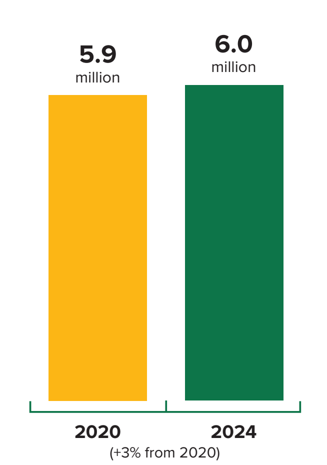
MEAT & LIVESTOCK AUSTRALIA

MARKET SNAPSHOT | BEEF & SHEEPMEAT

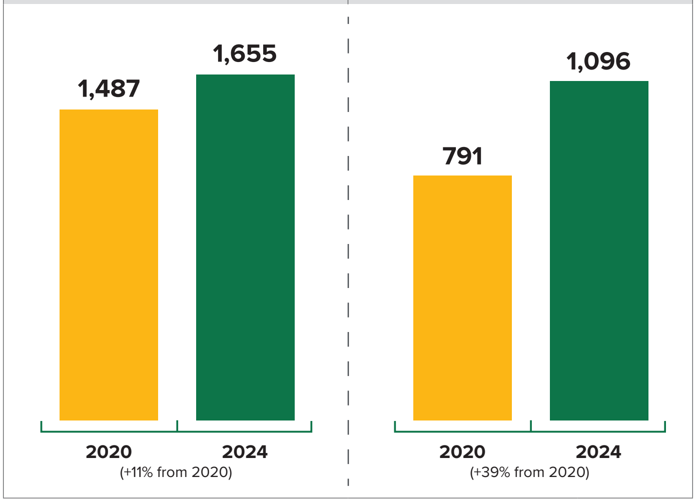
Singapore

Singapore has a small but lucrative market thanks to its strong consumer spending power, robust tourism industry and ever-evolving retail and foodservice sectors. 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. Australian red meat exports to Singapore remain robust, with an average annual growth rate of 11%. Despite COVID-19 disruptions, there has been a sharp increase in Singapore's demand for Australian red meat in the first three quarters of 2020, partly underpinned by the government's efforts to maintain food security in response to the pandemic.

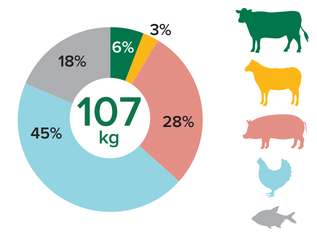
Population[1]



Household number by disposable income[2] (thousands)



Meat consumption per capita[3]

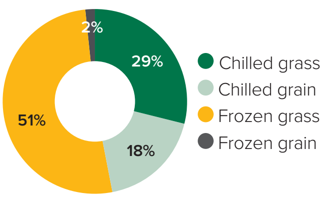


Grocery spend[4]

A$ 1,543 per person

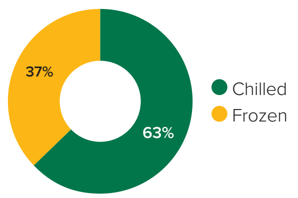
Australian beef exports

Australian beef exports – volume[5]



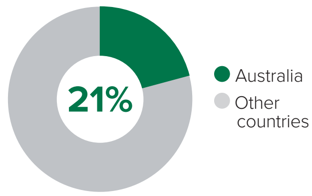
Total 9,497 tonnes swt

Australian beef exports – value[6]

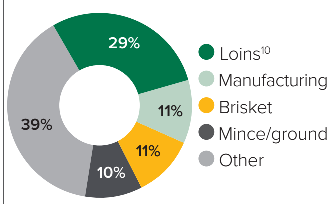


Total A$118.8 million

Australia's share of beef imports[7]

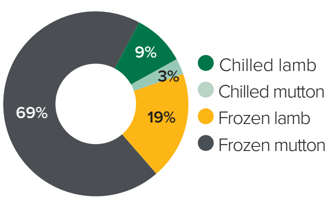


Australian beef export by cut[8]



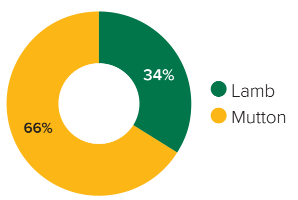
Australian sheepmeat exports

Australian sheepmeat exports – volume[5]



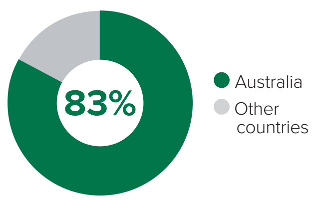
Total 11,593 tonnes swt

Australian sheepmeat exports – value[6]

