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Hort Innovation

Understanding International Consumer Demand

Qatar Market Report

2023

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This project has been prepared independently by Kantar for Hort Innovation and is funded through the Australian Government's Agricultural Trade and Market Access Cooperation (ATMAC) program with Hort Innovation levy contributions from the almond, apple & pear, avocado, blueberry, cherry, citrus, dried grape, fresh potato, lychee, macadamia, mango, melon, olive, onion, raspberry & blackberry, strawberry, summerfruits, sweet potato, table grape and vegetable industries.

Contents

1. Background and Objectives

The project context, objectives, approach and methodologies

Background

- Addressing the disruptions of COVID-19 on Australia’s ability to export, Hort Innovation proactively initiated and invested in several critical projects
- One of these projects, carried out by Deloitte, was designed to assess the opportunities to rapidly diversify and expand in export markets. They identified 13 markets that offer growth potential
- This project builds on these past programmes and is designed to provide an in-depth understanding of consumers in these critical markets

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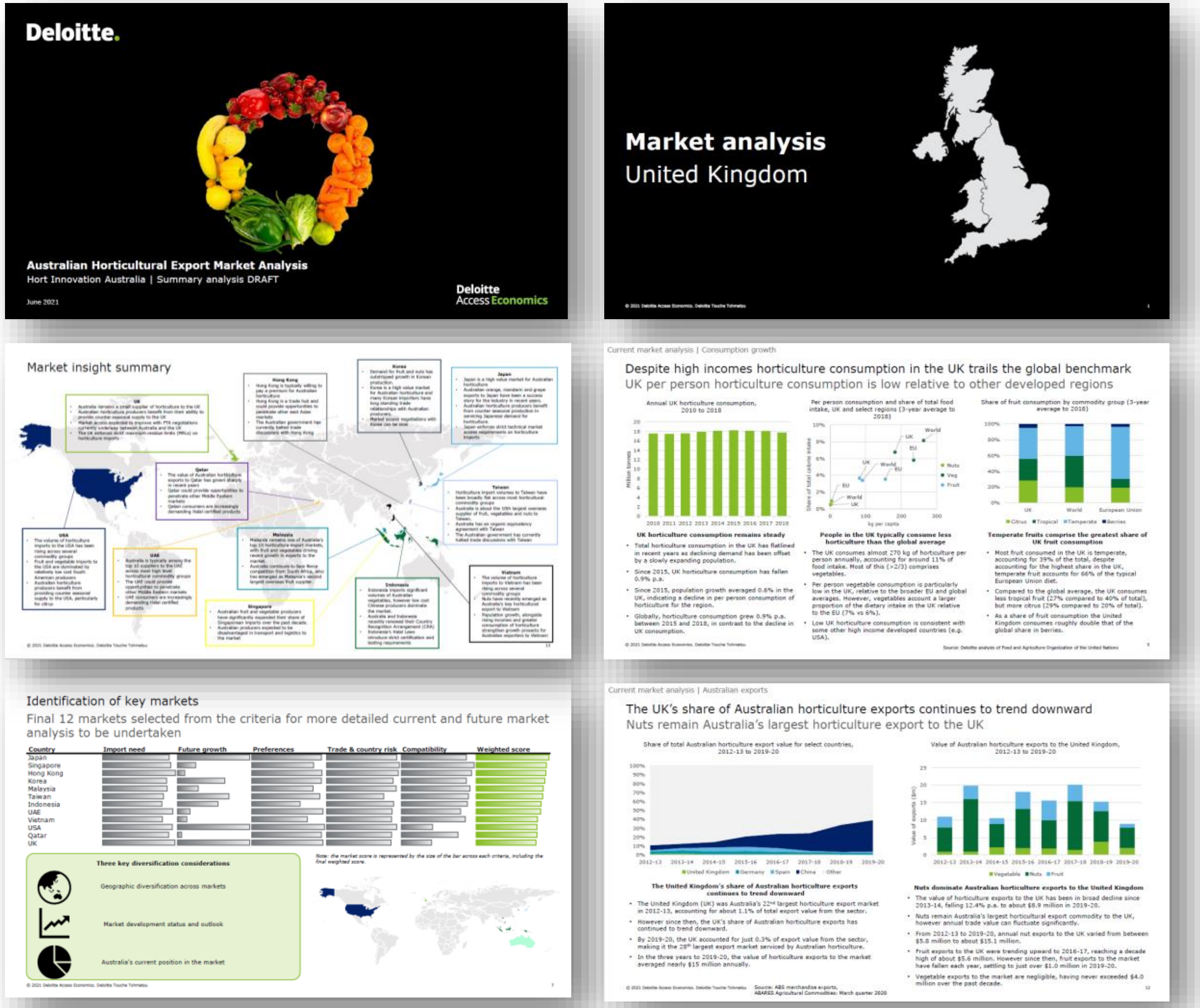
The Deloitte report

The Summary Market Analysis report identified x12 markets for Australian export and ranked the markets based on import need, future growth, preferences, trade & country risk and compatibility

The Market Analysis then dove into each markets' import potential, based on existing market sizes, trajectory and the competitive landscape

This Kantar report builds on this analysis and provides the crucial consumer lens for the x12 markets. Furthermore, India has been included as a 13th additional market.



Central research question:

"How can Australian Horticultural Industries unlock growth by generating consumer demand for different categories across different international markets for today and tomorrow?"

Objectives

- The objective of this study is to provide a consumer-led perspective on the export opportunity of Australian horticulture
- It will unpack consumers attitudes and values, as well as their fresh produce shopping behaviour and how they consume fruits, vegetables and nuts in each of the 13 markets
- It will provide a strategic lens on which markets represents the most attractive opportunity for each of the priority commodities
- Plus, identify commodities that have the strongest right to play within each market
- This is about optimising export & product positioning today and in to the future in order to drive growth against prioritised industries and facilitating the deployment of effective & coordinated trade marketing resources

Therefore, the focus of this report is understanding the consumer.

We will get under the skin of peoples' attitudes towards food, how they shop for produce and why, when and how they consume fruits, vegetables and nuts.

Through analysing their propensity to spend more on premium, plus their appetite for Australian, we will reveal the strongest commodity consumer export opportunities.

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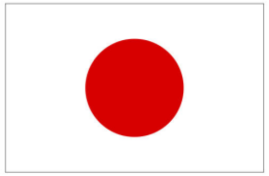
The 13 markets included in the study

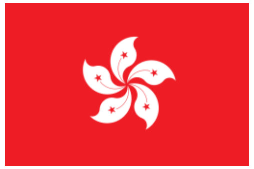

USA


UK

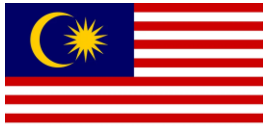

Singapore


India


Japan

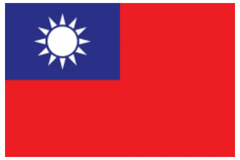

Hong Kong


South Korea


Malaysia


UAE


Qatar


Taiwan


Vietnam


Indonesia

The 20 industries of interest in the study


Almond


Apple & Pear


Avocado


Blueberries


Cherry


Citrus


Dried Grapes


Lychees


Macadamia


Mango


Melons


Olives/Olive Oil


Onion


Potatoes


Raspberries
& Blackberries


Strawberries


Summer fruit


Sweet Potato


Table Grapes


Hard Veg,
Fruiting Veg & Leafy Veg

The approach

1. Audit & Discovery

What we will do
- Project kick off
- Knowledge audit
- Stakeholder alignment

The outcome
Clear understanding of key hypotheses and inputs into later stages of work and alignment on the knowledge gaps

2. Localise & Enrich

What we will do
- In-depth culture, category & consumer understanding
- Expert interviews (x3 per market)

The outcome
In-depth local market understanding of the cultural forces driving & shaping consumer demand in the market today and where it is moving to in the future

3. Develop Growth Plan

What we will do
- Identify & quantify
- Growth opportunities

The outcome
Consumer profiling based on demographics, occasions and needs. Defined & quantified opportunity spaces and clear recommendations on prioritized opportunities

4. Align & Embed

What we will do
- Create & embed roadmap for growth

The outcome
Aligned team trained, engaged and ready to activate clear missions & jobs to be done against prioritized horizons. A unified growth narrative tailored and fit for purpose for key stakeholder groups.

1. Audit and Discovery
Interview programmes methodology

Internal stakeholder interviews

- 30 x 1 hour interviews with key stakeholders identified by Hort Innovation

Knowledge audit

- Thorough review of the existing resources within Hort Innovation to ensure we build on existing body of knowledge rather than repeat it

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2. Localise and enrich
Enriched market understanding

External expert interviews

- 3 x 1 hour interviews per market with local market experts
- Experts were either direct importers of priority commodities or fresh produce retail experts
- The 39 interviews totalled nearly 70 hours of shared knowledge and insight across the 13 markets and 25 commodities

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3. Develop Growth Plan
Quantitative research methodology

Local Market Research

- 25-minute online survey conducted in each of the x13 markets
- Demographically national representative sample of N=4,000 per market (NB Qatar sample N=500)
- Respondents are medium & high income consumers only
- Survey design included:
  - Category usage across fruit, veg and nuts
  - General attitudes, values and produce shopping behaviours
  - In-depth occasion understanding of their own recent consumption of up to two of the priority commodities consumed frequently
  - Surveyed perceptions of Australia, perceptions of premium and the right for Australia to command a premium

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3. Develop Growth Plan

Outputs & reporting structure

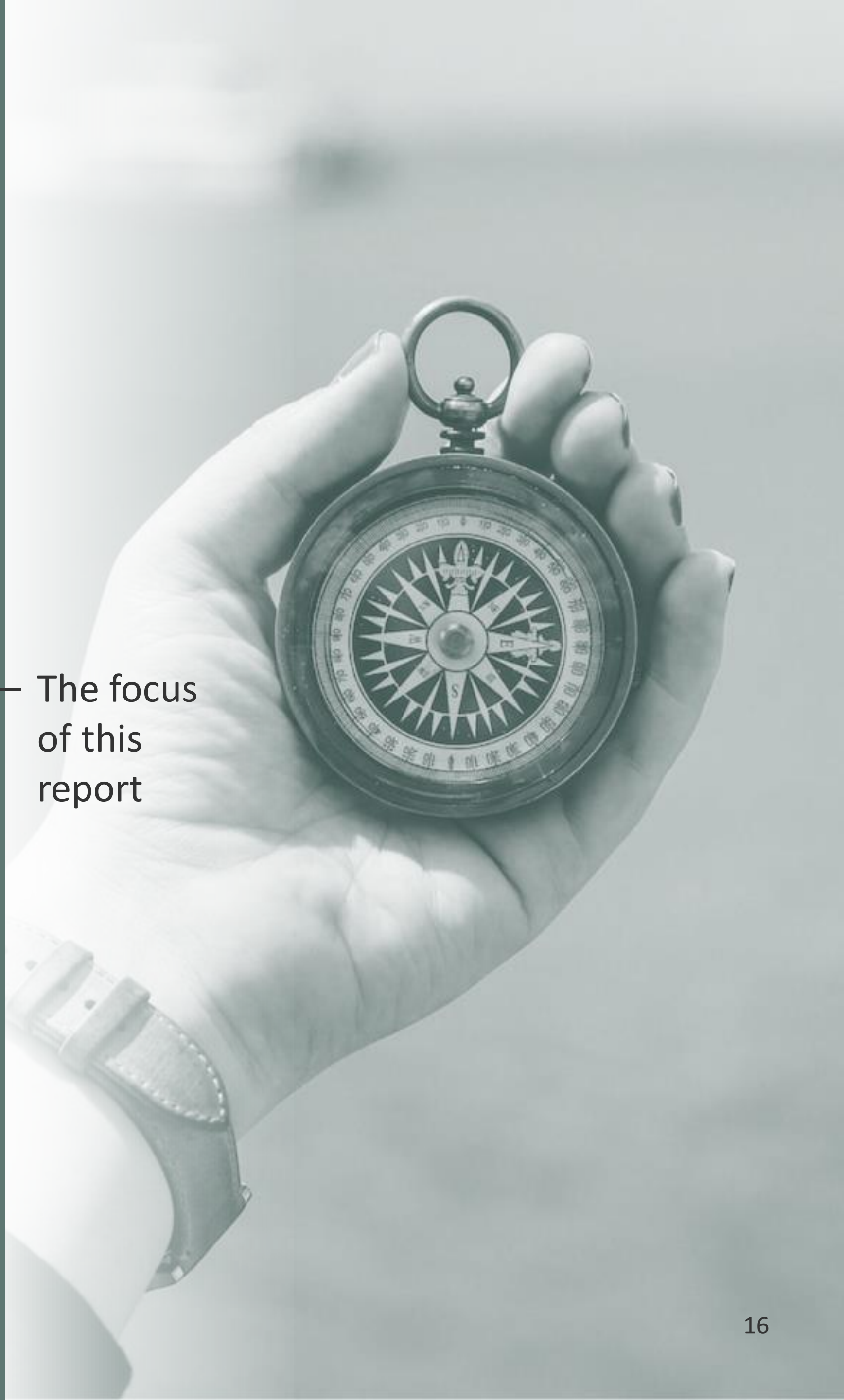
Market reports

- The **x13 market reports** take the lens of the priority country. The purpose is to provide a holistic picture of consumers within that market, including their attitudes, shopping behaviours and horticulture consumption.
- The strategic lens will identify which priority commodities are most attractive and have the greatest appeal for consumers in that market.

The focus of this report

Category reports

- The **x3 category reports** will include detailed profiling of each of the priority commodities. The purpose is to provide in depth analysis on how each fruit, vegetable or nut is consumed around the world.
- The strategic lens will provide a perspective on which markets represent the strongest consumer opportunity for export.



3. Develop Growth Plan
Market report contents

	CHAPTER	CONTENT
1	**Key insights**	Headline report findings
2	**Introduction**	Project context, research question, objectives and methodologies
3	**Market foundations**	Key fresh produce market dynamics, drivers of consumer behaviour and essential 'need to knows' straight from the in-country retail and import experts
4	**The Consumer**	Consumer values and attitudes to food and fresh produce, plus, shopping preferences and typical behaviours
5	**Commodity consumption**	Deep dive into data profiling the priority fruits, vegetables and nuts consumption moments to illuminate how the fresh produce is typically consumed in market
6	**Commodity prioritisation**	Leverage the strategic framework to prioritize commodities based on consumer behaviour and perception
7	**Strategic consumer recommendation**	Recommendations on how to go after growth opportunities, based on consumer needs, triggers & barriers
8	**Appendix**	Commodity groupings & market Demand Space framework

2. Market foundations

Key fresh produce market dynamics, drivers of consumer behaviour and essential ‘need to knows’ straight from the in-country retail and import experts

Qatar expert interviewees

Omar El-naggar

MBA: Global Management and Managing Director and Founder at Bloom Fruit Consultants (2017 – present) an agribusiness consultancy

22 years industry experience

At Bloom Fruit Consultants, Omar supports clients with market entry strategy and advisory. Former New Markets Director at SanLucar, a fresh fruit and vegetable supplier (2014 – 2016). Responsible for the overall management of all strategic and operational business plans. Prior to this he served as Commercial & Business Director at PICO Modern Agriculture Company (2006 – 2013), a leading agricultural company.

Ammar Shoker

Category Manager for fruits and vegetables at Al Meera Markets, the largest retailer in Qatar (2018 – present)

5+ years industry experience

Al Meera Markets has operated since 2005 and is the largest retailer in Qatar operating shopping malls, hypermarkets & supermarkets. Previously Marketing Business Development Manager (2015 – 2018), Category Manager (2013 – 2015) at Quality Retail Group and a Sales Manager at Al Afaq Foods (2008 – 2013).

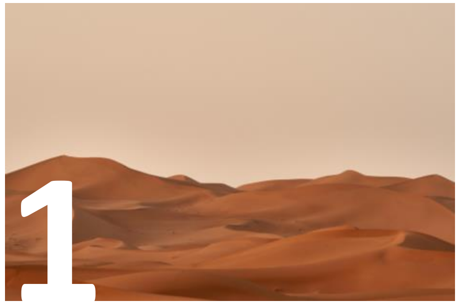
Carla Belandria

International Sales Manager at Frutas Patrícia Pilar, a fruits and vegetables wholesale company that supplies to the Middle East (2021 – present)

10+ years industry experience

Frutas Patrícia Pilar S.A. is the largest exporter of fresh produce in Portugal and exports to the GCC including Qatar, Dubai, Saudi, and Bahrain. Carla is experience in the procurement and provisioning of fruits and vegetables in Europe and the GCC.

Qatar expert interviews: Key observations



The climate dictates the import of produce

Qatar is part of the GCC (Guld Cooperation Council). Intense heat throughout much of the year means the area is dry and growing produce is challenging. Therefore, the majority of fresh produce must be imported, and barriers remain low. For importers, the biggest challenges are the climate and logistics.

Respect the religion

Religion is important to consumers and all produce must be Halal. This is mainly relevant for meat products and most fruits and vegetables are Halal by nature (unless they're contaminated with substances, which could include some pesticides). Ramadan influences fresh produce consumption, especially for dates which are extremely popular

Modern trade is the primary retail channel

Consumers buy their fresh produce through modern trade, so predominantly hypermarkets. Smaller retailers, like grocery stores are less common

Quality exotic produce is aesthetic and big

Premium quality fruits must be supremely aesthetic. Apples and pears are considered more attractive if they are be large in size and uniform in colour. Berries especially must also appear big and juicy. Status and prestige plays a roll here, quality is cued with gold packaging

Australia's exquisite taste

Despite the proximity, Australian produce is perceived to have exquisite taste. This is down to the sweetness, and in some cases the exotic nature of the fruits

The intense climate is a logistical challenge but makes for a fertile import environment as produce must come from overseas

> *They import everything. They don't have any produce because their fields are dry, they don't have the capacity to produce. That's why they need to import.*
>
> *- Carla Belandria*

> *It's an open market, like Hong Kong or Singapore. There are no trade barriers with countries like Qatar, they don't have restrictions. Qatar is quite open.*
>
> *- Omar el-Naggar*

> *Elsewhere in the Middle East, you will find items from that community or seasonal produce. But in Qatar, you'll find Asian, European, USA, anything*
>
> *- Ammar Shoker*

> *Incredibly open. It's one of the easiest markets to enter with a new crop. I would say it's a very adventurous consumer market. They like to try new products. They love packaging. There has been research on the attractiveness of packaging with different types of fruits, new fruits.*
>
> *- Omar el-Naggar*

> *There are two challenges: logistical and climatical challenges. There has been major issues with air freight liners to Qatar. The other thing is the heat. Because of the temperatures in Qatar, if the cold chain is broken for any reason, it ruins the shipments.*
>
> *- Omar el-Naggar*

Religion plays a huge role in peoples' lives, as well as how and when they consume fresh produce

"They tend to buy big volumes of dates around the month of Ramadan because dates is highly consumed in the Islamic culture during Ramadan. Volumes are 6, 7, 8 folds of what it is in other seasons.

- Omar el-Naggar

"The concern is always going to be with halal food, that's for meat and poultry. But in terms of fruit and vegetables, no, there are no concerns on that.

- Omar el-Naggar

"they have the Ramadan. In Ramadan, you need to eat everything very healthy. So that's very important for them. So everything that are fresh fruits and vegetables for them is very important because of the Quran. Everything is around the religion, everything. So if you note a little bit about the religion and about them, you can approach them very well.

- Carla Belandria

"All of the food that enters in those countries [the gCC} has to be halal. Not for fresh fruits, but for other kinds of foods like meat it's really important

- Carla Belandria

Modern trade is the primary retail channel

"In Qatar, 90% of people are purchasing from modern retail. By this we mean hypermarket chains, we don't have small supermarkets or small grocery stores. Online is something new, it's improved with COVID. We have actually noticed that premium items sell more through the online channel

- Ammar Shoker

"The rich go to one supermarket, the poor go to different supermarkets. If you compare the prices, in one supermarket could be EUR 100 and in the other could be EUR 8, that's crazy… It's prestige, for example, to go to Waitrose.

