



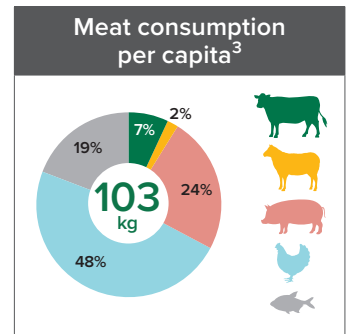
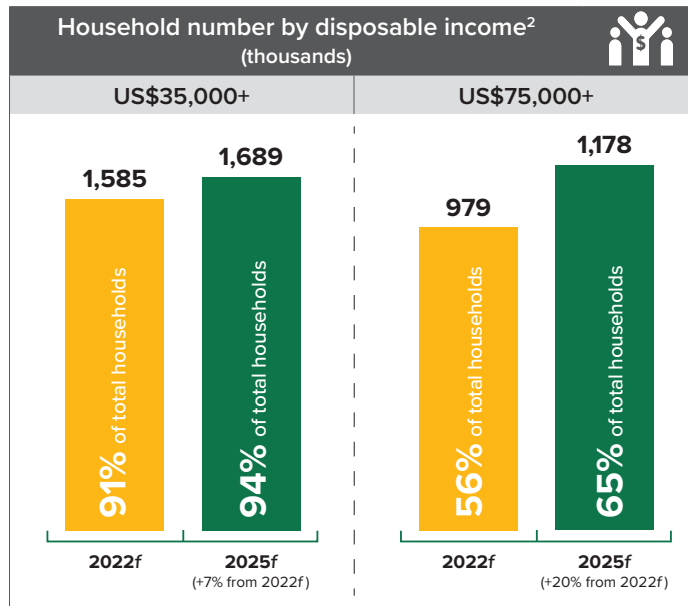
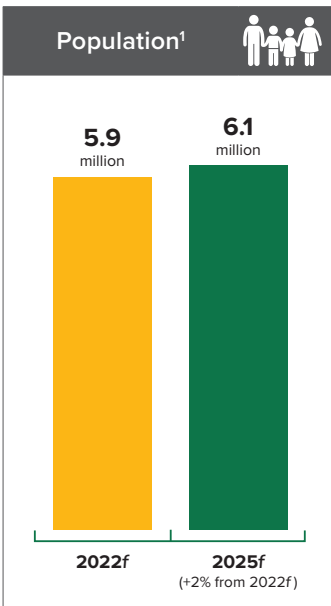
MARKET SNAPSHOT | BEEF & SHEEPMEAT



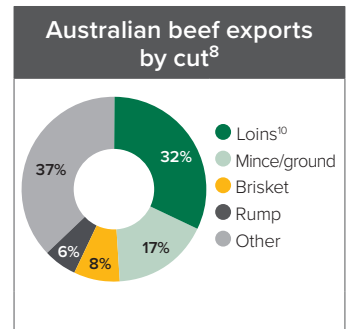
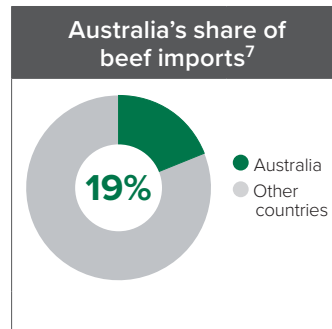
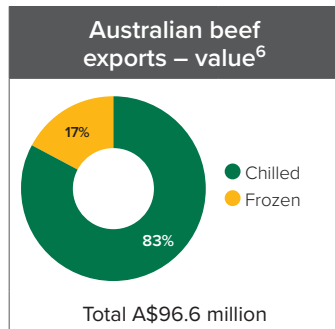
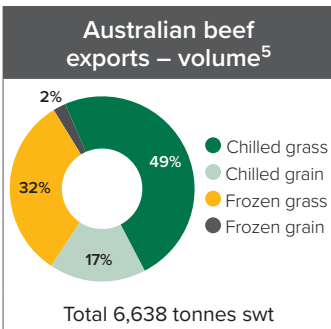
Singapore

Singapore is a small but lucrative market thanks to its strong consumer spending power and an ever-evolving retail and foodservice sector. Singaporean consumers are sophisticated and have some of the highest per capita disposable incomes in the world. The country is ranked among the world's most

