

Final report

Export market chilled cold chain performance of premium Wagyu retail pack formats into the UK.

Confidential

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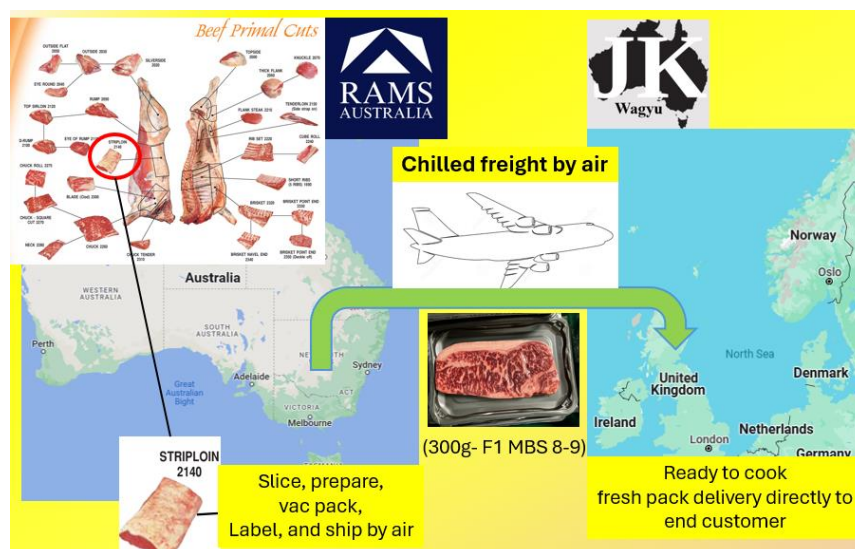
Abstract

To understand a new potential export opportunity expansion and direct export of fresh meat supply, this project has considered and practically assessed the viability and performance of exports to the UK. Grill ready, portioned premium Wagyu meat supply in retail packs has been the focus, with direct to delivery from Australia via a chilled supply chain to the buyer.

Value-add opportunities have been assessed for the supply from Australia to reach international markets, using the UK as the example. Whilst Wagyu, striploin primal with high marble score was selected, the learnings for value creation in the export value chain as targeted for portions are relevant to other cuts to be done in Australia for export.

A technical and commercial viability has been tested for a refrigerated air freight supply chain from Australia to the UK.

The supply chain considerations have included portion and primal pack delivery to restaurants, direct to retailers, and consumers. The business opportunity is considered to have attractive value add margins for all in the supply chain at the high-end consumer markets.



Chilled freight of grill ready Wagyu portions packed and exported direct from Australia.

The findings support specific new business and export opportunity for high marble score striploin beef (sirloin steak). The supply viability has been tested for 300g sirloin steak portions at MBS 8-9, sliced, quality checked and selected for best quality presentation in Australia. Direct shipment as chilled packs assuring minimum 16 days shelf life at the time of delivery is important. A target price, at around AU\$ 80.00 per pack for 300g, was achieved by the project, filling a gap in the market with promising positive feedback from restaurant consumers who purchased the product. The same value add proposition from slicing and packing in Australia and exporting directly to retail, would meet expectations of retailers such as Harrods and Selfridges based on discussions post restaurant trials.

The project has concluded early, given the findings already point to an untapped market with significant potential for high profitability in a new supply process as a future opportunity for farmers and processors of Wagyu beef. Consumers purchasing the meat at Meat and Wine Co., Mayfair, London have given positive and exciting feedback, with sales exceeding expectations, based on a test period of 3-month first offering of F1 MBS 8-9 Carrara. Both primal vac pack supply and **grill ready vacuum pack 300g portions** were trialed. Sustainable cattle supply and access to the market through appropriately licensed facilities for retail packing are essential for the best exploitation of this new opportunity for the Australian Meat sector.

Executive summary

Background

Australia produced about 2% of the world livestock protein and it has high dependency on the revenue from export of red meat which brings over \$11.5 billion, accounting for 4.2% of Australia's export earnings.