- Carla Belandria

"Consumers are mostly buying from modern retail. So high-end retailers and medium-end retailers.

- Omar el-Naggar

Consumers want high quality produce that's exotic, aesthetic and large

"They love the bigger sizes [of apples and pears]… If it's as big as possible and with gold packaging, they will love it

- Carla Belandria

"Consumers are very brand aware. Especially for certain fruits, like Driscoll's berries. They will pay top for a brand like Driscoll's.

- Omar el-Naggar

"Qatar has reasonably young demographics. People between the age of 18 and 24 represent a large portion of society. It is not an aging population. People are buying through trends based on influencers on social media, on environmental trends, things like the EU campaign right now, which is the European Union Green deal. I think the environmental influence is becoming bigger in Qatar now.

- Omar el-Naggar

"They like quality and they pay for the quality. You can make a lot of money in all the exotics because they like the fancy, exotic fruits.

- Carla Belandria

"They are aware of the varieties, the taste of the fruit, the shelf life, the packaging. They also love their raspberries. Raspberries are becoming bigger and bigger, so are strawberries and blueberries.

- Omar el-Naggar

"Of course, they have a sector of their market that focuses on organic, but consumers are more into the source of the product and the sustainability story behind the crop. People are looking at net zero campaigns now and there's a focus on environmental factors.

- Omar el-Naggar

Australia’s exquisite taste

“Australia, of course, is a great producer of fresh fruits and vegetables. Unfortunately, proximity has been always a challenge. On the plus side, Australia is a Southern Hemisphere producer, so when they're producing, most of the global players are out of the picture. Australia usually is left competing with South Africa, Peru and Chile on these major fresh products

- Omar el-Naggar

“Certain exclusive varieties on stone fruits from Australia are starting to find their ways into the Qatari market. And these are quite interesting varieties. The taste of the fruit is quite exquisite. And I think that's helping the drive of the sales there.

- Omar el-Naggar

“I trust any item coming from Australia because of the quality first, and its taste is natural and sweet. Usually, the season in Australia is same as the season of South Africa. But South African items, I cannot trust. I’d buy from there only for the price.

- Ammar Shoker

“Australian mango has very good consumption. For me, I prefer Australian mangoes because they are always organic, natural and taste sweet. It's not like African items that you have sour pieces

- Ammar Shoker

“Australian products have been proven to be quite durable. They have strong and long shelf life. So I think the consumers there are starting to know that more and more

- Omar el-Naggar

3. The Consumer

Consumer values and attitudes to food and fresh produce, plus, shopping preferences and typical behaviours

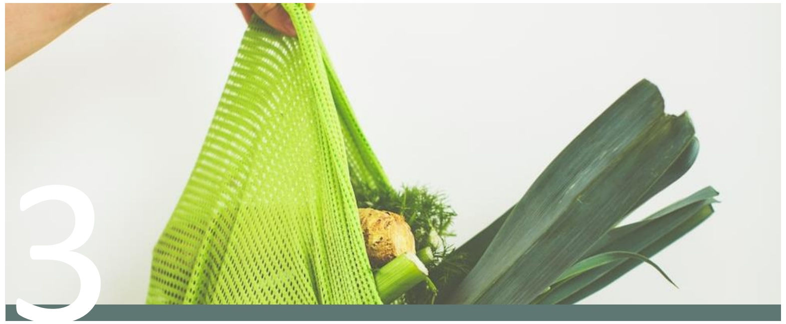
We will unpack 3 key themes to unpack consumers in Qatar

Demographics

- Population, life expectancy
- GDP per capita and key wealth metrics
- Age breakdown
- Religious identity and background

Attitudes & values

- Attitudes & values relating to: food & cooking…
- Safety & sustainability
- Premium & value
- Local vs. imported
- Health & wellbeing



Shopping behaviour

- Grocery and fresh produce shopping behaviour
- Shopping preferences, including triggers and barriers
- Imported vs. local shopping behaviour

The population size & consumer wealth in Qatar

POPULATION

2.7million

Qatar population[1]
vs. 25.7m Australians

27% 73%

female/male population split
vs. 50/50 globally

79y/o

Life Expectancy[1]
vs. 72 y/o globally

-2.6%

Qatar population per annum growth (2021)[1] vs. 0.8% globally

WEALTH

$180b

Qatar GDP (USD)[1]
vs. $1.6t in Australia

$66,838

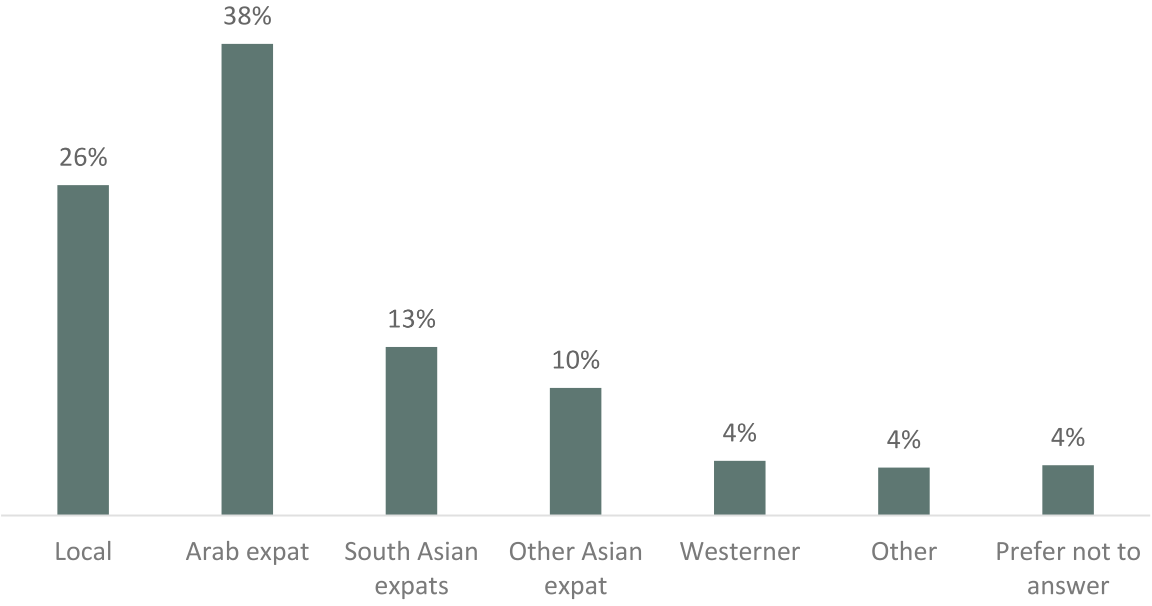
Qatar GDP/Capita (USD)[1]
vs. $60k in Australia

[1]Source: the World Bank, 2021

Unpacking the Qatar survey sample

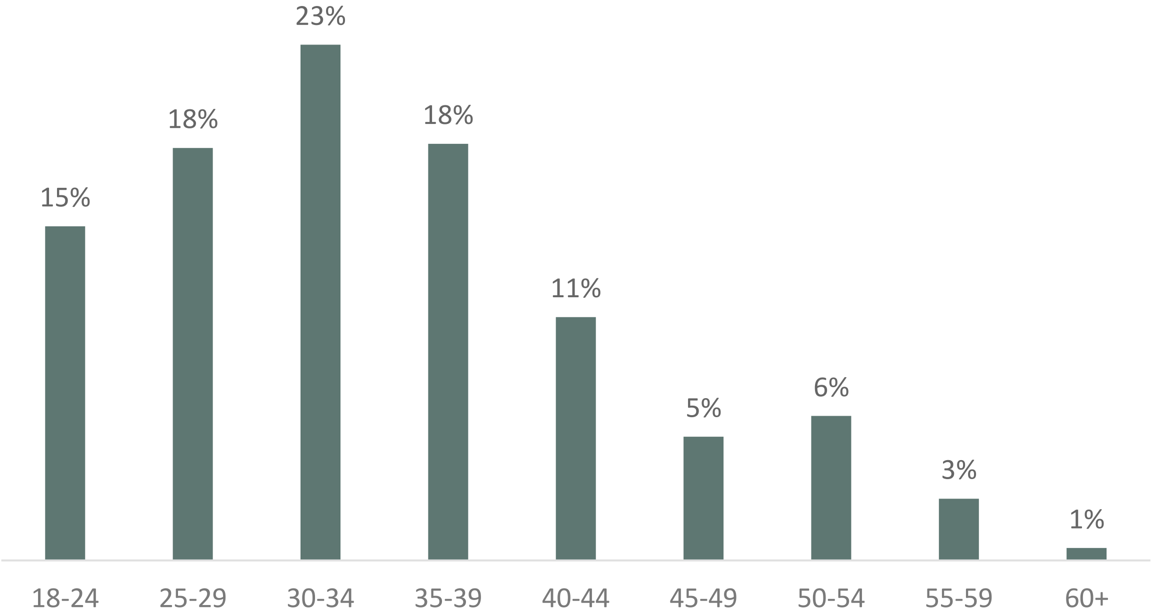
BACKGROUND

How would you describe your nationality/background?



AGE

How old are you?



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Kantar HIA International Demand Study 2022; n=4018
*NB Low income consumers screened out of survey & religious identity not asked

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Key attitudes & values of Qatar consumers

Qatar consumers love food & cooking

77%
Enjoy cooking

72%
Consider food a passion

They can pay for premium

66%
Can afford to eat out frequently

52%
Often pay extra for premium quality food

They care about the environment and food safety

79%
Tend to buy products that are better for the environment

76%
Worry about poor quality, toxic or contaminated food

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Question: Which of these statements appeals to you more?
Source: Kantar HIA International Demand Study 2022
n= 549

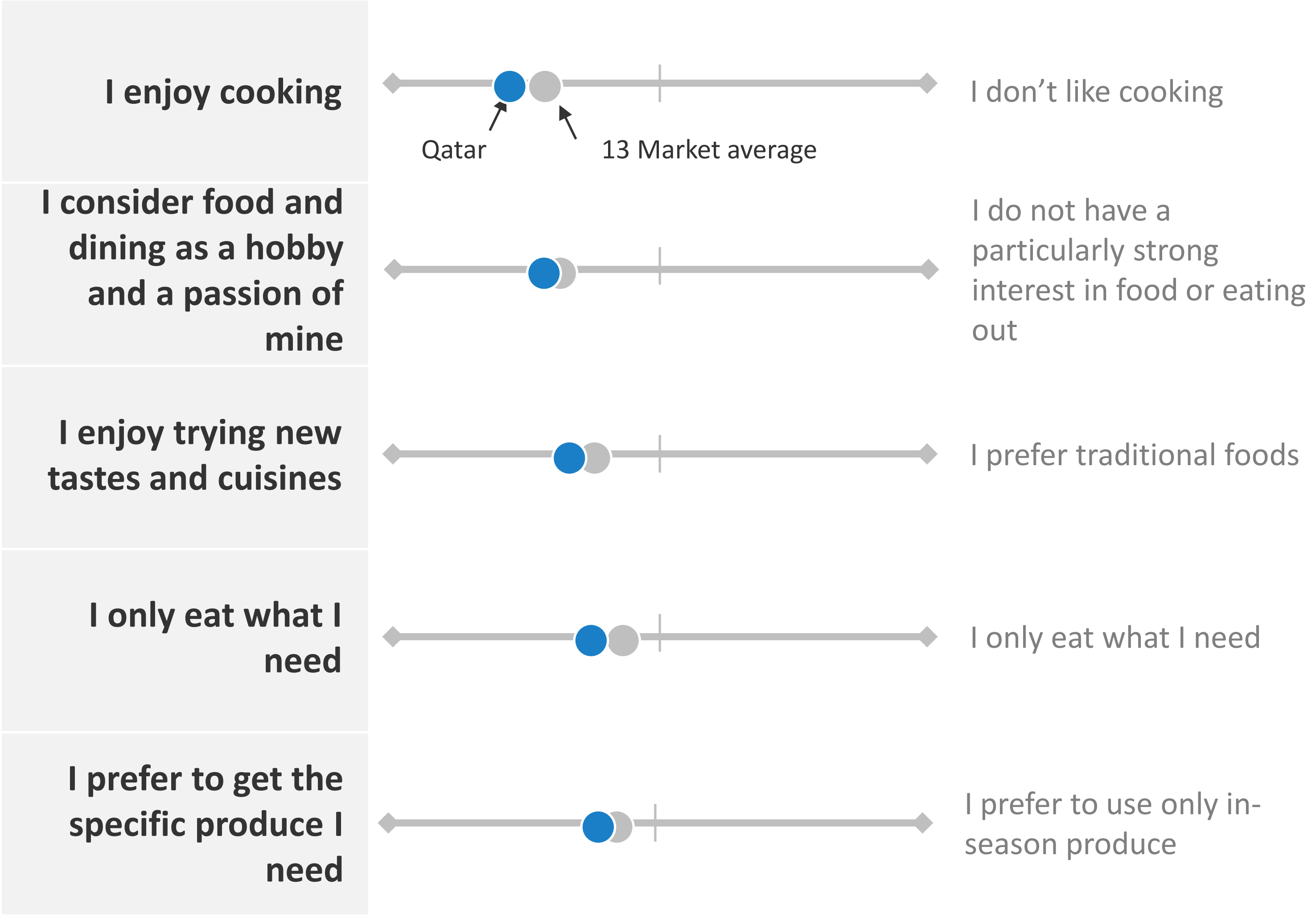
“I love cooking and find great pleasure in all types of food and cuisines.

I am not excessive though and only eat what I need.

I am not driven by seasons and get the specific produce I need anytime of year”

Attitudes & values related to

Food & Cooking



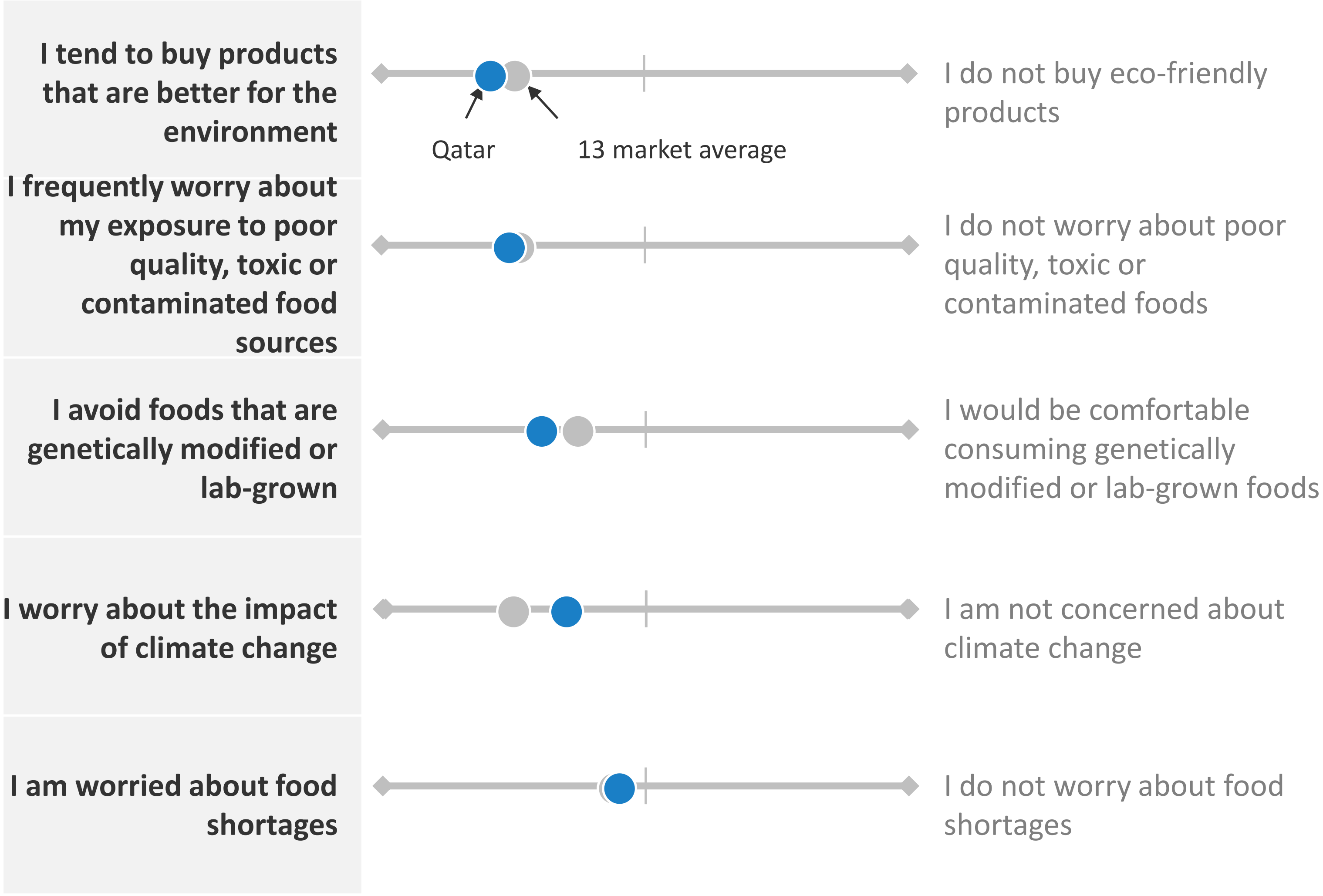
Question: Which of these statements appeals to you more?
Source: Kantar HIA International Demand Study 2022
n= 549

"I do worry about food safety and contamination

I tend to buy products that are better for the environment but am slightly less concerned about climate change than other places"

Attitudes & values related to

Safety & Sustainability



Question: Which of these statements appeals to you more?
Source: Kantar HIA International Demand Study 2022
n= 549

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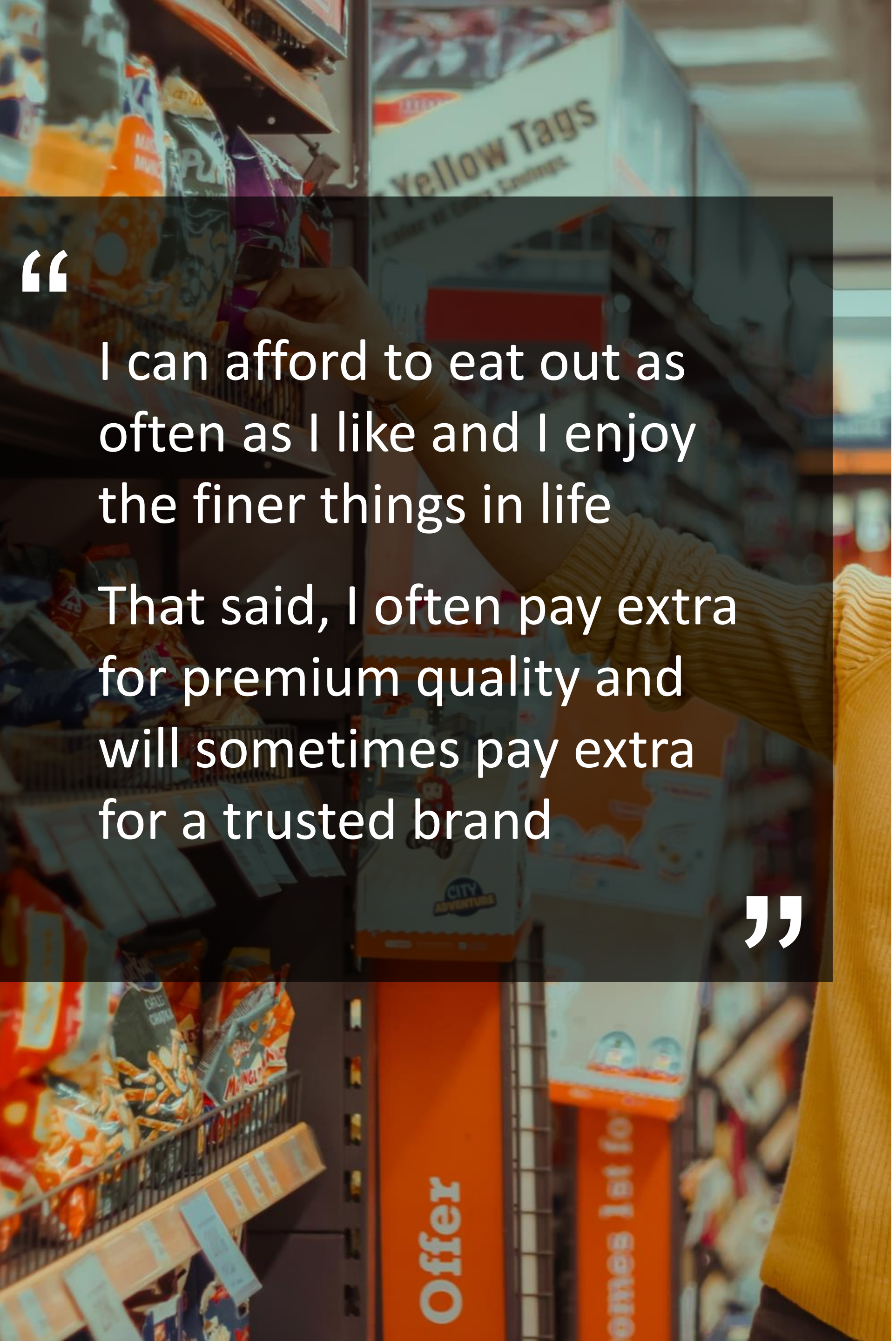