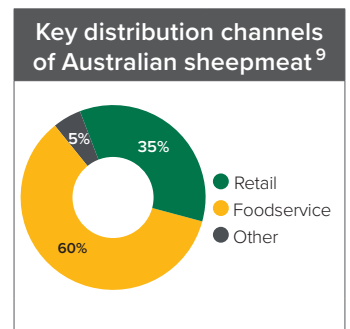
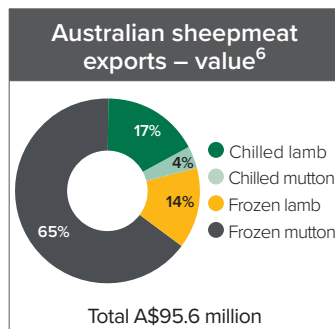
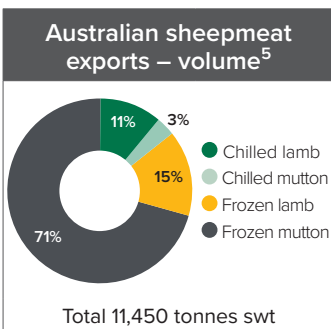
business-friendly economies, providing a favourable operational environment for foreign businesses. Singapore's demand for Australian chilled red meat products remains strong amid COVID-19 disruptions, with chilled lamb reaching a record high in 2020–21. The International Freight Assistance Mechanism (IFAM) has supported the industry to meet Singaporean consumers' steady demand for chilled and high quality products from Australia.



Australian beef exports



Australian sheepmeat exports



Data source for charts: ^{1,2} Fitch Solutions, ³ GIRA 2021e, ⁴ IGD 2022f (defined as the total annual grocery retail market turnover in a given year, divided by the population for the same year), ⁵ DAWE (2020–21), ⁶ ABS/IHS Markit (2020–21), ⁷ IHS Markit (2020–21), ⁸ DAWE (2020–21), ⁹ MLA market intelligence, ¹⁰ Included cube roll/rib eye roll, striploin, tenderloin, loin, shortloin.

CONSUMERS



- Singapore has relatively high per capita beef consumption among South-East Asian countries, despite it being a less frequently consumed protein in Singaporean daily diets compared to fish, chicken and pork.
- Beef is regarded as the most superior meat, with delicious taste. About half of consumers indicate that they are willing to pay a bit more for it. However, beef has weak consumer associations for health and nutritional benefits, especially when compared with fish and chicken (Source: *MLA Global Consumer Tracker, Singapore 2017*).
- Among major beef products available in the marketplace, Singaporean consumers see Australian beef as most suitable for everyday consumption, while Japanese beef is considered to be of superior quality.
- Singaporean consumers have a strong preference for Japanese-style beef and cuisine. ‘Marbling’ and ‘beef from a particular country’ are the top two determinants for a premium beef steak, with Japanese beef thought to provide the highest quality.
- Beef is cooked in a number of ways in Singapore, with stewing, grilling and pan/stir-fry among the most popular cooking methods (Source: *MLA ASEAN Attractive Cities Study Singapore, 2018*). However, many consumers think beef is a less versatile meat or find it difficult to prepare and cook.

- Consumer education, including providing them with cooking ideas and cook-ready beef offerings, remains crucial to promoting beef consumption. The COVID-19 outbreak has presented an opportunity to engage consumers with beef cooking ideas, as many are shifting to home-cooking and looking for ways to spend valuable time with their families at home.
- Personal and family health has become even more important for Singaporean consumers, accelerated by the pandemic. Consumers are becoming highly health-conscious when it comes to food choices, with “trustworthy”, “risk-free” and “health-promoting” among the most sought-after product attributes.

