russia	\$3.77	US\$2.74
Safeway (VIC)	Ceres	Cranberry & kiwi juice	1 L	Stanmar Intl.	South Africa	\$2.38	US\$1.76

* Retail price equivalent in US\$ (using average exchange rate of AUD 1.00 = US\$0.741)



Canned Goods

Market

Canned goods have always been quite popular in Australia. Due to the country's very warm climate and high energy costs, cans are often the safest way to store food for prolonged period of time.

Cans are regarded as cheap food products.

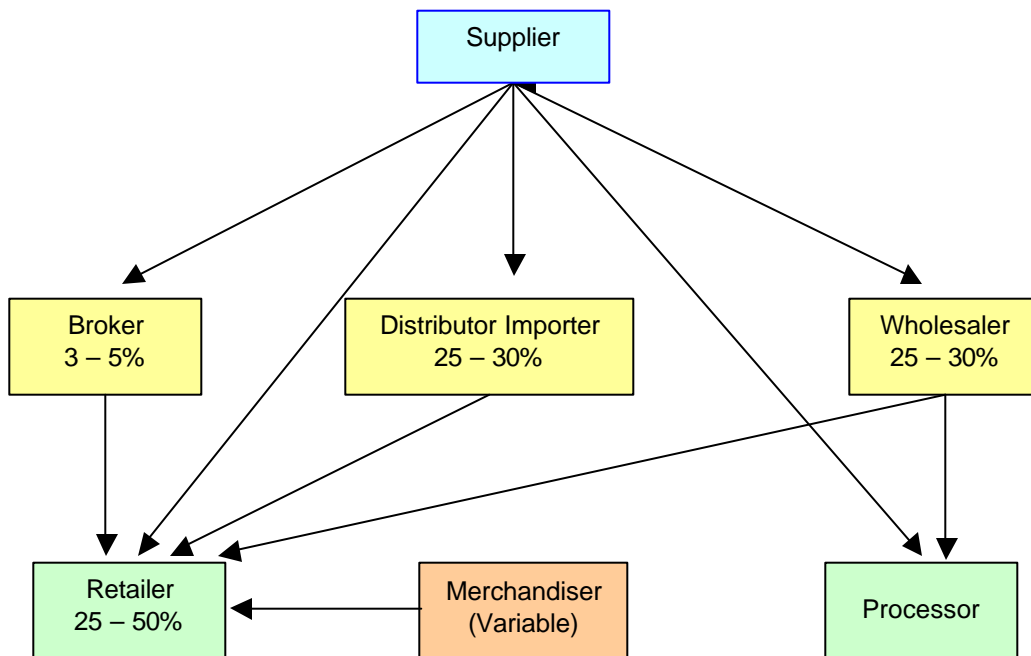
Considerations for imported product

Australia is the home of some major food canning companies. Asia has a strong presence in the Australian canned goods segment, especially since locals tend to cook.

Healthier looking canned goods (low salt, no sugar) would strike a chord with consumers as these are main deterrents towards buying canned goods.

As Australia has adopted labeling laws that require Genetically Modified ingredients to be indicated in the ingredient list, it would be preferable to ship only GMO-free products.

Distribution channel



Example of imported products currently on sale in Australian retail shops...

Store	Brand	Description	Size	Importer	Origin	Retail (AU\$)	US Price*
Coles (NSW)	Trung Cuk	Quail eggs in water		Nam Phong Tr. Co.	Vietnam	\$2.85	US\$2.11
Coles (NSW)	Imagine Organic	Creamy tomato soup	443 ml	Kadac Pty Ltd.	USA	\$3.19	US\$2.36
Bi-Lo (VIC)	Trident	Baby corn	398 ml	Manassen	Thailand	\$0.97	US\$0.72
Bi-Lo (VIC)	Plumrose	Luncheon meat	340 g	Simplot	Holland	\$3.16	US\$2.34
Safeway (VIC)	Admiral	Whole mushrooms	190 g	Riviana Foods	China	\$0.75	US\$0.56
Safeway (VIC)	King Oscar	Sardines	105 g	Cantarella Bros.	Norway	\$2.49	US\$1.85
Safeway (VIC)	Valcom	Spicy Thai soup	410 g	Oriental Merchant	Thailand	\$2.29	US\$1.70

* Retail price equivalent in US\$ (using average exchange rate of AUD 1.00 = US\$0.741)

Fresh Fruit & Vegetables

Market

Australia, with its very varied climate, can grow most fresh fruit and vegetables. Fresh fruit and vegetables are readily available all year round. Australians tend to eat more natural than processed fruits and vegetables, so they will consume good quantities of fresh produce, especially when in season.

Considerations for imported product

Due to its fragile ecosystem and past troubles, Australia is very protective when it comes to the importation of fresh products. Some fresh fruit and vegetables, such as apples, are not allowed entry into Australia due to concerns with fire blight.

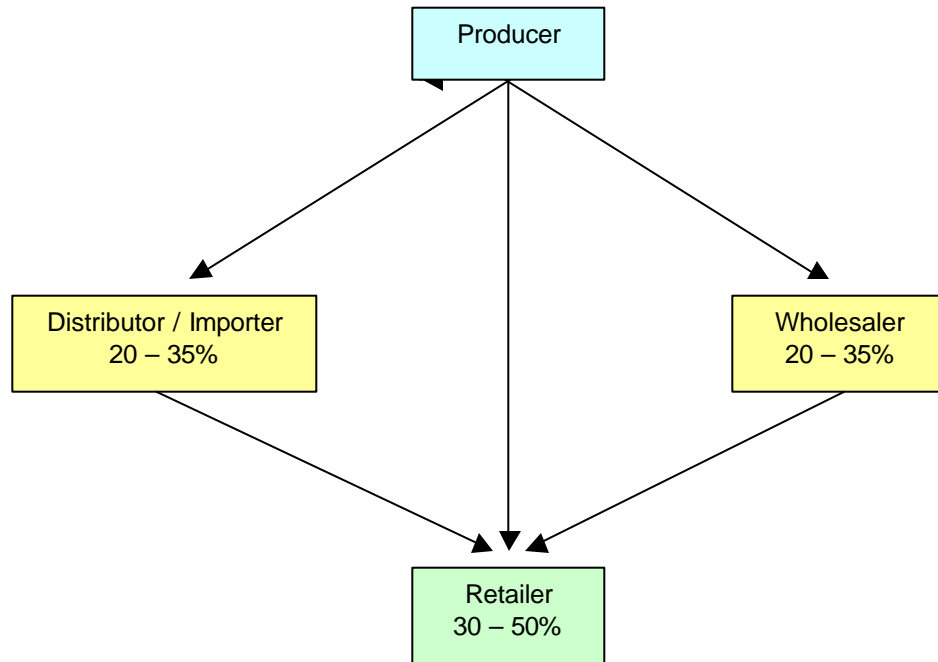
Demand for organic produce is growing faster than other organic. Growing concerns over Genetically Modified crops and use of pesticides is creating much interest towards organic produce.

The "Buy Australia" mentality will make it difficult to gain consistent shelf presence. Imported produce may be in demand for some periods, but only as long as Australian producers are unable to fill orders, or that the price for locally grown fresh produce remains prohibitively high.

Australia has embraced fusion cuisine, and there is a large market for organic food in the foodservice industry. There could be demand for some more select fresh fruit and vegetables coming from both the foodservice and hospitality industries.

Distribution channel





Example of imported products currently on sale in Australian retail shops...

Store	Brand	Description	Importer	Origin	Retail (AU\$)	US Price*
Harris Farm (NSW)	Northwest	Cherries (fresh)	Harris Farm	California	\$16.99 / Kg	US\$5.71/lb
Bi-Lo (VIC)	Bi-Lo	Dried figs	Bi-Lo	Turkey	\$7.96 / Kg	US\$2.68/lb
Bi-Lo (VIC)	Satara & Zespri	Kiwi fruit (fresh)	Bi-Lo	New Zealand	\$0.39 each	US\$0.29
The Olive (VIC)	Olive Health Food	Dates (organic)	The Olive	California	\$5.25 / 200g	US\$8.82/lb
Safeway (VIC)	Woolworths	Red Globe grapes (fresh)	Woolworths	USA	\$8.98 / Kg	US\$3.02 / lb

* Retail price equivalent in US\$ (using average exchange rate of AUD 1.00 = US\$0.741)

Frozen Foods

Market

Only in recent years has the quality of frozen meals become satisfactory enough to lure an increasing amount of people away from take-away (take-out) foods in Australia. Overall, frozen meal offerings remain relatively small and often limited to staples such as vegetables, meat/seafood, meat pies (and pasties), and pasta.

