

OPPORTUNITIES FOR SOUTH AUSTRALIA IN 'FREE FROM' FOODS

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FUNCTIONAL FOODS

This fact sheet presents a high level summary of the opportunities for South Australia to supply 'free from' foods to the eight countries analysed through the Functional and Luxury Foods Research Project.



Australia has one of the most developed 'free from' markets globally. This sector includes products that claim to be free from pesticides, dairy protein, nuts, sugar, genetically modified and many other items. The Australian market was estimated in 2014 to be worth USD12 million with a Compounded Annual Growth Rate expected to remain at 12% until 2020 when it will exceed USD20 million. This market is expected to show strong growth for many years to come.

CHINA	There is very limited general awareness regarding anti-allergenic foods in China, and no current domestic capacity to support their production. There are no widely approved health claims for non-allergenic products in China.
HONG KONG	In Hong Kong, generally increasing health awareness has contributed to more sales for health and wellness foods. However, the country does not have any significant producers of anti-allergenic foods, and other 'free from' products are currently imported.
INDIA	Sugar-free and other 'free from' markets do not currently exist in India. With the exception of gluten-free food and lactose-free food, this sector holds little significance for the Indian market.
INDONESIA	'Free from' foods in Indonesia tend to focus only on lactose-free foods, so broader 'free from' foods are not a viable commercial market at this time.
JAPAN	In Japan, there is low public awareness around the need for and availability of anti-allergenic foods. Current demand is predominantly focused on child nutrition ingredients and products.
MALAYSIA	There is no significant consumption or production of anti-allergenic foods or ingredients in Malaysia.
SINGAPORE	In Singapore, there is currently limited awareness and consumption of low or anti-allergenic foods.
SOUTH KOREA	'Free from' foods are likely to see growth in South Korea. There is a growing trend among Gen-Y consumers to adopt gluten-free products as a lifestyle choice, in spite of not having particular allergies or intolerances. There is also consumer interest in purchasing hypoallergenic skincare products and cosmetics to alleviate skin irritations and sensitivities. Therefore, a general focus on health rather than allergy alleviation will drive free-from food markets.

OPPORTUNITIES FOR SOUTH AUSTRALIA

The 'free from' food sector is expected to be a potential export opportunity for Australia as there already exists a mature and sophisticated industry addressing domestic demand. Australia is the largest market and producer of these foods in the Asian Pacific region and is well positioned to meet growing international demand. There is currently limited pockets of demand across the Asian Pacific region that have limited knowledge and demand for 'free from' foods at this stage.

- South Australia is one of the largest almond producing regions in Australia and with the states strong reputation for clean and green environments and strong biosecurity it is ideally positioned to produce functional foods and ingredients such as premium almond milk.
- There is an emerging market for low or non-allergenic products in South Korea. This market is still uncertain and is currently more aligned with skincare and cosmetics.

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