Important attributes when Singaporean consumers select between meats	Australian beef associations for Singaporean consumers
My/my family’s favourite meat	Most superior meat
Easy and convenient to prepare	Willing to pay a bit more for it
Consistent quality standards	Tastes delicious
An essential part of a healthy diet for growing children	The animal is well-cared for
Tastes delicious	Consistent quality standards

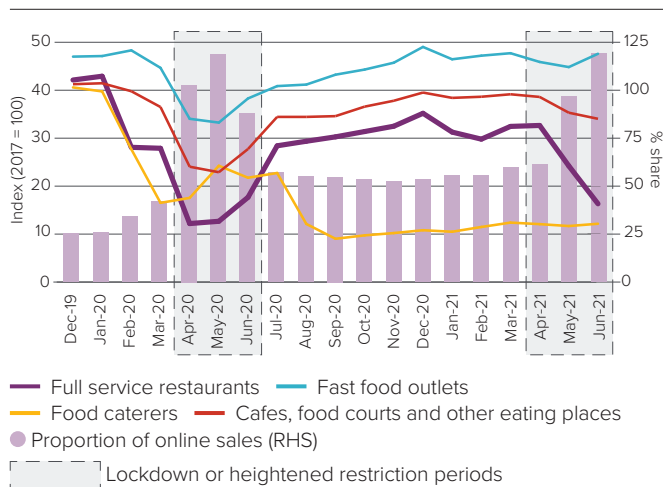
Source: *MLA Global Consumer Tracker Singapore 2017*

FOODSERVICE



- Singapore has a lucrative, diverse and highly developed foodservice sector, underpinned by both local consumers and international tourists. Although Singapore has been successful in containing the pandemic, foodservice sales are estimated to have declined 26% year-on-year in 2020. Full service restaurants, including fine dining, have been the hardest hit, largely due to the temporary closure of inbound tourism and a reduced number of visits by local consumers (Source: *DOS, DBS*).

Singapore foodservice sales index



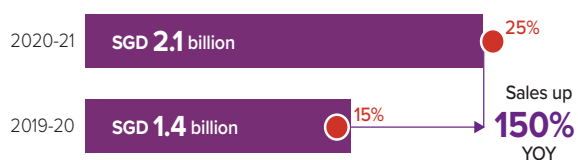
Source: *Singapore Department of Statistics*

- Singapore has one of the highest vaccination rates in the world, with almost 84% of its population fully vaccinated (Source: *Singapore Ministry of Health, as of 13 October 2021*). Singapore’s foodservice sector is expected to see a relatively fast recovery

thanks to this high vaccination rate and effective COVID-19 containment measures. The market has already seen a 9% increase in foodservice sales in the first half of 2021.

- Fast food has remained resilient so far after the first COVID-19 wave that led to a ‘circuit breaker’ lockdown from early April to early June 2020. Strong performance in the fast food segment has increased demand for Australian ground/patty beef, with shipments in 2020–21 doubling compared to pre-COVID-19 levels. Full service, on the contrary, is experiencing a slow recovery and remains the most vulnerable to COVID-19 conditions. These trends are expected to last until inbound tourism fully resumes.
- The pandemic has accelerated growth in the online foodservice channel. Online sales grew 150% year-on-year, making up a quarter of Singapore’s total foodservice sales in 2020–21.
- While fast food and budget-friendly menus penetrate takeaways and online delivery services, many high-end foodservice operators, including five-star hotel restaurants such as Grand Hyatt, Shangri-La, Mandarin Oriental, Pan Pacific and The Ritz-Carlton, have also capitalised on this fast-growing channel. They are now targeting affluent consumers with premium ‘dine-in’ experiences delivered to their home.

Singapore online foodservice sales estimate



● Online sales ● % share of online sales out of total foodservice sales

Source: *Singapore Department of Statistics, MLA estimate by Australian fiscal year*