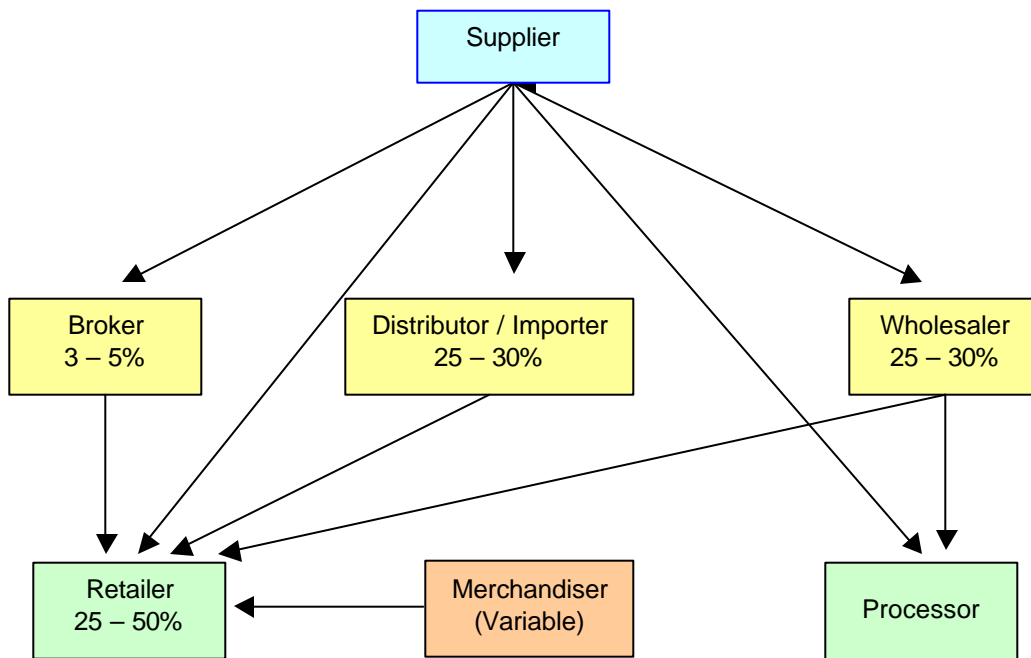
Considerations for imported product

Due to the size of Australia's population, it may be hard for local Australian processors to supply more gourmet/limited-market products.

Natural or organic ready-to-eat meal solutions seem poised to take-off as families have increasingly less time to prepare meals, and take-away food is of questionable nutritional value.

Logistics is also an issue when it comes to refrigerated products in Australia as it is very expensive, if not impossible, to ship less than container-load quantities by reefer containers. The only real option is air freight, but then cost becomes a main factor.

Distribution channel



Example of imported products currently on sale in Australian retail shops...

Store	Brand	Description	Size	Importer	Origin	Retail (AU\$)	US Price*
Bi-Lo (VIC)	Aqua Royale Seafoods	Natural squid	500 g	Austrimi Seafoods	China	\$5.99	US\$4.44
Bi-Lo (VIC)	Austrimi Seafoods	Crumbed seafood bites	500 g	Austrimi Seafoods	Vietnam	\$5.99	US\$4.44
Bi-Lo (VIC)	(none)	Cooked prawn (shrimp) ring		Benlauer Pty.	Thailand	\$7.98	US\$5.91
Bi-Lo (VIC)	Bi-Lo	Smoked cod fillets	1 Kg	Bi-Lo	South Africa	\$9.99	US\$7.40
Bi-Lo (VIC)	Bird's Eye	Atlantic salmon Provencal	270 g	Simplot	Norway	\$9.08	US\$6.73
Safeway (VIC)	Findus	Crumbed calamari	500 g	Findus Aust.	New Zealand	\$7.29	US\$5.40

* Retail price equivalent in US\$ (using average exchange rate of AUD 1.00 = US\$0.741)

Grains

Market

The market for specialty organic grains in Australia is growing because locally available production is too small to be able to respond to the fluctuating demand from processors and consumers alike.

Considerations for imported product

Grains which can sprout or germinate will be much harder to import into Australia unless the same variety is being grown in Australia. If it is grown in Australia then its effects on the ecosystem are known. By-products, such as oils, will have to be extracted in the country of origin in order to be allowed entry into the country. Grains such as wheat could be milled to spec before being imported. Some bakeries demand organic grains, especially when it comes to grain types that have a genetically modified version. This helps to ensure that their products remain GMO-free.

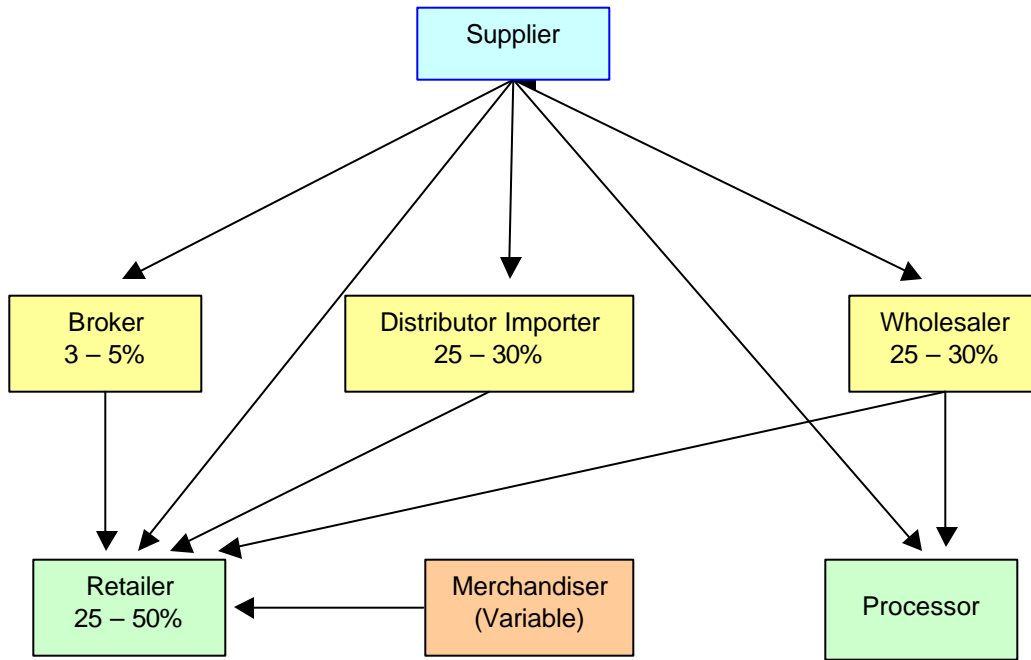
Because the US has a reverse growing season, exporters could be in a prime position to step-in during crop shortages in Australia. Many wholesalers and distributors will not consider importing if there is an equivalent local product available at roughly the same landed price.

There could be an opening for specialty grain crops (natural and organic) in Australia. As the market for organic grains is still somewhat limited, availability may not be consistent. This can be an issue for processors who would often need to supplement their requirements with a safe second source.

Fumigation for organic certified grains could be an issue as it could strip the organic nature of the grains. See section further in report on details of possible fumigation upon entry into Australia.

Distribution channel





Example of imported products currently on sale in Australian retail shops...

Store	Brand	Description	Size	Importer	Origin	Retail (AU\$)	US Price*
Harris Farm Market (NSW)	Leksandbrod	Swedish crispbreads	200 g	Viking Imports	Sweden	\$3.49	US\$2.59
Harris Farm Market (NSW)	Marco Polo	Wheat toast	330 g	Marco Polo Foods	Slovenia	\$2.49	US\$1.85
Bi-Lo (VIC)	Lowan Wholefoods	Buckwheat flour	500 g	Lowan Wholefoods	China	\$2.82	US\$2.09
Bi-Lo (VIC)	Molino Borgo	Couscous	500 g	Leo's Imports	Italy	\$2.72	US\$2.02
The Olive (VIC)	Olive Health Foods	Organic w heat flakes		Olive Health Foods	UK	\$3.45	US\$2.56
The Olive (VIC)	A/A	Bulgur (fine)	500 g	A/A	Turkey	\$1.60	US\$1.19
The Olive (VIC)	Lotus Organic	Rolled spelt flakes (organic)		Lotus Organic	Netherlands	\$4.50	US\$3.33
The Olive (VIC)	A/A	Quinoa (organic)	300 g	A/A	Bolivia	\$5.25	US\$3.89
The Olive (VIC)	Norganic	Crunchola apple blueberry cereal	450 g	Norganic Foods	USA	\$6.75	US\$5.00
Safeway (VIC)	Simple Bread Mix	Bread mix wheat & gluten free	1 Kg	Healtheries of Australia	New Zealand	\$7.69	US\$5.70
Safeway (VIC)	Nutritious Living	40,30,30 cereal	283 g	Organic Milling	California	\$5.89	US\$4.36
	Tilda Food	Rizzazz pure basmati rice	250 g	Manassen	UK	\$3.19	US\$2.36

**US Organic & Natural Food Products Export Initiative:
A Guide to Exporting Food to Australia**

Safeway (VIC)	Fanatics						
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* Retail price equivalent in US\$ (using average exchange rate of AUD 1.00 = US\$0.741)



Refrigerated Food Products

Market

The market for refrigerated products, especially meal replacements, is growing. As shoppers have less time to prepare meals, and as the quality of prepared food has increased, shoppers trust the freshness of refrigerated foods. This is mostly true for the major cities. In rural areas, shoppers either expect availability on certain days of the week, or will only buy locally produced short-shelf life products because of concern regarding the shelf life. Availability of organic refrigerated products is somewhat rare and is mostly localized to retailers located close to the few producers of such products.

Considerations for imported product

No imported products were found in the survey of stores. Because sea shipments from Europe and the US to Australia take one month or more, shelf-life is the main consideration for refrigerated products. Most importers will not consider products with less than 6 months saleable shelf-life (or shelf-life once the product lands in Australia) - many importers need at least one year.

