

OPPORTUNITIES FOR SOUTH AUSTRALIA IN GLUTEN FREE FOODS

Australia is the largest gluten free market in the Asian Pacific region and a significant exporter to the United States of America and Western Europe. The Australian market for gluten free products was estimated to be worth USD90 million in 2014 with a Compounded Annual Growth Rate of 11.2% by 2020.



PREMIUM
FOOD AND WINE FROM OUR
CLEAN
ENVIRONMENT



FUNCTIONAL FOODS

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



Australia is the largest gluten free market in the Asian Pacific region and a significant exporter to the United States of America and Western Europe. The Australian market for gluten free products was estimated to be worth USD90 million in 2014 with a Compounded Annual Growth Rate of 11.2% by 2020.

CHINA	Chinese consumer awareness of gluten free products is relatively low, meaning they are mostly consumed by the expat population and by Chinese High Net Worth Individuals. Rates of coeliac disease in China are low. There is currently limited domestic activity related to gluten free production in the Chinese market.
HONG KONG	Hong Kong's consumer preference for gluten free foods is generally based on an elective choice to avoid carbohydrates, rather than for medical needs. Currently most gluten free products available in Hong Kong are imported and are of higher than average quality.
INDIA	The usage of gluten free products in India is often a response to a diagnoses of coeliac disease, awareness of which is still very low. As public awareness increases, demand is expected to grow. Bakery and confectionery products with gluten free ingredients account for 40% of India's total gluten free market, particularly available through health food channels. For staple foods, prices for gluten free products are up to 300% higher than for normal food. Such a high price makes it unaffordable for many consumers, therefore product usage is largely restricted to medically-supervised nutrition.
INDONESIA	There are currently very limited opportunities in Indonesia with a generally low awareness of coeliac disease or the benefits of a gluten free diet. There is currently no significant domestic production and very limited imported gluten free products.
JAPAN	In Japan, there is generally low levels of public awareness of gluten free products. Consumers in the Japanese gluten free market are mainly western expatriates and Chinese High Net Worth Individuals. The limited local market means that there is no significant domestic production in Japan, with the majority of gluten free products imported. The projected compound annual growth rate for the Japanese gluten free market by 2020 is 2%.
MALAYSIA	In Malaysia, the demand for gluten free products, particularly amongst the young urban population, is mostly driven by a desire for a healthy diet and weight management, rather than to alleviate symptoms of coeliac disease. Gluten free products are currently not widely available for purchase in Malaysia, except through specialty retailers. There is no significant domestic production of gluten free products or ingredients in Malaysia.
SINGAPORE	Singapore's gluten free consumers constitute a very small minority of the country's population. Recent attention to gluten free products has been driven more by consumers seeking a healthier, low-carb diet than to address a medical condition (with the exception of some migrant populations). There is limited availability of gluten free products in Singapore other than from specialised outlets. Due to the limited demand, there is no significant production of gluten free products or ingredients currently in Singapore.
SOUTH KOREA	South Korea's gluten free consumers constitute a minority of the market; however, an emerging café culture in South Korea will drive interest in baked goods, particularly prevalent in Seoul. Recent demand has generally been driven more by consumers seeking a healthier, low-carbohydrate diet rather than to support a particular medical condition.

OPPORTUNITIES FOR SOUTH AUSTRALIA

Australia is a major producer, consumer and exporter of gluten free products. South Australia has an opportunity to export gluten free products as either a functional ingredient or as finished products to Asian markets. The promotion of the benefits of a gluten free diet coupled with the increasing awareness of gluten intolerance is vital to develop and mature these markets. The absence of significant domestic production in Asia positions South Australia well for exporting into markets with limited competition.

- Chinese consumers have a pronounced preference for non-Chinese gluten free foods due to the perception of inferior domestic quality. South Australia has an established record of high quality and safe food products. Gluten free products are generally only purchased by higher income consumers and are centred on urban markets.
- The increase in diagnosis of coeliac disease is a significant driver for the demand for gluten free products in Asian markets, however the cost differentiation between gluten and non-gluten products is a major barrier to uptake for the general public. The export potential exists for low-cost alternatives to gluten products.

- Japan has limited mid-term forecast growth in gluten free foods, however there is a slowly emerging demand for these products which could lead to greater demand in the longer term. There is no significant domestic production of gluten free, with imports making up nearly all of the market.
- In Malaysia and Singapore there is currently limited demand for gluten free foods and ingredients, however due to interest in a gluten free diet from younger consumers, there is potential for a significant increase in demand. There is currently a perception in these markets of gluten free being items being a premium product.

www.pir.sa.gov.au/functionalandluxuryfoods

South Australian Food Innovation Centre | Phone: (08) 8226 0109
Email: PIRSA.foodinnovationcentre@sa.gov.au