2023

Global Tracker: **China**

Presentation Deck

Brought to you by your Kantar Team:
Sally Kennedy, Poorva Shinde &
Carolina Ferrando

MEAT & LIVESTOCK AUSTRALIA

Contents of today's presentation

The Central Question

How can Australian red meat build relevance for Chinese consumers, while continuing to differentiate from other premium imports in the Chinese market?

We have conducted the global tracker in 22 markets over the last 8 years, with Chinese fieldwork run every year.

MARKETS	Japan	Korea	China	Indonesia	Singapore	Malaysia	Philippines	Taiwan	Thailand	Vietnam	USA	Canada	KSA	UAE	Oman	Jordan	Kuwait	Qatar	UK	Hong Kong	Mexico	Chile	*Total # of markets*
2015																							*11*
2016																							*15*
2017																							*11*
2018																							*13*
2019																							*10*
2020																							*9*
2021																							*11*
2022																							*11*
2023																							*11*

KANTAR

mla MEAT & LIVESTOCK AUSTRALIA

China sample – a deliberate skew (not Nationally Representative)

Consumers aged 18-64
Grocery buyers, meal planners
Affluent households (skew)
Selected based on potential openness and ability to buy AU Beef and/or Lamb
(Not representative of total market)

		COUNTRY INCIDENCE	SAMPLE STRUCTURE
Gender	Male	52%	40%
	Female	48%	60%
Age	18-34	-	47%
	35-49	-	40%
	50-64	-	15%
Cities	Beijing	2%	22%
	Shanghai	3%	19%
	Guangzhou	3%	20%
	Chengdu	1.3%	20%
	Chongqing	2%	19%
Consumption	Buy Fresh Meat at Least Occasionally	-	100%
MGBs	Main Grocery Buyers	-	96%
Children	Households with Children	-	74%
Income	Less than 100K	-	4%
	100K - 199,999	-	30%
	200K and more	-	66%

Sample is made up of 800 consumers

Changes in 2023:

BEEF: Japanese Beef was added as a new COO
LAMB: British Lamb was added as a new COO

Age: 0-14 (17%), 15-24 (11%), 25-54 (47%), 55-64 (12%), 65+ (12%) - *World factbook*

MACRO-MARKET CONTEXT

3 key trends we see influencing consumer decisions now and into the future:

Focus on Health

Economic Uncertainty

Emerging Sustainability

Source: Kantar COVID Barometer
https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/for-love-of-meat-five-trends-in-china-that-meat-executives-must-grasp

A focus on health is on the rise in China, despite Pork's dominance Beef is seen as nutritious, superior and a firm family favourite putting it in a good position to challenge Pork.

FOCUS ON HEALTH

Focus on Health

Focus on health is on the rise in China. Despite Pork's current dominance of the meat market, health concerns combined with rising income levels, threaten pork's market share. Chinese consumers consider beef healthier than pork. They see the higher price a sign of the product's higher quality, and they remember the safety issues that have historically been associated with pork.

PROTEIN PERCEPTIONS

Beef

Strengths *vs others*

- Highly nutritious
- Family's favourite meat
- Is the most superior meat
- I am willing to pay a bit more for this meat
- Animal is well cared for

Weaknesses *vs others*

- Not Fresh
- Not Cheap
- Not easy or convenient to prepare
- Not tender

Pork

Strengths *vs. others*

- Cheaper
- Versatile
- Easy/convenient to purchase & prepare
- Essential part of a healthy diet for growing children

Weaknesses *vs. others*

- Not Nutritious
- Not low in fat
- Not Superior and Not willing to pay more for
- Not tender

Protein Perceptions from the GT23 research

KANTAR

Based on image profiles which show relative strengths and weaknesses relative to other proteins in the consideration set. The consideration set is different for every market hence these are broad characterisations only.

