Consumer & retail: 2026 key themes and implications to red meat

Global Market Insights
January 2026

MEAT & LIVESTOCK AUSTRALIA

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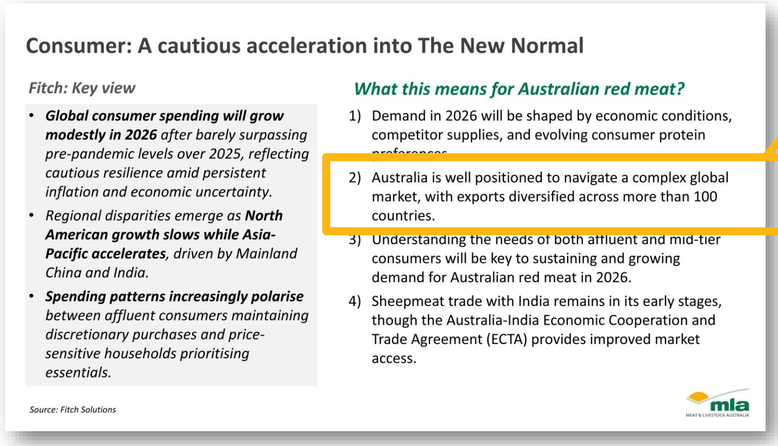
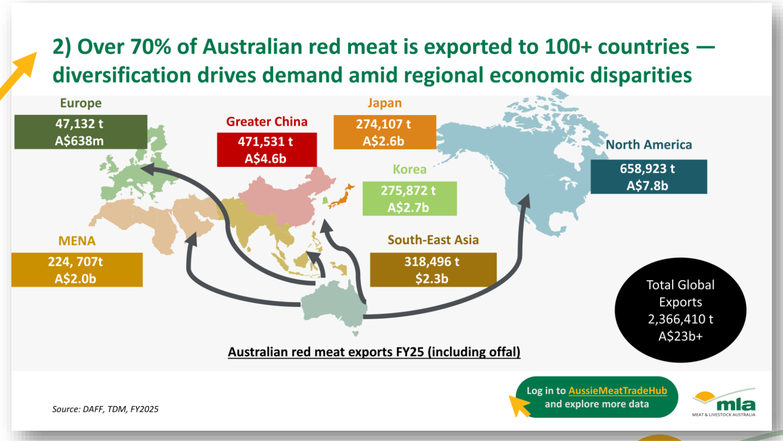
About this report

This report was compiled by MLA in consultation with BMI – A Fitch Solutions Company (hereafter Fitch). It draws on Fitch commentaries (*Consumer & Retail Key Themes for 2026* and *Food & Drink Key Themes for 2026*, both published on 17 Nov 2025) and feedback from Fitch analysts.

Fitch originally reported on 12 themes. MLA selected five themes most relevant to Australian red meat and added implications, opportunities, and potential risks for 2026 and beyond.

Notation guide:
Numbers shown on insight slides (e.g., **1)**) link directly to corresponding implications on the theme slide.





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2026 key themes

Consumer:
A cautious acceleration into The New Normal

Technology:
Deep AI entrenchment in retail

Indulgence:
Affordable premium drives retail strategy

Healthification #1:
Ingredients diversified, wellness redefined

Healthification #2:
Packaging evolves in line with health & sustainability

Source: Fitch Solutions, MLA

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Consumer: A cautious acceleration into The New Normal

Fitch: Key view

- ***Global consumer spending will grow modestly in 2026*** *after barely surpassing pre-pandemic levels over 2025, reflecting cautious resilience amid persistent inflation and economic uncertainty.*
- *Regional disparities emerge as* ***North American growth slows while Asia-Pacific accelerates****, driven by Mainland China and India.*
- ***Spending patterns increasingly polarise*** *between affluent consumers maintaining discretionary purchases and price-sensitive households prioritising essentials.*

What this means for Australian red meat?

1) Demand in 2026 will be shaped by economic conditions, competitor supplies, and evolving consumer protein preferences.
2) Australia is well positioned to navigate a complex global market, with exports diversified across more than 100 countries.
3) Understanding the needs of both affluent and mid-tier consumers will be key to sustaining and growing demand for Australian red meat in 2026.
4) Sheepmeat trade with India remains in its early stages, though the Australia-India Economic Cooperation and Trade Agreement (ECTA) provides improved market access.

Source: Fitch Solutions

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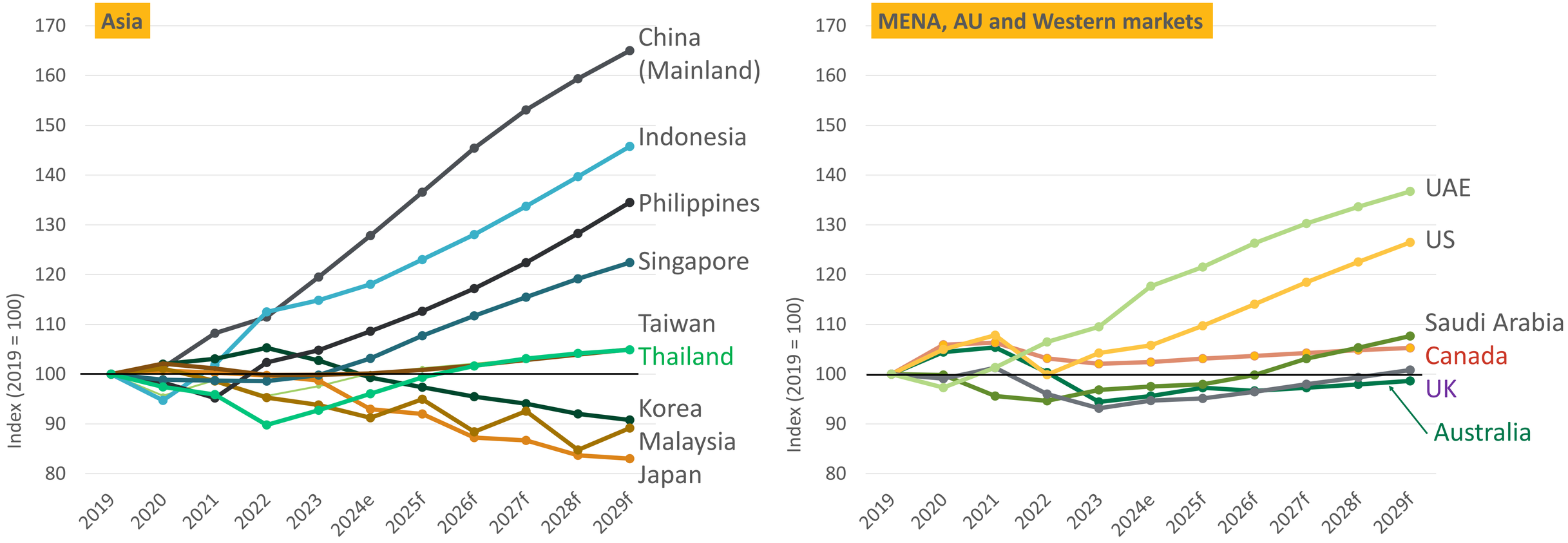
1) ‘Ability to purchase’ depends on more than disposable income

Real Purchasing Power Index (2019–2029) trends and forecasts



Purchasing power reflects not just income, but also inflation, currency strength, and broader economic conditions. These factors drive differences across regions and shape long-term consumer behaviour.