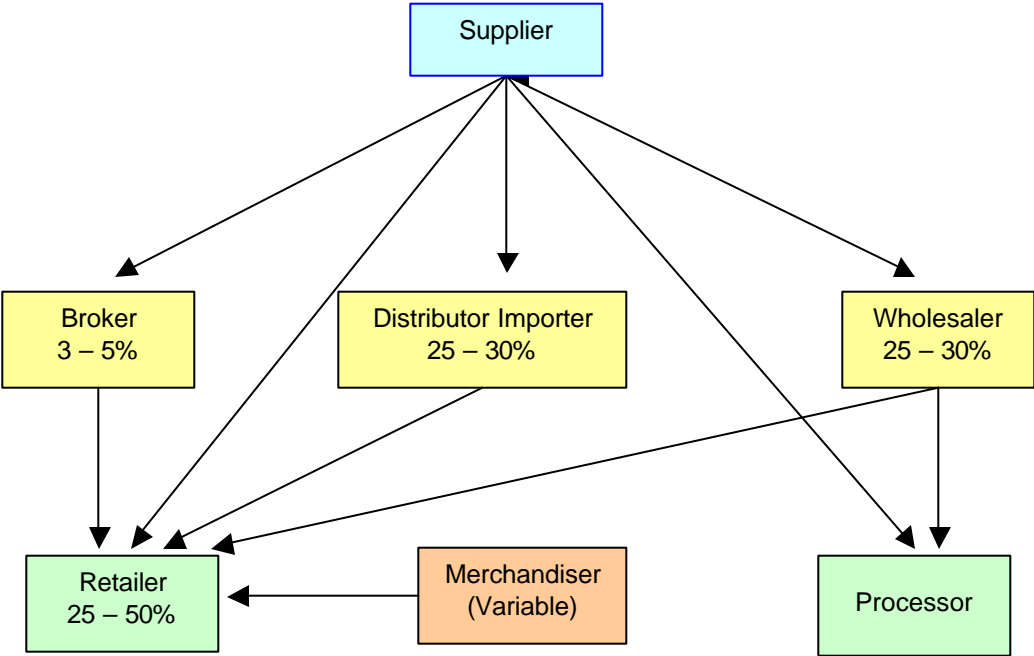
Logistics is also an issue when it comes to refrigerated products because it is very expensive, if not impossible, to ship less than container load quantities by reefers. The only other option is air freight, but then cost becomes the main factor.

Quarantine may also cause problems for refrigerated products because they may be found to be contaminated by pests barred from entry, and could require fumigation. As freezing kills most living organisms which can cause quarantine problems, it would be preferable if the target refrigerated product was shipped frozen (if the product can handle it).

Unless a customer especially requests it, and is ready to be responsible for the product once it leaves the country of origin, it is recommended not to spend time trying to export refrigerated products to Australia. The best option would be to sub-contract and have product manufactured locally.



Distribution channel



Example of imported products currently on sale in Australian retail shops...

None were found.



Shelf-Stable Food Products

Market

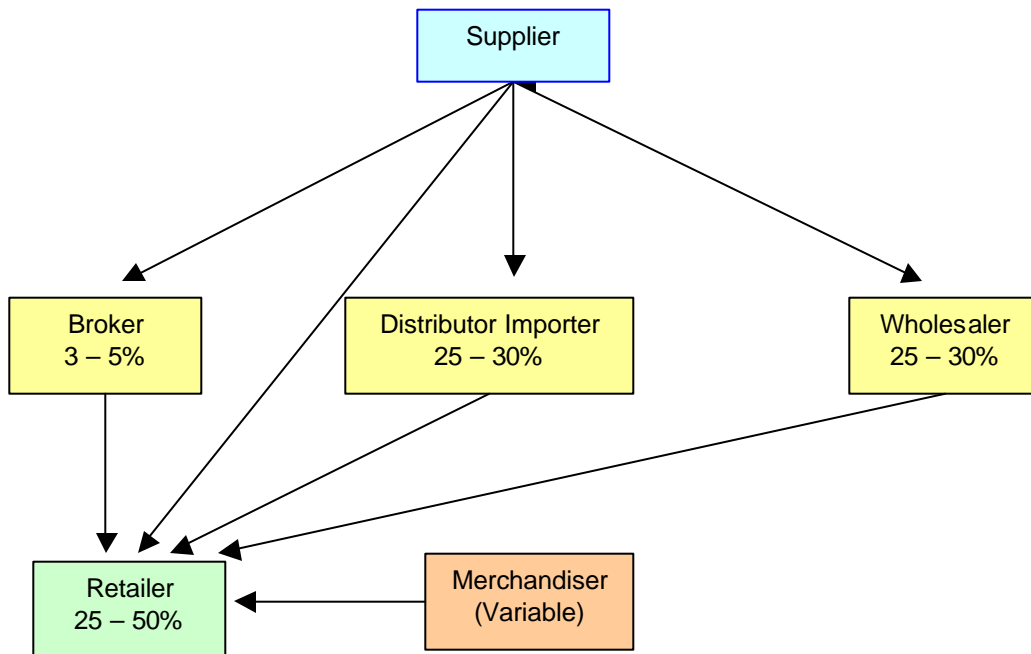
Australians have very Asian tastes. Although there is a large Asian population, Indonesia is the holiday destination of choice for Australians of all walks of life. It is common for non-Asian Australians to cook Asian style meals.

Considerations for imported product

This is one of the easiest products to export to Australia because most cause no problem with quarantine. Even if a load needs to be fumigated, organic identity is kept in most cases. There are also no issues with shelf-life.

It is also possible to start small without too many constraints. Regarding freight costs, Less than Container Load (LCL) may be a bit more expensive than Full Container Loads, but not prohibitive.

Distribution channels



Example of imported products currently on sale in Australian retail shops...

Store	Brand	Description	Size	Importer	Origin	Retail (AU\$)	US price*
Coles (NSW)	Indofood	Raywon spicy beef soup	Packet	Oriental Merchant	Indonesia	\$1.01	US\$0.75
Coles (NSW)	House	Tofu mix	Packet	Oriental Merchant	Japan	\$3.20	US\$2.37
Coles (NSW)	Blue Dragon	Soy sauce		Menora	Japan	\$5.59	US\$4.14
Coles (NSW)	Trident	Garlic in olive oil	Packet	Manassen	Spain	\$1.99	US\$1.47
Coles (NSW)	Green & Black Organic	Cocoa	Packet	Kadac	Italy	\$8.97	US\$6.65
Harris Farm (NSW)	Terra Maris	Pesto alla Genovese	Jar	Harris Farm Market	Italy	\$2.99	US\$2.22
Harris Farm (NSW)	Charles Jacquin	Strawberry jam	250 ml	Biogenic HF	France	\$3.89	US\$2.88
Harris Farm (NSW)	Essential	Walnut oil	500 ml	Essential Ingredient	France	\$19.29	US\$14.29
Harris Farm (NSW)	Lirma Foods	Gnocchi	500 g	Mayer Imports	Italy	\$1.67	US\$1.24
Bi-Lo (Vic)	Bi-Lo	Pistachios roasted	Bulk	Bi-Lo	USA	\$15.95/ Kg	US\$5.36/lb
Bi-Lo (Vic)	Always Fresh	Manzanilla olives	545 g	Riviana Foods	Chile	\$2.72	US\$2.02
Bi-Lo (Vic)	Maille	Hollandaise sauce	210 g	Menora	France	\$3.30	US\$2.45
Bi-Lo (Vic)	Podravka	Gourmet stock powder		Prodravka	Croatia	\$2.81	US\$2.08
Bi-Lo (Vic)	Sharwoods	Mango chutney	354 g	Riviana Foods	UK	\$5.05	US\$3.74
Bi-Lo (Vic)	Pataks	Korma curry paste	283 g	Goodman Fielder	UK	\$4.63	US\$3.43
Bi-Lo (Vic)	Camp	Pure maple syrup	250 ml	Manassen	Canada	\$6.68	US\$4.95
Bi-Lo (Vic)	Novartis	Sustagen sport chocolate	400 g	Mead Johnson	New Zealand	\$8.15	US\$6.04
The Olive (Vic)	Comvita	Manuka honey	250 g	Comvita Health Pty.	New Zealand	\$12.20	US\$9.04
Safeway (VIC)	Ayam	Satay sauce	250 g	A. Clovet	Malaysia	\$2.35	US\$1.74
Safeway (VIC)	Sweet Meadow	White clover honey	500 g	Exclusive Food Houses	New Zealand	\$5.81	US\$4.31
Safeway	Spiral Foods	White instant miso	80 g	Spiral Foods	Japan	\$7.97	US\$5.91

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Store	Brand	Description	Size	Importer	Origin	Retail (AU\$)	US price*
(VIC)							
Safeway (VIC)	Cross & Blackwell	Branston pickle	310 g	Nestle	UK	\$3.48	US\$2.58
Safeway (VIC)	Tabasco	Pepper sauce	150 ml	Stuart Alexander	USA		
Safeway (VIC)	Yeos	Sambal oelek (sauce)	250 ml	Oriental Merchant	Singapore	\$2.75	US\$2.04

* Retail price equivalent in US\$ (using average exchange rate of AUD 1.00 = US\$0.741)

7. Requirements for export of food products to Australia

Requisites to export food to Australia:

- Product is approved for import into Australia by the Australian Quarantine & Inspection Service (www.aqis.gov.au)
- Shipping documentation is completed in agreement with Australian customs (www.customs.gov.au)
- Label meets Australian labeling regulations (See section on labeling)

US-Australia Free Trade Agreement

On January 1, 2005 a US-Australia Free Trade Agreement comes into effect

The main point of interest for US food exporters is that Australia will eliminate all agricultural tariffs once the free trade agreement comes into effect. Currently, Australia maintains tariffs as high as 30 percent on certain dairy products and tariffs of 4 to 5 percent on fresh and processed fruits and vegetables, processed foods, some grains, oilseeds, and other products.

The United States and Australia will work to resolve sanitary and phytosanitary (SPS) barriers to agricultural trade, in particular for pork, citrus, apples, and stone fruit.

- The Agreement establishes a new mechanism for scientific cooperation between U.S. and Australian authorities to resolve specific bilateral animal and plant health matters.
- The USDA's Animal and Plant Health Inspection Service (APHIS) and Biosecurity Australia will operate a standing technical working group to cooperate in the development of science-based measures that affect trade between the two countries.