“ I can afford to eat out as often as I like and I enjoy the finer things in life

That said, I often pay extra for premium quality and will sometimes pay extra for a trusted brand ”

Attitudes & values related to

Premium vs. Value

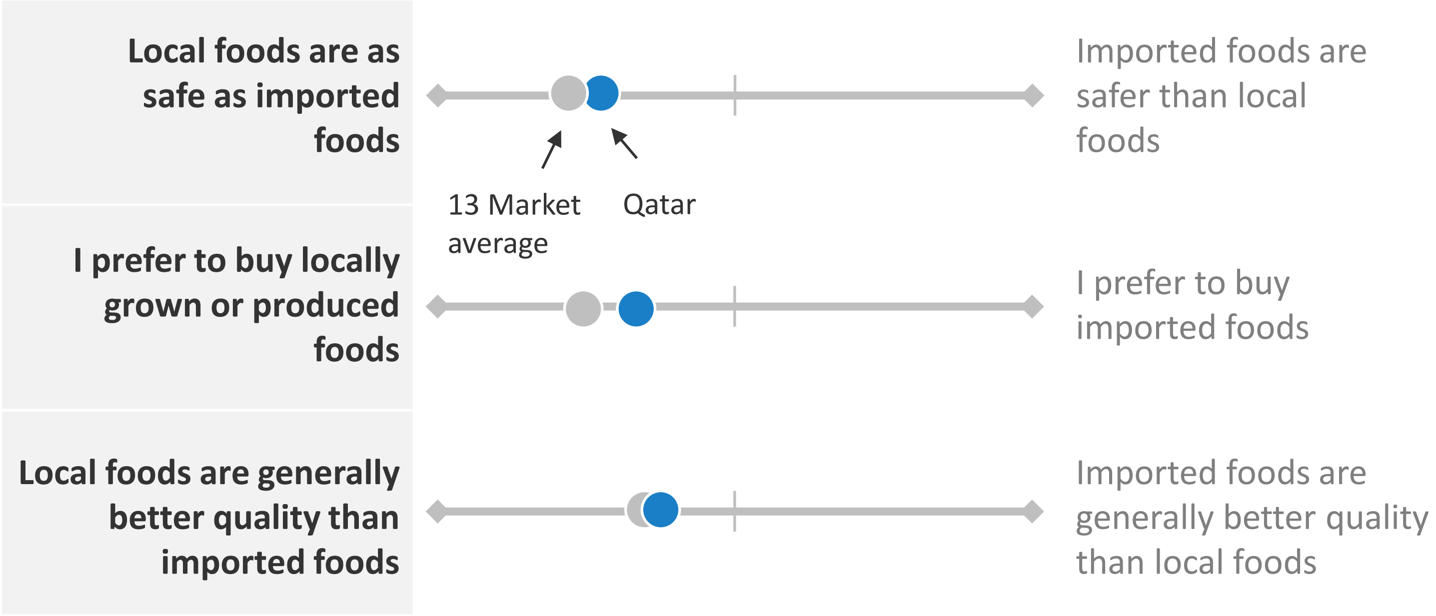
Question: Which of these statements appeals to you more?
Source: Kantar HIA International Demand Study 2022
n= 549

“If I can I **will buy local foods** as they must have come from a farm closer than anything imported, so the **quality** must be better.

I consider local foods as **safe** as imported alternatives”

Attitudes & values related to

Local vs. Imported



Question: Which of these statements appeals to you more?
Source: Kantar HIA International Demand Study 2022
n= 549

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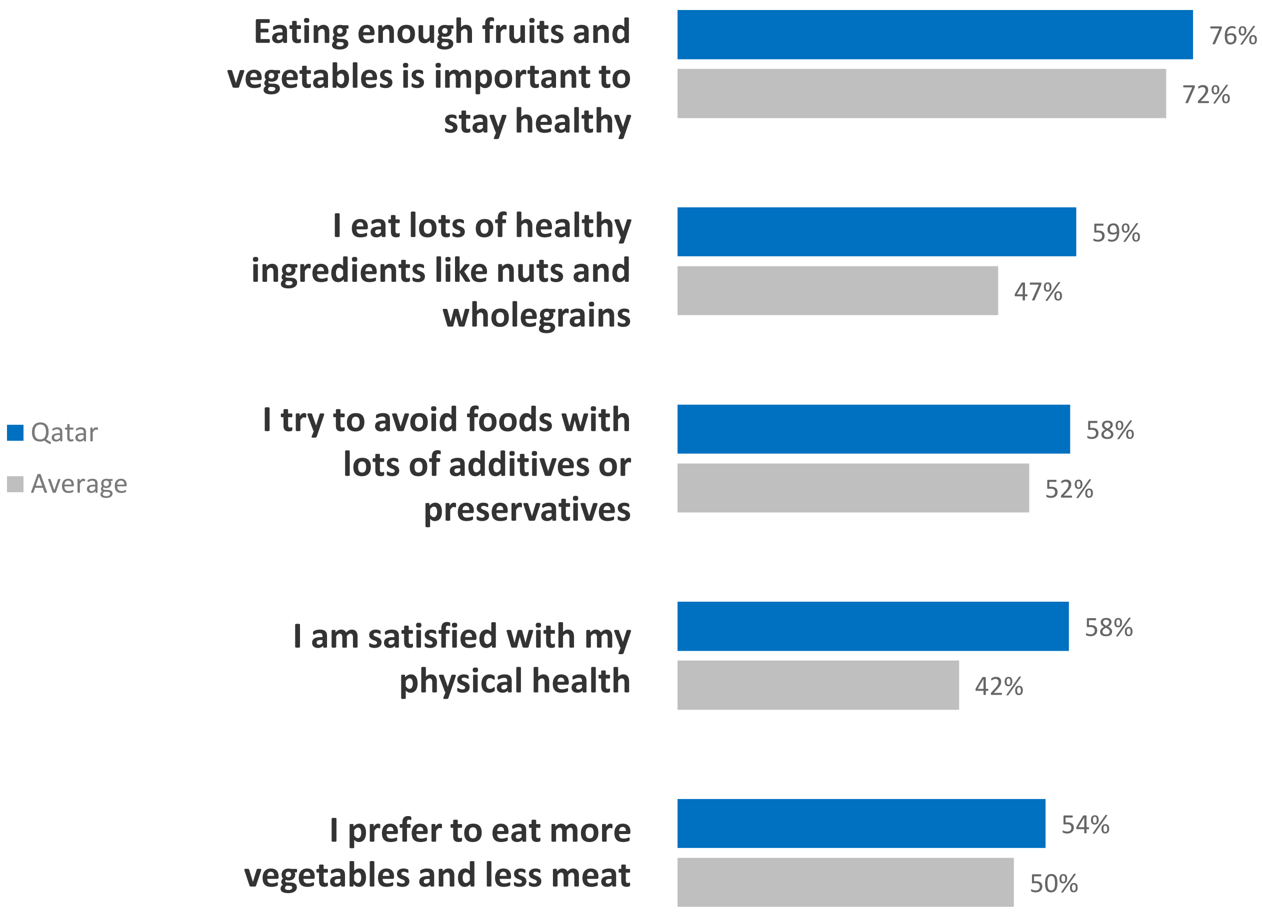
"Eating enough fruits & vegetables is important to me. I eat lots of healthy ingredients and avoid foods with lots of additives

I am generally satisfied with my physical health"

Attitudes & values related to

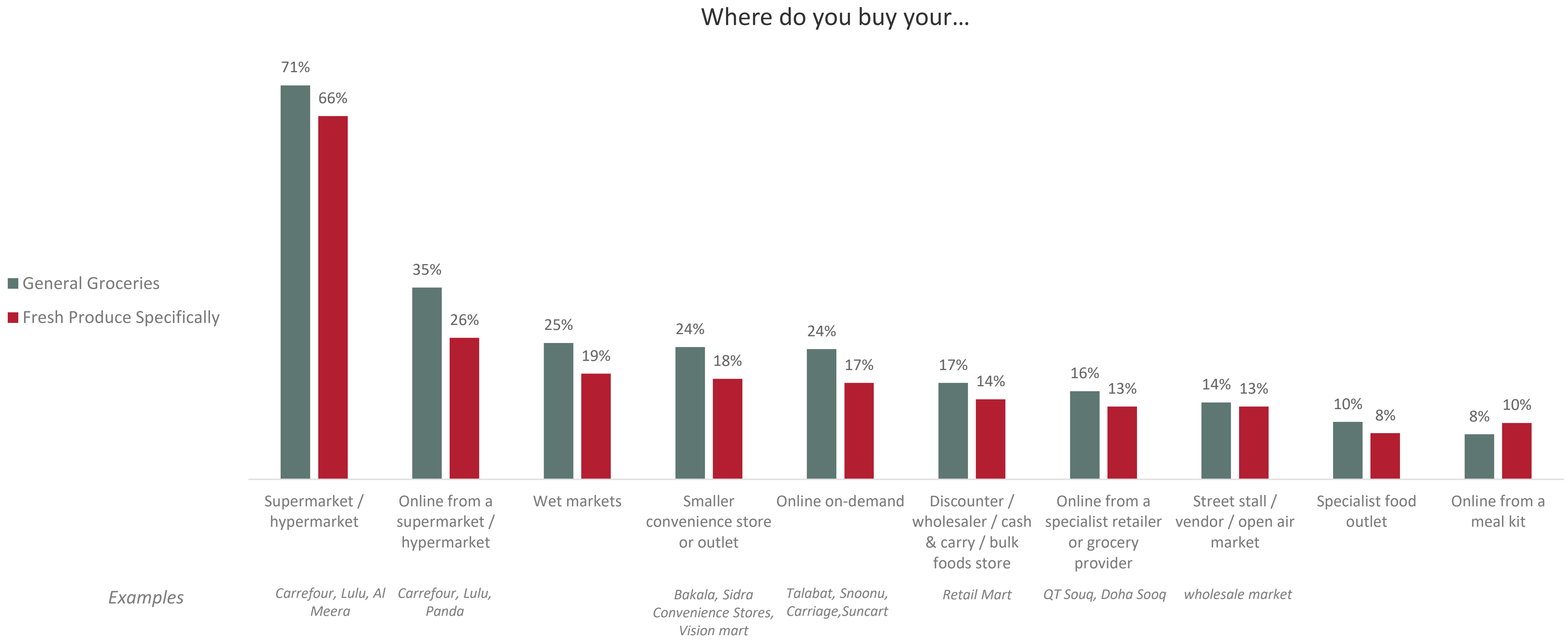
Health & Wellbeing



Question: To what extent do you agree with the following statements?
Source: Kantar HIA International Demand Study 2022
n=549

Now we know a little about what motivates consumers we will dive into how they shop

Supermarkets (including online) are the predominant channels for purchasing groceries and fresh produce



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Source: Kantar HIA International Demand Study 2022
N= 539

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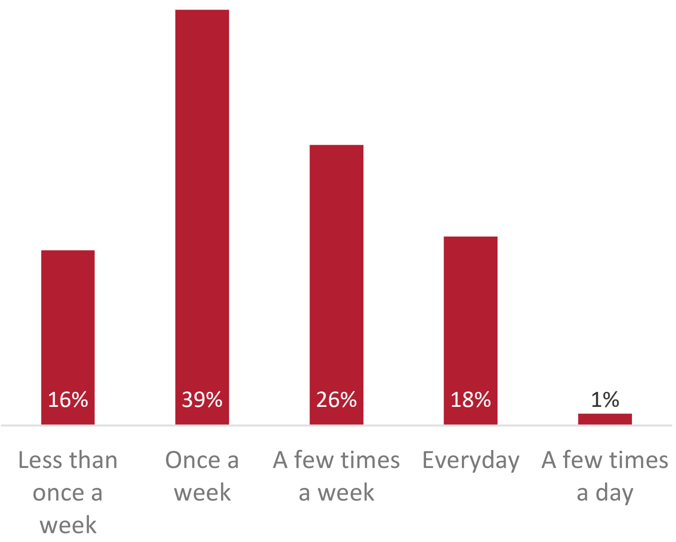
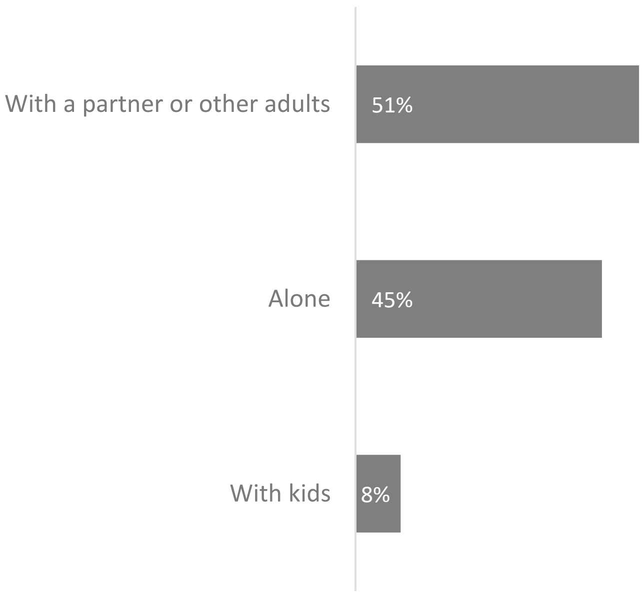
Most people (40%) are shopping once a week but almost half go more frequently.

Adults typically shop with a partner or alone, but where they have under 18's in the household, a 40% of fresh produce is for them

How often do you shop for fresh produce?



With whom?



How much are the kids having?

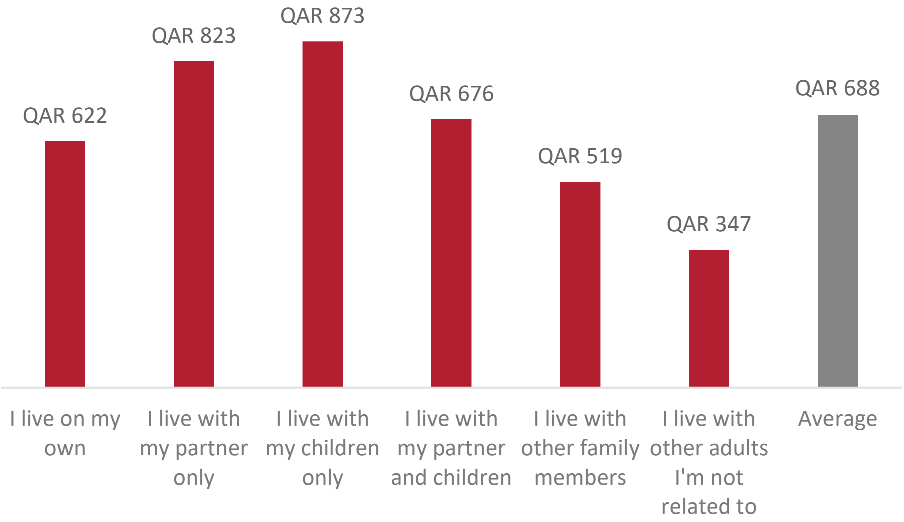
40%

Estimated share of fresh produce bought by the household that is eaten by people under the age of 18

1 Amongst households that have kids under 18, n= 455
Source: Kantar HIA International Demand Study 2022; n=539

Most households are spending around QAR 690 (approx. $290 AUD) on groceries a week, of which nearly half is on fresh produce

In a typical week, how much do you spend on groceries (by household structure)?



How much do you spend on fresh produce?

46%

Estimated share of grocery cost spent on fresh produce specifically in a typical week

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Source: Kantar HIA International Demand Study 2022
N= 539

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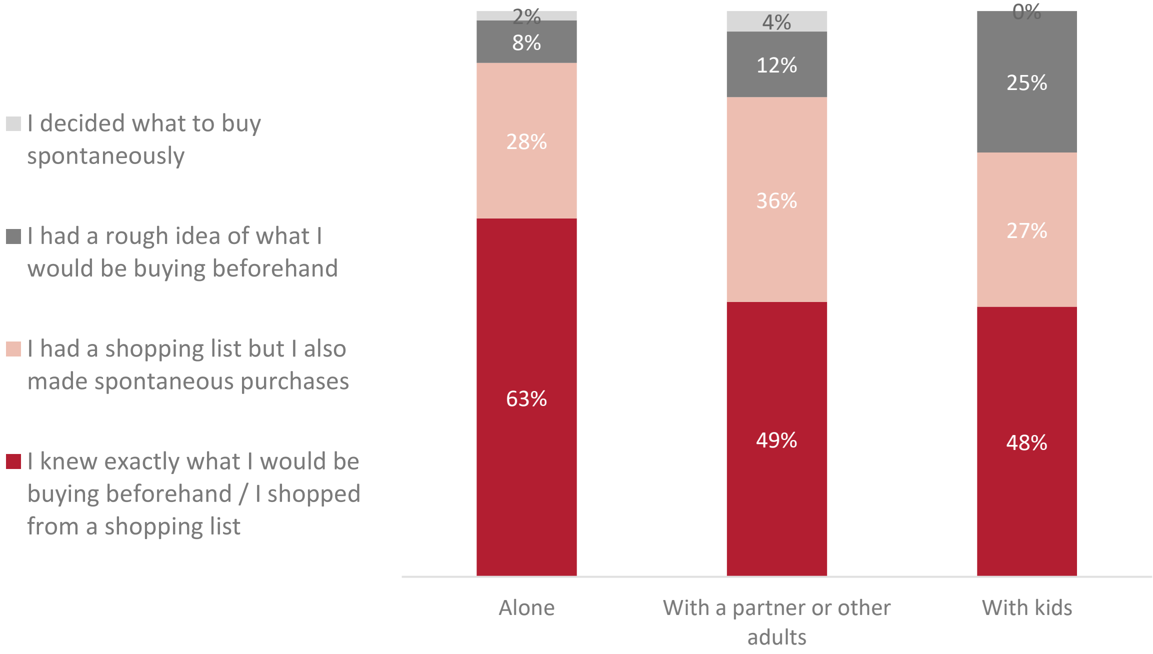
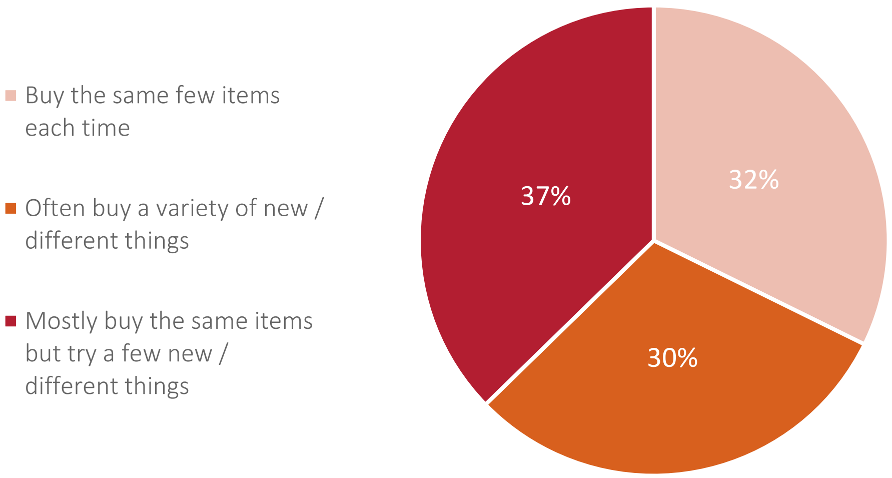
Consumers are typically shopping from a list, regardless of who they are with (but particularly alone). **When it comes to fresh produce, around two-thirds buy at least some new things.**