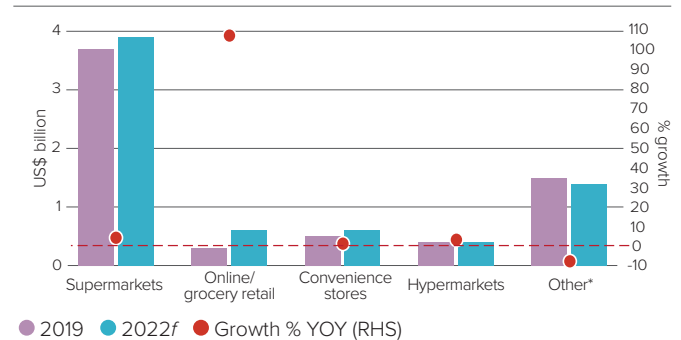


- Singapore has a well-established and highly consolidated grocery retail market. Modern retail accounts for approximately 80% and is dominated by only three key players: NTUC FairPrice, Dairy Farm and Sheng Siong.
- Singapore had seen rapid growth in the number of gourmet stores and upmarket butchery shops before the COVID-19 outbreak such as Ryan's Grocery, Huber's Butchery, Foodie Market Place, The Butcher, Culina, Little Farms, Meidi-ya and Don Don Donki. Many of them offer both grocer retail and dine-in foodservices, which is also known as 'dine-and-buy', an emerging concept targeting aspirational and affluent consumers. This niche segment represents a great opportunity to grow premium beef products as its target consumers are sophisticated beef eaters with a higher consumption frequency and a stronger interest in experimenting with international cuisines.
- With growing consumer interest in healthy eating and increased association of food with general wellbeing, many retailers are exploring 'health' offerings as a value proposition to health-conscious consumers. As a result, the market is seeing increasing floor space dedicated to the health category, including organic and natural foods.
- The COVID-19 outbreak has accelerated growth in the online grocery channel. Online sales made up around 12.4% of total supermarket/hypermarket sales value in the first half of 2021, a 4.7% increase compared to the same period in 2019 (Source: Singapore Department of Statistics). Although the size of online beef sales is still relatively small, it is expected to continue to expand, supported by the gradual uptick in the number of

consumers switching to online channels for grocery shopping and the growing penetration of online meat retailers through their own and marketplace platforms such as Lazada/Red Mart and Shopee.

- While the overall grocery retail market is consolidated, the online segment remains highly fragmented, with many small and independent players, including upmarket butchers and gourmet grocers.
- Making beef cooking easy remains critical in Singapore as the majority of consumers regard it as less versatile and inconvenient to prepare and cook. Convenient offerings, including cut-ready packs or cook-ready meal sets, and inspiring beef recipes are common practices used by retailers to entice consumers into buying beef.

Grocery retail sales by channel forecast



Source: IGD, *Other includes traditional channel

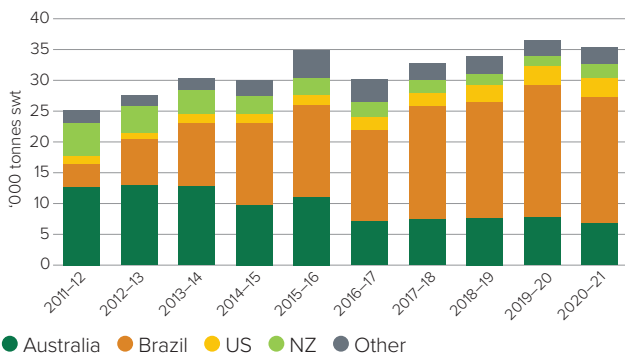
COMPETITIVE LANDSCAPE



- Singapore has a highly competitive beef market, with more than 30 countries supplying to the market. However, Australia, Brazil, the US and New Zealand are the key suppliers.
- Singapore beef imports have grown steadily in recent years, underpinned by an expanding retail and foodservice sector and its growing popularity among Singaporeans. However, beef imports in 2020–21 contracted 3% year-on-year, largely due to the temporary shortage of Brazilian beef supply in early 2021 and stabilised import demand from Australia following a short spike in 2020.

- Australia accounts for 19% of total imports and is the leading supplier of chilled beef products to Singapore, with a market share of 60%. Demand for chilled beef, which makes up about 20% of total beef imports, registers a steady growth rate of approximately 5% (CAGR, from 2018 to 2021).
- In 2020–21, chilled beef imports grew 11% year-on-year to 7,000 tonnes swt. Despite smaller market shares, New Zealand and US chilled beef imports increased significantly at 26% and 41% year-on-year.
- Singapore is also seeing a rapid growth in demand for Japanese beef, albeit it remains small in volume. In 2020–21, Singapore imported 436 tonnes swt of Japanese beef, up 56% year-on-year.

Singapore beef imports by major supplier



Source: IHS Markit, Australian Fiscal Year

- Brazilian beef dominates the market, accounting for 58% of Singapore's total beef imports, predominantly through frozen beef. A supply shortage resulted in a 5% year-on-year decline in 2020–21, however, import growth is anticipated to rebound in the coming year as production improves.