Phytosanitary restrictions

Due to its unique ecosystem, Australia has **very stringent** phytosanitary restrictions affecting imports of fresh fruit and vegetables, as well as other requirements affecting imports of seeds, meat, and poultry products.

There is no pre-market approval process regarding either product composition or labeling of any food in Australia. Imported food must comply with all aspects of the Australia and New Zealand Food Standards Code (ANZFSC) at the point of entry into Australia. This code is designed to protect public health and safety; to ensure plant and animal pests and diseases are not introduced; and to assist consumers. This code applies equally to imported and locally produced foods.

The Australian Quarantine and Inspection Service (AQIS) performs random inspections on any imported foods. High risk foods can be targeted for inspection at a higher frequency.



U.S. food exporters should consult the Australian Quarantine and Inspection Service Import Conditions (ICON) web site to verify the import conditions for their food products:
http://www.aqis.gov.au/icon32/asp/ex_querycontent.asp

As an example of Australia's strict phytosanitary regulations, imports of fresh apples are banned.

Australia bans the importation of apples due to diseases and insect pests that are of quarantine concern. Of principal concern to Australia is fire blight, a plant pathogen which is present in many apple-producing countries (including the United States), but not in Australia.

Food Standards in Australia and New Zealand (FSANZ)

The Australia/New Zealand food standards development system is a cooperative arrangement between the Commonwealths of Australia and New Zealand and the Australian States and Territories in order to develop and implement uniform food standards.

The "Guide to Applications and Proposals": available on the FSANZ website at:
www.foodstandards.gov.au/standardsdevelopment

Standards Liaison Officer
Food Standards Australia/New Zealand
P.O. Box 7186
Canberra Mail Centre
ACT 2610
Australia
Tel: +61-2-6271 2222
Fax: +61-2-6271 2278
Email: slo@foodstandards.gov.au
Website: <http://www.foodstandards.gov.au/standardsdevelopment/>

Quarantine Import Permit

All food imported into Australia must comply with Australian quarantine requirements by obtaining a quarantine import permit. A copy of the permit should accompany the products. Goods will be released upon confirmation that conditions on the permit have been met.

The following foods are likely to require extensive risk quarantine analysis:

- Fresh or frozen raw red or white meats including poultry meat
- Some fresh or frozen marine products
- Raw or lightly processed egg products
- Raw or lightly processed dairy products
- Many fresh fruits
- Many unprocessed fresh grains
- Honey and some apiary products

Foods that are less likely to require extensive risk quarantine analysis:

- Pasta and noodles (non-egg) products
- Canned fruit and vegetables



- Sauces not containing meat and eggs
- Some tropical fruits
- Confectionary
- Jams and preserves
- Processed nuts
- Biscuits (cookies)
- Spices
- Some dried foods (not meat)
- Coffee, tea and cocoa
- Drinks, including juices
- Processed rice
- Some processed grains
- Many marine products, canned and fresh
- Some vegetables
- Oils.

All food products imported into Australia may be inspected to ensure they meet all the requirements of the Australian Quarantine regulations and the Food Standards of Australia/New Zealand. Certain 'at risk' food products are inspected more often than other types.

Where a food fails an inspection and/or analysis, the options available to the importer are to:

- Treat the food (fumigate or other)
- Re-export the food
- Destroy the food, or
- Downgrade the food (eg. for use as animal food or fertilizer).

In some cases, product may be re-worked (treated) to correct the problem. For example, correcting labeling deficiencies by the application of self-adhesive labels with the required information. In other cases, the option of re-exporting the food may be given.

However, in situations where the food is unfit for human consumption and treatment is impractical, AQIS may insist upon destruction of the failing food.

Reasons foods do not comply with Australia's standards include:

- Containing prohibited plants or fungi or derivatives thereof
- Containing either illegal additives or permitted additives in excess of amounts allowed
- Containing residues of agricultural or veterinary chemicals for which no maximum levels have been established in Australia or, where levels are established, the residues exceed permitted levels
- The food may be a prohibited import. Refer to listings in the Australian Customs Prohibited Import Regulations (www.customs.gov.au/site/page.cfm?u=4369). Some foods and additives listed in this legislation may be permitted entry after complying with certain requirements. For example, kava and xylitol require import permits issued by TGA (Therapeutic Goods Administration) and FSANZ respectively.

Fumigation

If product is found to be infested with a proscribed organism, authorities may require the container to be shipped back or fumigated. Fumigation does not entitle a shipment to a clean bill of health. Goods are inspected after fumigation to ensure the problem was solved.



The problem with fumigation is that, in many cases, it either degrades the product or causes it to lose its organic status. Imports of fresh produce into Australia are very tightly controlled. The possibility of fumigation is an added cost consideration for any company wishing to export certified organic produce to Australia because it is most likely that fumigated organic produce would have to be sold as regular (non-organic) produce.

Depending on the outlawed organism found, the following types of fumigation may be imposed by the Australian Quarantine service:

- **Ethylene oxide**
Under initial minimum vacuum of 50 kilopascals at 1500g/m³ for 4 hours at 50°C; or 1500g/m³ for 24 hours at 21°C.
- **Methyl bromide**
32g/m³ for 24 hours at 21°C at Normal Atmospheric Pressure (NAP).
Add 8g/m³ for each 5°C the temperature is expected to fall below 21°C, or subtract the 8g/m³ for each 5°C the temperature increases above 21°C during the fumigation. It is the minimum temperature during the course of the fumigation that is to be used for the calculation of the dose.
- **Methyl bromide - Giant African Snail Rate**
128g/m³ for 24 hours at 21°C at Normal Atmospheric Pressure (NAP).
Add 8g/m³ for each 5°C the temperature is expected to fall below 21°C, or subtract the 8g/m³ for each 5°C the temperature increases above 21°C during the fumigation. It is the minimum temperature during the course of the fumigation that is to be used for the calculation of the dose.
- **Methyl bromide - Khapra beetle rate**
80g/m³ for 48 hours at 21°C with a minimum concentration of 32g/m³ for 24 hours at Normal Atmospheric Pressure (NAP).
Add 8g/m³ for each 5°C the temperature is expected to fall below 21°C or subtract the 8g/m³ for each 5°C the temperature increases above 21°C during the fumigation. It is the minimum temperature during the course of the fumigation that is to be used for the calculation of the dose.
- **Hot air**
Hot air at not less than 85°C for at least 8 hours once the core temperature has been reached.
Products may smolder or ignite with this treatment.
- **Hot moist air**
At not less than 85°C for not less than 48 hours (50% relative humidity) once the core temperature has been reached. Products may smolder or ignite with this treatment.
- **Hot moist air**
At not less than 95°C for not less than 24 hours (50% relative humidity) once the core temperature has been reached. Products may smolder or ignite with this treatment.
- **Gamma irradiation**
Gamma irradiate at 25 kGray (2.5 Mrad).
- **Gamma irradiation**
Gamma irradiate at 50 kGray (5 Mrad).
- **Autoclave**
121°C, 103 kPa (15 psi) for 15 minutes; or 134°C, 103 kPa (15 psi) for 4 minutes.



Customs Clearance

Generally, all commercial imports require a formal entry to be lodged with the Australian Customs Service (ACS). This process can be undertaken either manually at a Customs office, or electronically through authorized access to ACS Commercial Systems (COMPILE). Entries may be lodged by importers or their customs agent.

Importers are responsible for obtaining a formal customs clearance for goods above set value limits (currently \$250 for goods imported by sea and air cargo, and \$1,000 for goods imported through the postal system).

Consignments valued at, or below, these amounts may be cleared through use of an approved Informal Clearance Document (ICD), available at Customs offices. Customs applies cost-recovery charges for the processing of entries. These costs depend on whether the entry is submitted as an electronic entry or as a documentary (manual) entry.

Goods entering Australia can attract Customs duty and/or GST and other taxes and charges. Customs duty rates vary and depend on a number of factors, such as type of goods and country of origin. For advice on charges, duty rates, as well as any other Customs matters, contact the Customs Information Centre on tel. **+61 1300 363 263**.

Custom Brokers

For a list of custom brokers, please refer to the member list of the Customs Brokers & Forwarders Association of Australia: www.cbfa.com.au

Duty Rates

Please consult: www.customs.gov.au for exact duty rates for each commodity. Duty rates vary from 0 – 5% for most food products allowed entry into Australia.

The US-Australia Free Trade Agreement will reduce most duty on food products to zero on January 1st 2005, and has provisions to reduce duty on most others to zero over the next ten years.

Goods and Services Tax (GST)

GST applies to most imported goods. There are few exemptions from the GST, the main ones being certain foodstuffs, some medical aids and appliances and imports that qualify for certain customs duty concessions.

Subject to eligibility criteria, importers who are registered for GST might be able to defer the payment on imported goods by participating in the Deferred GST Scheme.

GST is applied at 10 per cent of the value of the taxable importation (VOTI). The value of the taxable importation is the sum of:

- The customs value of the imported goods, and
- Any customs duty payable, and
- The amount paid or payable to transport the goods to Australia and to insure the goods for that transport, and
- Any wine tax payable.

In practically all cases, US exporters should not pay for GST as it should be deferred to the importer or customer.

Temporary Entry

Products entering Australia for a temporary period may be imported duty-free if they are to be used for promotional purposes in a trade show that has been certified by the Australian Customs Service. Even in such cases, products must meet AQIS approval.

Shipping Documentation

All shipping documents must be presented to customs officials by the importer or their agent upon the entry of goods into Australia. The following documents are mandatory:

- Customs Entry or Informal Clearance Document (ICD)
- Air waybill (AWB) or bill of lading (BLAD)
- Commercial invoice
- Packing list, and
- Other documents relating to the importation and requested by the importer.