Which would you say describes your shop when shopping…



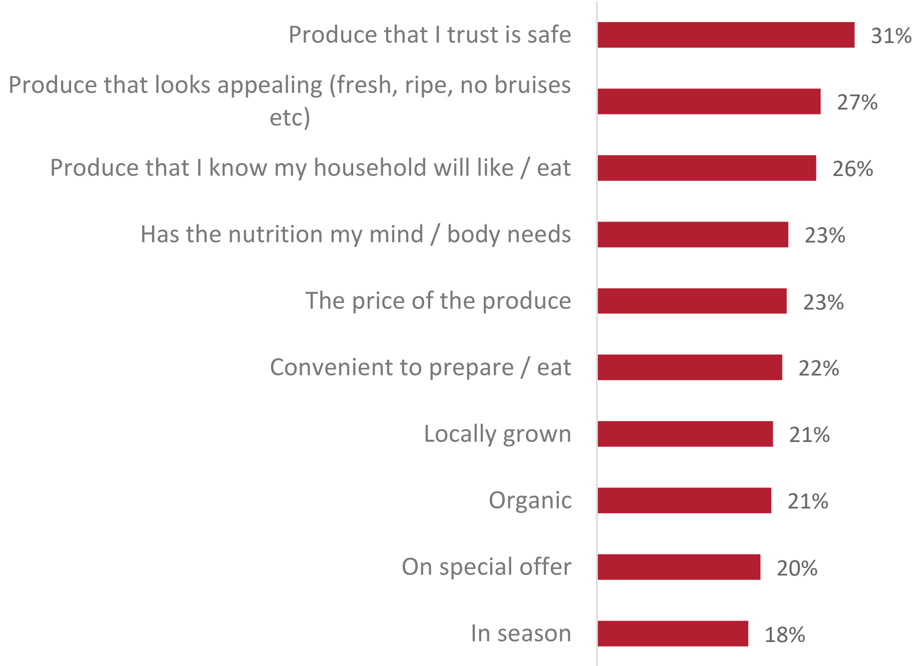
When shopping for fresh produce do you…



Source: Kantar HIA International Demand Study 2022
N= 539

Safety, aesthetics and HH preferences are the strongest drivers of fresh produce purchase though a range of factors are similarly important, including: recipes, special offers and having tried produce also drive purchase

When shopping for fresh produce what determines your choice?



What would encourage you to purchase fresh produce you wouldn't normally buy?

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Source: Kantar HIA International Demand Study 2022
N= 539

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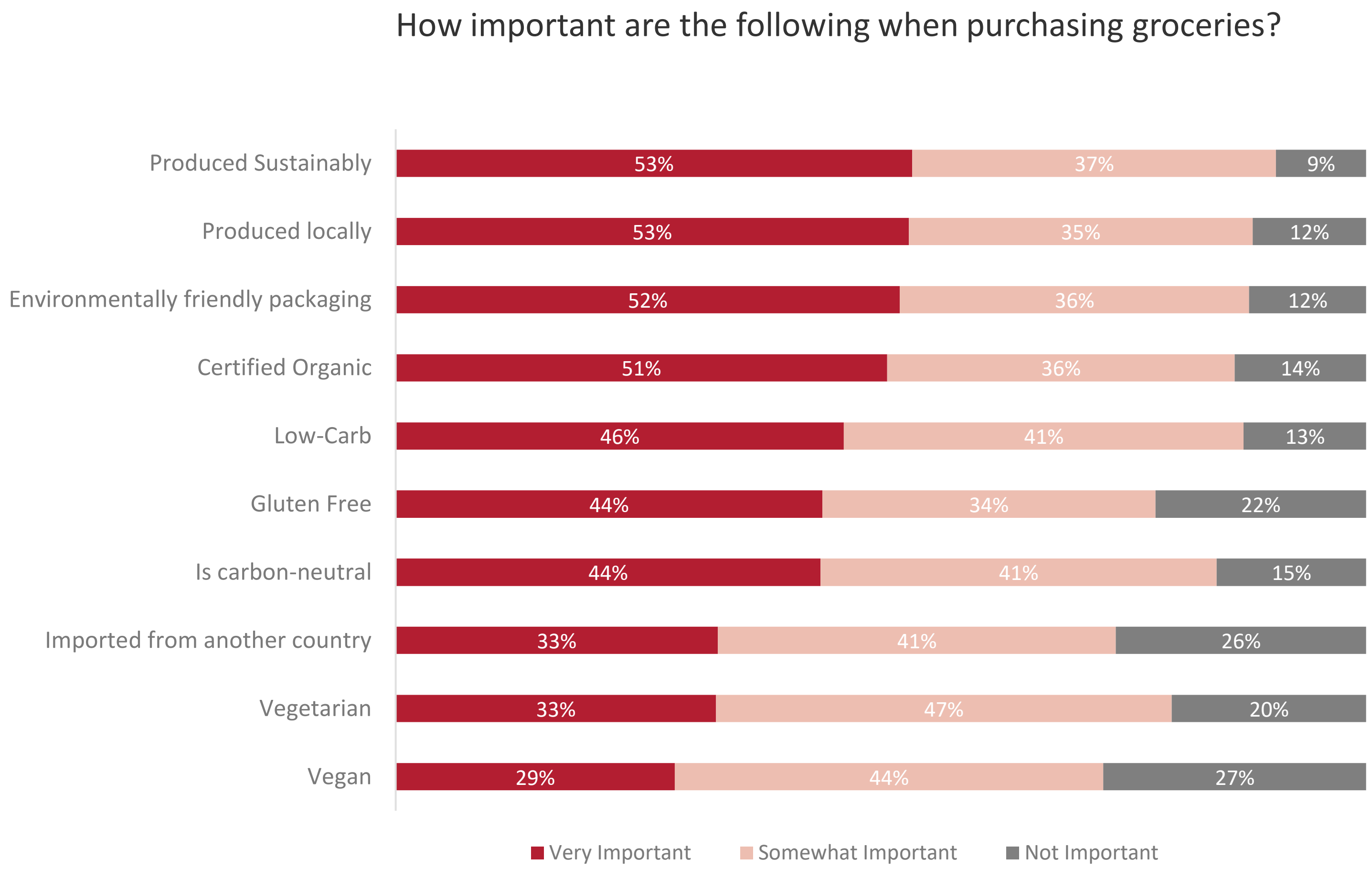
‘Eco’ factors and locally produced are important for people when purchasing groceries. Sustainability, produced locally, environmentally friendly packaging and certified organic are the top ranked factors



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Source: Kantar HIA International Demand Study 2022
N=539

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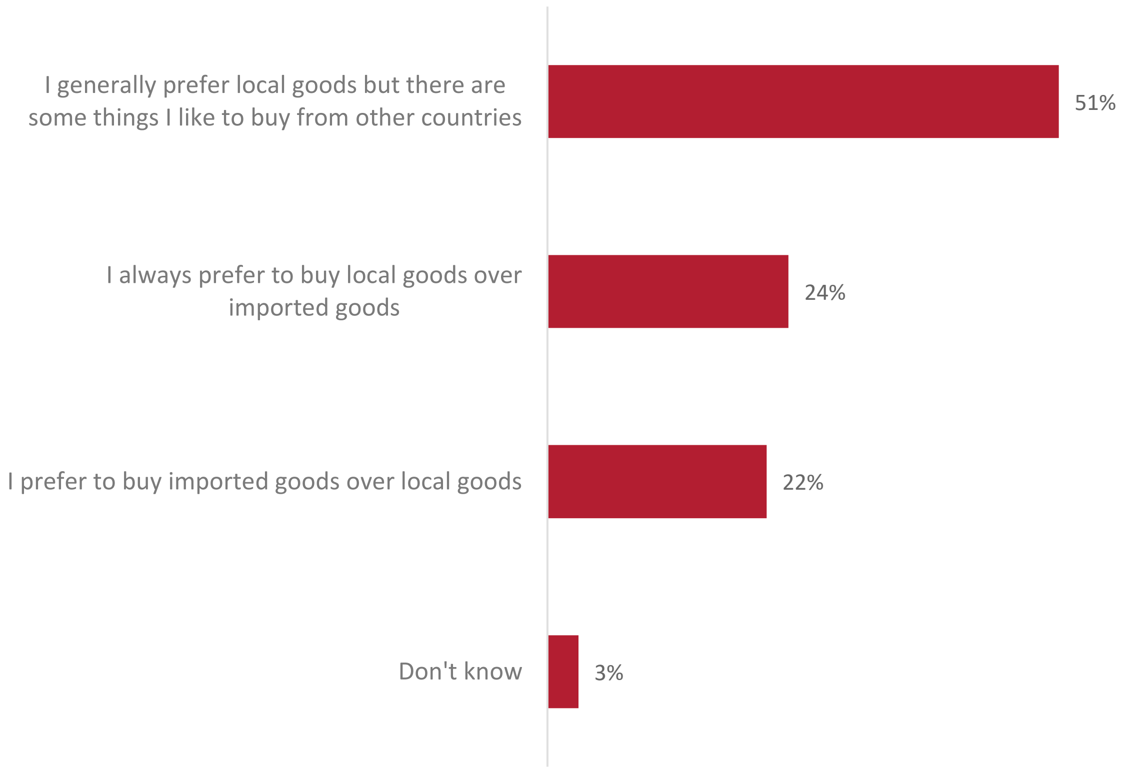
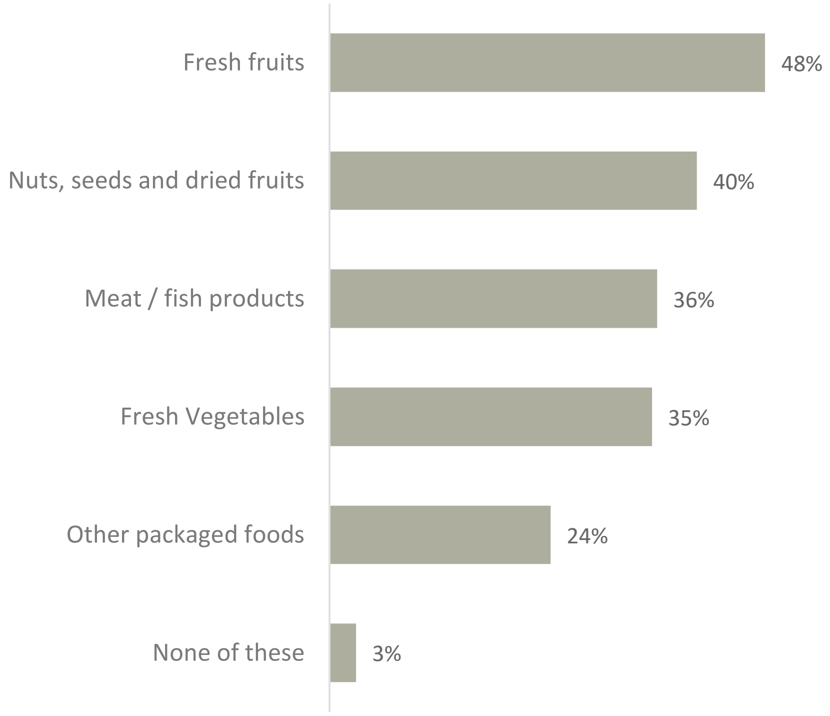
The majority of Qatar consumers claim to have a preference for local goods, but only 24% always prefer to buy local.
Fresh fruits are the most popular choice of imported produce

Preferences for Import vs Local



What food products are you most likely to choose an imported option?



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Source: Kantar HIA International Demand Study 2022
N=549

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Key consumer take-aways

1

In Qatar consumers are typically less price conscious

Over half of respondents 'Often pay extra for premium quality food' and people claim to 'like the finer things in life' more so vs. other markets, they're also frequently eat out

2

Unsurprisingly supermarket dominate grocery purchases

Online shopping for food and groceries still accounts for a significant proportion, followed by wet markets

3

Food safety is actually a concern for many in Qatar

'Produce that I trust is safe' is the leading purchase driver and people are mindful of the nature of their produce and that it is not contaminated

4

The aesthetic nature of fresh produce is important, i.e., its ripeness, freshness & not bruised

Price is not feature as a strong driver of choice at all, instead people buy what their household will like and that they know is nutritious

5

Generally, consumers prefer to buy local goods

However, they claim that there are some things they'd rather imported. Fresh fruits and dried fruits and nuts are the most likely choice (over other commodities, meat or fish)

4. Commodity Consumption

Deep dive into data profiling the priority fruits, vegetables and nuts consumption moments to illuminate how the fresh produce is typically consumed in market

Key Findings Commodity Consumption

	FRUITS	NUTS & SEEDS	VEGETABLES
How often	97% penetration	95% penetration	99% penetration
When	As a snack, lunch or at dinner	Most often as a snack (44%)	At lunch or dinner
How	Fresh on its own	Fresh on its own or as part of a snack	As an ingredient in cooking
Where	At home	At home	At home
Who with	With spouse/partner, parents or family group or alone	Spouse/partner, alone or parents or family group	With spouse/partner, parents or family group or alone

KANTAR

Source: Kantar HIA International Demand Study 2022
Penetration = Includes everyone who consumed commodity (ie excluding 'never')

Hort Innovation

The 13 fruits of interest


Apple & Pear


Blueberries


Cherry


Citrus


Lychees


Mango


Melons


Raspberries
& Blackberries

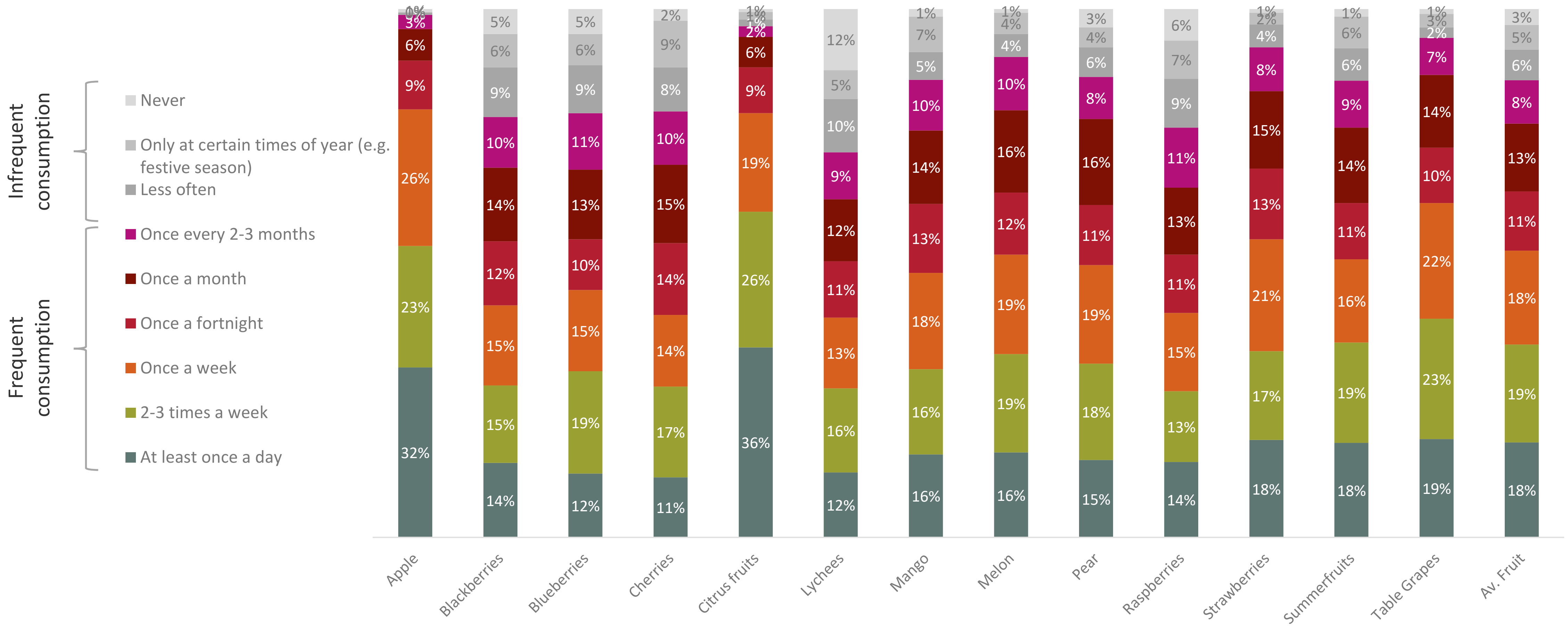

Strawberries


Summer fruit


Table Grapes

All fruits are highly penetrated and frequently consumed in Qatar, especially apples and citrus

How often do you consume each commodity?