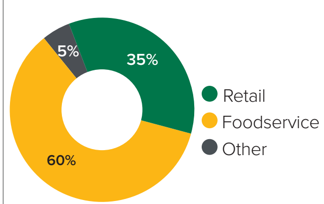


Total A$102.1 million

Australia's share of sheepmeat imports[7]



Key distribution channels of Australian sheepmeat[9]



Data source for charts: [1,2] Fitch Solutions, [3] GIRA 2020, [4] IGD 2019 (defined as the total annual grocery retail market turnover in a given year, divided by the population for the same year), [5] DAWE (FY 2019–20), [6] ABS/IHS Markit (FY 2019–20), [7] IHS Markit (FY 2019–20), [8] DAWE (FY 2019–20), [9] MLA market intelligence, [10] Included cube roll/rib eye roll, striploin, tenderloin, loin, shortloin.

Beef

CONSUMERS

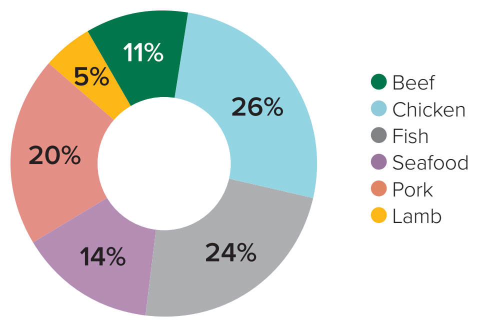
- Singapore has relatively high per capita beef consumption among South-East Asian countries, despite beef being a less frequently consumed protein in Singaporean daily diets compared to fish, chicken and pork.
- Beef is regarded as the most superior meat, with delicious taste. About half of consumers 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).*

Important attributes when Singaporean consumers select between meats	Singaporean consumers' beef associations
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

- 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.
- Comparing the two products, Australian beef tends to be more appealing to older consumers while Japanese beef is more preferable to younger ones *(Source: MLA Global Consumer Tracker Singapore, 2017).*
- 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/stirfry 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.

Proportion of average serves in the last seven days

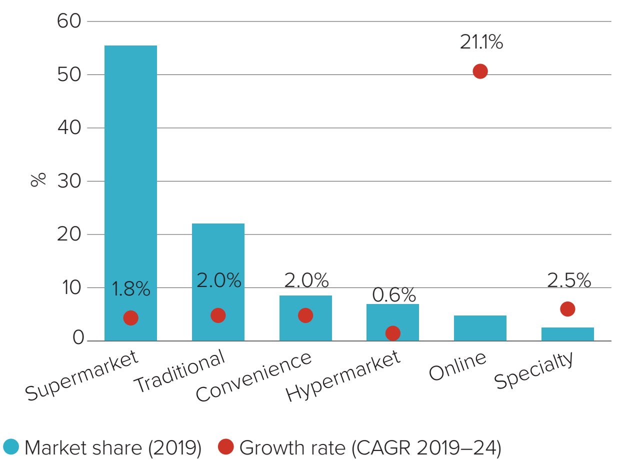


Source: MLA Global Consumer Tracker Singapore, 2017

RETAIL

- 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 is seeing a growing number of gourmet stores and upmarket butchery shops such as Ryan's Grocery, Huber's Butchery, Foodie Market Place, The Butcher, Culina, Little Farms, Meidi-ya and Don Don Donki. Most of them also offer online shopping services.
- With growing consumer interest in healthy eating, 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.
- Online grocery retail is expanding at an exponential rate. Currently, online grocery accounts for about 5% of all grocery sales, and is expected to double by 2024. The size of online sales for beef is still relatively small, however, it is growing at a fast pace. While the overall grocery retail market is consolidated, the online segment remains highly fragmented with many small, independent players.
- The new 'dine-and-buy' retail concept, offering retail and dine-in services, is also growing in popularity.