MEAT & LIVESTOCK AUSTRALIA

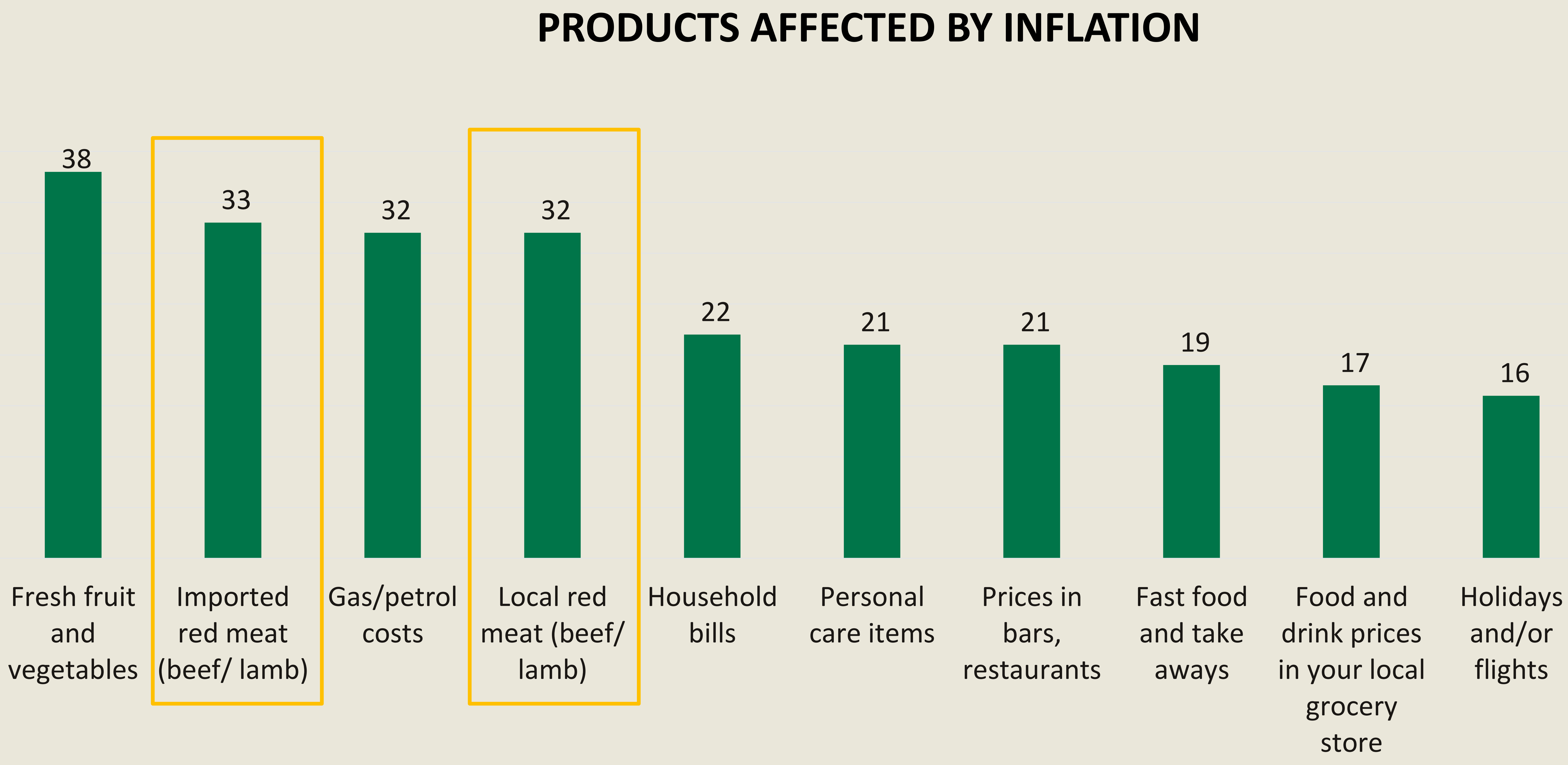
Imported Red meat is amongst the top categories to be affected by inflation as 1 in 3 Chinese consumers have noticed increased prices for red meat- both imported as well as local

ECONOMIC UNCERTAINITY

Economic Uncertainty

Uncertainty over the economy means Chinese households continue to put money into savings rather than spending.