Source: Fitch Solutions

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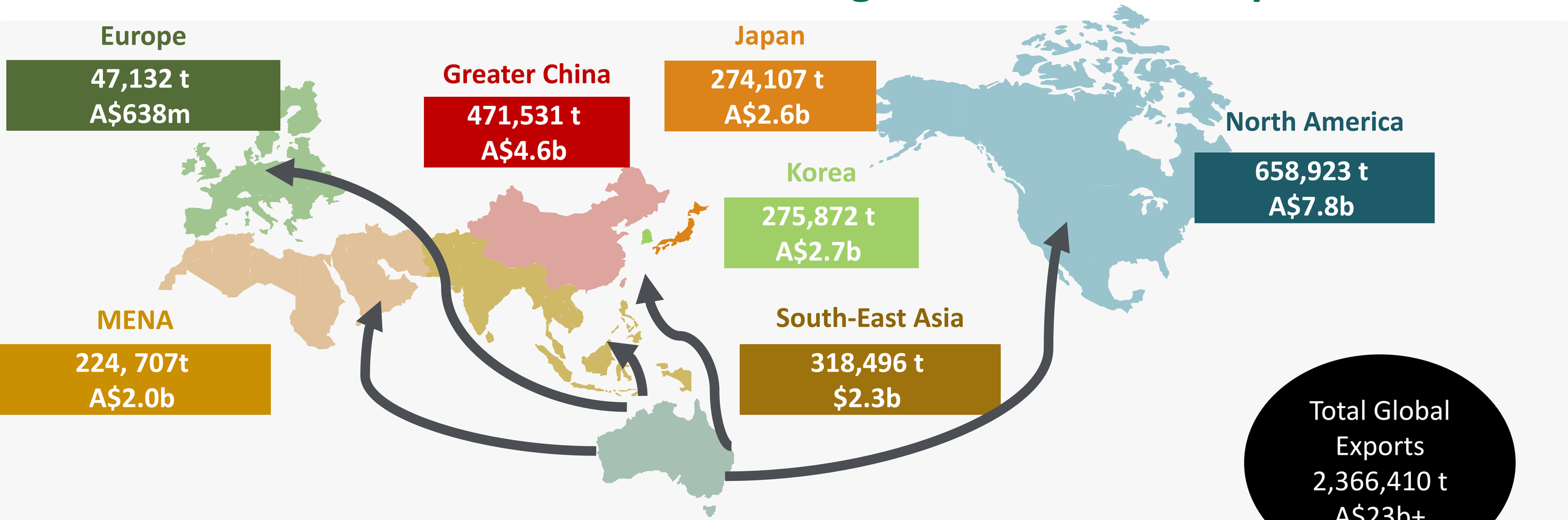
2) Over 70% of Australian red meat is exported to 100+ countries — diversification drives demand amid regional economic disparities



Australian red meat exports FY25 (including offal)

Source: DAFF, TDM, FY2025. Europe – (EU-27 and *the UK), MENA-12 – (UAE, Bahrain, Egypt, Israel, Jordan, Kuwait, Mauritius, Oman, Qatar, Saudi Arabia, Iran, Iraq), South-East Asia – (Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam), Greater China – (China, Taiwan, Hong Kong)*

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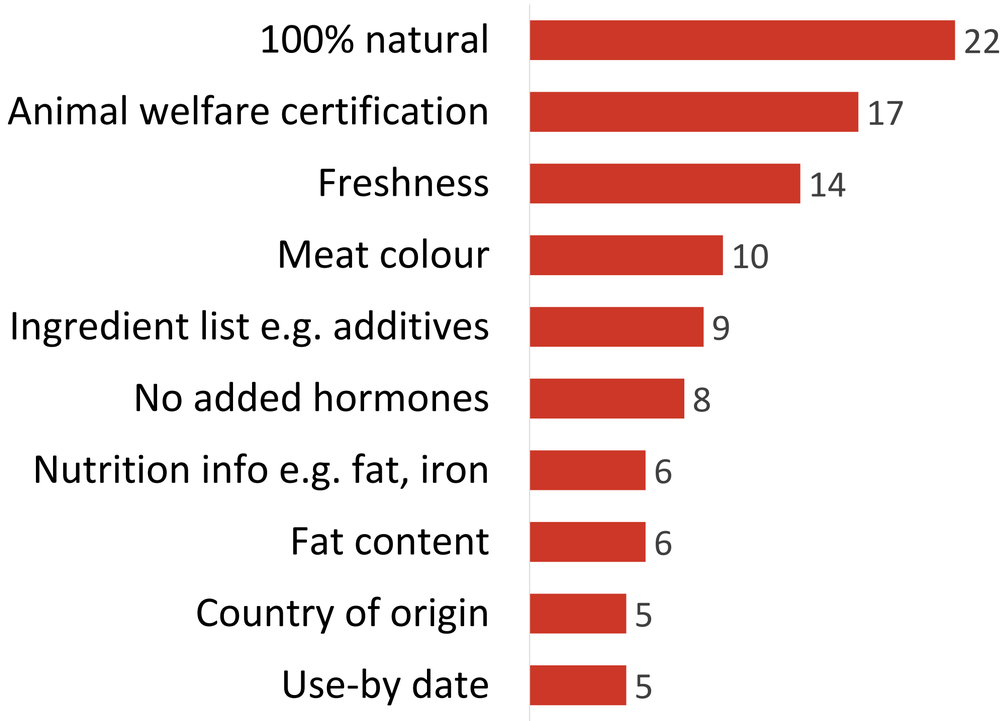
3) In emerging markets, affluent consumers are notably different in their red meat consumption and priorities than less affluent consumers

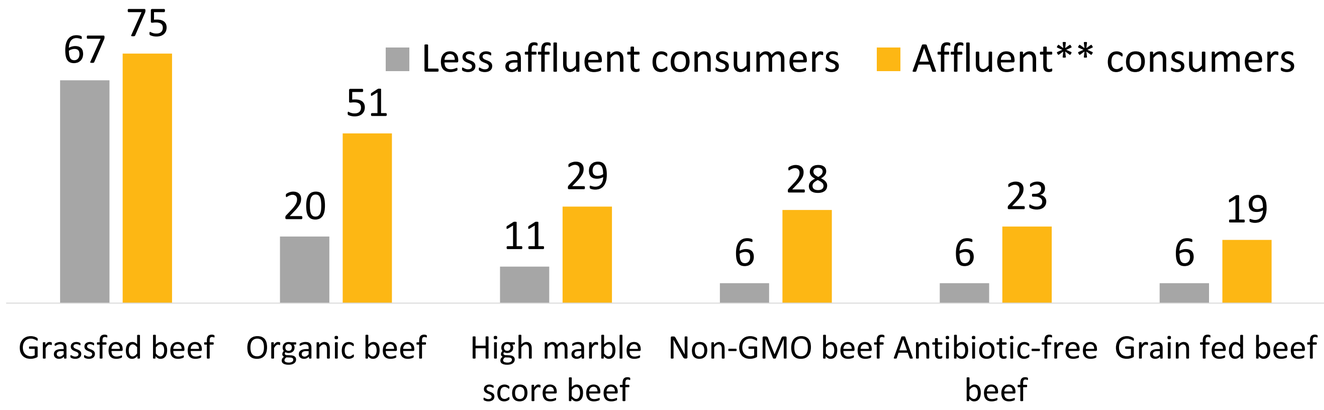
China: Affluent* consumers vs less affluent
-Top 6 priorities at point-of-sale when buying beef

Affluent consumers VS less affluent % difference

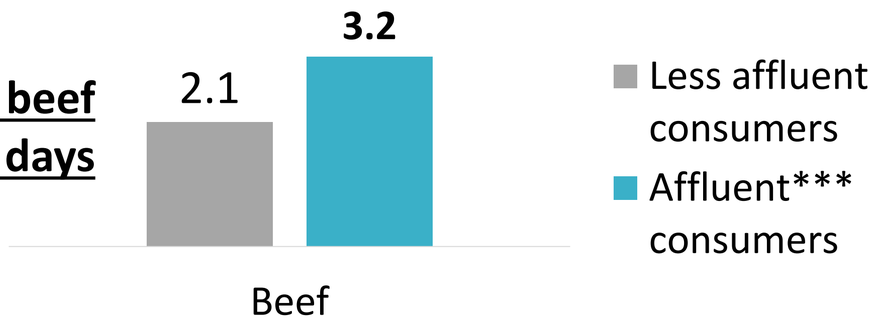


*Source: MLA Global Consumer Tracker 2025, *Affluent = households earning >RMB200,000 per year, Less affluent = <RMB100,000 per year*

Indonesia: Ever purchased these beef types (%)



Vietnam: # of home beef meals in past 7 days



*Source: MLA Global Consumer Tracker 2025, **Affluent = households earning >RP 100,000,000 per year, Less affluent = <RP40,000,000 per year; 2023: *Affluent = VND>300,000,000 per year, Less affluent = <VND180,000,000*