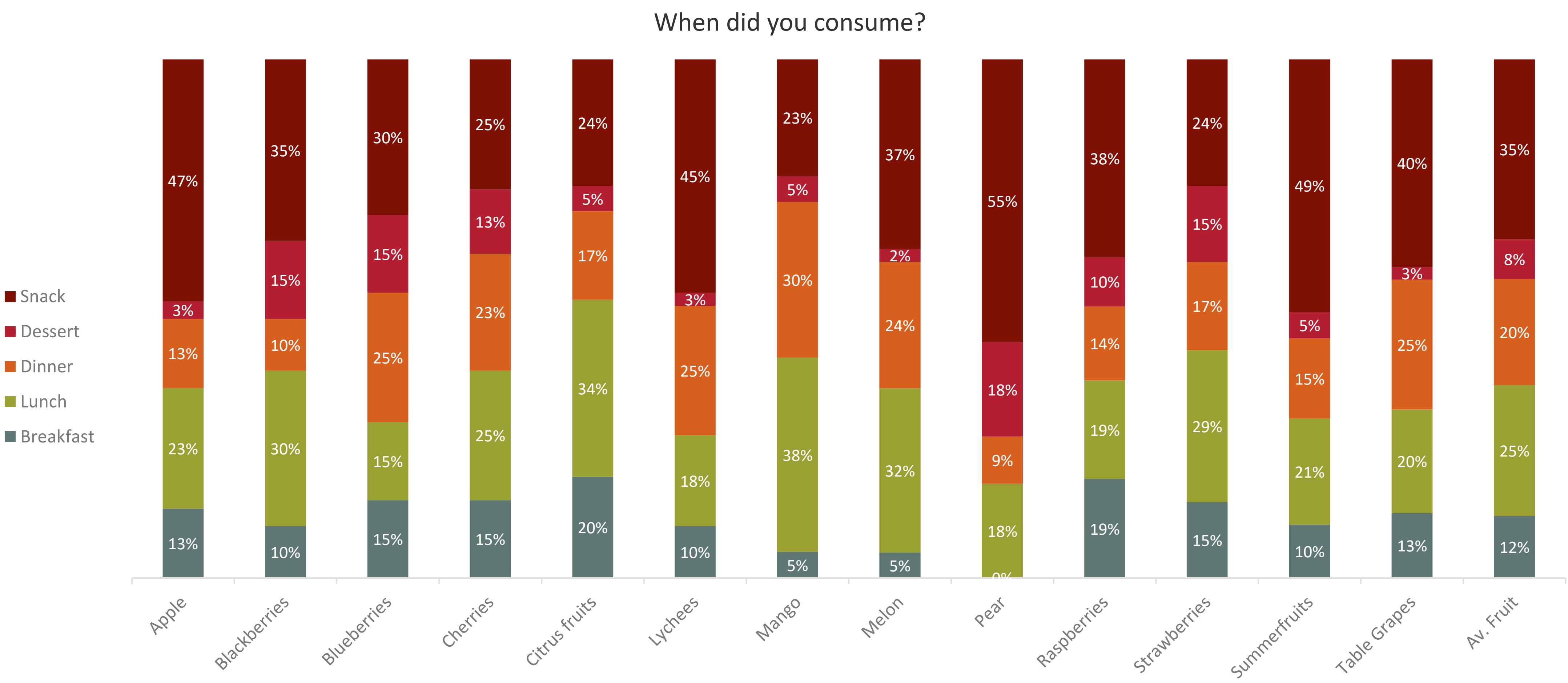


KANTAR

Source: Kantar HIA International Demand Study 2022
N=533

Hort Innovation

Fruit consumption tends to be as a snack or as part of lunch or dinner

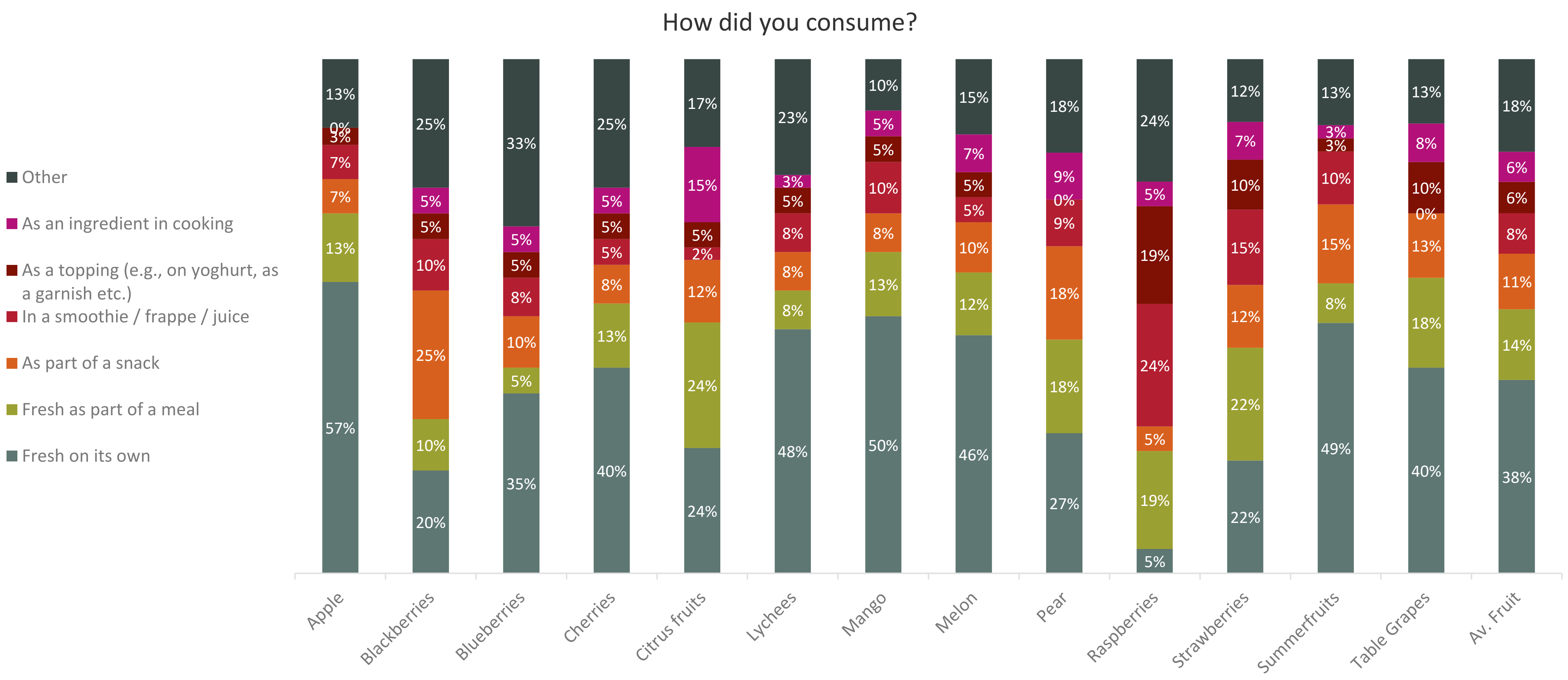


KANTAR

Source: Kantar HIA International Demand Study 2022
N=444

Hort Innovation

Fruits are generally consumed fresh on their own or less frequently fresh as part of a meal



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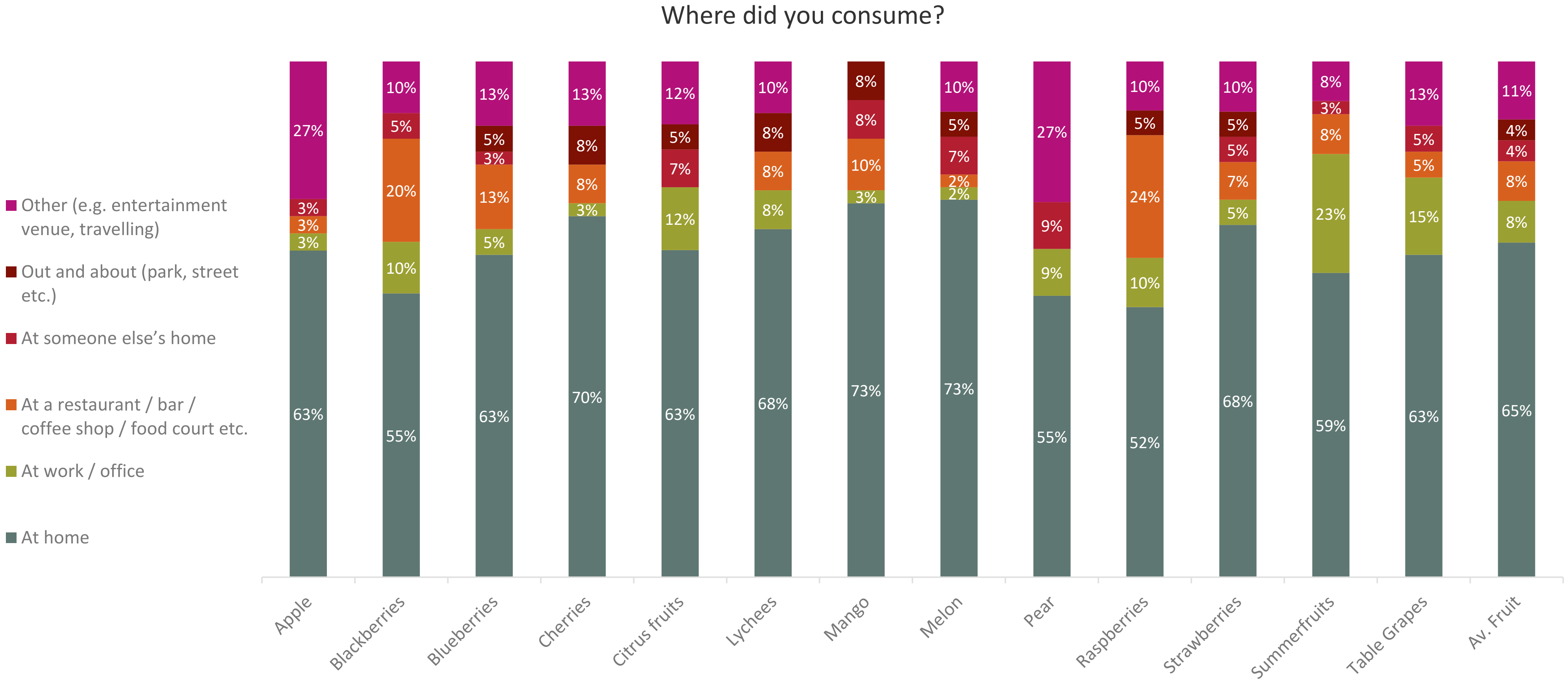
Source: Kantar HIA International Demand Study 2022
N=444

Hort Innovation

Fruit in Qatar is mostly consumed in the home. The second ranking locations are work / office or restaurant / bar / coffee shop / food court



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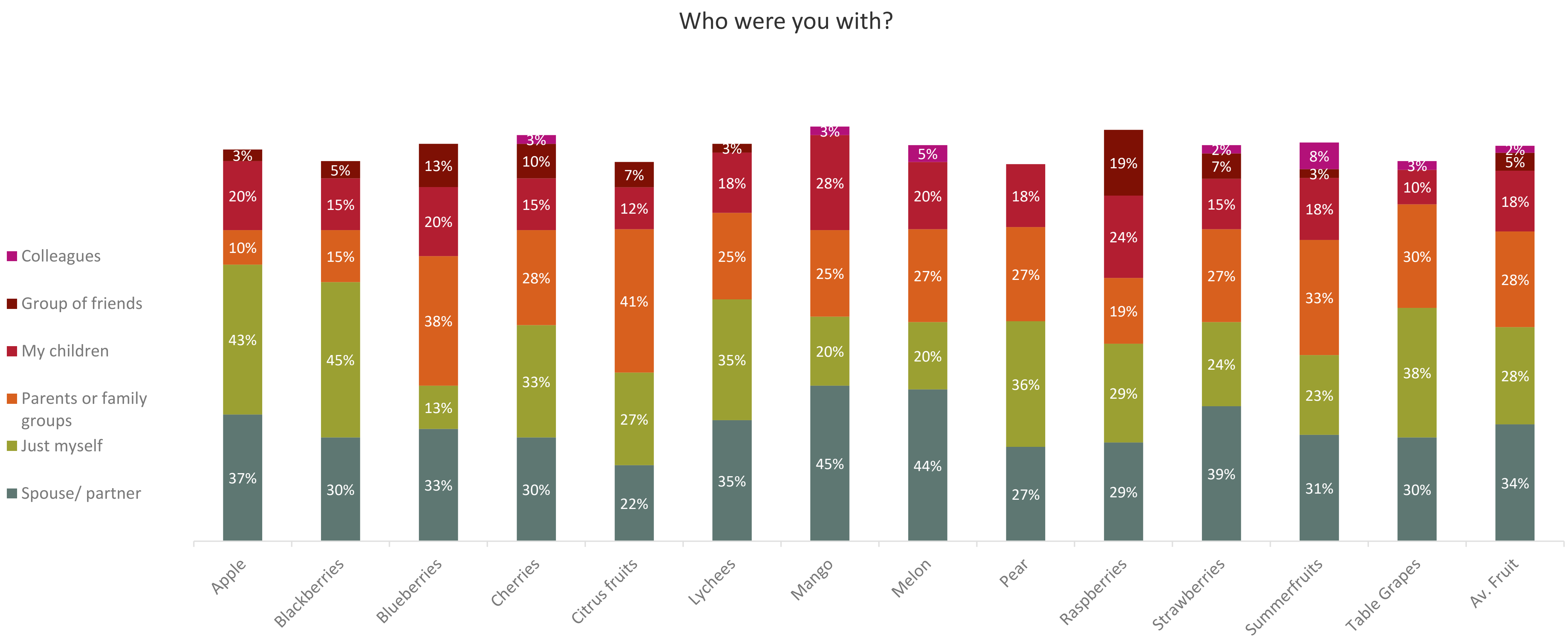
Source: Kantar HIA International Demand Study 2022
N= 444

Hort Innovation

Fruit is generally consumed with spouse / partner, parents or family group or alone



Source: Kantar HIA International Demand Study 2022
N=444

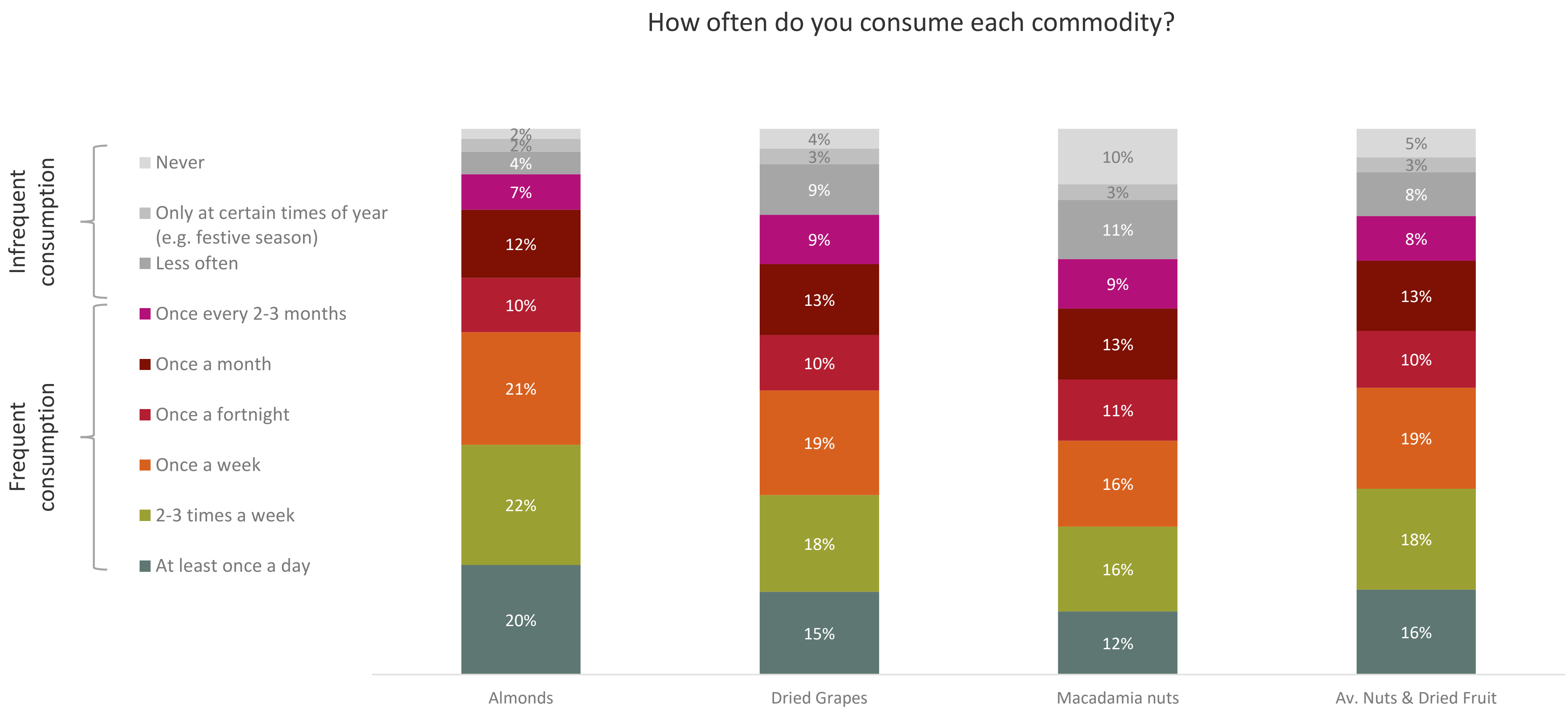
The 3 nuts & dried fruits of interest

Almond

Macadamia

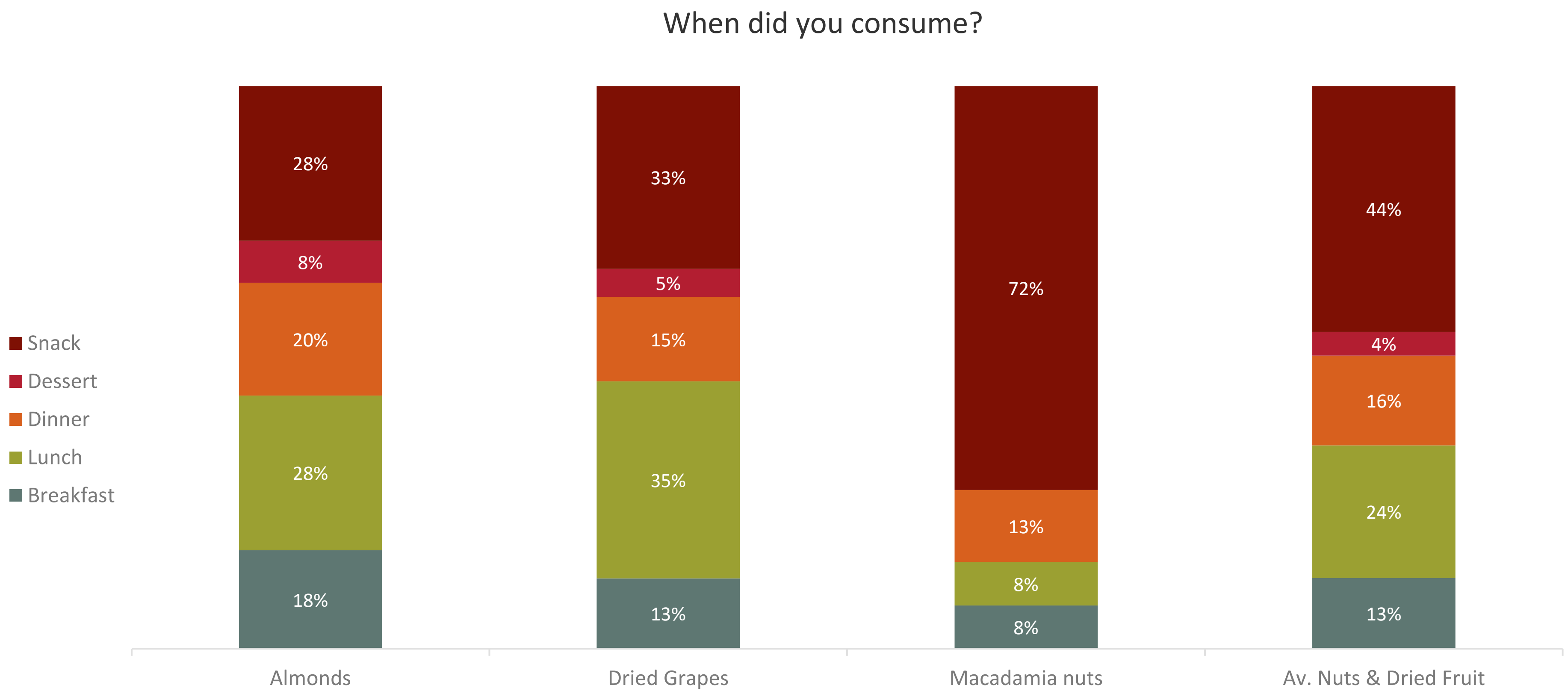
Dried Grapes

Nuts and dried grapes are highly penetrated in Qatar and eaten frequently



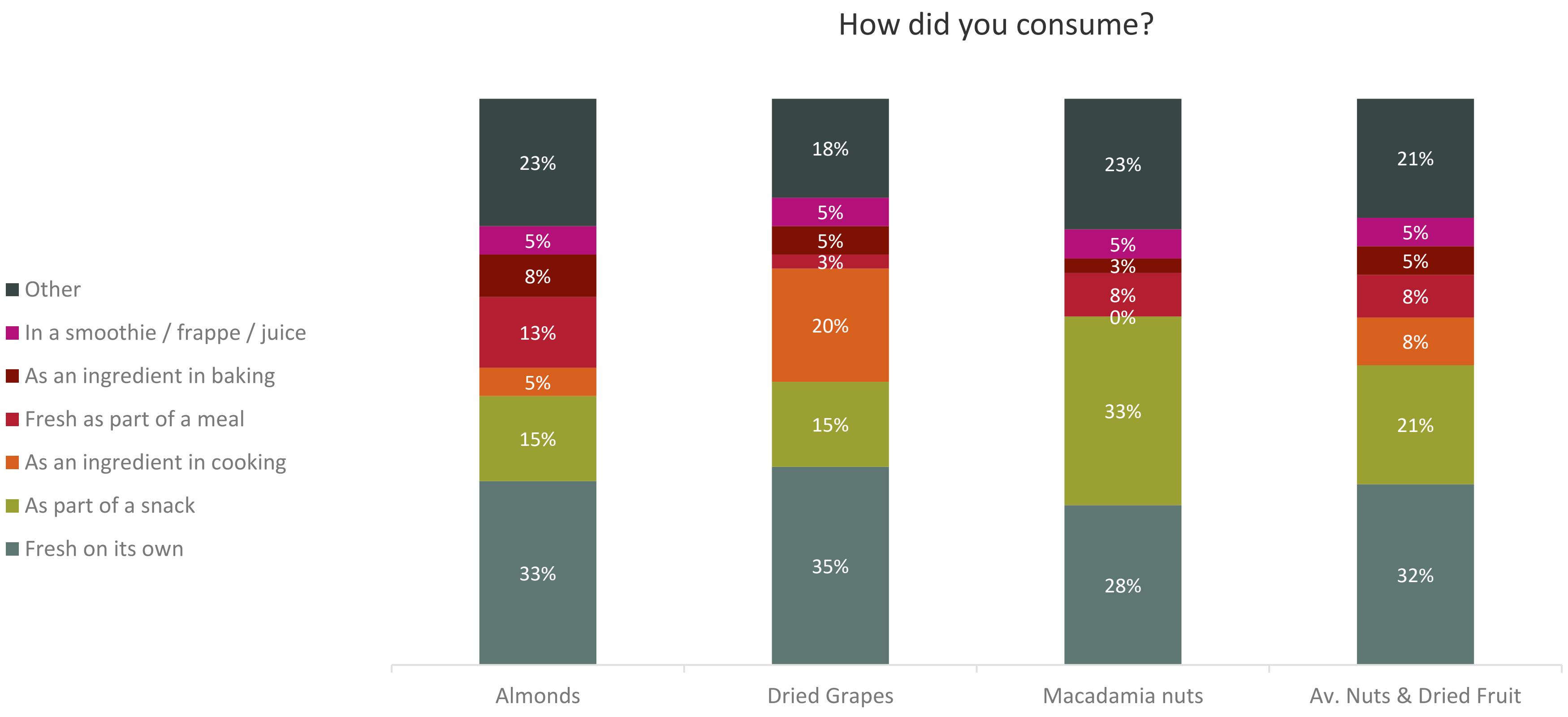
Source: Kantar HIA International Demand Study 2022
N=553