Customs does not require the completion of a special form of invoice. Normal commercial invoices, bills of lading and receipts are acceptable.

These documents should contain the following information:

- Invoice terms (eg, FOB, CIF)
- Monetary unit referred to on invoice (e.g. AUD, US\$)
- Name and address of the seller of the goods (Consignor)
- Name and address of the buyer of the goods (Consignee)
- Complete description of the goods
- Name of the ship (or aircraft) on which the goods are to arrive in Australia

- Country of origin of the goods, including a declaration from the manufacturer where preferential rates of duty are being claimed
- Numbers of packages containing the goods and the marks and numbers on each package
- Quantity of the goods
- Selling price of the goods to the buyer of the goods
- Labor costs incurred in packing the goods into outside packages
- Value of outside packages
- Amount of royalties (if any) payable in respect of the goods
- Particulars of freight and insurance costs associated with the transport of the goods to Australia, and
- Particulars of all arrangements or undertakings that have, or might have, the effect of varying the selling price of the goods whether by way of discount, rebate, compensation or any other means.

Importers are legally required to retain commercial documents relating to a transaction for five years from the date of entry. These documents might be required for Customs audit purposes. Failure to meet this requirement may incur a financial penalty.

Import Licenses

Australian Customs does not require companies or individuals to hold licenses to import goods. However, depending on the nature of the commodity, permits may be required to clear the goods.

Import Regulations

- Information on Food Law and Policy in Australia can be obtained from the www.ausfoodnews.com.au website.
- See the Australian Quarantine and Inspection Service import conditions (ICON) database to identify whether your product is prohibited for entry into Australia
http://www.aqis.gov.au/icon32/asp/ex_querycontent.asp

Organic Certification

Australia has been proactive on organic certification. The country has had national standards for organic and biodynamic products since 1992. It is also one of the countries approved to export organic food products to the European Union.

However the term organic has been used a bit freely for both domestic and imported products that are not certified organic. This may have created some ambivalence towards the term organic but it has strengthened the importance of the certification logo.

To export Organic Products to Australia it is recommended to be certified by a NOP (National Organic Program) approved certifier.

The importer should be certified by an Australian Certification body accredited by AQIS. As part of his certification, the importer will need to remain informed on any new requirements of their certifier and AQIS regarding imported organic food products.

8. Australia's Food Labeling Regulations

Food Standards Australia/New Zealand (FSANZ) regulates the delivery of safe food. FSANZ is a bi-national independent statutory authority that develops food standards for composition, labeling and contaminants applying to all foods produced or imported for sale in Australia and New Zealand. FSANZ operates under the Food Standards Australia New Zealand Act 1991.

The following is a summary of the label requirements for Australia. These should be used as a guide. A label consultant or the official food standard code should be consulted to ensure labels are fully compliant: <http://www.foodstandards.gov.au/foodstandardscode/>

All food for retail or catering purposes must bear a label that meets the Australian Food Standard Code.

There are labeling exceptions, these cover mostly bulk products meant to be repackaged, fresh fruit and vegetables, livestock products, food additives and container and packaging for food products. These all follow different labeling standards.

Labels must be legible with prominent type, distinct from the background and in English. The type must be at least 3mm high, except on very small packages.

Labels must include:

Name of food

Product name: the product name should be identical to the product name declared to the licensing/inspection authority

Name and address of supplier

The label on a package of food must include the name and business address, in Australia or New Zealand, of the supplier (packer, manufacturer, vendor or importer) of the food.

Country of origin

The review of country of origin labeling requirements for food has not been finalized. The country of origin preceded by 'made in' or 'product of' should still be indicated on all food products. This can be the country where the food was made or processed. If any of the ingredients do not originate from that country, a statement that the food is made from imported or local ingredients should be included.

If the address of the overseas manufacturer includes the name of the country, then no additional country of origin labeling is required.

Please refer to:

<http://www.foodstandards.gov.au/mediareleasespublications/factsheets/industryfactsheetsfsc/countryoforigin/inaugust2189.cfm>



Content

Australia has fully embraced the metric system. The product's content should be indicated in the metric equivalent:

- Liquids in milliliters (ml) or Liters (L)
- Solids in grams (g) / Kilograms (Kg).

Number of servings or pieces should be indicated in parentheses.

Best before date

Apart from a few exceptions, all food products must have a best before date written on the package. It is illegal to sell food past its shelf life. This date can be preceded either as 'Best Before' or 'Use By'.

The date must be formatted either as day and month for products with a shelf life of less than 3 months, or month followed by year for products with a longer shelf life. Year can be indicated either in 2 or 4 digit format.

As an example, the following two best before dates would be acceptable:

- Best Before: 25 12 1999
- Use By: 25 Dec 99

Some products such as sugar may require a date of manufacture as well.

Lot identification

All food products must have a unique number connecting them to the batch during which they were produced. This lot can be the best before date, if the processor can easily identify a batch with the latter.

Use and directions

The food label must include directions on its use or storage if the food's nature needs such directions for reasons of health or safety.

Storage requirements

Manufacturers must include storage information where specific storage conditions are required in order for the product to remain safe until its 'Use-by' date. Any products that must be kept at low temperature must be clearly indicated.

Ingredient listing

Ingredients must be listed from greatest to smallest by ingoing weight, including water.

Food labels are also required to show the percentage of key characterizing ingredients, if they are present. For example, the percentage of strawberries in strawberry jam, or the percentage of milk fat in ice cream.

Where moisture-loss occurs in the processing of a food, the proportion of the characterizing ingredient or category of ingredients in the final food may be calculated taking into account any such moisture loss, on the basis of the weight of the characterizing ingredient or category of ingredients in the final food.

In the case of very small amounts of multi-component ingredients (less than 5%), it is permitted to list the 'composite' ingredient only. This exception does not apply to any additive or allergen which must be clearly listed however small the amount.

Australians tend to like their food to be as natural as possible. Food legislation mirrors this position by being somewhat restrictive on new foods or foods with additives.

Food additives

All food additives must have a specific use and be approved by ANZFA for safety. Additives must be identified, usually by a number, and included in the food ingredients list.

Consult the following document regarding maximums allowed for specific food additives:
http://www.foodstandards.gov.au/_srcfiles/ACF24C2.pdf

Vitamin and minerals

Consult the following document for maximum allowable addition of vitamins and minerals, depending on the food product type:
http://www.foodstandards.gov.au/_srcfiles/Standard%20_1_3_2_Vits%20and%20Mins_v64.pdf

Allowed processing aids

Many processing aids are allowed for the manufacture of food. Please consult the following listing:
http://www.foodstandards.gov.au/_srcfiles/Standard_1_3_3_Processing_Aids_v72.doc

Irradiation

Irradiation of food and/or ingredients is prohibited unless specific permission is given.

Novel foods

Novel foods and ingredients are not allowed to be sold in Australia unless they have been granted permission by the authorities. Specific permission may impose conditions relating to matters such as the need for preparation or cooking instructions, warning statements or other advice, or the need to meet specific requirements of composition or purity.

GMO

The label on a package of food containing genetically modified ingredients must include the statement 'genetically modified' in conjunction with the name of that food or ingredient or processing aid.

Allergen information

Foods which are known to be dangerous to people with allergies must be clearly labeled, however small the amount. For example, nuts, seafood, milk, gluten, eggs, and soybeans.



This declaration usually appears on the ingredients list. In addition, there must also be an advisory statement on the label where consumers may be exposed to a possible health risk. For example, in the case of unpasteurized milk or egg, quinine, caffeine, etc.



Nutrition labeling

All manufactured foods are required to display a nutrition information panel so that consumers are able to make informed choices when comparing products. However, there are a few exceptions such as very small packages and foods like herbs, tea, coffee, and foods sold unpackaged (if a nutritional claim is not made).

Nutrition labeling must follow the standards as set out in:

http://www.foodstandards.gov.au/_srcfiles/Standard_1_2_8_Nutrition_Info_v72.doc

NUTRITION INFORMATION		
Servings per package: (insert number of servings)		
Serving size: g (or mL or other units as appropriate)		
	Quantity per Serving	Quantity per 100g (or 100mL)
Energy	kJ (Cal)	kJ (Cal)
Protein	g	g
Fat, total	g	g
- saturated	g	g
Carbohydrate	g	g
sugars	g	g
Sodium	mg	mg
(insert any other nutrient or biologically-active substance to be declared)	g, mg, µg (or other units as appropriate)	g, mg, µg (or other units as appropriate)

A nutrition information panel must clearly indicate that the average quantities set out in the panel are average quantities; and any minimum and maximum quantities set out in the panel are minimum and maximum quantities.

A nutrition claim must not be made in relation to the polyunsaturated fatty acid content or monounsaturated fatty acid content of a food unless the total of saturated fatty acids and trans fatty acids comprises no more than 28 per cent of the total fatty acid content of the food; and the fatty acid, in respect of which the nutrition claim is made, comprises no less than 40 per cent of the total fatty acid content of the food.

Health claims

Unless specifically permitted, Transitional and Temporary Standard for Health Claims in food labels and advertisements are **prohibited** in Australia. Legislation on this subject is very similar to American law. For example any product claiming to help lose weight would have to be backed by plenty of evidence which would need to be approved by government authorities prior to the claim being made on the product or in advertisements.

Words and expressions



The use of certain words and expressions are restricted. Words such as 'polyunsaturated', 'pure', 'natural', 'organic', 'low alcohol', 'non alcoholic', 'health', and 'vitamin enriched,' etc. are restricted, and their use should be confirmed with the relevant product standard.