This may lead to changes in red meat purchase behaviour in the future in particular more premium meat.



Data for Products affected by Inflation from the GT23 research

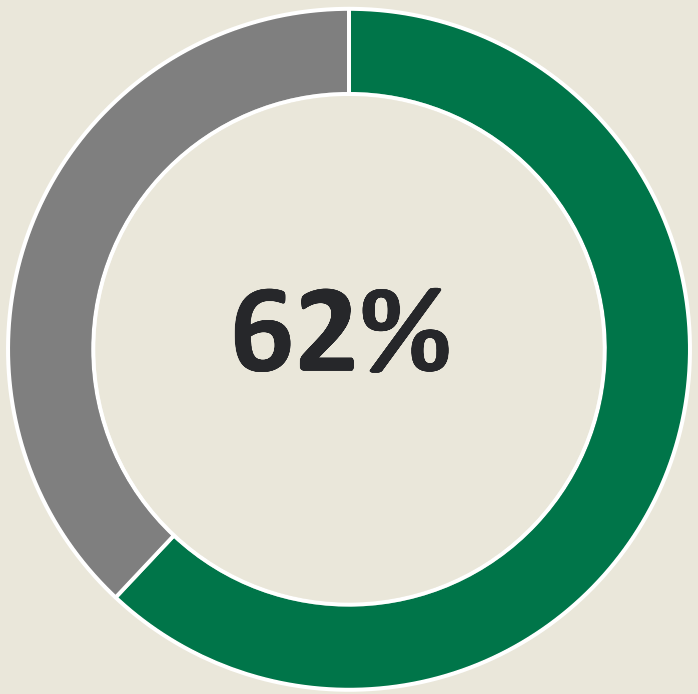
KANTAR

Source: Kantar Global Issues Barometer – T2B Concern

Majority of Chinese consumers expect to purchase the same amount of imported red meat next year; combined with consistent beef serves overtime this signals inflation isn't prohibitive yet.

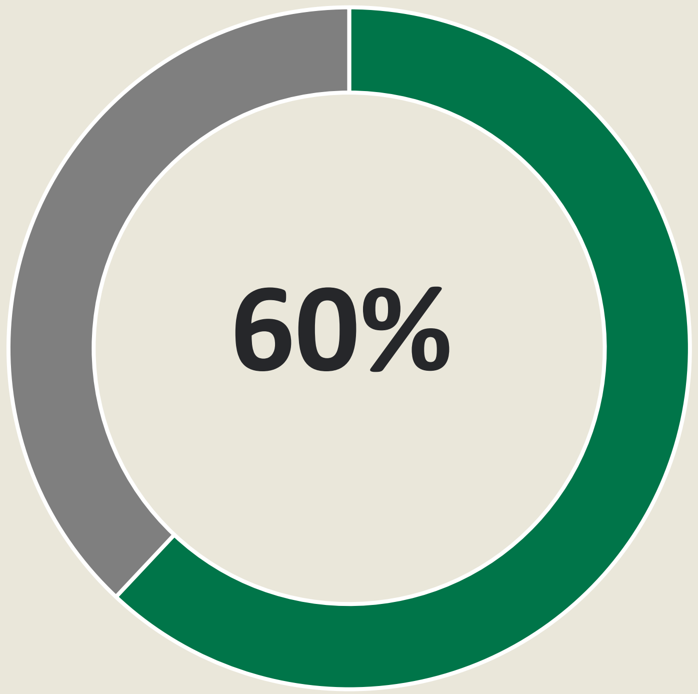
IMPACT OF INFLATION ON IMPORTED RED MEAT PURCHASE

Current purchase behaviour of Imported Red Meat
(among those who noticed higher prices)



Claim there is no change and buy as they used to earlier

Future purchase behaviour (next 12 months) of Imported Red Meat



Claim there will be no change in future purchase

Data from the GT23 research

KANTAR

Base: Noticed higher prices for imported red meat recently (n=261)
VOL2: You mentioned you noticed higher prices for imported red meat recently. How has your purchase of imported red meat changed considering the higher prices?

mla MEAT & LIVESTOCK AUSTRALIA

4 in 10 Chinese consumers are actively pursuing a more sustainable lifestyle – believing they can personally make a difference through their actions and are willing to pay more for a product/brand with sustainability credentials.