Nuts and dried grapes are predominantly snack foods but almonds and dried grapes are also consumed with meals throughout the day, especially lunch



Source: Kantar HIA International Demand Study 2022
N=119

Nuts and dried grapes are typically consumed fresh on their own or as part of a snack



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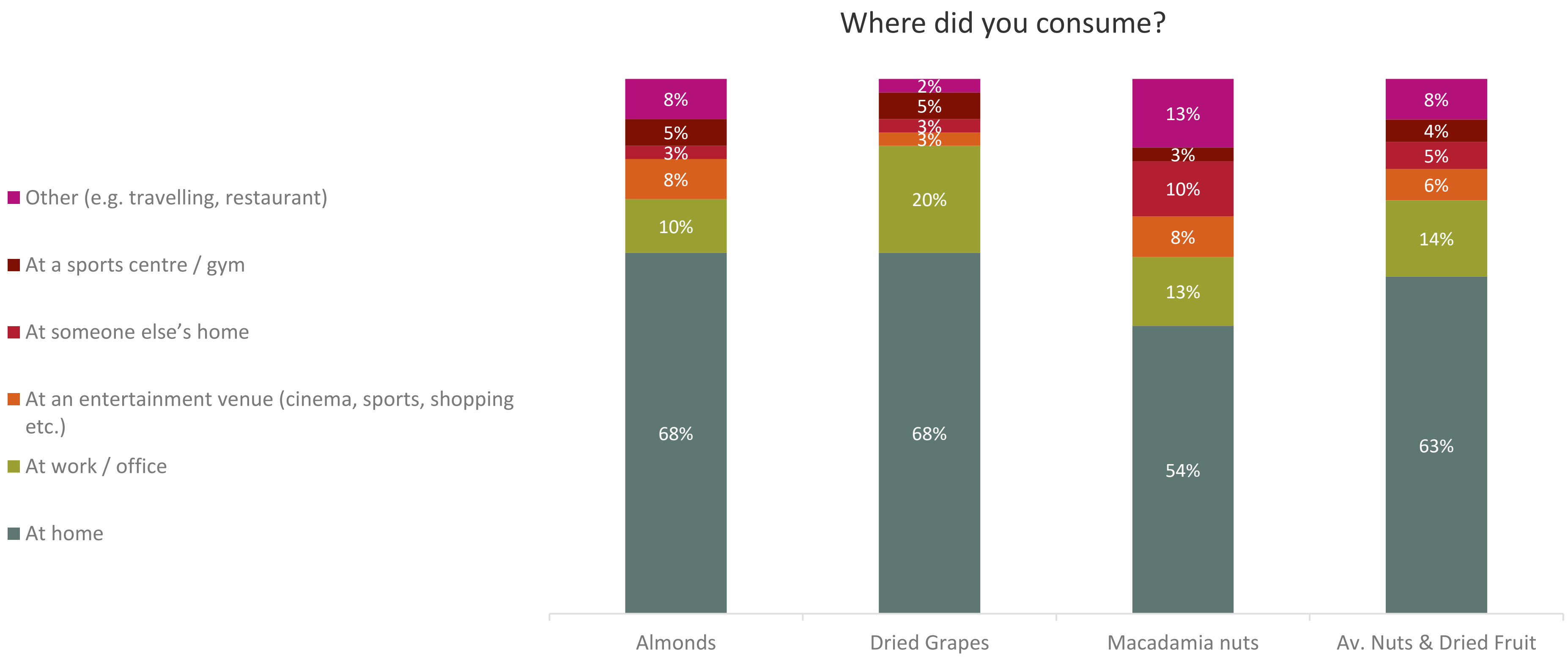
Source: Kantar HIA International Demand Study 2022
N=119

Hort Innovation

Two-thirds of consumption of nuts and dried fruits is in the home with work / office the second highest ranking location



Source: Kantar HIA International Demand Study 2022
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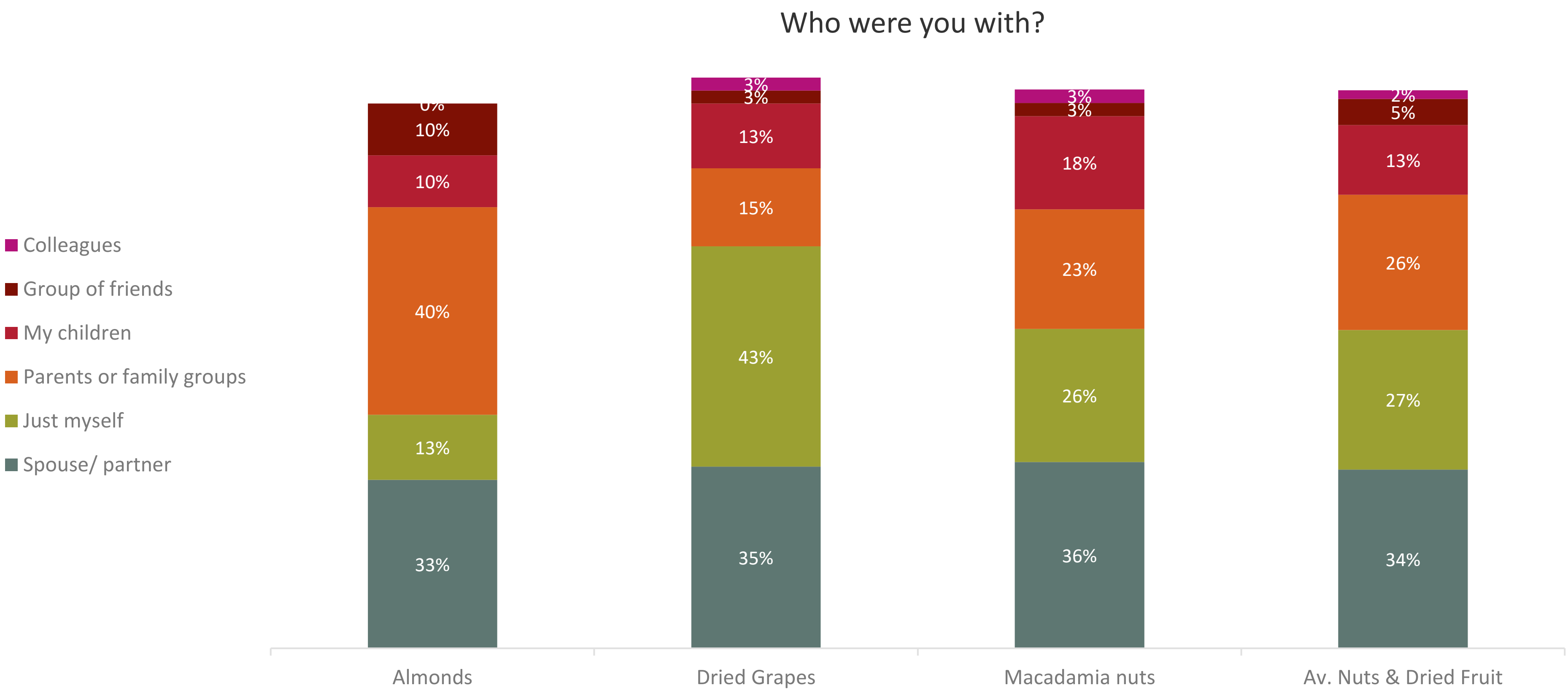
In Qatar, people eat nuts and dried grapes with spouse / partner, alone or parents / family group



Source: Kantar HIA International Demand Study 2022
N=119

The 6 vegetable groups of interest

While avocados and olives are technically fruits, this report aims to provide a consumer lens and in the minds of consumers, these commodities are considered vegetables.

They are widely consumed with savoury foods and the substitute set is vegetables, hence they are included here.

Avocado

Olives/Olive Oil

Onion

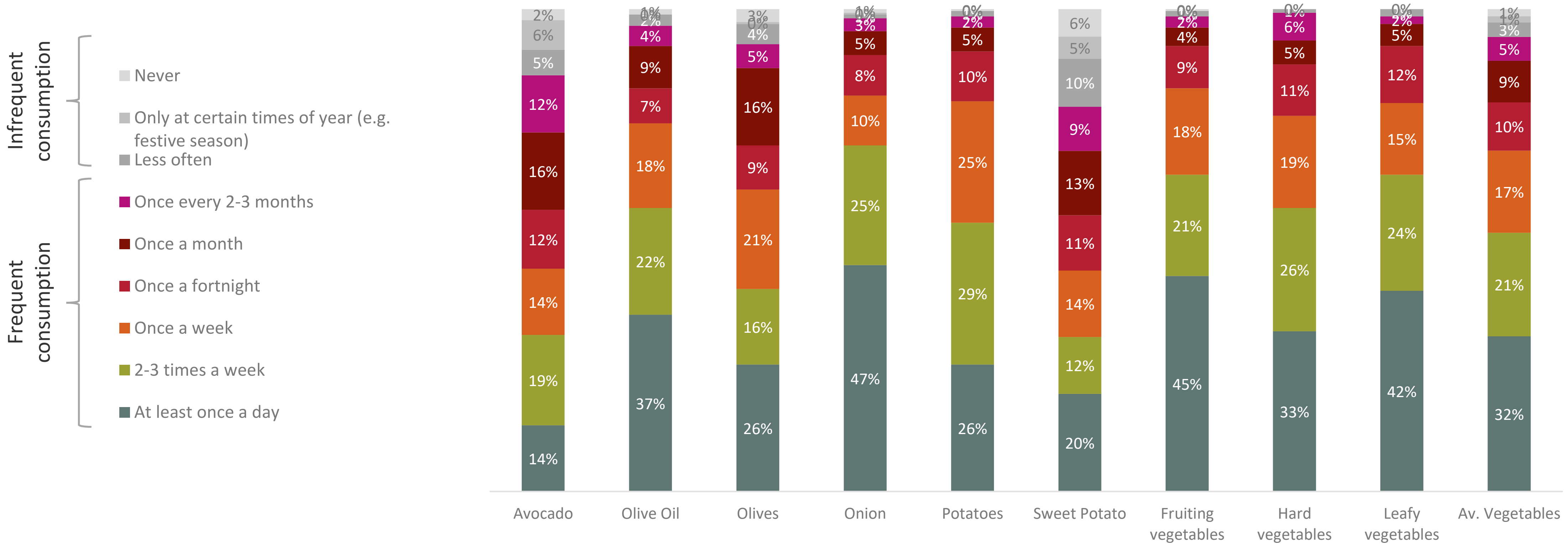
Potatoes

Sweet Potato

Hard Veg,
Fruiting Veg & Leafy Veg

All vegetables are highly penetrated with onions, fruiting vegetables and leafy vegetables most likely to be consumed daily

How often do you consume each commodity?



Source: Kantar HIA International Demand Study 2022
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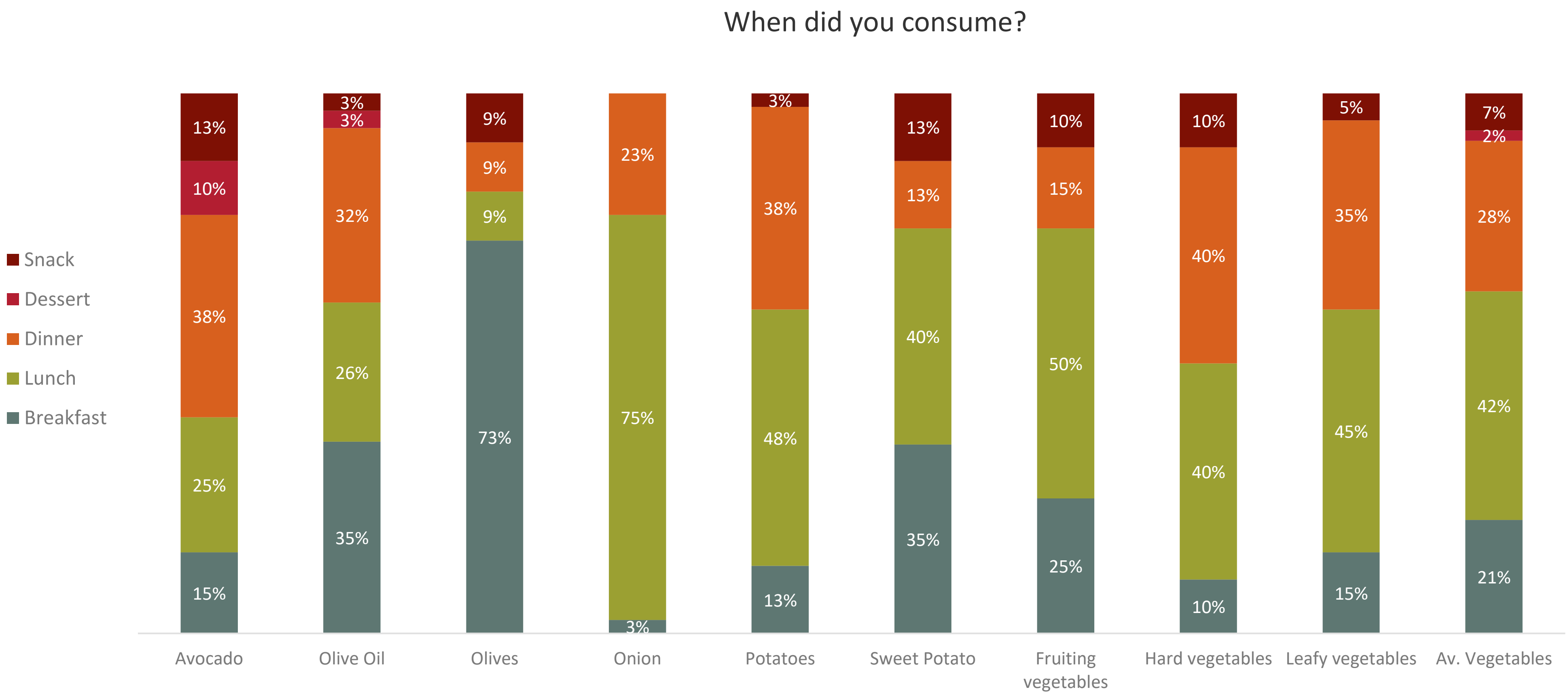
KANTAR

Hort Innovation

Most vegetables are consumed at meals, mainly at lunch, followed by dinner. Olives are more likely to be consumed at breakfast



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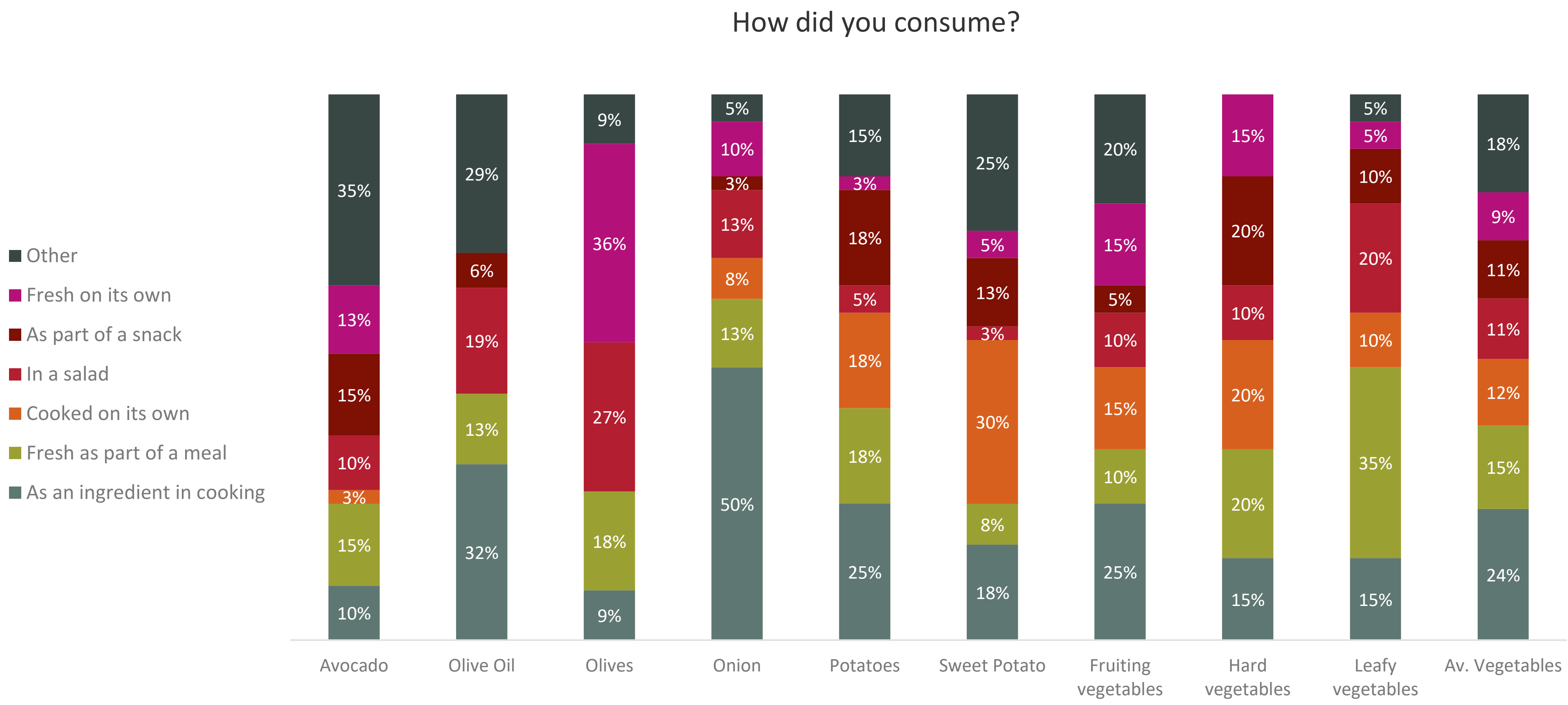
Source: Kantar HIA International Demand Study 2022
N=262