Singapore's beef imports from Japan



Source: IHS Markit, Australian Fiscal Year



Market access overview – beef

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
ASEAN-Australia New Zealand Free Trade Agreement (AANZFTA) Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) Singapore-Australia Free Trade Agreement (SAFTA)	Under AANZFTA: 0% for all product lines	New Zealand: Same conditions as Australia US, Argentina, Brazil and Japan: Tariff 0%	Zero	No major hurdles

Best access Major challenges

Source: Trade agreements, DFAT

Australian beef exports to Singapore – summary table



Volume – in tonnes swt		2020–21		2019–20		five-year average (2015–16 to 2019–20)		change 2020–21 vs five-year average	
			% of total		% of total		% of total	%	in tonnes swt
Total		6,638		9,497		7,189		-8	-550
Storage	Chilled	4,424	67	4,472	47	3,999	56	11	424
	Frozen	2,215	33	5,025	53	3,189	44	-31	-975
Meat type	Grassfed	5,395	81	7,633	80	5,642	78	-4	-247
	Grainfed	1,243	19	1,864	20	1,547	22	-20	-304
Storage/meat type	Chilled grassfed	3,279	49	2,765	29	2,532	35	30	748
	Chilled grainfed	1,144	17	1,708	18	1,468	20	-22	-324
	Frozen grassfed	2,116	32	4,868	51	3,110	43	-32	-994
	Frozen grainfed	99	1	156	2	79	1	25	20

Source: DAWE, figures are rounded

Value – in A\$ 000		2020–21		2019–20		five-year average (2015–16 to 2019–20)		change 2020–21 vs five-year average	
			% of total		% of total		% of total	%	in A\$ 000
Total		96,606		118,436		90,901		6	5,705
Storage	Chilled	80,484	83	74,647	63	63,503	70	27	16,981
	Frozen	16,122	17	43,789	37	27,397	30	-41	-11,276

Source: ABS/IHS Markit, figures are rounded

Volume – by major cut (in tonnes swt)		2020–21		2019–20		five-year average (2015–16 to 2019–20)		change 2020–21 vs five-year average	
			% of total		% of total		% of total	%	in tonnes swt
Mince/ground		1,144	17	961	10	593	8	93	551
Striploin		1,129	17	1,471	15	1,204	17	-6	-75
Cube roll/rib eye roll		673	10	814	9	639	9	5	34
Brisket		523	8	1,003	11	565	8	-7	-42
Rump		405	6	686	7	567	8	-29	-162
Blade		378	6	435	5	435	6	-13	-56
Thick flank/knuckle		291	4	550	6	480	7	-39	-189
Tenderloin		285	4	455	5	308	4	-8	-23
Chuck roll		267	4	442	5	239	3	11	27
Other		1,543	23	2,681	28	2,158	30	-29	-616
Total		6,638		9,497		7,189		-8	-550