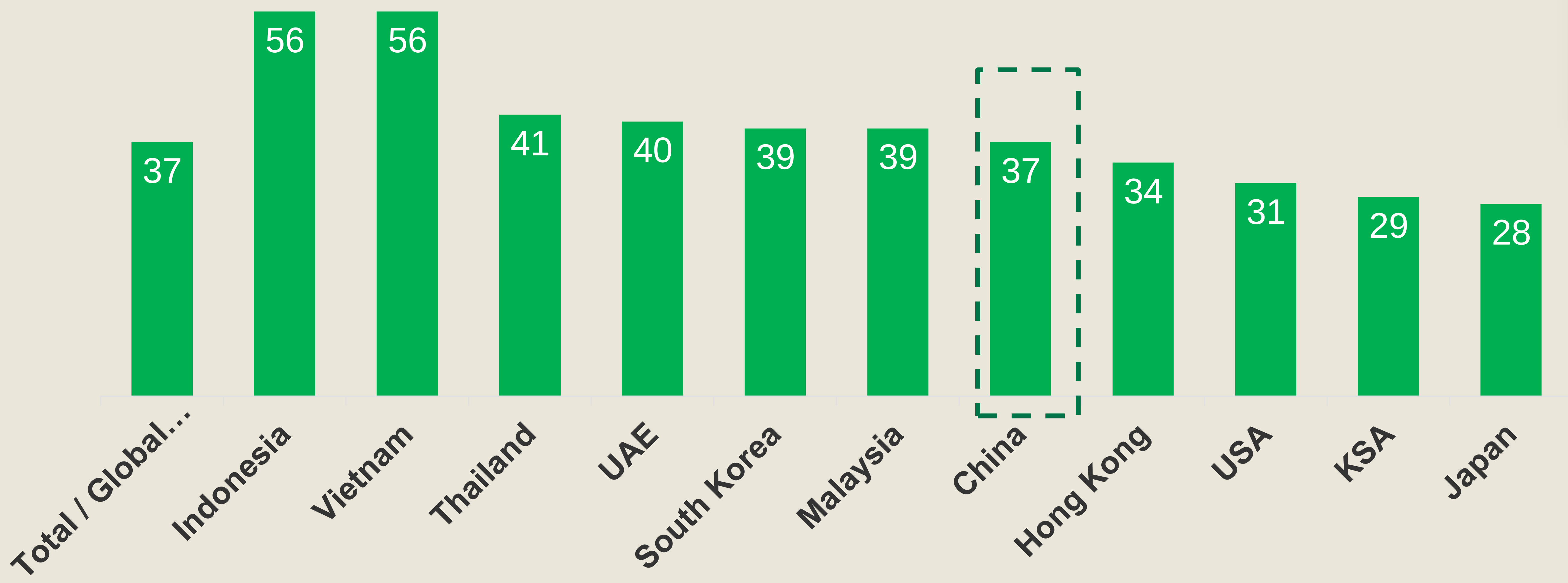
EMERGING SUSTAINABILITY

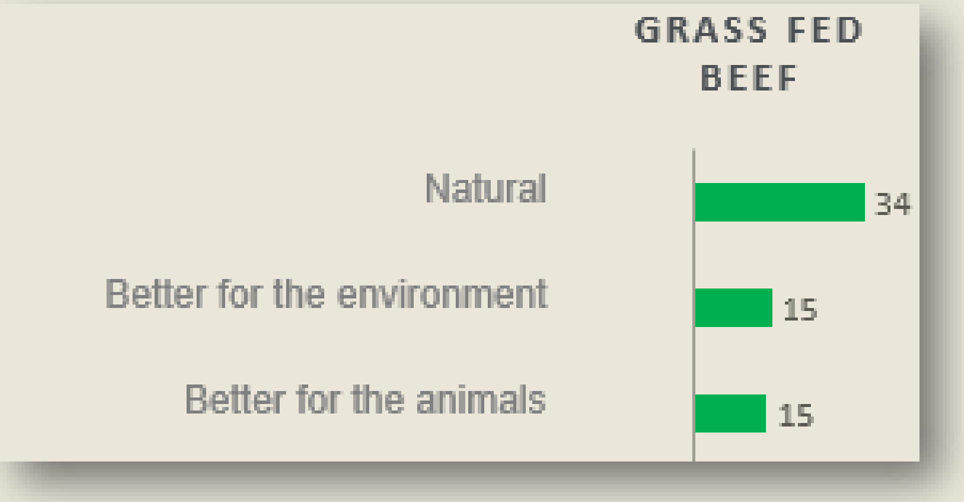
Emerging Sustainability

Like people in countries all over the world, Chinese consumers are experiencing the effects of climate change and unmanaged waste products first-hand and are concerned about the future; concerns that have only been strengthened by the Covid-19 pandemic.

To varying degrees, these concerns are now translating into greater consideration of the sustainability credentials of brands and, ultimately, purchasing intentions.

% OF 'ACTIVE' SUSTAINABLE CONSUMERS IN…





As a type of Beef, grass-fed beef is strongest on Natural
Better for the environment
Better for the animals

- **Much more likely to believe that they can make a real difference** through their actions
- Believe they are personally **affected by social and environmental issues**
- Their actions match their values, they want to do more, and they are willing to invest their time and money to support companies that try to do good like offsetting their impact

KANTAR

Base: Total (800)
SUS_SEGNow we'd like to ask you some questions about your values regarding sustainability and the environment. Please tell us how much you agree or disagree with each statement.

MEAT & LIVESTOCK AUSTRALIA

PROTEIN LANDSCAPE

A reminder, we know that there are consistent themes when it comes to what different proteins stand for across all of our markets. Beef is the 'Superior' protein.