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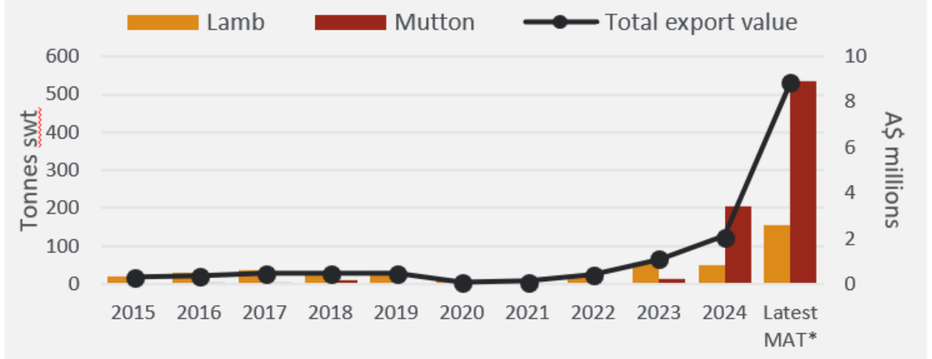
4) AI-ECTA drives growth in Australian sheepmeat exports to India

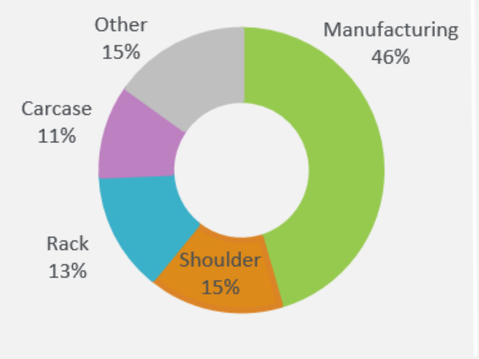
- Sheepmeat exports to India have grown from a small base since the Australia-India Economic Cooperation and Trade Agreement **(AI-ECTA)** took effect in December 2022, removing the 30% tariff on Australian sheepmeat.
- In the 12 months to September 2025, Australia exported 708 tonnes (swt) of sheepmeat to India, representing 0.13% of total Australian sheepmeat exports.

Australian sheepmeat exports to India



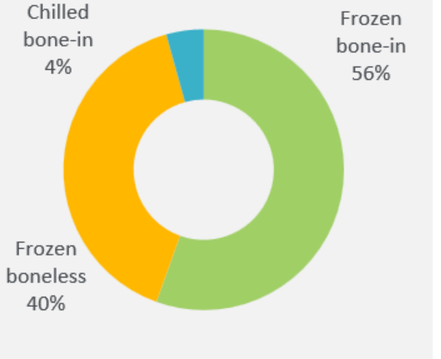
*Source: Department of Agriculture, Fisheries and Forestry (DAFF) (volume), TDM (value), *MAT ending September 2025*

Australian total sheepmeat cuts exports to India*

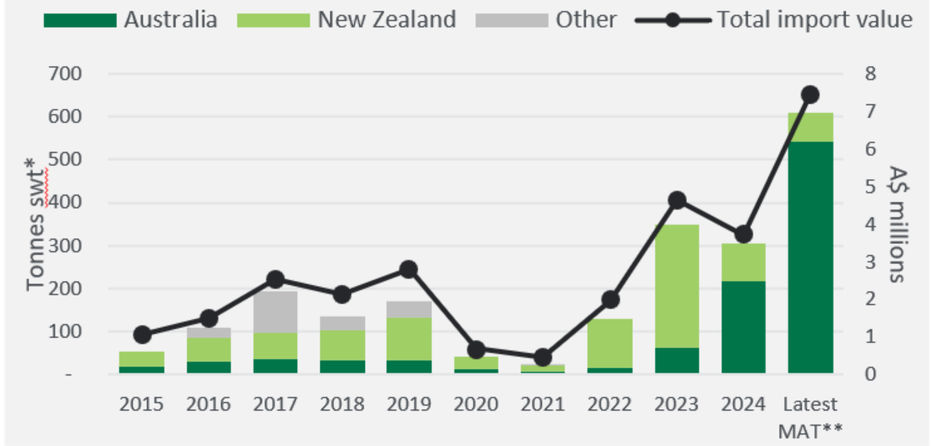


*Source: DAFF (volume), TDM (value), *MAT ending September 2025*

Australian total sheepmeat export value to India*

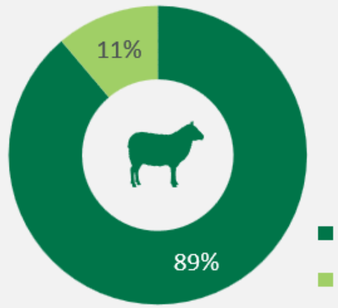


India sheepmeat imports



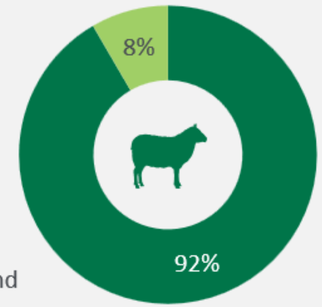
*Source: Trade Data Monitor, LLC (TDM), *swt = shipped weight,**Moving Annual Total (MAT) ending September 2025*

India sheepmeat imports volume share*



Total import volume
609 tonnes swt
(up +89% YoY**)

India sheepmeat imports value share*



Australia
New Zealand

Total import value
A$7.4 million
(up +76% YoY**)

*Source: TDM, *MAT ending September 2025, **year-on-year (YoY)*

Technology: Deep AI entrenchment In Retail

Fitch: Key view

- *Over 2026, AI in retail will move from pilot programmes into scaled execution and deeper entrenchment, as it scales along the supply chain for both consumers and retailers.*
- *Technology partnerships will scale retailers' logistic capabilities, enhance* ***e-commerce solutions*** *and* ***personalized experience****.*
- *As AI saturates retail,* ***an anti-AI counterculture*** *will emerge in 2026 among* ***consumers seeking individuality.***

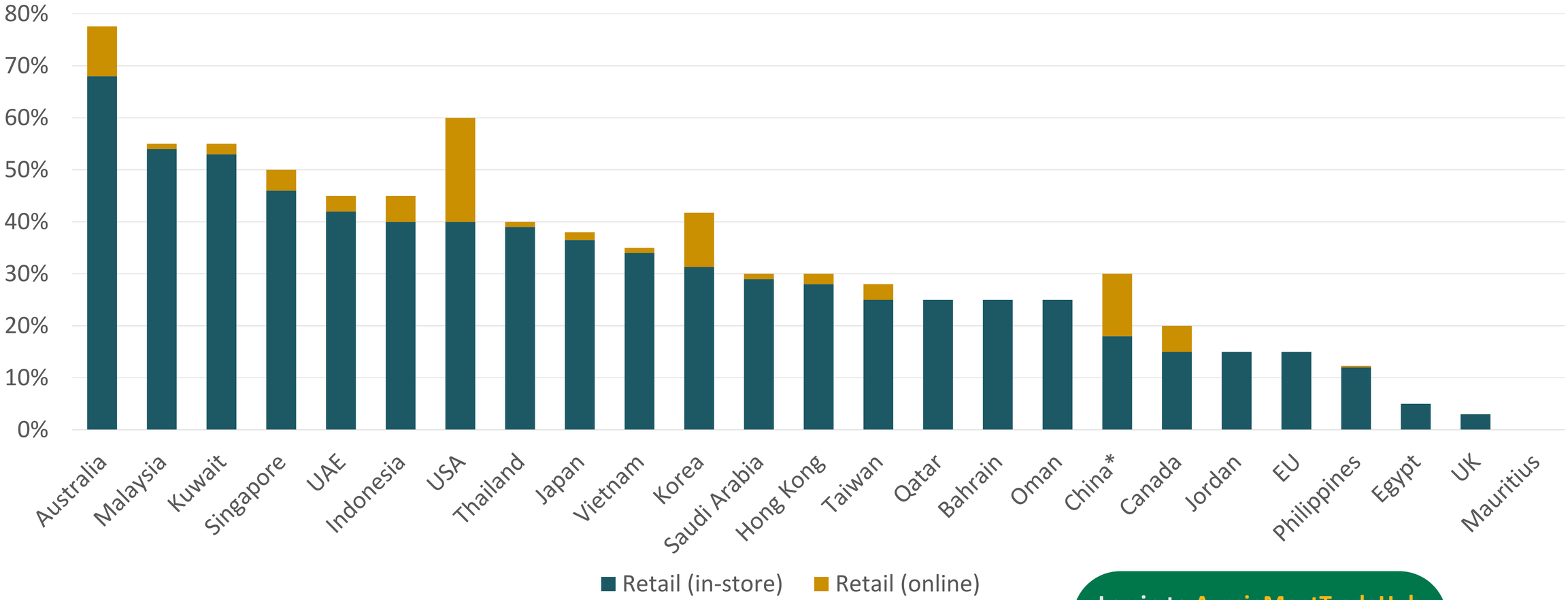
What this means for Australian red meat?