Singapore grocery market shares and growth rates by major channel

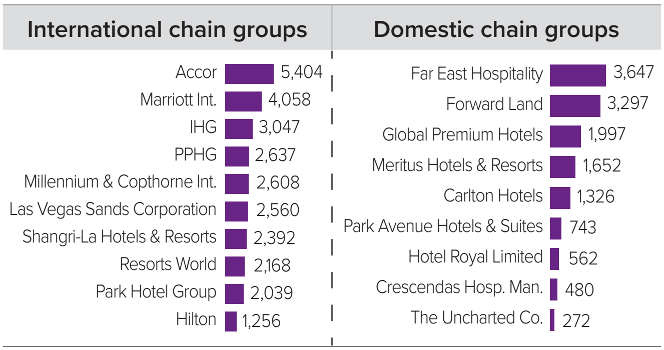


Source: IGD

FOODSERVICE

- Singapore's hotel and foodservice sector is highly developed and diverse, with restaurants coming in many different formats, spanning from Michelin-starred to casual and the well-known affordable food centre – *Hawker*.
- Australian beef is generally utilised in the higher end foodservice segment.
- Tourism is an important growth engine of Singapore's foodservice sector. The country welcomes about 15 million international visitors per year on average.
- Intense competition in the market for only six million sophisticated consumers is the key driver for constant innovation among foodservice operators. New restaurant formats, menus or services are continuously introduced to the market. Singapore's fast-paced and ever-changing foodservice environment represents both challenges and opportunities for growing demand for Australian red meat.

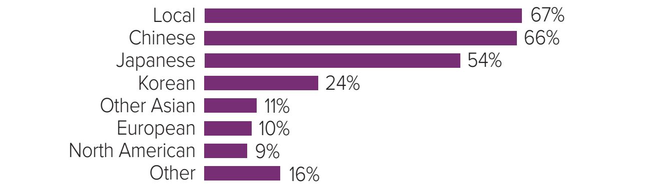
Singapore hotel chains ranking by number of rooms



Source: Horwath HLT, Asia Pacific Hotels & Chains Report 2018

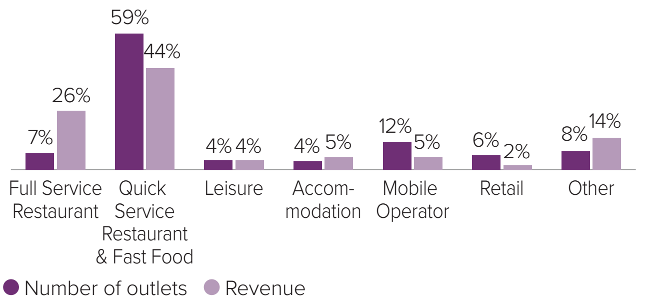
- Millennials and Generation Z consumers are the key growth drivers for Singapore's foodservice sector, as they are aspirational and open to new dining experiences such as trying new food trends and cuisines from different cultures. They also have a strong interest in indulging in high quality food when dining out.

Which type of cuisine do Singaporean consumers prefer when dining out?



Source: MLA Attractive Cities Study Singapore , 2018

Singapore foodservice sector by proportion of outlet and value shares

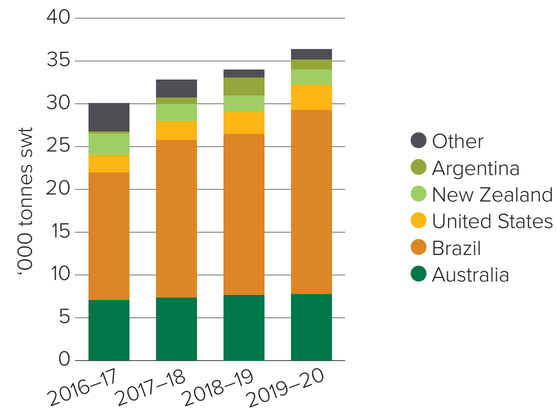


Source: GlobalData, 2020 estimate

COMPETITIVE LANDSCAPE

- Singapore has a highly competitive beef market, with more than 30 countries supplying beef to Singapore. However, Australia, Brazil, the US and New Zealand are the key suppliers.
- Beef imports to Singapore have grown at a faster rate in recent years, driven by expanding retail and foodservice sectors and growing popularity of beef among Singaporean consumers.
- Australia accounts for about 20% on average and is the largest supplier of chilled beef.
- Brazil dominates almost half of Singapore's total beef imports, predominantly frozen. Imports from Brazil have grown dramatically, with most Brazilian products used in lower end foodservice and manufacturing.
- Despite the severe COVID-19 impact on the tourism and foodservice sectors – one of the key distribution channels for Australian beef – Singapore's beef imports in the first half of 2020 increased significantly by 16% year-on-year.
- Chilled beef imports in the first half of 2020 declined 8% year-on-year, however imports from Australia grew by 5%.
- Singapore relies on imports for most food products including beef. The COVID-19 outbreak has heightened the importance of food security, seeing an increasing need for a resilient food supply chain backed by reliable suppliers. Food security is among the top priorities for the Singaporean government during and post COVID-19.