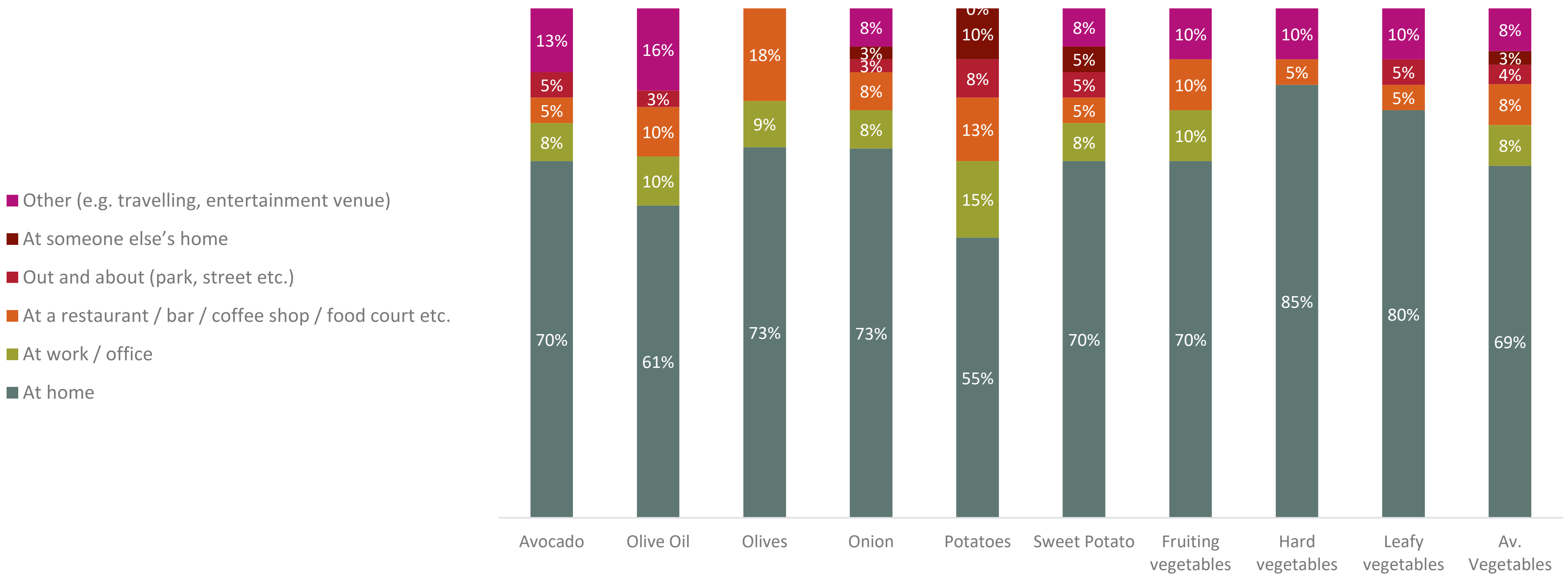
Hort Innovation

In Qatar, vegetables are generally used in a variety of ways, with ingredient in cooking, fresh as part of a meal or cooked on their own most frequent



Vegetables are typically consumed at home

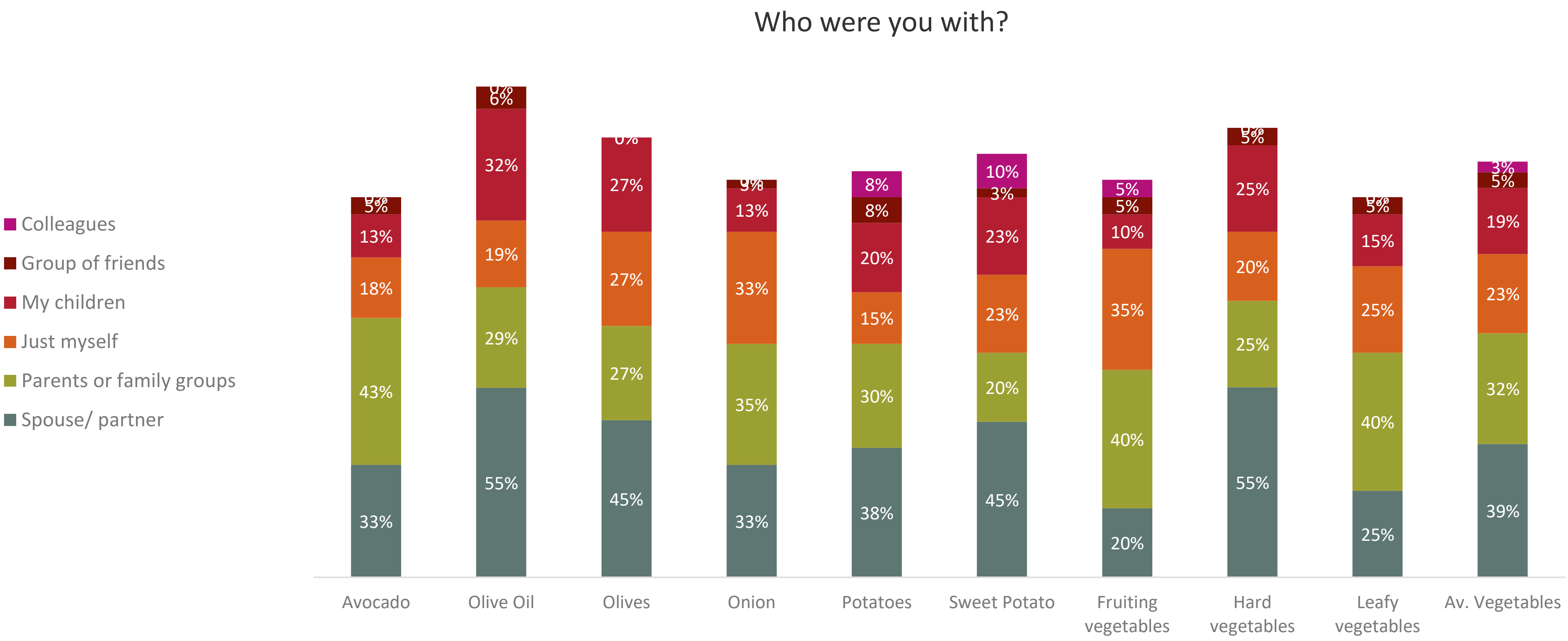
Where did you consume?



KANTAR

Source: Kantar HIA International Demand Study 2022
N=262

Vegetable consumption is primarily with spouse / partner, parents of family groups or alone



Source: Kantar HIA International Demand Study 2022
N=262

5. Commodity prioritisation

Leverage the strategic framework to prioritize commodities based on consumer behaviour and perception.

The strategic objective:

To determine – from a consumer perspective only – which commodities represent the strongest growth opportunities for Australian exports based on commodity usage, Australian appeal & the ability to command a premium

This analysis provides the consumer lens and is not intended to cover the totality of factors that influence the attractiveness and addressability of a market (e.g., supply chain, regulatory environment etc.).

The aim is to identify the most attractive Australian export commodities for Qatar's consumers and **there are two key axis on which we will evaluate each commodity to determine the priorities.**

Commodity Attractiveness

+

Australian Appeal

How attractive is the consumer opportunity for a commodity?

How appealing is Australian or premium produce?

Commodity Attractiveness and Australian Appeal are each determined by two factors. Each factor carries a different weight reflecting their relative importance

Commodity Attractiveness + Australian Appeal

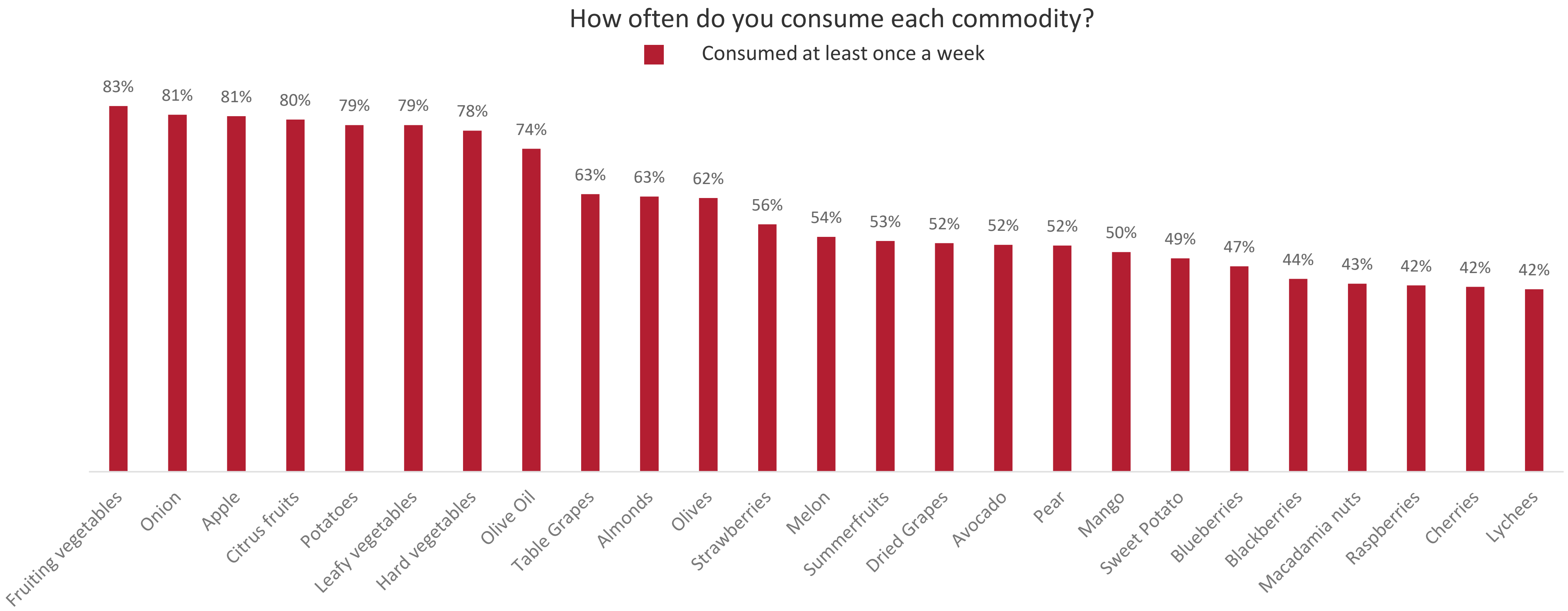
Commodity Attractiveness		Australian Appeal	
Penetration (consumed at least once a week)	Likelihood to pay at least 1.5x premium	Likelihood to purchase Australian	Ability to command a premium
30%	70%	40%	60%

Commodity Attractiveness determines the size of the potential opportunity for a particular commodity

nmodity Attractiver

Metric	Question	What this gives us
Penetration Once a week or more	*How often do you consume each commodity?*	Existing commodity penetration that represents an indicative size of the opportunity
Likelihood to pay premium 50%, or 1.5x, more	*Would you be willing to pay more for a premium quality commodity?*	The commodities for which consumers are willing to pay more & are an attractive opportunity

Vegetables, onions, apples and citrus fruit are the most highly penetrated commodities, followed by potatoes, other vegetables & olive oil. Snacking fruits and nuts such as grapes, almonds & olives are also regularly consumed



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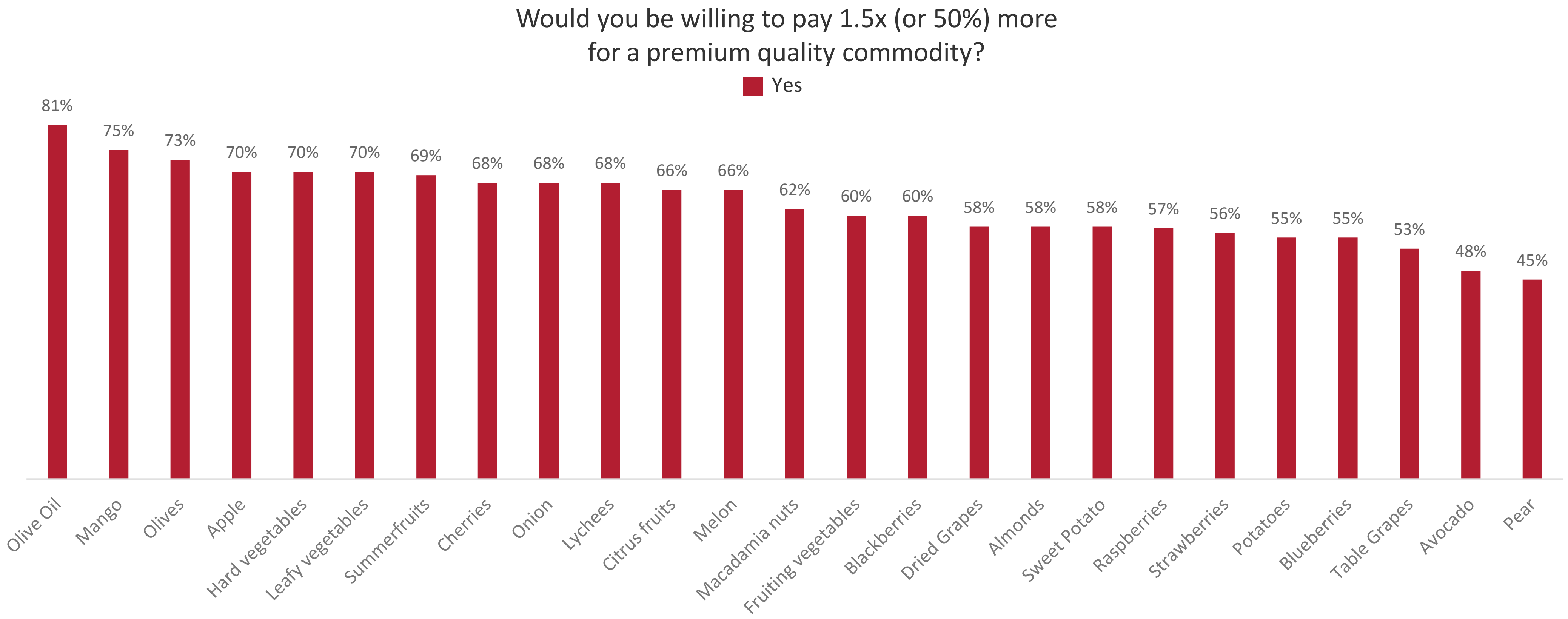
Source: Kantar HIA International Demand Study 2022; n=630

Hort Innovation

Qatari consumers are willing to pay a premium for a wide range of commodities, especially olive oil, mangos & olives



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Source: Kantar HIA International Demand Study 2022, n=630

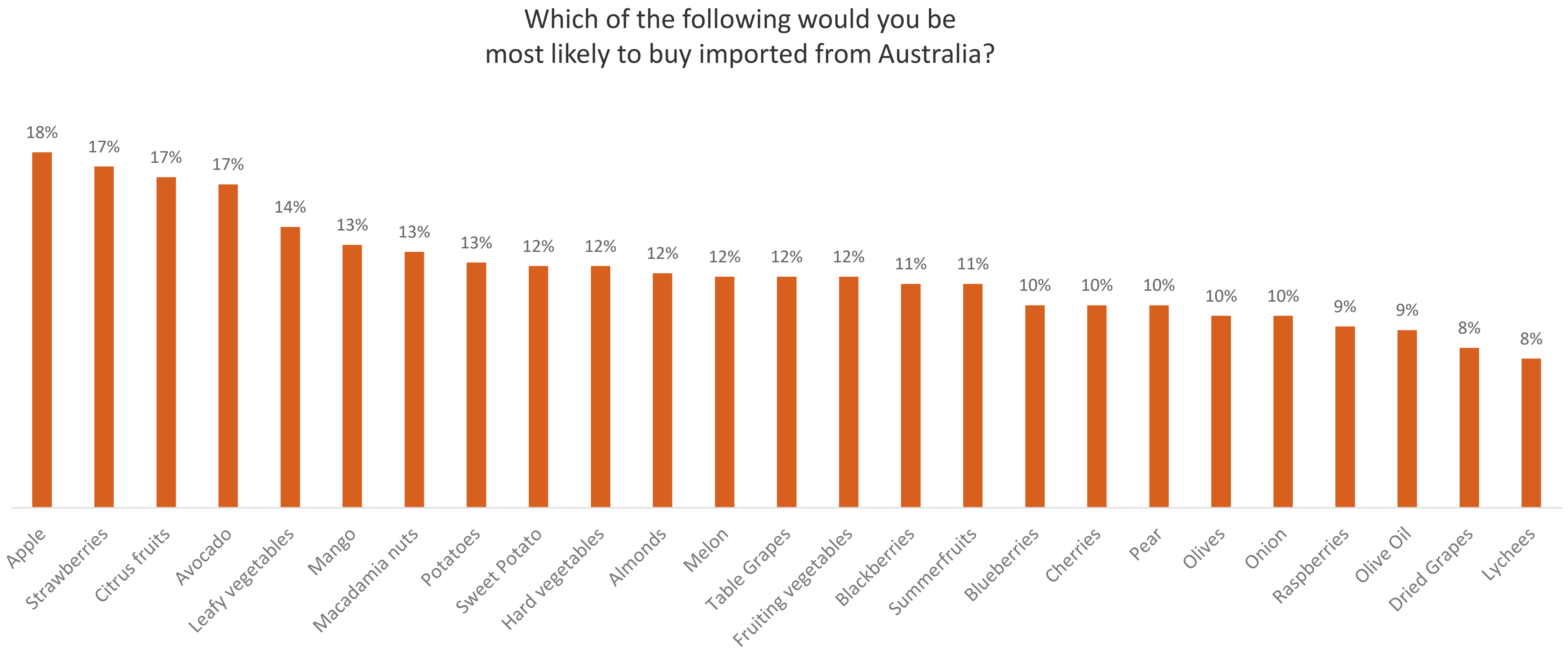
Hort Innovation

Australian Appeal provides an indication of the potential to realise the export opportunity based on how likely consumers are to purchase Australian or pay a premium for quality

Australian Appeal

Metric	Question	What this gives us
Likelihood to buy Australian	*Which would you be most likely to buy imported from Australia?*	The commodities for which Australian origin is appealing
Ability to command a premium	*How willing would you be to pay more for a premium quality commodity?*	The commodities for which there is untapped premium opportunity

Apple, strawberries, citrus fruits and avocados have strongest Australian appeal



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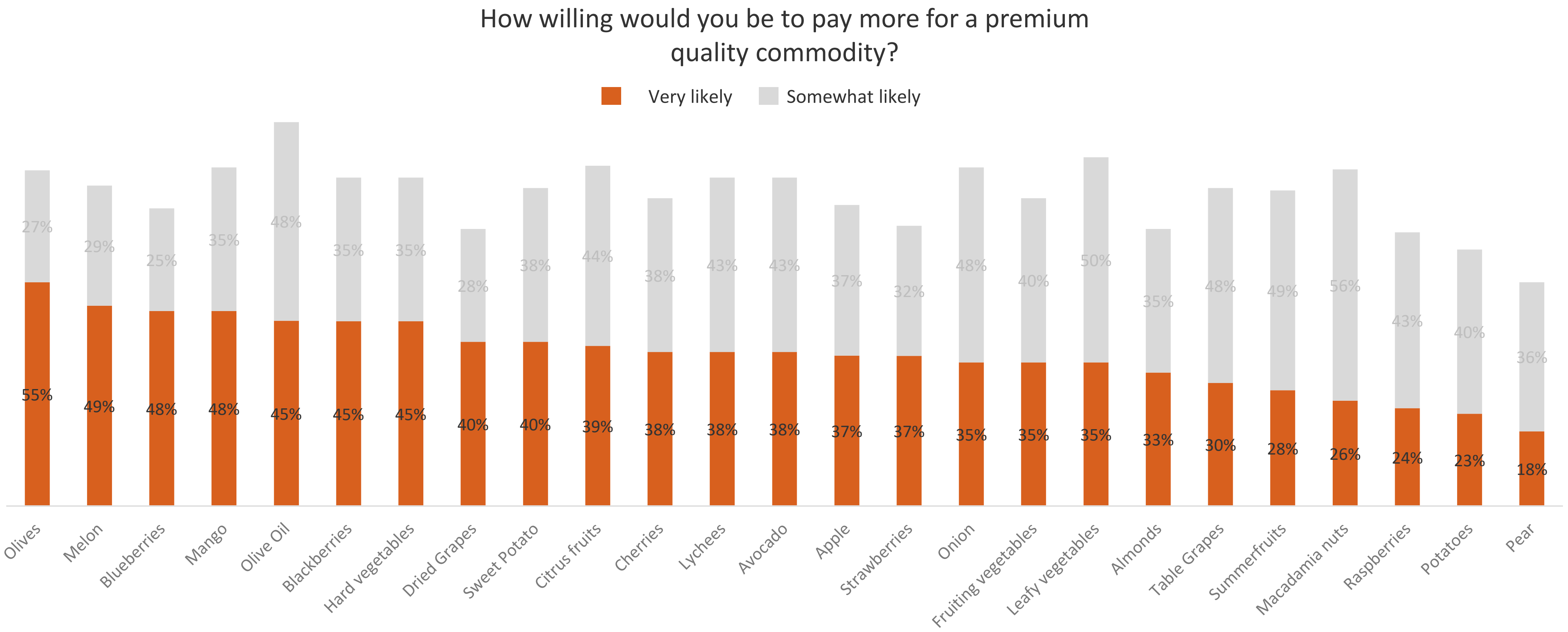
Source: Kantar HIA International Demand Study 2022, n=630