1) As AI becomes more integrated into retail operations, Australian red meat suppliers have an opportunity to align with digital supply chain practices to stay competitive and meet evolving customer expectations.
2) By 2029, all of Gen Z will be adults, and Generation Alpha will start having their own spending power. For these younger consumers, AI will feel like an everyday tool, much like smartphones today, shaping expectations for convenience and personalisation.
3) While AI reshapes supply chains, authentic red meat will continue to attract consumers who value convenience alongside provenance, naturalness, and emotional connection.

Source: Fitch Solutions

1) Retail channels are critical and AI is expected to play a key role, driven by consumer demand for speed, personalisation and convenience

Australian BEEF utilisation by channel (MLA estimate)



*Source: MLA market intelligence, *China Mainland*

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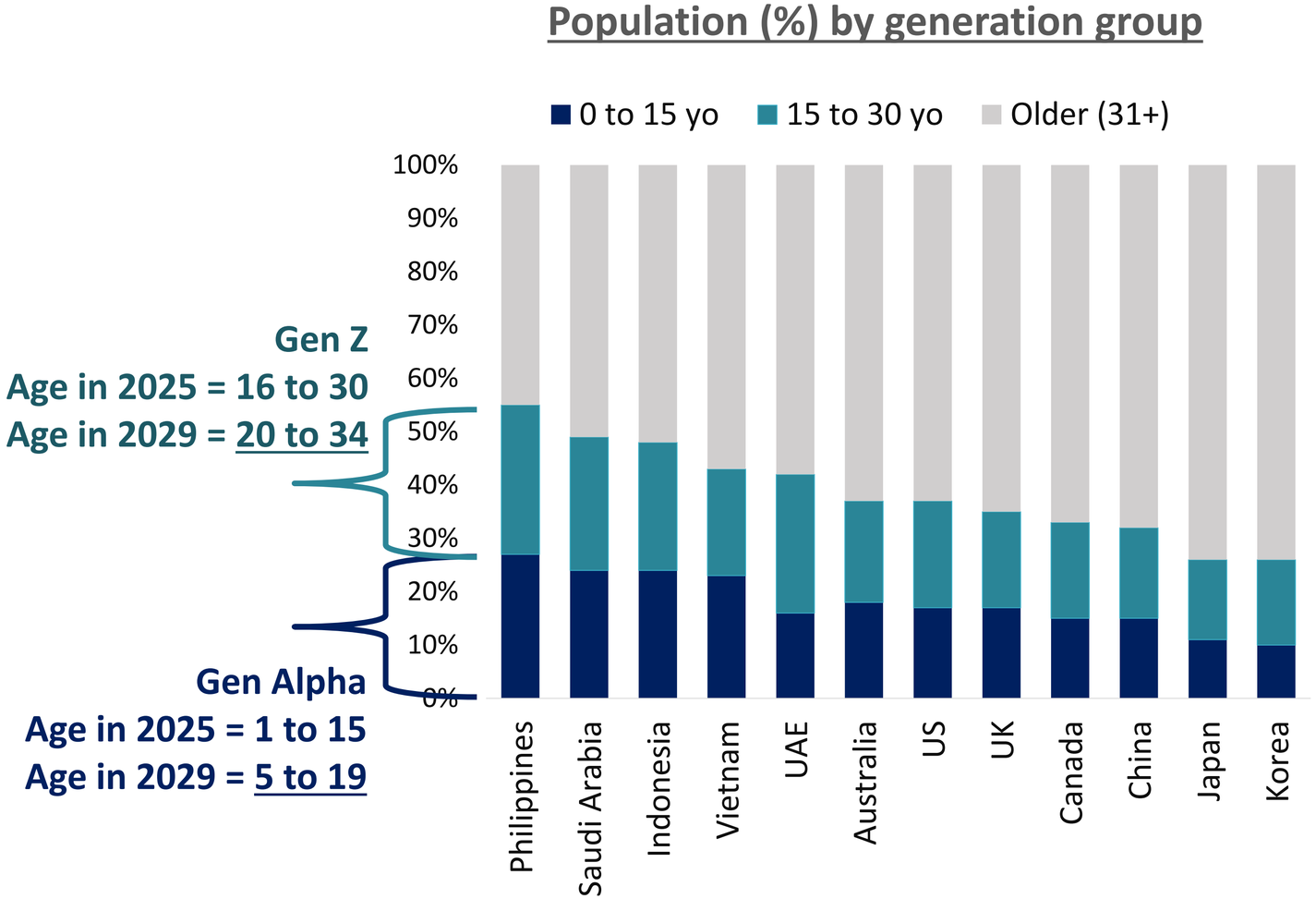
2) Significant share of Gen Z and Alpha in emerging markets signals their growing influence on future consumer demand



Generation	Attitude towards convenience and personalisation
Alpha (2010-2024)	'Digital native', high demand for convenience & personalised experience is projected
Z (1995-2009)	Very high digital engagement, importance in identity & values. May choose affordability over fast access when necessary
Y (Millennials) (1980-1994)	Pioneered digital trends, remain major premium/unique experience seekers
X (1965-1979)	Selective digital adoption, cost versus convenience & personalisation

Source: Fitch Solutions, GlobalData

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3) AI excites consumers but raises concerns; authenticity and emotional connection remain integral

61%

of global consumers are worried about the societal impact of AI

56%

said they are very concerned about privacy and data-integrity risks posed by AI

52%

said they are concerned about job impact

How important is it that a product is natural?

69% of consumers in North America, find natural attributes in products essential or nice to have

How much does purchase decision rely on positive emotional appeal or cultural connection?

50% of respondents find it a positive influence—increasingly important to younger consumers when **combined with innovation and transparency**

Source: GlobalData, various industry insight reports, consumer survey insights and TrendSights analysis

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Indulgence: Affordable premium drives retail strategy in 2026

Fitch: Key view

- *With the spending recovery over 2026, consumer demand will shift towards **affordable premium indulgences** in food and drink.*
- *Despite easing inflation, price sensitivity persists, prompting consumers to seek **budget-friendly alternatives with unique and diversified flavours.***
- *Mass retailers will respond by expanding private-label lines with **premium yet affordable products**, balancing quality and value.*

What this means for Australian red meat?

1) Cost of living pressure is present across markets, and growth in retail sales will come from a combination of inflation, increases in population, and actual growth in spend.
2) Demand for premium remains resilient. While common pillars define premium, nuances across markets and regions show that premiumisation has broadened.
3) Products can be premium yet provide ‘value for money’, particularly for older consumers who are financially stable but highly mindful about their budget. Understanding their priorities will help unlock opportunities for Australian red meat.