Singapore beef imports by major supplier



Source: IHS Markit , Australian Fiscal Year

Market access overview

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

		2019–20	% of total	2018–19	% of total	five-year average (2014–15 to 2018–19)	% of total	change 2019–20 vs five-year average %	change 2019–20 vs five-year average in tonnes swt
Total		**9,497**		**6,344**		**6,971**		**36**	**2,526**
Storage	Chilled	4,472	47	4,265	67	3,803	55	18	669
	Frozen	5,025	53	2,079	33	3,168	45	59	1,857
Meat type	Grassfed	7,633	80	4,688	74	5,607	80	36	2,026
	Grainfed	1,864	20	1,656	26	1,364	20	37	500
Storage/meat type	Chilled grassfed	2,765	29	2,674	42	2,496	36	11	269
	Chilled grainfed	1,708	18	1,591	25	1,307	19	31	401
	Frozen grassfed	4,868	51	2,014	32	3,111	45	56	1,758
	Frozen grainfed	156	2	65	1	57	1	175	99

Source: DAWE

Value – in A$ 000

		2019–20	% of total	2018–19	% of total	five-year average	% of total	%	in A$ 000
Total		**118,754**		**91,011**		**82,381**		**44**	**36,373**
Storage	Chilled	74,706	63	67,225	74	57,331	70	30	17,375
	Frozen	44,048	37	23,785	26	25,050	30	76	18,998

Source: ABS/IHS Markit

Volume – by major cut (in tonnes swt)

	2019–20	% of total	2018–19	% of total	five-year average	% of total	%	in tonnes swt
Striploin	1,471	15	1,368	22	1,163	17	26	308
Manufacturing	1,043	11	191	3	427	6	144	616
Brisket	1,003	11	499	8	484	7	107	519
Minced/Ground	961	10	502	8	566	8	70	394
Cube Roll/Rib Eye Roll	814	9	673	11	602	9	35	213
Other	4,205	44	3,111	49	3,729	53	13	476
Total	**9,497**		**6,344**		**6,971**		**36**	**2,526**

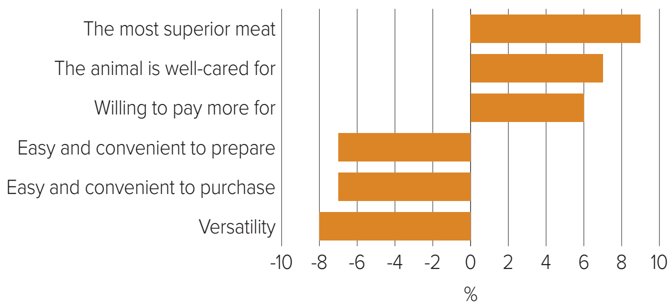
Source: DAWE

Sheepmeat

CONSUMERS

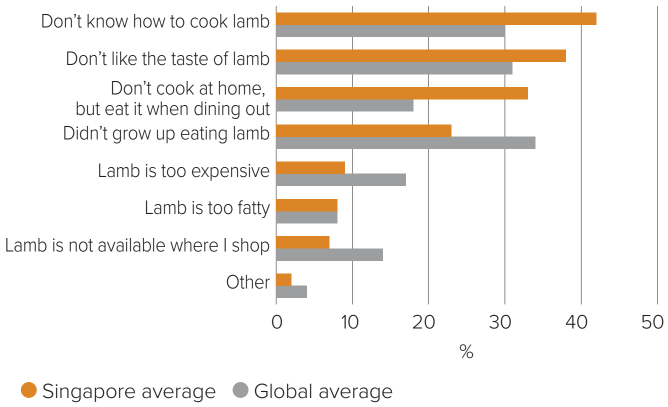
- In general, sheepmeat is a less consumed protein in the daily diet of the majority of Singaporean consumers. However, Singapore has a multiracial population of Malays, Indians and other minorities, who consume sheepmeat more regularly in their diets, accounting for about 24%. Ethnic locals, expats and tourists are also important consumer groups for sheepmeat in Singapore.
- Not knowing how to cook sheepmeat is a key barrier for consumers to buy and cook lamb at home.
- 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).*

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*

Reasons Singaporean consumers don't buy lamb



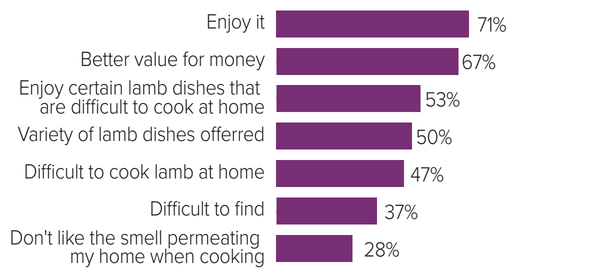
Source: MLA Global Consumer Tracker Singapore, 2017

Lamb Buah Keluak with Rice

FOODSERVICE

- Foodservice remains the key channel for sheepmeat, with about one third of the consumers surveyed 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.