PROTEIN PERCEPTIONS- GLOBAL

THE STAPLE

- Cheap (cost less) and easily available
- Versatile and easy to prepare
- Family favourite
- Doesn't play to taste
- Not nutritious
- Animals treated poorly
- Not environmentally friendly
- Questionable safety
- Not premium or superior

THE SUPERIOR

- Good quality, great taste, superior
- Family favourite
- Worth paying more for
- Nutritious & versatile

THE CURIOSITY

- Unfamiliar, occasional purchase
- Premium, superior option
- Not sure what to do with it
- Fatty & tender
- Taste is a barrier for some
- *In MENA lamb is Superior*

THE SPECIALTY

- Few strengths or weaknesses
- Weakly positive on animal welfare and sustainability
- Taste is a barrier
- Lean/tough
- Unfamiliar and uncommon except amongst certain groups

THE HEALTHY ALTERNATIVE

- Fresh
- Nutritious – especially for children
- Low in fat
- Tricky to use
- Welfare is not great
- *In SEA, fish is a cheap, low value protein - elsewhere it is premium*

Based on image profiles which show relative strengths and weaknesses relative to other proteins in the consideration set. The consideration set is different for every market hence these are broad characterisations only.

In China, red-meat plays a distinct role as superior, nutritious and premium meat while Chicken and Pork play a role of staples by being cheap, versatile, easy and convenient to prepare and purchase.