Source: Fitch Solutions

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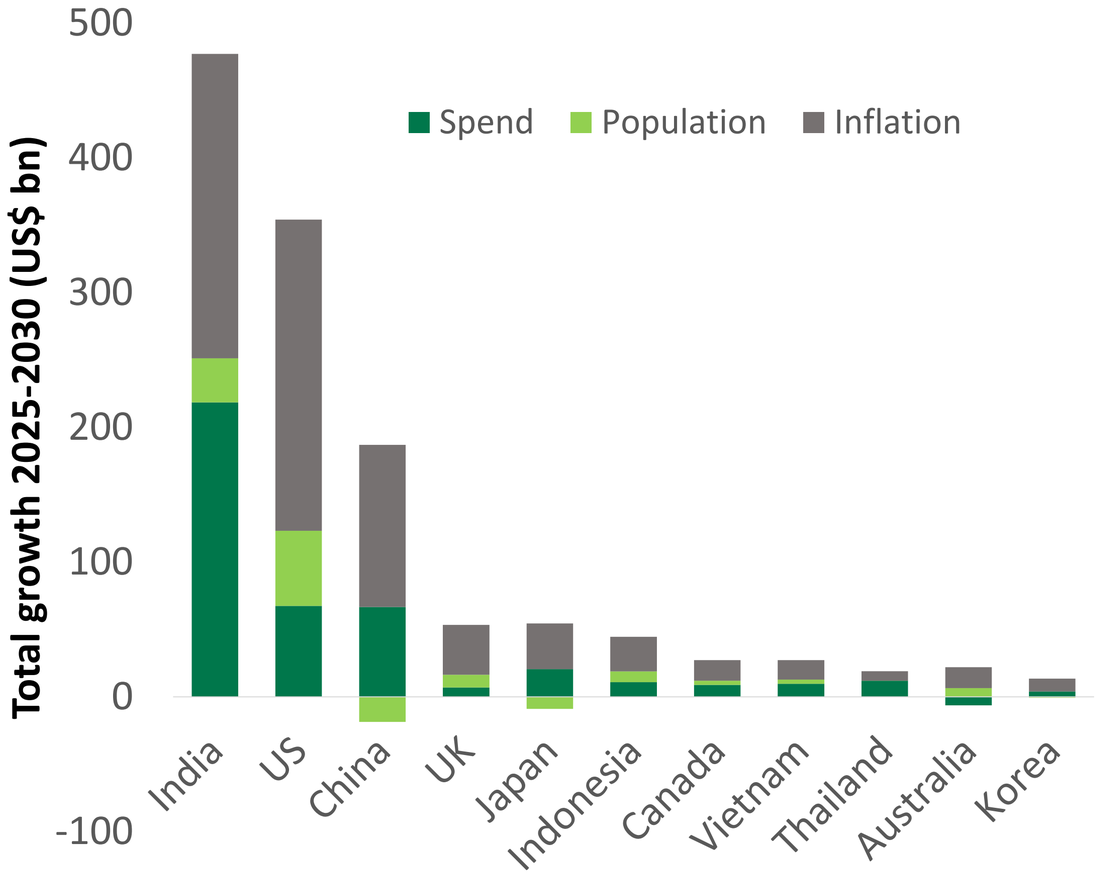
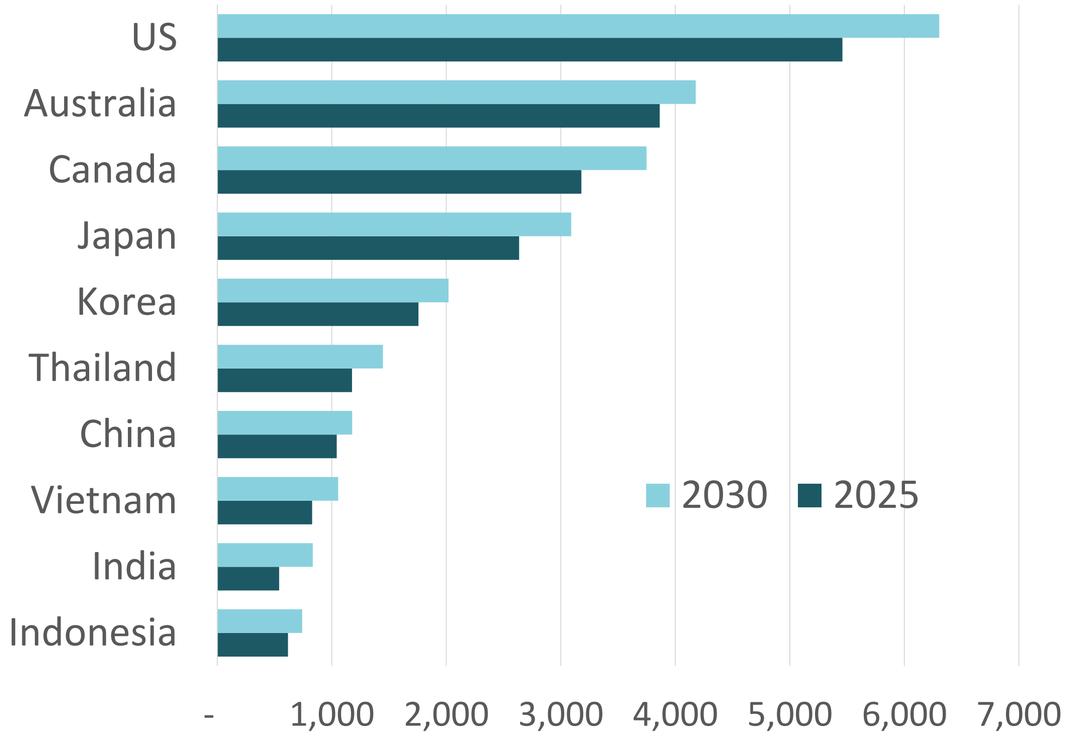
1) Inflation will drive grocery sales to 2030, with increase in real consumer spending varying across markets

Grocery market growth in selected markets



Grocery market per capita in selected markets



Source: IGD

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2) ‘Premium’ perceptions show common ground and unique distinctions among consumers

Globally, ‘Premium’ means to consumers…
(consistent across generations and geographies)

- **Quality & Trust:** Higher quality standards, reliability, and functional benefits that lead to trust.
- **Health & Wellness**: Support wellbeing, use natural or clean ingredients, or uphold ethical standards.
- **Experience:** Immersive sensory or brand experience, not just the product itself.

But there are regional nuances…

North America	China	MENA (UAE & Saudi Arabia)
High-quality ingredients*	Authenticity/Trust	High quality / performance
Sustainability	Natural/Organic	Natural
Uniqueness/Experience	Convenience	Personalization
Health & Wellness	Unique Experiences	Convenience
Trusted Brands	Functional Benefits	Novel / unique features
Multi-Functionality	Global/Prestige Brands	Aspirational branding*
	E-Commerce Confidence*	Health & wellness
* Core for all premium segments	* Proven platforms reinforce the legitimacy of premium	* Strong interest in upscale, global brands and premium packaging

Source: GlobalData

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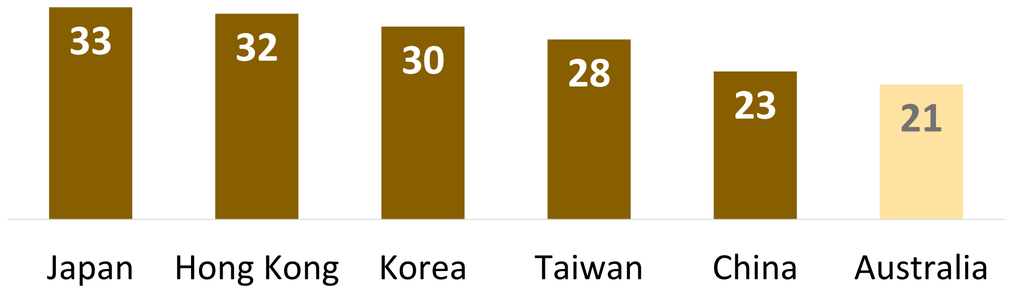
3) Older consumers in key Asian markets have high expectations when it comes to ‘value for money’, particularly around quality

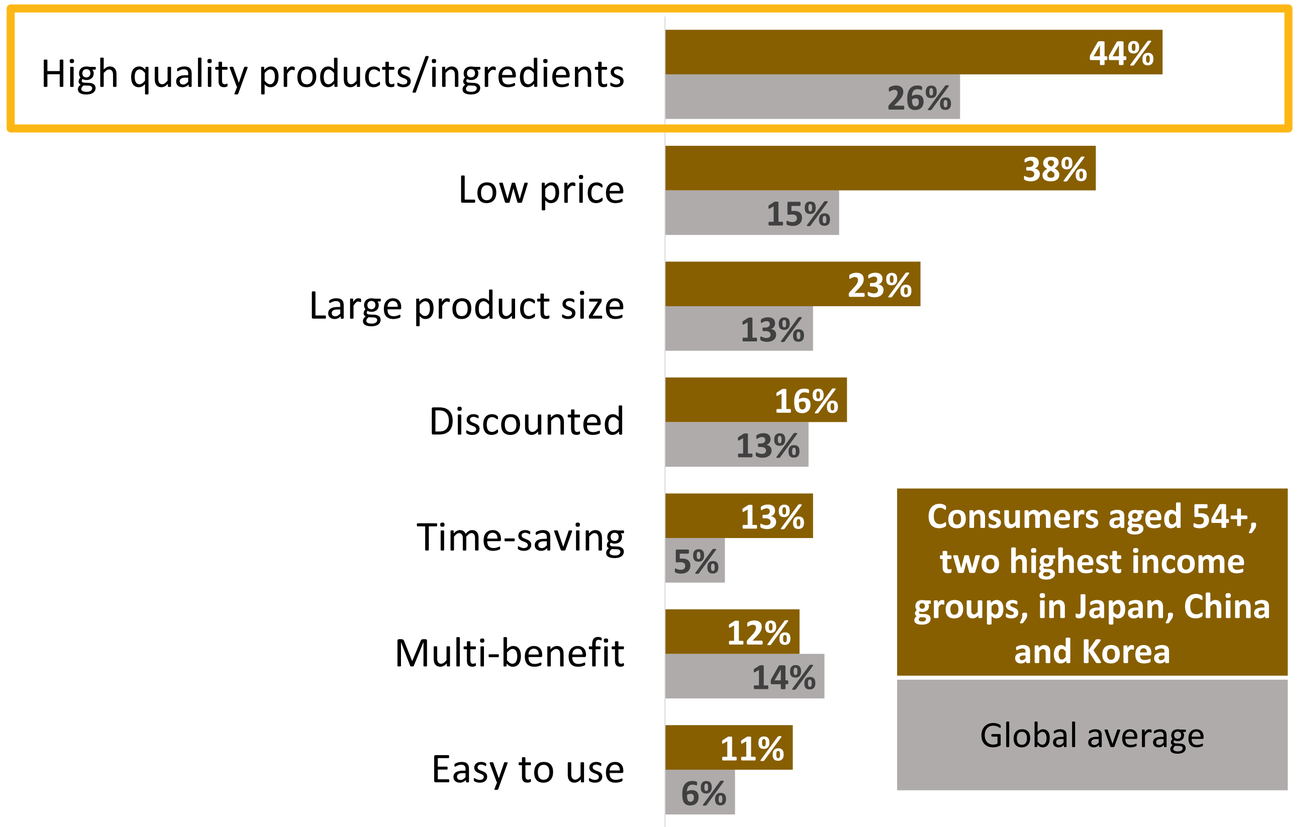
Proportion (%) of Australian red meat exports to North Asia (FY25)