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



Source: MLA ASEAN Attractive Cities Study Singapore, 2018
**includes goatmeat*

RETAIL

- Singaporean consumers purchase sheepmeat from multiple avenues including modern retail stores to wet markets. Compared to beef, consumers tend to buy Australian sheepmeat more from wet markets. However, supermarkets, butcher shops and hypermarkets are still the main places of purchase.
- Stews, roasts, grills and BBQ are the most popular lamb dishes cooked at home *(Source: MLA ASEAN Attractive Cities Study Singapore, 2018).*

Top five influencing factors on Singaporean consumers' lamb purchase decisions*

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

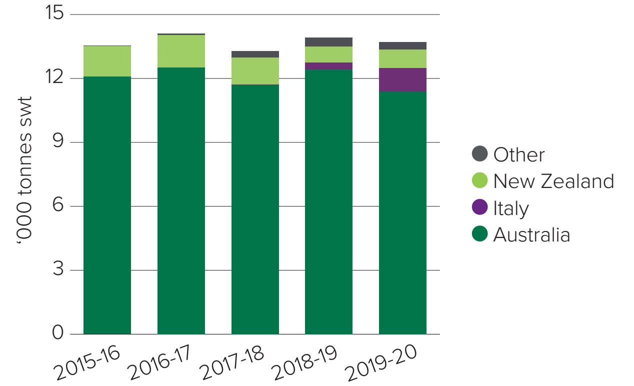
Source: MLA Global Consumer Tracker Singapore, 2017
**when they are selecting lamb at a retail outlet*

Australian sheepmeat sold at a high-end supermarket in Singapore

COMPETITIVE LANDSCAPE

- Australia is the largest supplier of sheepmeat to Singapore with a market share of more than 85%, followed by New Zealand. However, imports from New Zealand have been in decline due to supply constraints, resulting in a surge from other suppliers, notably from Italy.

Singapore sheepmeat imports



Source: IHS Markit , Australian Fiscal Year

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Best access — Major challenges

Source: Trade agreements, DFAT

Australian sheepmeat exports to Singapore – summary table

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	Total	**11,593**		**11,483**		**11,379**		**2**	**214**
Storage	Chilled	1,403	12	1,359	12	1,201	11	17	201
	Frozen	10,190	88	10,123	88	10,178	89	0	13
Meat type	Lamb	3,257	28	2,297	20	2,231	20	46	1,026
	Mutton	8,336	72	9,186	80	9,147	80	-9	-812
Storage/ meat type	Chilled lamb	1,072	9	998	9	847	7	27	225
	Chilled mutton	330	3	362	3	354	3	-7	-23
	Frozen lamb	2,185	19	1,299	11	1,384	12	58	801
	Frozen mutton	8,005	69	8,824	77	8,794	77	-9	-788

Source: DAWE.

Value – in A$ 000

		2019–20	% out of total	2018–19	% out of total	five-year average	% out of total	%	in A$ 000
	Total	**102,130**		**102,386**		**80,331**		**27**	**21,800**
Storage	Lamb	34,263	34	26,710	26	22,545	28	52	11,718
	Mutton	67,868	66	75,676	74	57,785	72	17	10,082

Source: ABS/IHS Markit

Volume - by major cut (in tonnes swt)

		2019–20	% out of total	2018–19	% out of total	five-year average	% out of total	%	in tonnes swt
Lamb	Leg	1,253	38	749	33	755	34	66	498
	Carcase	495	15	523	23	404	18	22	90
	Shoulder	481	15	284	12	275	12	75	206
	Other	1,028	32	740	32	797	36	29	232
	Total	**3,257**		**2,297**		**2,231**		**46**	**1,026**
Mutton	Carcase	4,126	49	4,964	54	4,782	52	-14	-657
	Leg	2,736	33	2,751	30	2,790	31	-2	-54
	Manufacturing	828	10	802	9	1,074	12	-23	-246
	Other	647	8	669	7	501	5	29	146
	Total	**8,336**		**9,186**		**9,147**		**-9**	**-812**

Source: DAWE