Pictures and designs

Manufacturers should ensure that their pictorial representations do not give a misleading overall impression about their products. For example, including pictures that are not foods or ingredients, but which may imply the presence of foods or ingredients related to the pictures.

Copyright and trademark laws

Patents, trademarks, and copyright are protected by Australian law. More information and links to the legislation are available on the IP Australia web site:

IP Australia (Intellectual Property)
Ground floor, Discovery House
47 Bowes Street
Woden, ACT 2606
(PO Box 200, Woden ACT 2606)
Australia
Tel: (+61-2) 6283-2999
Fax: (+61-2) 6283-7999
Email: assist@ipaaustralia.gov.au
Website: <http://www.ipaustralia.gov.au/>

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Barton, ACT 2600
Tel: (+61-2) 6250-6666
Fax: (+61-2) 6250-5900
<http://www.nationalsecurity.gov.au/www/agdHome.NSF>

UPC codes

UPC codes are permitted in Australia, although EAN codes are more common. Codes should follow the rules as set out by EAN Australia: www.ean.com.au

It is common for some importers to request an EAN verification report to ensure their bar code (May it be a UPC or an EAN code) meets all sizing and legibility standards set forth by EAN Australia.

Carton bar codes

Coles and Woolworths require Shipper Container Codes (SCC) on all shippers. It is recommended for all products to feature Shipper Container Codes that meet the EAN Australia regulations. Check www.ean.com.au.

9. Other packaging and shipping considerations

Packaging Requirements

There are no packaging or container-size regulations for food products in Australia.

Carton Weights

Most chains look for cartons with a maximum weight of 16 Kg, Woolworths requires cartons to weigh 12 Kg or less.

Pallets

Although North American pallets are accepted by all importers, many chains and customers who deal with local suppliers will expect products to be on Australian standard pallets.

Australian standard pallet measure: 1100 x 1100 mm

There have been ongoing discussions in the trade to adopt the Euro-pallet as the standard.

Weight consideration for ocean containers in Australia

For containers being trucked within Australia, the maximum weight allowed is higher than the usual maximum weight allowed in the United States. The container must be within the weight limits of the State regulations (including the States the container needs to cross to get to the port), and within limits set by the freight company.

For Australia, the standard maximum weights are as follows:

- 20 ft container: 48,000 LBS
- 40 ft container: 50,000 LBS



10. Recommended Food Shows

Fine Food Australia

This is Australia's main international food show. It is the largest exhibition for the food and beverage industry, and is open only to trade. The 2004 show had over 700 exhibitors. This is the main show recommended by most Australian food companies surveyed.

Most Australian distributors, wholesalers, and retailers attend the show every year.

This show is held in Sydney and Melbourne (alternating every year from city to city). A smaller version of the show is held in Brisbane every two years.

This show is held at the same time as Hotel Australia, the definitive event for the restaurant, hotel and motel industry. The 2004 show regrouped more than 150 exhibitors.

Show schedule:

Fine Food Australia / Hotel Australia 2004:	September 6 – 9, 2004	Melbourne, Victoria.
Fine Food Australia / Hotel Australia 2005:	September 12 – 15, 2005	Sydney, New South Wales.
Fine Food Queensland / Hospitality Queensland:	March 26 – 28, 2006	Brisbane, Queensland.

Event Organizer:

Australian Exhibition Services Pty Ltd
Tel: (+ 61 3) 9261 4500
Fax: (+ 61 3) 9261 4545
For more information: www.foodaustralia.com.au

International Catering Trade Fair (ICTF)

This is the major show catering to the Bakery trade, and is mostly an ingredient show. This is sponsored by the Catering Trade Fair Association (CTFA). 15,000 visitors attended ICTF 2002. In 2002, 27.6% of visitors were distributors, wholesalers, manufacturers and suppliers, while 27.5% of visitors were restaurants or caterers.

This show is held for four days in August in Sydney every two years – the last show was August 8 – 11, 2004. The next show is scheduled for August 2006.

Event Organizer:

ETF (Exhibition and Trade Fairs) Pty. Ltd.
Tel: (+61-2) 8268-4444
Fax: (+61-2) 8268-4445



Email: ictf@etf.com.au
Website: www.ictf2004.com or www.ictf2006.com

The Good Food Show

A trade and consumer show held every year in June in both Melbourne and Sydney. As this show is not strictly for trade, it is full of consumers. Entrance fee is also quite affordable at AUD 19.00.

This show is recommended for companies who desire to do some market research and get feedback on their products directly from consumers, and for products which require a 'pull' strategy to succeed.

Event Organizer:

Australian Exhibition Services Pty Ltd
Tel: (+ 61 3) 9261 4500
Fax: (+ 61 3) 9261 4545
For more information: www.goodfoodshow.com.au

11. Government Regulatory Agency Contacts

Local government authorities that have responsibility for administering and evaluating imported products:

Australian Customs Service

5-11 Constitution Avenue
Canberra, ACT 2601
Australia
Phone: 02 6275-6666
Fax: 02 6275-6999
Website: www.customs.gov.au

Australian Department of Health & Aged Care

GPO Box 9848
Canberra City, ACT 2601
Australia
Website: www.health.gov.au

Food Standards Australia New Zealand

P.O. Box 7186
Canberra Mail Centre, ACT 2610
Australia
Phone: 02 6271 2222
Fax: 02 6271 2278
Email: info@foodstandards.gov.au
Website: www.foodstandards.gov.au

Imported Food Program

Australian Quarantine & Inspection Service

GPO Box 858
Canberra, ACT 2601
Australia
Phone: 02 6272-3097
Fax: 02 6272-3682
Email: foodimp@aqis.gov.au
Website www.aqis.gov.au

IP Australia (Intellectual Property)

P.O. Box 200
Woden, ACT 2606
Australia
Phone: 02 6283-2999
Fax: 02 6283-7999
Email: assist@ipaaustralia.gov.au
Website: www.ipaustralia.gov.au

Office of the Gene Technology Regulator (MDP54)

GPO Box 100
Woden, ACT 2606
Australia
Fax: 02 6271-4202
Email: ogtr@health.gov.au
Website: www.ogtr.gov.au



12. State Departments of Health

ACT Department of Health & Community Care

GPO Box 825
Canberra, ACT 2601
Australia
Website: www.health.act.gov.au/c/health/

NSW Department of Health

Locked Mail Bag 961
North Sydney, NSW 2059
Australia
Website: www.health.nsw.gov.au

Victorian Department of Human Services

555 Collins Street
Melbourne, VIC 3001
Australia
Website: www.dhs.vic.gov.au

Queensland Department of Health

GPO Box 48
Brisbane, QLD 4001
Australia
Website: www.health.qld.gov.au

South Australian Department of Human Services

11 Hindmarsh Square
Adelaide, SA 5000
Australia
Website: www.dhs.sa.gov.au

Health Department of Western Australia

P.O. Box 8172
Perth Business Centre WA 6849
Australia
Website: www.health.wa.gov.au

Tasmanian Department of Health & Human Services

34 Davey Street
Hobart, TAS 7000
Australia
Website: www.dhhs.tas.gov.au/index.html

Northern Territory Health Services

PO Box 40596
Casurina, NT 0811
Australia
Website: www.nt.gov.au/nths



13. American Chamber of Commerce in Australia and US Embassy

Office of the Agricultural Counselor
U.S. Embassy
Moonah Place
Yarralumla, ACT 2600
Australia
Phone: 02 6214-5854
Fax: 02 6273-1656
Email: AgCanberra@usda.gov

Head Office & NSW State Office

Suite 4, Gloucester Walk,
88 Cumberland Street
Sydney, NSW 2000
Australia
Phone: 02 9241-1907
Fax: 02 9251-5220
Email: nsw@amcham.com.au
Website: www.amcham.com.au

Queensland (State Office)

Please contact the NSW/Head Office for any
Queensland inquiries.
Email: qld@amcham.com.au

South Australia (State Office)

Level 1, 300 Flinders Street
Adelaide, SA 5000
Australia
Phone: 08 8224-0761
Fax: 08 8224-0628
Email: sa@amcham.com.au

Victoria (State Office)

Level 26, 500 Collins Street
Melbourne, VIC 3000
Australia
Phone: 03 9614-7744
Fax: 03 9614-8181
Email: vic@amcham.com.au

Western Australia (State Office)

Level 6, 231 Adelaide Terrace
Perth, WA 6000
Australia
Phone: 08 9325-9540
Fax: 08 9221-3725
Email: wa@amcham.com.au



14. Australian Agri-Food Market Associations and Councils

Agribusiness Association of Australia

2 Grenfell Street
Kent Town SA 5067 Australia
Phone: 08 8363 4818
Fax: 08 8362 6833
Email: agri@agrifood.info
Website www.agribusiness.asn.au

Email: asda@softdrink.org.au
Website www.softdrink.org.au

Australian Biotechnology Association (ABA)

Box 7004, Gardenvale LPO
Brighton VIC 3186, Australia
Phone: 03-9596-8879
Fax: 03-9596-8874
Australian Chamber of Commerce and Industry
PO Box 18008, Collins Street East
Melbourne VIC 3001, Australia
Phone: 03-289-5289
Fax: 03-289-5250
Email: acci@acci.asn.au
Website www.acci.asn.au

Australian Food and Grocery Council

Level 2, Salvation Army Building
2 - 4 Brisbane Ave
Barton ACT, Australia 2600
Phone: 02-6273-1466
Fax: 02-6273-1477
Email: info@afgc.org.au
Website www.afgc.org.au/

Australian Horticultural Exporters Association

Industry Wing, Institute for Horticultural Dev.
Private Bag 15, Ferntree Gully Delivery Centre
Victoria 3156, Australia
Phone: 03-9210-9380
Fax: 03-6210-9381
Email: ahea@ahea.com.au
Website www.ahea.com.au

Australian Retailers Association

Level 2, 20 York Street
Sydney NSW 2000, Australia
Phone: 02-9290-3766
Fax: 02-9262-1464

Australasian Soft Drink Association

Level 7, Bathurst St
Sydney, NSW 2000, Australia
Phone: 02-9283-9666
Fax: 02-9283-9655



Australian Wine and Brandy Corporation

PO Box 2733
Kent Town Business Centre
Kent Town SA 5000, Australia
Phone: 08-8228-2000
Fax: 08-8228-2022
Email: awbc@awbc.com.au
Website www.awbc.com.au

ASEAN-Australia Business Council

PO Box E14
Kingston ACT 2604, Australia
Phone: 02-6273-2311
Fax: 02-6273-3196

Asia Pacific Business Association

PO Box A2163
Sydney South NSW 2000, Australia
Phone: 02-9235-1222
Fax: 02-9221-8109

**Council of Australian Food Technology
Associations Inc.**

136 Greenhill Road

Unley SA 5061
Phone: 08-8300-0000
Fax: 08-8300-0001

Food and Beverage Importers Association Inc.