PROTEIN PERCEPTIONS- CHINA

PREMIUM | **STAPLES**

Beef

Premium, nutritious favourite

Strengths *vs others*
- High nutritional value
- Animal is well cared for
- Family's favourite meat
- Is the most superior meat
- I am willing to pay a bit more for this meat

Weaknesses *vs others*
- Not Fresh
- Not Cheap
- Not easy or convenient to prepare
- Not tender

Lamb

Superior, tender

Strengths *vs others*
- The animal is well-cared for
- Is the most superior meat
- The meat is usually tender

Weaknesses *vs others*
- Not cheap
- Not versatile
- Not convenient to purchase or prepare
- Not essential for kids

Chicken

Easy, affordable, versatile

Strengths *vs. others*
- Cheaper
- Versatile
- Easy and convenient to purchase & prepare

Weaknesses *vs. others*
- Not nutritious
- Not delicious
- Not superior
- Not willing to pay more

Pork

Easy, affordable, versatile

Strengths *vs. others*
- Cheaper
- Versatile
- Easy/convenient to purchase & prepare
- Eessential part of a healthy diet for growing children

Weaknesses *vs. others*
- Not Nutritious
- Not low in fat
- Not tender
- Not Superior and Not willing to pay more for

Fish

Fresh & healthy

Strengths *vs. others*
- Fresh
- Low fat
- Tender

Weaknesses *vs. others*
- Animal is not well cared for
- Not versatile

KANTAR

Based on image profiles which show relative strengths and weaknesses relative to other proteins in the consideration set. The consideration set is different for every market hence these are broad characterisations only.

mla MEAT & LIVESTOCK AUSTRALIA

Positively Beef gains momentum on consumption, supported by strong perceptions on ‘Nutrition’ & ‘Superiority’, aligning with consumers health needs. Lamb & Goat see uplifts in consumption as well

KEY PROTEIN METRICS

SPONTANEOUS AWARENESS

	Top of Mind	Total Awareness	'22	'21	'20
Beef	39%	78%	81	69	78
Pork	34%	66%▼	78	67	76
Lamb/Mutton	11%	53%	54	42	54
Chicken	6%	42%▼	61	45	55
Goat	0%	0%	1	2	0

BOUGHT IN LAST MONTH

		'22	'21	'20
Beef	93%▲	88	89	87
Pork	83%▼	88	86	87
Chicken	83%▼	87	79	85
Lamb	35%	31	46	28
Mutton	30%	26	29	22
Goat	33%▲	25	30	24
Fish	81%	84	80	83
Other seafood	35%	33	30	34

AVERAGE SERVES LAST 7 DAYS

		'22	'21	'20
Beef	2.7	2.2	1.9	2
Pork	3.4	3.4	3.5	3.4
Chicken	2.5	2.1	2.4	2.2
Lamb	1.5	1.1	1.1	0.9
Mutton	1.3	0.9	0.8	0.8
Goat	1.3	0.8	0.8	0.7
Fish	2.4	2	2.4	2
Other seafood	1.7	1.2	1.2	1.1