Hort Innovation

Olives are the strongest ranking for likelihood to pay more for a premium commodity, followed by melon, blueberries, mango, olive oil and blackberries



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Source: Kantar HIA International Demand Study 2022, n=630

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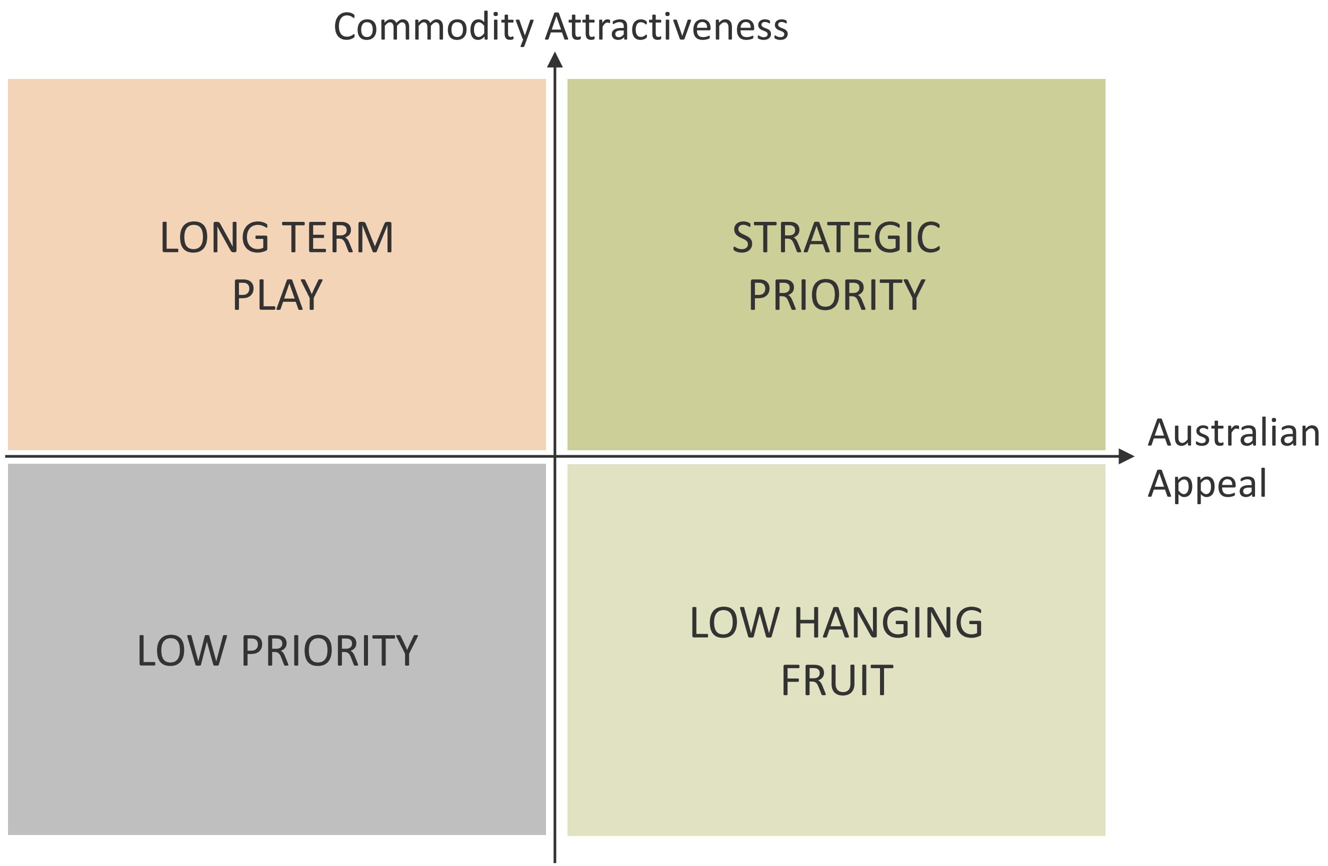
We bring this data together into a prioritisation matrix

The matrix will enable us to determine which commodities represent a strong consumer opportunity for Australian export

We plot each commodity's metrics on a strategic matrix to identify priority opportunities based on consumer preference and behaviour



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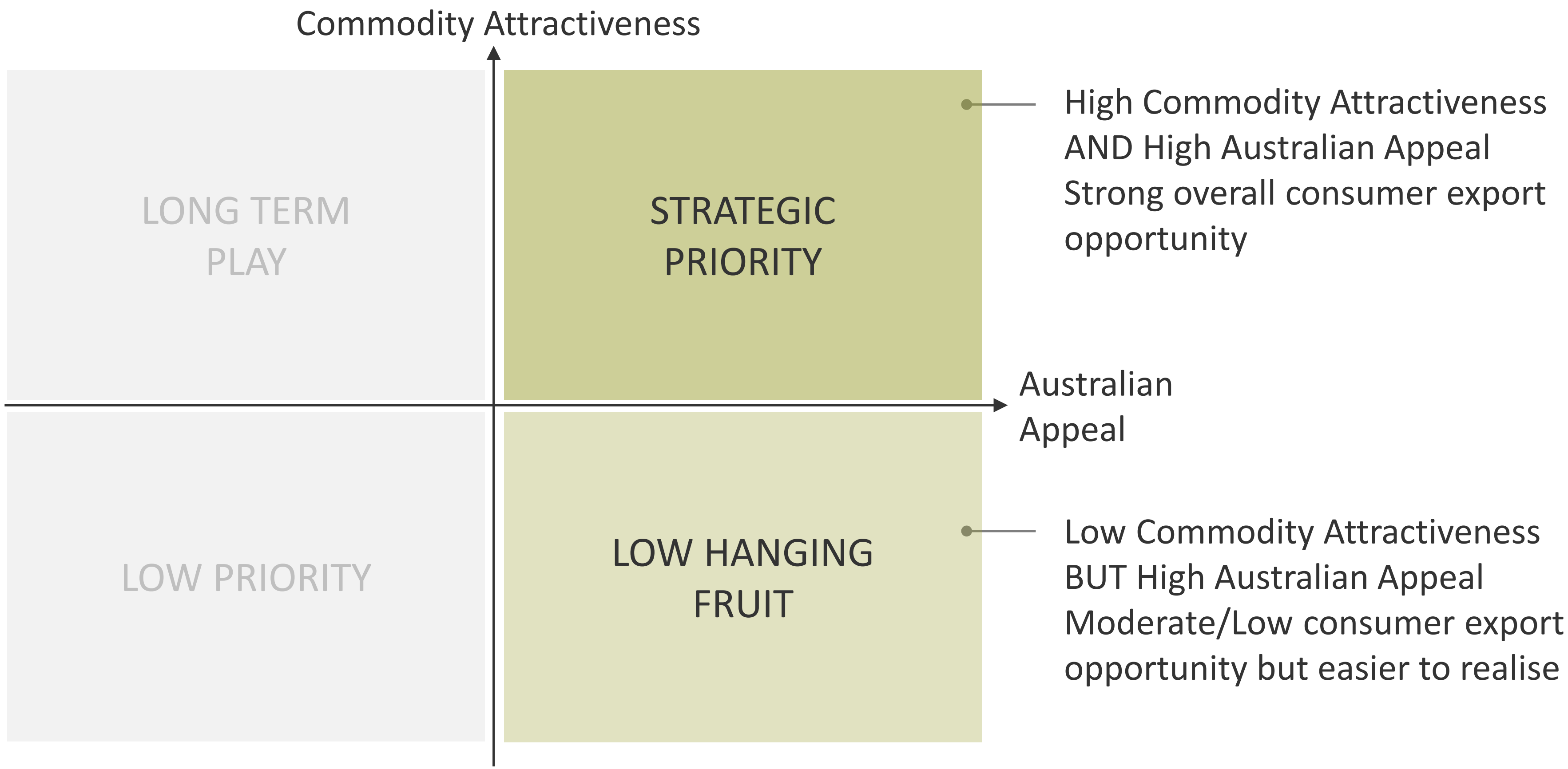
Commodities on the right-hand side of the matrix represent more attractive consumer opportunities for export and investment is more likely to generate a return



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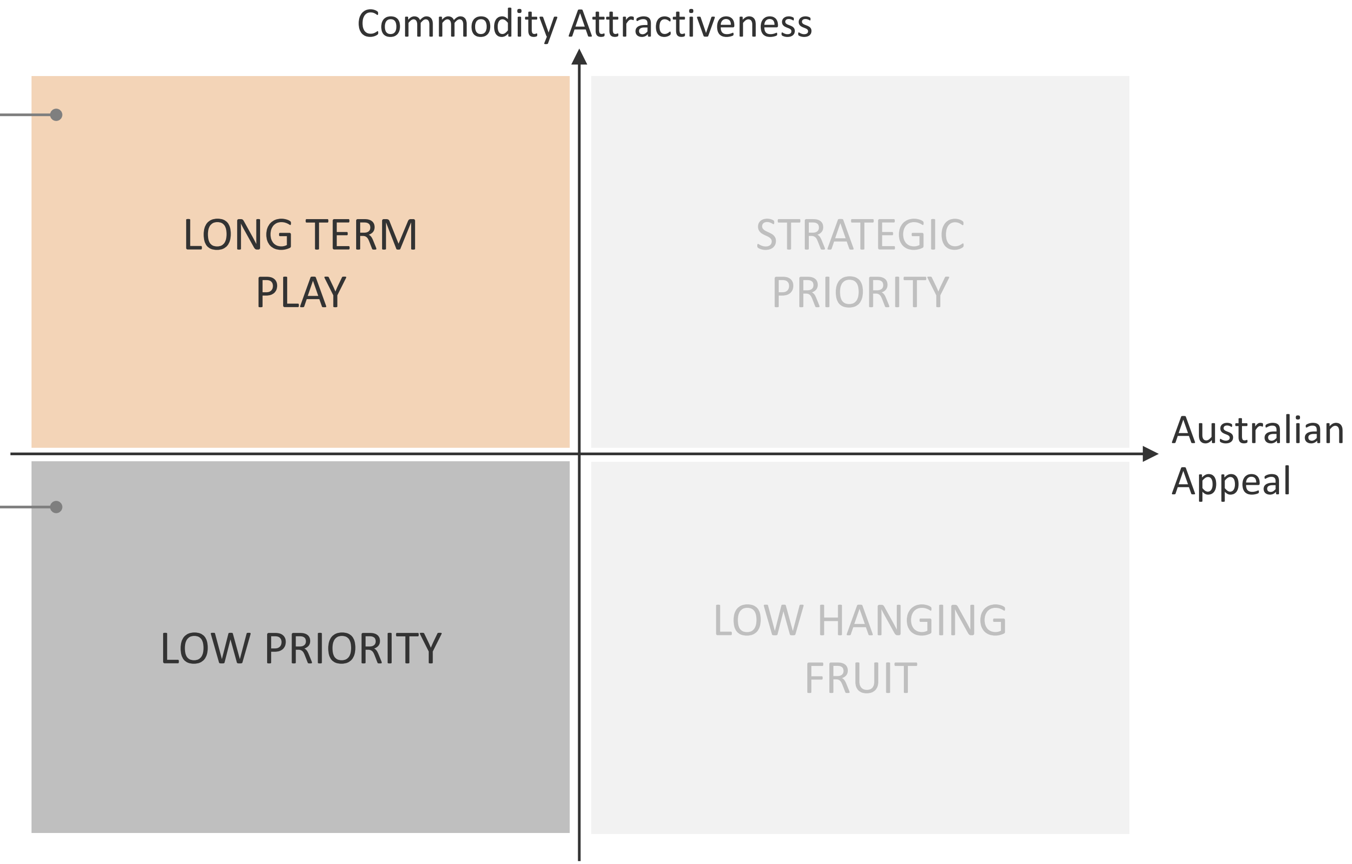
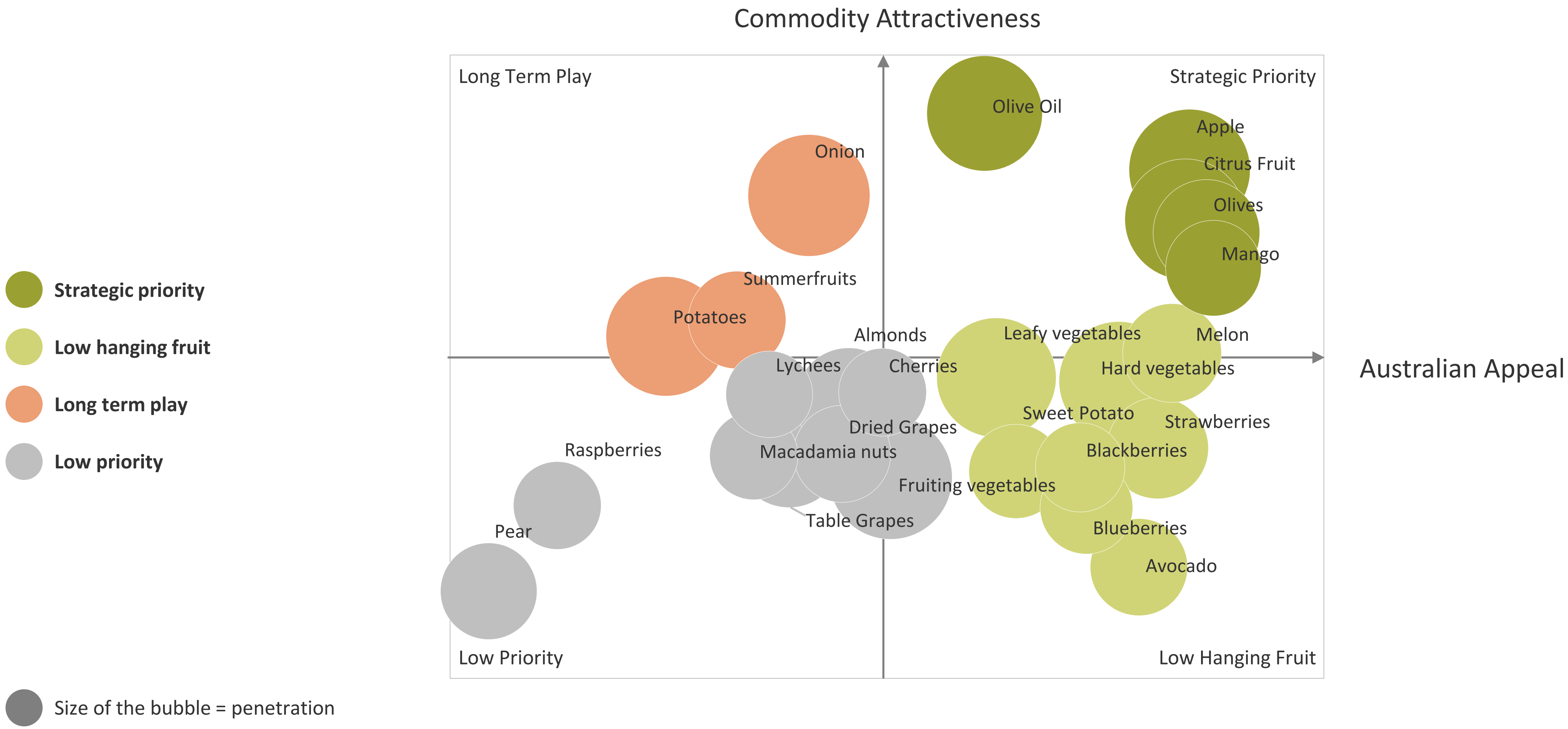
By contrast, commodities on the left-hand side of the matrix may require more investment with a longer term pay-off or minimal to no returns

High Commodity Attractiveness
BUT Low Australian Appeal
Moderate consumer export opportunity and potentially more investment to realise

Low Commodity Attractiveness
AND Low Australian Appeal
Low consumer export opportunity and any investment may not generate a return



We have identified 5 strategic priority commodities that represent the most attractive and appealing export opportunity, based on consumer preference and behaviour



Source: Kantar HIA International Demand Study 2022

Qatar: Summary of Strategic Priorities

	 Apples	 Citrus Fruits	 Olives	 Mangoes	 Olive Oil
STRATEGIC IMPLICATIONS	Apples represent a significant opportunity given the wide consumption and very strong Australian association that can be leveraged to export	Similarly, Citrus Fruits have a high penetration and very high Australian appeal. Despite a moderate premium opportunity, it's an attractive commodity to export	Olives have lower penetration, but are a strong premium opportunity given the desire for high quality and willingness to pay more	Similarly, Mangoes are a nicher opportunity but a combination of high Australian appeal and willingness to pay for premium quality make them a highly addressable opportunity	Olive oil is a less addressable export opportunity given Australian appeal is lower; high penetration and strong premium association makes it attractive to export
ATTRACTIVENESS	• Very high penetration – the most widely consumed of all the fruits (81% weekly consumption) • High willingness to pay 1.5x more for premium quality	• Very high penetration – #2 ranking of all the fruits • Moderate willingness to pay 1.5x more	• Moderate penetration vs. other commodities, but still high (62% consume weekly) • #3 ranking of all commodities for willingness to pay more for premium	• Lower penetration vs. other commodities • #2 ranking of all commodities for willingness to pay more for premium	• High penetration • #1 ranking of all commodities for willingness to pay more for premium
ADDRESSABILITY	• Apples have the strongest Australian appeal of all commodities • Moderate premium quality appeal	• Very high Australian appeal (#3 ranked commodity) • Moderate premium quality appeal	• Lower Australian appeal • Very high (#1 ranked commodity) premium quality appeal	• High Australian appeal • High premium quality appeal	• Lower Australian appeal • High premium quality appeal

6. Appendix

The following groups of fruits, vegetables and nuts are included in the study

Fruits


Apple & Pear


Blueberries


Cherry


Citrus
(e.g. orange, lemon, lime, grapefruit)


Lychees


Mango


Melons


Raspberries & Blackberries


Strawberries


Summer fruit
(e.g. apricots, nectarines, peaches, plums)


Table Grapes

Nuts & dried fruits


Almond


Macadamia


Dried Grapes
(e.g. raisins, sultanas)

Vegetables


Potatoes


Sweet Potato


Avocado


Olives/Olive Oil


Onion


Hard Veg
(e.g. carrots, sweet corn, pumpkin, cauliflower, cabbage, beetroot)


Fruiting Veg
(e.g. tomatoes, capsicum, cucumbers, zucchini, eggplant)


Leafy Veg
(e.g. salad greens, broccoli/broccolini, fresh herbs, lettuce, leafy Asian greens, spinach, silverbeet, kale

While avocados and olives are technically fruits, this report aims to provide a consumer lens and in the minds of consumers, these commodities are considered vegetables. The substitute set is vegetables, hence they are included here.