181 Drummond Street
Carlton VIC 3053, Australia
Phone: 03-9639-3644
Fax: 03-9639-0638
Email: ajb@sprint.com.au

Food Industry Council of Australia (FICA)

PO Box E14
Kingston ACT 2604
Phone: 02-6273-2311
Fax: 02-6273-3286

Packaging Council of Australia Inc.

GPO Box 1469N
South Melbourne VIC 3205
Phone: 03-9690-1955
Fax: 03-9690-3514
Email: packcoun@packcoun.com.au
Website www.packcoun.com.au



15. Australian Government Bodies

Agriculture, Fisheries and Forestry – Australia

The Federal Government department responsible for providing customer services to the agricultural, food, fisheries and forest industries, addressing the challenges of natural resource management, and building and promoting the whole food and fiber chain 'from paddock to plate' for domestic and international markets

Phone: 02 6272 5407

Fax: 02 6272 5680

Website: www.affa.gov.au

Australian Commercial Disputes Centre

Level 6, 50 Park Street
Sydney NSW 2000, Australia

Phone: 02 9267 1000

Fax: 02 9267 3125

Australian Institute of Agricultural Science and Technology

1st Fl., 91 Rathdowne Street
Carlton VIC 3053, Australia

Phone: 03 9662 1077

Fax: 03 9662 2727

Australian Institute of Food Science & Technology

PO Box 319
Noble Park VIC 3174, Australia

Phone: 03 9580 6182

Fax: 03 9580 6933

CSIRO Food Science Australia (Commonwealth Scientific and Industrial Research Organization)

Phone: 03 9545 2176

Fax: 03 9545 2175

Email: enquiries@csiro.au

Website: www.csiro.au

Department of Agriculture, Fisheries and Forestry

- Australia Market Access & Biosecurity

GPO Box 858

Canberra ACT 2601, Australia

Phone: 02 6272 4199

Fax: 02 6272 4107

Email: marketaccess@affa.gov.au

Department of Foreign Affairs and Trade

Administrative Bldg.

Parkes ACT 2600, Australia

Phone: 06 261 9111

Fax: 06 261 3111

Website www.dfat.gov.au

Rural Industries Research and Development Corporation (RIRDC)

RIRDC has developed a five-year strategic plan to support the development of the organics sector. It supports a number of organic farming projects and has published organic research reports, some of which are available on the RIRDC website.

Phone: 02 6272 4539

Fax: 02 6272 5877

Email: rirdc@rirdc.gov.au

Website: www.rirdc.gov.au/programs/org.html

Standards Australia

PO Box 1055

Strathfield, NSW 2135, Australia

Phone: 02 9746 4700

Fax: 02 9746 8450

Email: research@standards.com.au

Website www.standards.com.au



16. Australian State Government Bodies

Australian Capital Territory (ACT) - Business Gateway

For information on agribusiness sectors in the ACT, see the Business Gateway: website: www.business.gateway.act.gov.au/documents/dir23/doc506323.html

New South Wales - Department of State and Regional Development

For industry information, government assistance, global food news and business advice, see the 'About Food' website: www.aboutfood.nsw.gov.au

Northern Territory - Department of Business, Industry and Resource Development

For information on agribusiness capability from the Northern Territory see: www.dme.nt.gov.au

Queensland - Department of Primary Industry

For information on state food industry capability, initiatives, news, events and government assistance, see the DPI Food webpage: www.dpi.qld.gov.au/food

South Australia - Department of Primary Industry and Resources

For supplier information, industry capability, market intelligence, government assistance, news and events, see the South Australia 'Food Showcase' website: www.food.sa.gov.au

Tasmania - Department of Primary Industry, Water and Environment

For information on Tasmanian food and agricultural industries and government assistance see: www.dpiwe.tas.gov.au/inter.nsf/ThemeNodes/DREN-4VH8AN?open

Victoria - Department of Innovation, Industry and Regional Development

For market information, industry news, government assistance and Victorian food suppliers, see the 'Food Victoria' website: www.food.vic.gov.au

Western Australia - Department of Agriculture

For information on WA Agricultural, Food and Fisheries industries see the AgWest Trade and Development webpage: www.agric.wa.gov.au/programs/trade/html/nav_waafi.htm



17. Organic Associations Australia

Organic Federation of Australia Inc (OFA)

The Organic Federation of Australia is the peak body representing the interests of the organic industry to the government and public. The OFA is currently developing an industry strategic plan (funded by the Department of Transport and Regional Development), which is to focus on the facilitation of industry development and the promotion of organics to consumers.

Phone: (61 2) 9299 9106
Fax: (61 2) 9299 0189
Email: info@ofa.org.au
www.ofa.org.au (website not working properly)

In the OFA website, see The Organic Tradeline, an international email bulletin carrying trading opportunities and service offers from the organic industry.

Certification Bodies

Biological Farmers of Australia Co-operative Ltd (now incorporating the Organic Vignerons Association of Australia)

Phone: 07 4639 3299
Fax: 07 4639 3755
Email: info@bfa.com.au
www.bfa.com.au

National Association for Sustainable Agriculture (Australia) Ltd (NASAA) (now incorporating the Organic Retailers and Growers Association of Australia [ORGAA])

Phone: 08 8370 8455
Fax: 08 8370 8381
Email: enquiries@nasaa.com.au
www.nasaa.com.au

Bio-Dynamic Research Institute (BDRI)

Phone: 03 5966 7333
Fax: 03 5966 7433

Organic Herb Growers of Australia Inc.

Phone: 02 6622 0100
Fax: 02 6622 0900
Email: herbs@lis.net.au
www.organicherbs.org/ohga.html

Organic Food Chain

Phone: 07 4637 2600
Fax: 07 4696 7689
Email: organicfoodchain@hotmail.com

Tasmanian Organic-Dynamic Producers Cooperative (TOP)

Phone: 03 6266 0330 (admin and certification)
Phone: 03 6229 3628 (OPEC representative)
Email: ppdevries@bigpond.com



18. Australia Customs

Australian Customs Service

5 Constitution Avenue
Canberra ACT 2601, Australia
Phone: 02-6275-6666
Fax: 02-6275-6005
Email: information@customs.gov.au
Website www.customs.gov.au

For a list of custom brokers, contact: Customs Brokers & Forwarders Council of Australia, Inc.

PO Box 303
Hamilton, QLD 4007, Australia
Phone: 07-3252-1348
Fax: 07-3252-1159
Email: info@cbfca.com.au
Website www.cbfca.org.au

State Custom Offices:

Australian Capital Territory

Building 5 Constitution
Avenue
Canberra ACT 2601
Phone: 02 6275 6407
Fax: 02 6275 6005

New South Wales

3rd Floor Tower Customs
House
Sydney Central
477 Pitt Street
Postal: PO Box 8
Sydney NSW 2000
Fax: 02 9213 4043

Northern Territory

Customs House
21 Lindsay Street
Darwin NT 0800
Fax: 08 8946 9953
Postal: PO Box 210
Darwin NT 0801

Queensland

Level 2, Terrica Place
140 Creek Street
Postal: PO Box 1464
Brisbane QLD 4001
Fax: 07 3835 3493

South Australia

Customs House
220 Commercial Road
Postal: PO Box 50
Fax: 08 8447 9208
Port Adelaide SA 5015

Tasmania

1st Floor, MBF Building
25 Argyle Street
Postal: PO Box 148B
Hobart TAS 7001
Fax: 03 6230 1261

Victoria

Ground Floor
Customs House
414 La Trobe Street
Postal: PO Box 2809AA
Melbourne VIC 3001
Fax: 03 9244 8200

Western Australia

Customs House
2 Henry Street
Fremantle WA 6160
Fax: 08 9430 1751
Postal: PO Box 396
Fremantle WA 6959



19. Main Food Retailers

Woolworths

Yearly Sales all divisions: AUD\$30 billion, food representing about half (Sales for fiscal year 2003-2004)

Banners Food: Woolworths, Safeway, Metro, Purity/Roelf Vos, Flemings, Food for Less, Dan Murphy, Greengrocer.com.au

Banners non food: Big W, Dick Smith Electronics and Tandy Electronics

No. food outlets: Close to 700 (about 1,400 stores total)

Private Labels: Home Brand

Location: National

Market Share, retail food sales: ~41% (2002)

Contacts:

Greg Roberts, Senior Business Manager Beverages

Phone: 02 9892 7111

Email: groberts@woolworths.com.au

Tanya Soda, Business Manager Health

Phone: 02 9892 7111

Email: tsoda@woolworths.com.au

Woolworths Limited

Level 5

540 George St

Sydney NSW 2000

Phone: 02 9323 1555

Fax: 02 9323 1599

Web Site: <http://www.woolworthslimited.com.au>

Woolworths Limited Companies

National Supermarkets Head Office

Corner Fairfield and Dursley Roads

Yennora NSW 2165

Phone: 02 9892 7111

Fax: 02 9892 7171

Web Site: <http://www.woolworths.com.au>



Coles Myer Ltd.