▲▼ *Sig. different at 95%*

KANTAR

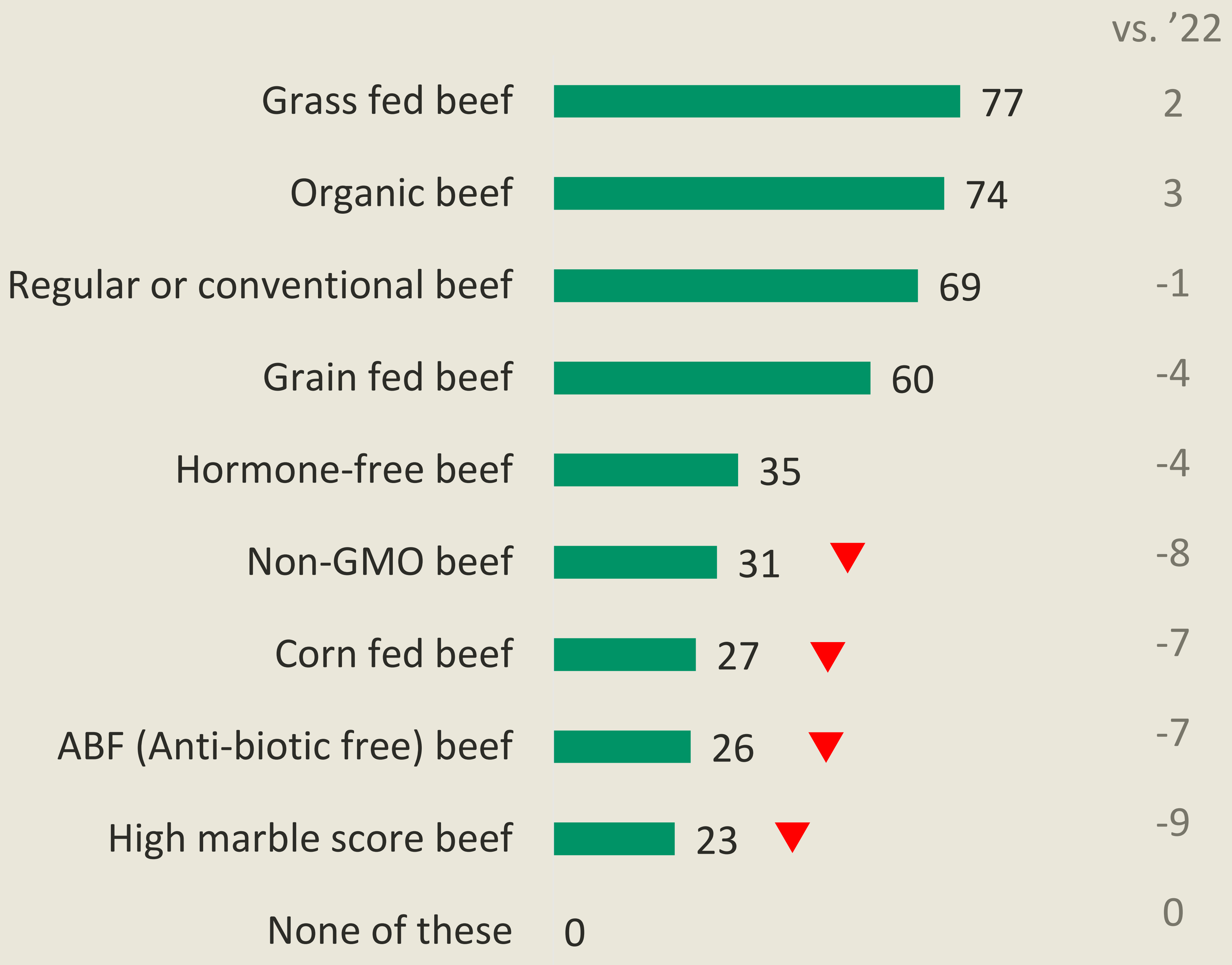
CH1 Spontaneous Awareness – When thinking about meat, which types come to mind?
CH10 How many meals that included the following meats have been prepared and eaten in your home in the last 7 days?
CH2 Bought in the last month – Which types of meat have you bought in the last month to prepare for a meal at home?
Base: ‘23 (n=800), '22 (n=800), '21 (n=800)

