

# **TARGETED OPPORTUNITIES FOR LAMB EXPORTS TO CHINA.**

- **Where have we come from?**
- **Where are we headed?**

**38°C & NO refrigeration**

A woman with her hair in a bun, wearing a dark sleeveless top and a red apron, stands in a market stall. In front of her is a metal table covered with large pieces of raw, pinkish-red meat. Behind the table, there are various fresh vegetables, including red tomatoes and green leafy herbs. The background is slightly blurred, showing other market items and a warm, indoor lighting. The overall scene depicts a traditional market environment where food is sold without refrigeration.

**But younger generation have food safety concerns**



**Eel – a popular protein source for mainstream China**

**Pigs stomach**



**Smallgoods are still very popular and cheaper**

# Fish is far cheaper in both supermarkets & restaurants



品名	三文鱼	产地	挪威
品牌	挪威	规格	500g
零售价 58.00		单位	块
		保质期	

# Supermarkets supplied by locally produced product



## **But what about lamb?**

- **How does it compare ?**
- **Is it price competitive ?**
- **Where is it targeted ?**
- **Who wants to buy it ?**



**One of the leading Aust'n brands for racks**



**Competition- lamb racks from Mongolia**

## **Wholesale prices of lamb racks to hotels in Shanghai**

<b>Australian</b>	<b>A\$36.06/kg</b>
<b>Uruguay</b>	<b>A\$24.04/kg</b>
<b>China (Mongolia)</b>	<b>A\$14.10/kg</b>

**Competitors are cheaper but in 2007/08 exports rise 42%**

## Price comparison of alternative meats on a typical hotel menu in Shanghai

Beef - tenderloin	255 RMB or A\$40.87
Lamb - 2 rib rack	250 RMB or A\$40.06
Lobster	215 RMB or A\$34.45
Fish	188 RMB or A\$30.13
Prawns – 6 king	88 RMB or A\$14.10

**At what point will price prevent market growth ??**



**Executive chefs love the consistency of Aust'n lamb**

# Key reasons that exports will continue to grow

- Australian companies have a great reputation with the executive chefs at the leading hotels in Shanghai and Beijing
- ‘Brand’ recognition is a leading factor with the chefs. Once devalued it is never purchased again
- Locally produced product is very seasonal – Aust’n brands can supply 12mths of the year
- the reliance on pork as the main protein source is diminishing – 90% in the 80’s NOW 64%

## **Barriers to further growth in the market**

- price and the value of the A\$ - since 2003 the wholesale price of lamb has doubled
- logistics & temp control - there is limited supply of available refrigerated trucks
- will our competitors 'do it better'

# How do we stimulate further demand ?

## Comments from leading chefs and sales reps

- MLA should be far more active – the US have brand recognition after a 10 year campaign
- training DVD's for restaurant chefs (Chinese subtitles) that contain cooking tips, methods of prep'n etc
- promotional material needs to be in food magazines and on cooking shows with celebrities NOT in general newspapers and magazines.
- chefs tours to Australia should be increased to promote the image & quality of Aust'n lamb



**Ashley will do anything to promote lamb**