Source: DAWE



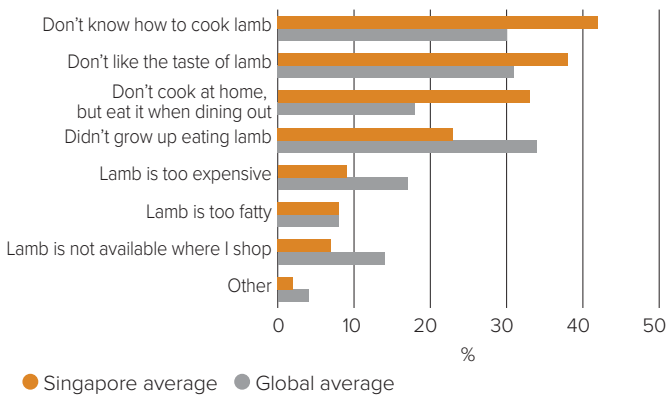
Sheepmeat

CONSUMERS



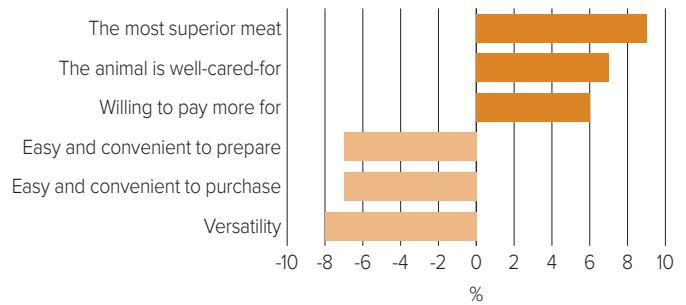
- In general, sheepmeat is a less consumed protein in the daily diet of most Singaporean consumers. However, Singapore has a multiracial population of Malays, Indians and other minorities who consume sheepmeat more regularly in their diets. Ethnic locals, expats and tourists are major consumer groups for sheepmeat in Singapore.
- With inbound tourism temporarily halted, locals have become key sheepmeat consumers. Consumer education – including recipe ideas and preparation tips – is pivotal to enticing Singaporeans to try cooking sheepmeat at home, as many are not familiar with the meat.
- Affluent, male millennials (aged 25–40 in particular) tend to appreciate lamb more than other demographic groups. This consumer segment shows a stronger interest in eating lamb and learning how to cook more exciting lamb dishes than other segments (Source: MLA Attractive Cities Study Singapore, 2018).

Reasons Singaporean consumers don't buy lamb



Source: MLA Global Consumer Tracker Singapore, 2017

Top three relative strengths and weaknesses of lamb (score*)



Source: MLA Global Consumer Tracker Singapore, 2017

*when comparing with other key proteins, with +/-5 indicating strengths or weaknesses



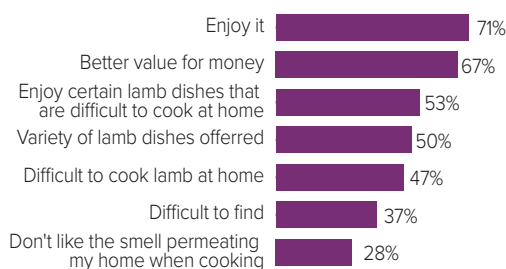
Lamb buah keluak with rice

FOODSERVICE



- Foodservice remains the key channel for sheepmeat, with about one third of surveyed consumers saying they do not eat lamb at home but do so when eating out (Source: MLA Global Consumer Tracker Singapore, 2017).
- The majority of Australian sheepmeat exports to Singapore are sold in foodservice. Sales through foodservice are anticipated to continue to be impacted by COVID-19, with takeaway and home delivery remaining key channels. Due to the profound disruption to inbound tourists, major hotel restaurants, including five-star, have shifted their focus to local consumers, making their services and menus more accessible and suitable for them.

What motivates Singaporean consumers to eat sheepmeat* when they dine out?



Source: MLA ASEAN Attractive Cities Study Singapore, 2018

*includes goatmeat

- Many high-end restaurants and hotels have diversified from their core businesses, capitalising on the growing trends of takeaway, online delivery and home-cooking, as well as the still-strong consumer aspirations for dining out and travel.



MLA Lambassador campaign for South-East Asia – fine dining experience with lamb



- Singaporean consumers purchase sheepmeat from multiple avenues, from modern retail stores to wet markets. Compared to beef, wet markets are a more common channel for consumers buying Australian sheepmeat. However, supermarkets, butcher shops and hypermarkets are still the main places of purchase. Singapore is also seeing an uptick in sheepmeat sold online, driven by the COVID-19 outbreak and increased availability through online channels.
- **Top five influencing factors on Singaporean consumers' lamb purchasing decisions***

1	100% natural
2	Safety certification
3	No added hormones
4	Quality grading or guarantee
5	Antibiotic-free

Source: MLA Global Consumer Tracker Singapore, 2017
*when they are selecting lamb at a retail outlet

- Stews, roasts, grills and BBQ are the most popular lamb dishes cooked at home (Source: MLA ASEAN Attractive Cities Study Singapore, 2018). Exports of Australian chilled lamb shoulder, rack, shank, shortloin and ribs increased sharply in 2020–21.

- Increased home-cooking frequency and consumer desires to make their mealtimes more enjoyable during the pandemic have increased interest in purchasing and cooking lamb at home. This has partly driven a healthy growth in demand for Australian chilled lamb and mutton since the outbreak.