This project has considered a new opportunity in direct sales of high-quality packs of meat with all the value-add processes executed in Australia. The steps that may be practically implemented by existing or new export packers have been examined to achieve higher returns by selling directly to end customers overseas. The target recipients may include restaurants and retailers as well as on-line shoppers of fresh meat.

The target for Australia would be to process and pack grill ready portions in vacuum packs of no less than 16 days shelf life at the point of receipt by the customer, then deliver chilled direct by air shipping and with full traceability and documentation of meat history and control of chill temperature.

This project has tested the process with respect to the performance of supply focusing on premium Wagyu, achieving a test supply of product from Australia by air for special offering in a restaurant in London.

The project has been concluded early, having reached the essential practical and business assessment outcomes originally intended.

The findings point to untapped markets for exporting high value meat portions, giving high profitability in a new supply process as a future opportunity for farmers and processors of Wagyu beef. Two trial export runs have been conducted, with a promotion sale of portion ready sirloin as part of export trials, where sales of the portions exceeded expectations. The test period of 3-month (December 2024 to February 2025) were based on first offering of F1 MBS 8-9 Carrara sirloin supplied both in primal whole sale fresh vacuum pack and grill ready vacuum portions at 300g. Consumers purchasing the meat at Meat and Wine Co., Mayfair, London have given positive and exciting feedback and the sales demonstrated viability of the value add process as well as the capability that may deliver products direct to the UK, and potentially the rest of the EU, to high end consumers as a new business proposition for Australian producers and processes.

Sustainable cattle supply and access to the market through appropriately licensed facilities for retail packing are essential for the practical exploitation of this new opportunity for the Australian Meat sector.



Objectives

- Examine the value-add processes for the supply of grill ready premium Wagyu beef portions in retail vacuum packs for direct sale from Australia, air-shipped as a fresh product direct to end customer.
- Test the supply process, documenting the learnings relating to sustainable sourcing, slice and packing, exporting and logistics management including assessment traceability and quality assurance.

Methodology

- Assess demand for high quality premium Wagyu met that is supplied fresh in grill ready form by consulting high end restaurants and retailers in UK.
- Connect with potential suppliers of Wagyu beef that have possibility to deliver to UK, by air shipping specific premium products.
- Assess viability by testing the supply chain and implementing traceability practice that assures consumers of the integrity of supply chain.
- Perform promotion trials that brings specific product options to the consumer, such as deliver to a high-end restaurant that offers the product as a special menu item and track sales, whilst receiving feedback on consumer reaction.

Results/key findings

- The project secured the supply of fresh striploin beef for direct delivery to a high-end restaurant testing the principles of slice and packed as a grill ready supply from Australia.
- The striploin meat from Kilcoy Global Foods, was offered as a special menu option at the Meat and Wine Co. in portion ready packs in the final part of the trial during February 2025.
- There was exceptional positive reaction, with the findings establishing the full possibility of direct retail supply from licenced facilities in Australia, delivering premium meat to end consumers in UK.
- The value-add calculation indicates a 20%-25% increase in gross margin shipping to UK grill ready portions of Wagyu Sirloin, supplied at \$150 to \$190 per Kg, as wholesale.

Benefits to industry

- The Australian meat sector is in a competitively advantageous position to consider supply of premium quality meat to UK, by expanding on the findings of this project.
- Australian farmers can benefit from creating new retail or portion brands that exploit the supply chain delivering fresh direct to consumers who can afford premium products.
- The market remains untapped and may be exploited by establishing packing operations licenced to supply small but high price wagyu direct to end buyers in UK, expanding to eth rest Europe and the rest of the world.
- Avoiding the value-add at the consumer end will build better economic strength in Australia, contributing to the export earnings of Australia.

Future research and recommendations

- Elaboration of the findings to a wide range of products through a licenced pack house in Australia is recommended.

- Introducing lower cost options for traceability of retail packs is a key area for assessment, combining air shipment tracking with temperature logging devices travelling with the consignments of fresh chilled packed products.
- Further supply chain testing, exporting meat direct to buyers, in collaboration with pack-houses in other countries, who could facilitate and remove import barriers is recommended.