Yearly Sales all divisions:	AUD\$32.4 billion, food representing about a third (Sales for fiscal year 2003-2004)
Banners Food:	Bi-Lo Supermarkets, Coles Supermarkets, Coles Online, Coles Express Service Stations, Liquorland, Liquorland Direct, Shopfast, Theo's Liquor and Vintage Cellars.
Banners non food:	Harris Technology, Kmart, Kmart Tyre & Auto Service, Megamart, Myer, Officeworks and Target.
No. food outlets:	Coles: over 480, Bi-Lo: 205
Private Labels:	Bi-Lo, Coles, Coles Farmland
Location:	National

Coles was the first main chain to introduce organic food items in their stores. This range amounts to over 150 organic items available in most of Coles and Bi-Lo stores

Market Share, retail food sales: 35% (2002)
Bi-Lo on its own has a 7% share of that market.

Contacts:

Mr. Andrew Shedden, National Trading Terms
Manager
Phone: (03) 9829 5111
Email: andrew.shedden@colesmyer.com.au

Mr. Paul Schadel, Senior Buyer Health Products
Phone: (03) 9829 5111
Email: paul.schadel@colesmyer.com.au

Coles Myer Ltd
Registered Office
800 Toorak Road
Tooronga Vic 3146
Telephone: 03 9829 3111
Facsimile: 03 9829 6787
www.colesmyer.com.au

Bi-Lo Supermarkets
800 Toorak Road
Tooronga Vic 3146
Telephone: 03 9829 5555
Facsimile: 03 9829 5990
www.bilo.com.au

Coles Supermarkets
800 Toorak Road
Tooronga Vic 3146
Telephone: 03 9829 5111
Facsimile: (61 3) 9829 6787
www.coles.com.au



Metcash (Wholesaler)

IGA Distributing, Campbell's Cash & Carry

Yearly Sales: AUD\$7.05 billion (2003-2004)

Banners Food: IGA, Foodland,

No. food outlets: Supplies over 4,500 independent grocers in Australia

Private Labels: none

Location: National

Market Share, retail food sales: 13% (2002)

Contacts:

Mr. Fred Kinnaird
National Merchandise Manager – Edible
Email: fred.kinnaird@metcash.com

Mr. David McAuley
Senior Buyer (Cooking, Pasta, Soup, Rice, Water Ice,
Oils,)
Email: david.mcauley@metcash.com

Mr. Neville Hourigan
Senior Buyer (Confectionery, Snack foods, Nutritional
Snacks)
Email: neville.hourigan@metcash.com

Mr. Tom Bates
Buyer (Biscuits, Bread, Bakery Snacks, Packaged Cakes,
Jams, Spreads, Canned Fish, Honey)
Email: tom.bates@metcash.com

Mr. Dave Vormister
Senior Buyer (Hot Beverages, UHT Milk, Cereal)
Email: david.vormister@metcash.com

Mr. Adam Gillett
Buyer (Prepared Meals, Spaghetti/Baked Beans...)
Email: adam.gillett@metcash.com

Mr. Mark Melliush
Senior Buyer Health
Email: mark.melliush@metcash.com.

Metcash Trading Limited Corporate Registered Office

4 Newington Road
Silverwater NSW 2128
Phone: 02 9741 3000
Fax: 02 9741 3399
Fax (Buying): 02 9741 3226 / 3133



20. Smaller players in the retail food market

FAL (Foodland Associated Limited)

Yearly Sales: AUD\$5 billion (Australia and New Zealand)

Banners Food: Action, as well as supplying most of Western Australia's independents and coordinate the Dewsons, Supa Valu, Foodland and 4 Square banner franchise groups

No. food outlets: 43 stores in the Queensland and northern New South Wales and 38 stores in Western Australia. Company also operates three Cash & Carry wholesale grocery warehouses.

Private Labels: none

Location: Western Australia, Queensland, northern New South Wales and the North and South Islands of New Zealand

Market Share, retail food sales: about 8%

Contacts:

Melanie Finlay
Health buyer
Email: melanie.finlay@fal.com.au

Business Manager Grocery
Graham Bryce
Email: graham.bryce@fal.com.au

Foodland Associated Limited

Buying office
Level 1/1 Lakeside Drive
Burwood East, Victoria 3151
Phone 03 8805 5000
Fax 03 8805 5050

Foodland Associated Limited

218 Bannister Road
Canning Vale
Western Australia 6155
Phone 08 9311 6000
Fax 08 9311 6013
Email: fal@fal.com.au
www.fal.com.au



Franklins / Pick 'n Pay

Banners Food: Franklins

No. food outlets: 77 stores, currently supplied by Metcash but this supply agreement will be terminated January 2005.

Private Labels: No Frills

Location: New South Wales, plans for stores in Victoria in coming year

Market Share, retail food sales: less than 5% (included in Metcash's total)

Mr. Aubrey Zelinsky, General Manager Franklins

Mr. Peter Dove, Senior Buyer Email: pdove@franklins.com.au

Franklins

21-25 King St, Rockdale NSW 2216

Ph: 02 8577 4300

Fax: 02 8577 4441

www.franklins.com.au

Franklin is a wholly owned subsidiary of Pick N Pay, South African: www.picknpay.co.za

ALDI

Yearly Sales: Between AUD\$500 million and AUD\$1 billion, included in these sales are lots of non food products.

Banners Food: Aldi

No. food outlets: 70 stores.

Private Labels: None

Location: New South Wales, Victoria, Queensland and South Australia

Market Share, retail food sales: low single digits

Buying Department, ALDI Stores

1 Sargents Road

Minchinbury N.S.W. 2770

Phone 02 9675 9000

Fax 02 9675 9299.

www.aldi.com.au



21. Online Supermarkets

Aussie Shopper:	www.aussieshopper.com.au Aussie shopper is based in Brisbane and has around 3000 products.
Coles Myer:	www.colesmyer.com based in Melbourne and Sydney, select from the entire Coles supermarket range.
Eat Fresh:	www.eatfresh.com.au based in Melbourne and Sydney and offers around 200 products.
Electrolley:	www.electrolley.com.au based in Perth and offers around 12,000 products.
Emiles:	www.emiles.com.au based in downtown Sydney, offers 300 products and free delivery.
Frank's Organics:	www.franksorganics.com.au based in Sydney and offers 300 products.
Greengrocer:	www.greengrocer.com.au allows to select and order fruits and vegetables online, has around 1000 products to choose from and operate in the Sydney and Melbourne areas.
Organic Food Express:	http://organicfoodexpress.com.au organic food online retailer.
Shopfast:	www.shopfast.com.au operates in Sydney and has approximately 20,000 products.
The Greenline:	www.thegreenline.com.au operates in Melbourne and has 1500 products.
Vintage Cellars:	www.vintagecellars.com.au alcohol over the net.
Woolworths:	www.woolworths.com.au operates in Sydney and Canberra and offers the entire Woolworths supermarket range.



22. Bibliography

The majority of company information used in preparing this report was sourced from corporate websites. Further information was derived from the following reports and sources:

Agribusiness Association of Australia Online: www.agrifood.info

Agriculture and Agri-Food Canada, Australia agri-food country profile, <http://ats-sea.agr.gc.ca/asia/e3202.htm>

Australian Bureau of Statistics: www.abs.gov.au

Australian Customs Service: www.customs.gov.au

Australian Food and Grocery Council:

- Allergen Management and Labeling
- www.afgc.org.au

Australian Food News: www.ausfoodnews.com.au

Australian Government Department of Agriculture, Fisheries and Forestry:

- Australian Food Statistics 2004
- A Guide to Importing Biological Products and Foodstuffs:
www.affa.gov.au/content/output.cfm?ObjectID=D2C48F86-BA1A-11A1-A2200060A1B01879
- Australian Trade Commission:
www.austrade.gov.au/overseas/layout/0,,0_S3-1_1-2_-3_PWB110407841-4_2-5_-6_0-7_,00.html?page=2

Australian Quarantine and Inspection Service: www.aqis.gov.au

Australian Retailers Association:

- Organic Food and Farming Report Australia, 2003, abn 75699664781
- Retail Industry Profile 2002
- www.ara.com.au

BFA (Biological Farmers of Australia):

- 'Organic Certification: The Easy Way', BFA, Toowoomba, 2003
- www.bfa.com.au/Pages/people.htm

Canadian Dept. of Foreign Affairs and International Trade: Food Labeling - Australia and New Zealand. December, 2001

DPI (Department of Primary Industries), Queensland:

- 'Trade Opportunities for Organic Food', 2002a, <http://www.dpi.qld.gov.au/business/1538.html>
- 'Organic Certification Process' flow chart, 2002b, <http://www.dpi.qld.gov.au/business/1536.html>

EAN Australia Ltd: User Manual, April 2002

Kinnear, S.: 'Retailing Organics—The Changes and The Challenges', in 'Proceedings of the Local Global Organics Conference', October 3-4, 2002, Lismore, NSW, Australia

National Food Industry Strategy: www.nfis.com.au

Nutrition Australia: www.nutritionaustralia.org

OFA (Organic Federation of Australia): 'Organic Federation of Australia', 2002, <http://www.ofa.org.au>

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