43% of exports – both in volume and value – were destined to **Greater China, Japan** and **Korea**

Proportion (%) of population aged 65+, 2035f



What does "good value for money" mean to you when buying meat?



Source: Fitch Solutions, GlobalData, DAFF, Trade Data Monitor, LCC (TDM)

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Healthification: Ingredients diversified, wellness redefined

Fitch: Key view

- *The 2026 healthification trend will shift consumers **from supplements to more functional foods** and drinks offering immunity, gut health and cognitive benefits.*
- *Supermarkets will continue to expand **functional beverages, fortified foods, "better-for-you" options whilst cafés add protein shots and probiotics.***
- *The fragmentation of "healthification": what constitutes **wellness is increasingly personalised** rather than universally defined.*

What this means for Australian red meat?

1) Health needs are becoming more diverse yet targeted, as consumers balance health and wellness benefits against costs in the food they purchase.
2) Popularity of fortified food, as we saw in 2025 for proteins, is set to continue, delivering more opportunities for red meat and livestock consumable products.
3) Meat has come back in favour, along with fat, after a sizable proportion of consumers reducing red meat consumption.
4) There is an emerging commercial interest in red meat livestock derived ingredients for various health and beauty product applications.

Source: Fitch Solutions

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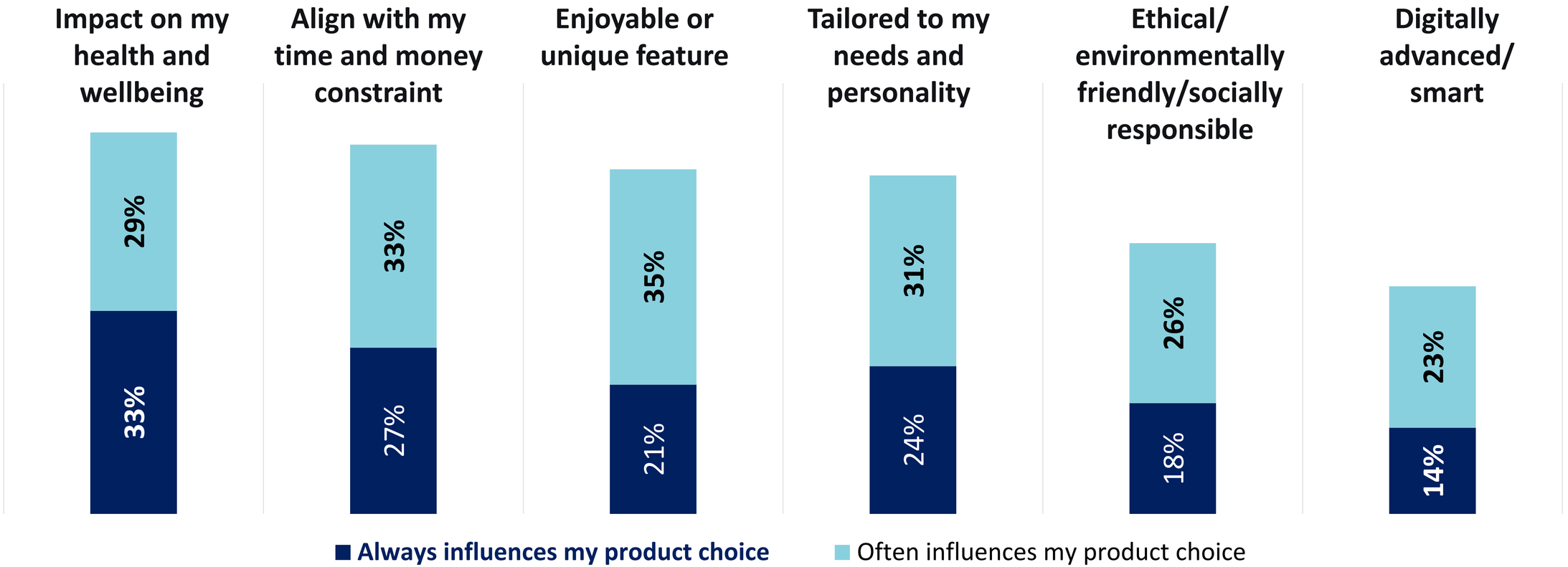
1) Health edges out convenience and cost, highlighting consumers' balancing act in food choices

Global: Which of the following features has the greatest influence on your choices of food and drinks in the current situation?



