

# OPPORTUNITIES FOR SOUTH AUSTRALIA IN ALOE VERA

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FUNCTIONAL FOODS

**PREMIUM**  
FOOD AND WINE FROM OUR  
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ENVIRONMENT



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



The existing market for aloe vera in Australia is predominately focused on exports for cosmetics with a secondary focus on functional beverages. The forecast compound annual growth for Australian aloe vera sales by 2020 is estimated to be 13% and worth more than USD10 million. 60% of aloe vera extracted in Australia is currently exported, with the country of origin being a significant selling point. The growing awareness of aloe vera's potential medicinal and antioxidant properties are seeing greater interest domestically and internationally with Asian markets particularly focused on functional beverages.

<b>CHINA</b>	The Chinese consider aloe vera as indigenous to China and it is popular in traditional medicine. China has a strong capacity to produce aloe vera extracts domestically, however a lack of product differentiation may result in price competition. There is strong growth in this market with the market forecasted to reach in excess of USD20 million by 2020.
<b>HONG KONG</b>	Functional beverages are the main aloe vera-based product consumed. As at December 2015, there were no domestic aloe vera extraction companies in Hong Kong. Given the proximity of the growing Chinese domestic production market, Hong Kong is a very competitive market to enter.
<b>INDIA</b>	India currently has aloe vera grown domestically mainly for use in cosmetics. As more retail chains continue to stock aloe vera food products (juices and dairy forms), demand is expected to grow. Aloe vera is predominately consumed as a functional beverage or yoghurt.
<b>INDONESIA</b>	Indonesia grows aloe vera, primarily for use in beverage manufacturing and cosmetics. Most aloe vera juices sold in Indonesia are not fortified, relying instead on local knowledge of the product's health benefits to drive sales. The limited supply of ingredients such as polyphenols, carotenoids and phytosterols in Indonesia constrict the country's capacity to fortify its aloe vera beverages.
<b>JAPAN</b>	More than 60% of Japanese aloe vera products are yoghurts. Successful aloe vera production in Japan has resulted in large-scale capacity to produce domestically. Aloe vera products could be considered a commoditised market due to the abundant supply of local products.
<b>MALAYSIA</b>	In Malaysia, aloe vera is typically consumed through beverages, but aloe vera used in personal care products is a far more developed market. There is no significant domestic production in Malaysia, with the majority of aloe vera products imported into the country.
<b>SINGAPORE</b>	In Singapore, aloe vera is typically consumed through beverages, but the aloe vera used in personal care products is a far more developed industry. Currently there is limited domestic production or refinement of aloe vera products in Singapore.
<b>SOUTH KOREA</b>	In South Korea, aloe vera products and extracts are in high demand. Similar to the probiotic market, there is a mature product development and production capacity in South Korea's domestic market.

## OPPORTUNITIES FOR SOUTH AUSTRALIA

The South Australian food and beverage industry has an opportunity to address the relatively undeveloped market within Australia for using aloe vera as a functional beverage and ingredient. The strong reputation of South Australia and its clean environment could be a powerful product differentiation tool for local producers to leverage from.

Aloe vera is an accepted ingredient as a cosmetic ingredient and as having a natural medicinal function. There is a growing global understanding of the health benefits of aloe vera as a functional food and ingredient.

- The aloe vera beverage market in Indonesia is currently not producing any fortified aloe vera beverages domestically nor importing them in significant numbers. The opportunity for South Australia to supply a fortified aloe vera beverage product to Indonesia may exist as the demand for aloe vera extract as a functional ingredient is significant.

- Malaysia and Singapore have established markets for aloe vera-based products. The market for aloe vera products in cosmetics is significantly more advanced than the aloe vera beverage market, however both are significant importers of aloe vera extracts. These markets are also seeing an increased demand for aloe vera-based weight loss products.

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