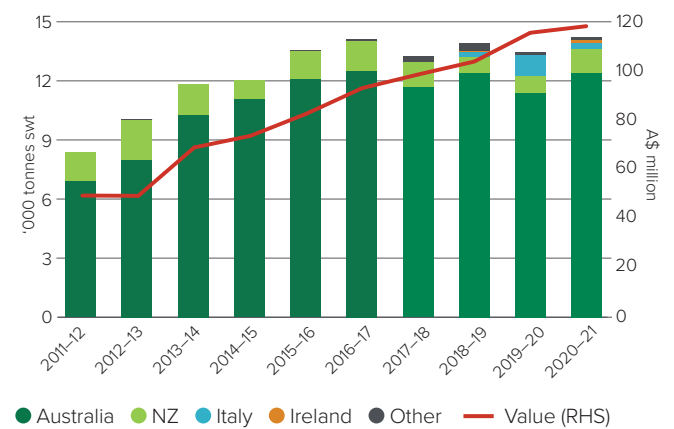
MLA Lambassador campaign for Southeast Asia, chef showing how to cook exciting lamb dish

COMPETITIVE LANDSCAPE



- Sheepmeat imports grew 6% year-on-year from the previous year, partly underpinned by the increased demand from retail (on/offline), as more consumers looked to experiment with cooking new cuisines at home and thanks to an expanding premium online foodservice. This trend has contributed to a 15% year-on-year growth for Australian chilled sheepmeat exports in 2020–21. Chilled lamb, in particular, reached a record high at 1,219 tonnes swt, up 14% on the previous year.
- Australia is the leading supplier of sheepmeat imports to Singapore, with a market share of 87% in 2020–21. New Zealand is the second largest supplier. Sheepmeat imports from New Zealand are showing signs of recovery on the back of improved supply.
- Albeit off a small base, Singapore's imports of sheepmeat from Italy and Ireland have increased significantly in the last three years. However, imports from Italy dropped 66% year-on-year in 2020–21 while imports from Ireland increased almost fivefold.

Sheepmeat imports into Singapore by major supplier



Source: IHS Markit, Australian Fiscal Year



Market access overview – sheepmeat

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
ASEAN-Australia New Zealand Free Trade Agreement (AANZFTA) Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) Singapore-Australia Free Trade Agreement (SAFTA)	Under AANZFTA: 0% for all product lines	New Zealand: Same conditions as Australia Italy and Ireland: Tariff 0%	Zero	No major hurdles

Best access Major challenges

Source: Trade agreements, DFAT

Australian sheepmeat exports to Singapore – summary table



Volume – in tonnes swt		2020–21		2019–20		five-year average (2015–16 to 2019–20)		change 2020–21 vs five-year average	
			% out of total		% out of total		% out of total	%	in tonnes swt
Total		11,450		11,593		11,546		-1	-96
Storage	Chilled	1,609	14	1,403	12	1,271	11	27	339
	Frozen	9,840	86	10,190	88	10,275	89	-4	-435
Meat type	Lamb	2,926	26	3,257	28	2,474	21	18	452
	Mutton	8,524	74	8,336	72	9,072	79	-6	-548
Storage/ meat type	Chilled lamb	1,219	11	1,072	9	916	8	33	302
	Chilled mutton	391	3	330	3	354.37	3	10	36
	Frozen lamb	1,707	15	2,185	19	1,557	13	10	150
	Frozen mutton	8,133	71	8,005	69	8,718	76	-7	-584

Source: DAWE, figures are rounded

Value – in A\$ 000									
			%		%		%	%	in A\$ 000
Total		95,600		102,130		87,964		9	7,636
Meat type	Lamb	29,263	31	34,263	34	25,691	29	14	3,572
	Mutton	66,337	69	67,868	66	62,273	71	7	4,064

Source: ABS/IHS Markit, figures are rounded

Volume - by major cut (in tonnes swt)									
			%		%		%	%	in tonnes swt
Lamb	Leg	810	28	1,253	38	874	35	-7	-64
	Carcase	486	17	495	15	437	18	11	49
	Shoulder	429	15	481	15	329	13	30	100
	Other	1,200	41	1,028	32	834	34	44	366
Total		2,926		3,257		2,474		18	452
Mutton	Carcase	5,190	61	4,126	49	4,662	51	11	528
	Leg	1,812	21	2,736	33	2,858	32	-37	-1,046
	Manufacturing	641	8	828	10	1,025	11	-37	-384
	Other	881	10	647	8	527	6	67	354
Total		8,524		8,336		9,072		-6	-548

Source: DAWE