Source: GlobalData Global Consumer Survey Q4 2024

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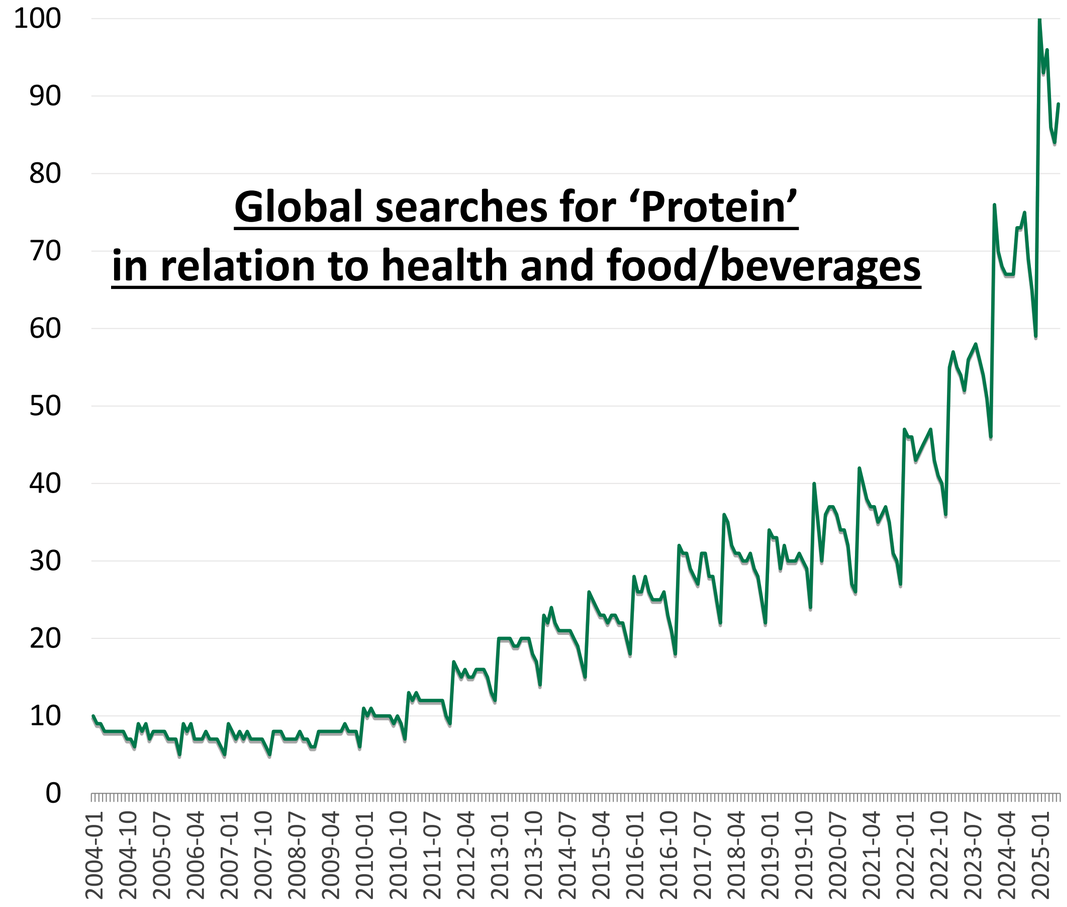
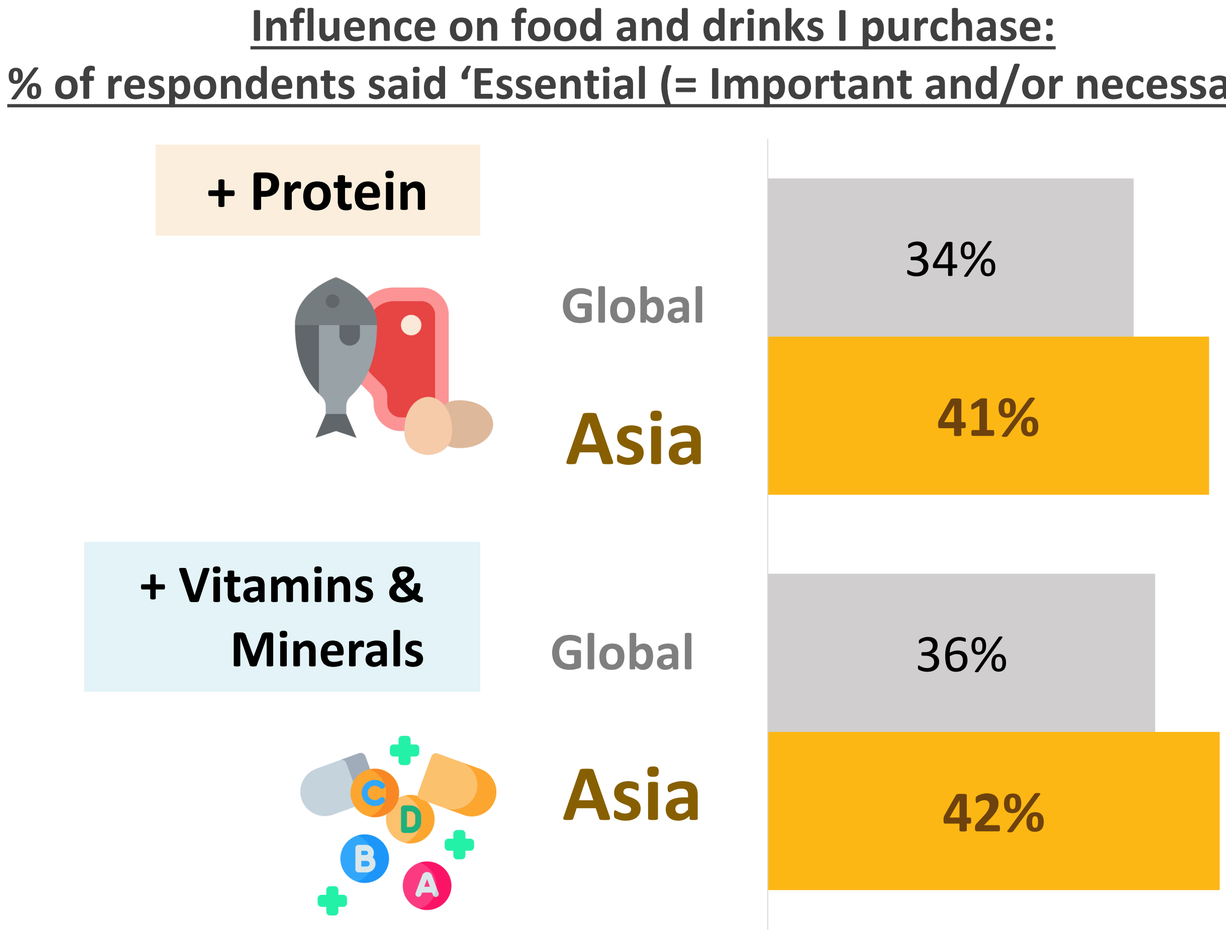
2) Interest in ‘fortification’ with healthy ingredients is higher in Asia than the Global average, and driven by younger consumers



Source: Google Trends, based on Google searches up to June 2025, The score is indexed from 0 to 100, with 100 representing the peak popularity for a given term within the specified time and location.



Source: GlobalData 2024 Q2 Global Consumer Survey, How influential are the following factors when deciding which food and drink products to purchase?

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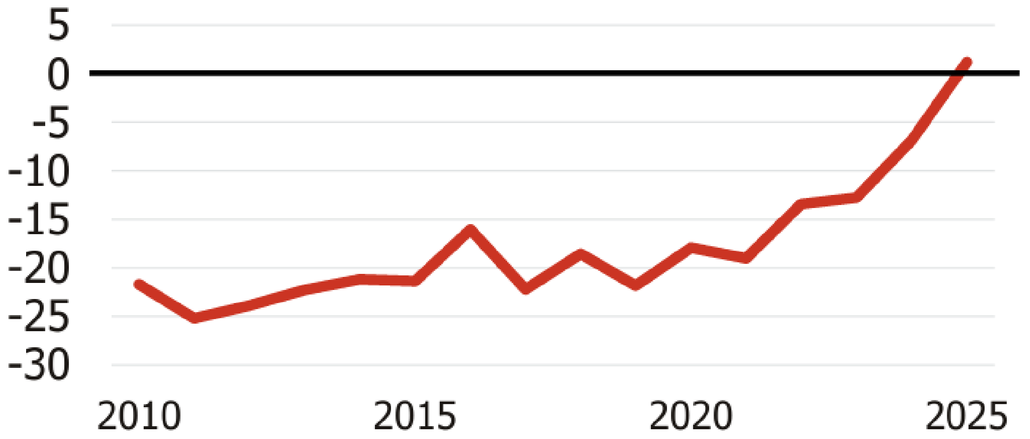
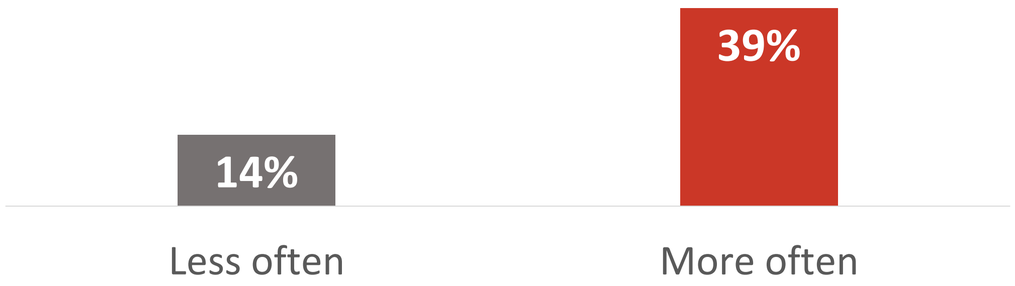
3) Since 2010, more Australians are increasing their red meat intake than reducing with young consumers leading the trend

NET Red meat consumption (% more minus % less)



Red meat consumption vs. 1 year ago (%) – Among meat eaters aged 18 to 34



Source: MLA 2025 Community Sentiment research.

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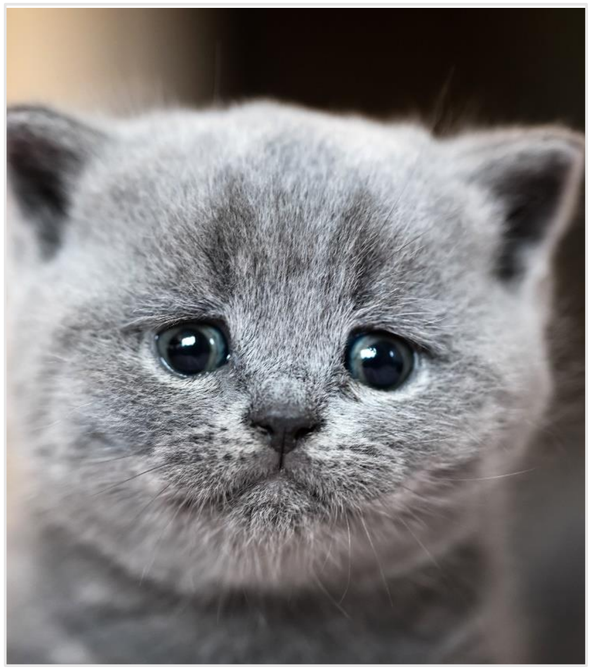
4) Ingredients, such as collagen, can be extracted from parts of red meat livestock, and there are ample opportunities for high value innovations

Health benefits and Convenience in supplement formats

Supplements benefit enormously through convenient and tasty product formats.

Beauty underpinned by scientific credibility

Consumers are increasingly drawn to efficacy, health benefits, and scientific credibility in their beauty and grooming routines.



Petfood ingredient consciousness

More pet owners are invested in their pets' nutrient intake, and collagen is ideally placed as a natural health promoter.

Source: GlobalData, Ingredient Insights: Collagen, How brands are using collagen in product formulations, 18 July 2023

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Healthification: Packaging evolves in line with health & sustainability

Fitch: Key view

- *Over 2026, food packaging will shift from an **eco-first to health-first approach**, as consumers prioritise reducing exposure to PFAS, BPA, other bisphenols and microplastics.*
- ***Rising packaged food spending globally** will create the drive to adopt more health-conscious packaging, as well as rising legislative concerns.*
- *The EU's PPWR* ban on PFAS from August 2026 will accelerate circular, multi-use models and **innovation in safer, sustainable packaging** in the food and drink sector.*

* Packaging and Packaging Waste Regulation

What this means for Australian red meat?

1) Health and sustainability are closely linked, particularly in Asia. Understanding shared themes and market-specific nuances is key to creating sustainability narratives that are simple, easy to digest, and compelling.
2) When designing retail packs, all features, including design, material choice, visibility of the product, and on-pack information, need to work together. These elements should be collated and prioritised according to consumer preferences, without compromising product integrity.
3) Although the Australia–EU Free Trade Agreement is still under negotiation, there are opportunities for Australia to lead in adopting recyclable, reusable formats and reducing excess packaging. These steps could give Australia a competitive edge in the EU and global markets.

Source: Fitch Solutions

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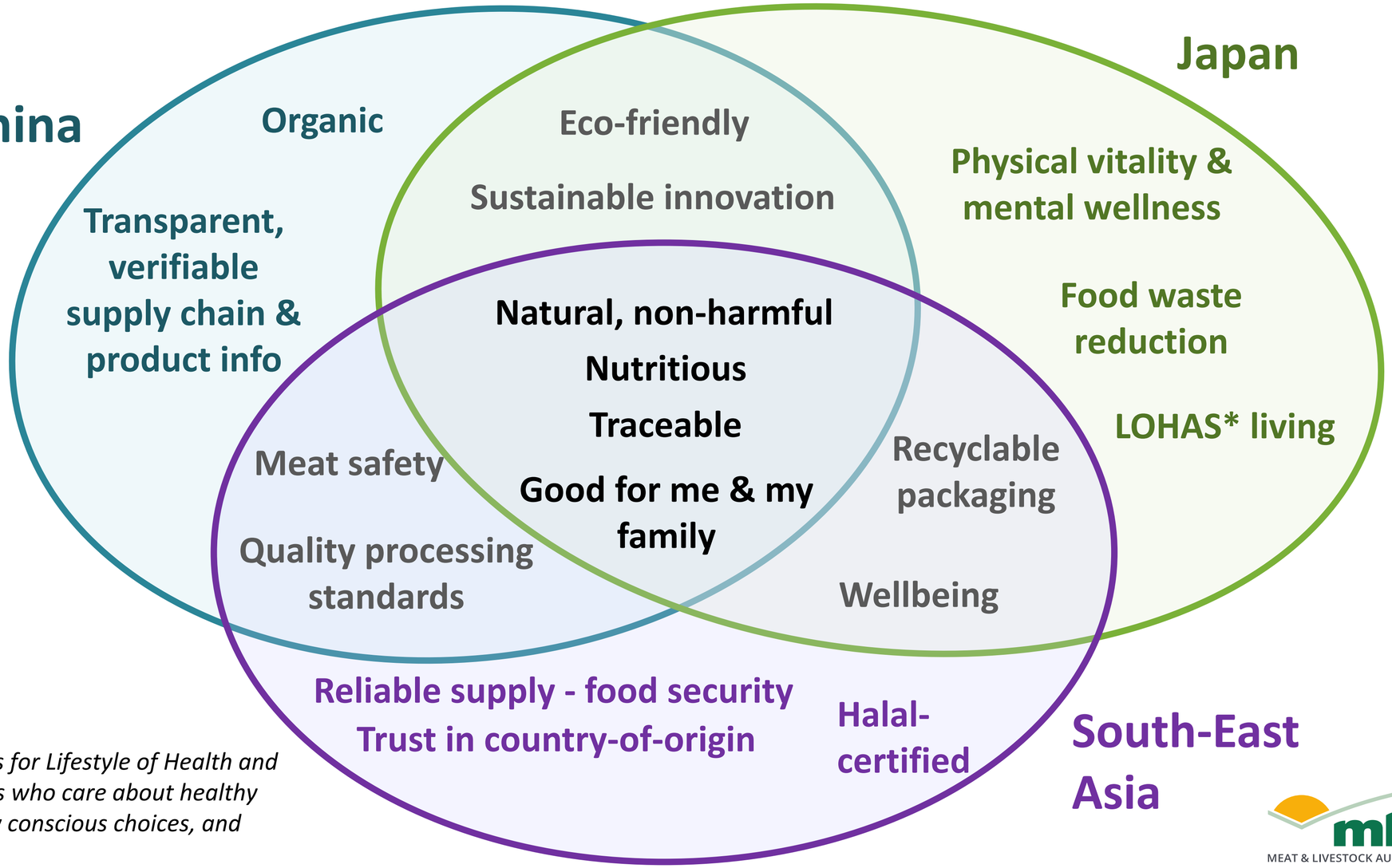
1) Asian markets associate sustainability to personal health and wellness, with varying emphasis across markets

How consumers link health and sustainability: insights from MLA growth drivers



*Based on MLA red meat growth drivers. *stands for Lifestyle of Health and Sustainability. It describes a group of consumers who care about healthy living, environmental responsibility, and socially conscious choices, and product/services associated with the lifestyle*

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2) Transparency in nutritional information leads on-pack influence globally, while UK and US favour sustainability cues

To what extent does the following information (displayed on product packaging) influence your product choice?

(% of respondents who said ‘Always’ & ‘Often’)

✓ **Top 5 responses**

	Global	US	UK	China	Japan	KSA*	Indonesia	Vietnam
Allergen information	✓			✓	✓	✓	✓	✓
Descriptions of flavour profile	✓	✓		✓		✓	✓	✓
Food/drink pairing recommendations								✓
Health labelling**	✓	✓	✓	✓	✓	✓	✓	✓
Information about carbon footprint		✓						
Information about country of origin					✓			✓
Information about whether the packaging can be recycled			✓		✓			
Professional certifications***	✓		✓	✓			✓	
Usage / preparation instructions	✓	✓	✓	✓	✓	✓	✓	
Whether the ingredients are ethically sourced			✓					
Whether the ingredients are sustainably sourced								
Whether the packaging is ethically sourced & manufactured		✓				✓		

*Source: GlobalData Consumer survey Environmental claims on packaging, Q3 2025, % total, *Kingdom of Saudi Arabia, ** information on protein/sugar/fiber /carbohydrate content, *** cruelty free, organic claims verified by third party*

MEAT & LIVESTOCK AUSTRALIA

2 & 3) MLA has a range of insights, R&D reports and projects for the Australian red meat industry to leverage and maximise opportunities

Domestic packaging research report and webinar

- Understand what matters most on pack to consumers when purchasing beef and lamb in retail
- Explore key packaging elements including provenance, quality, health, visual cues, sustainability, cooking instructions and recipe inspiration

Log in to AussieMeatTradeHub and access report/webinar

Product and packaging innovation programs

- Understand and remap the carcase from the perspective of how its components could be utilised as ingredients in food and other products
- Develop new business models and supply chains focused on where we can command the highest possible premium for each part of the carcase

Sustainable packaging project reports

Market access

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THANK YOU

Aussie Meat Trade Hub

https://www.aussiemeattradehub.com.au/

MLA Global Market Data & Insights

https://www.mla.com.au/prices-markets/overseas-markets/

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