mla MEAT & LIVESTOCK AUSTRALIA

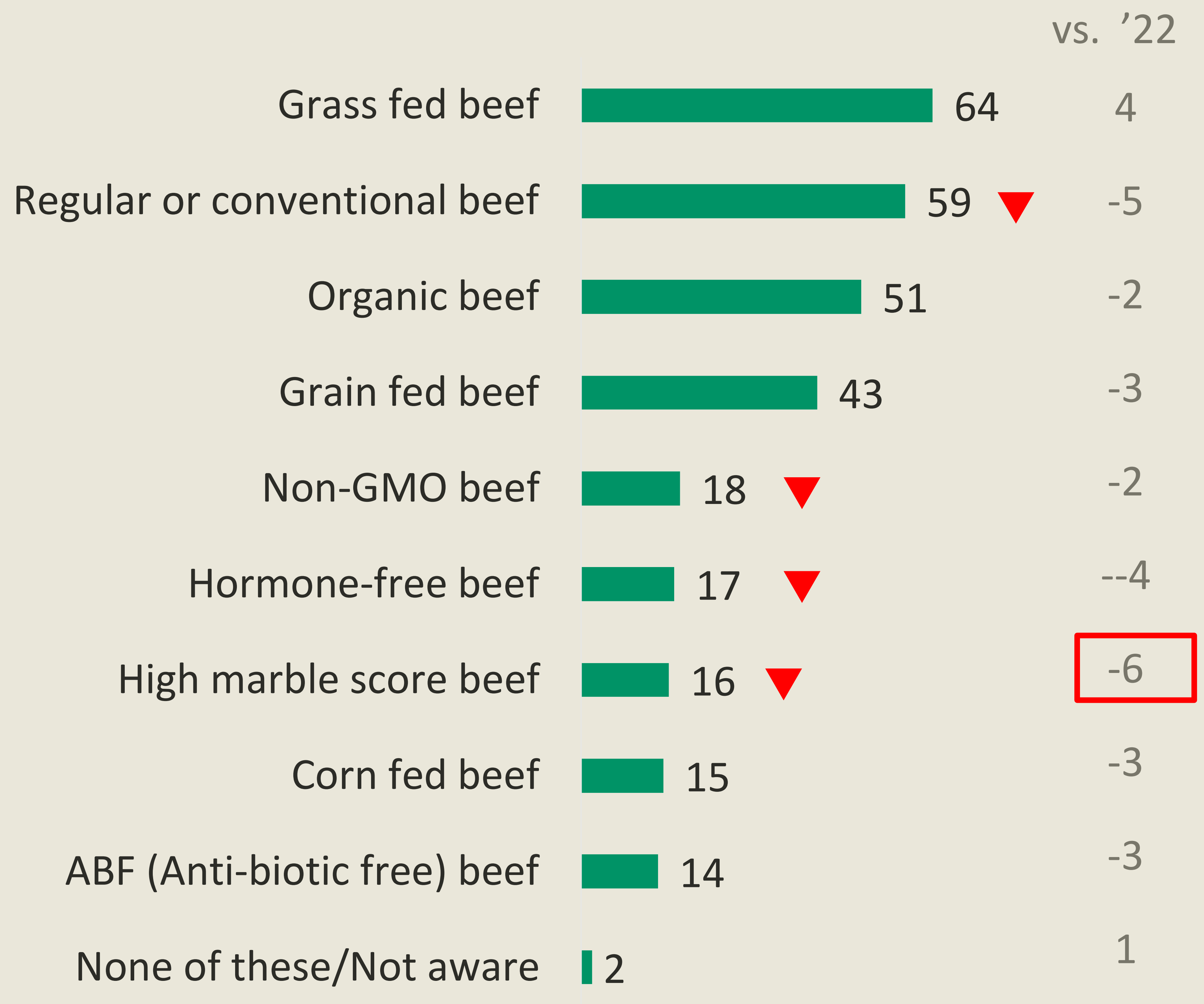
Grass fed beef saw growth in consumption and now ranks first, supported by strong perceptions of being Natural and Better for the Environment & Animals . Consumption reduced most for High marble score beef perhaps a reflection of health concerns.

AWARENESS AND PURCHASE OF DIFFERENT TYPES OF BEEF

AWARENESS OF TYPES OF BEEF (%)



BEEF BOUGHT IN THE PAST (%)



KANTAR

QGF1. Which of the following types of beef are you aware of?
QGF2. And which types of beef have you bought in the past? (rebased to QGF1)
Base ‘23 (n=800), ‘22 (n=799),

mla MEAT & LIVESTOCK AUSTRALIA

Beef with high marbling is polarising, tender with more flavour on one hand but less natural and bad for health and animals on the other. Meanwhile grass fed Beef is seen more positively particularly when it comes to being more natural, better for the environment and better for the animals.

PERCEPTIONS OF DIFFERENT TYPES OF BEEF

KANTAR

+5 or more = relative category strength

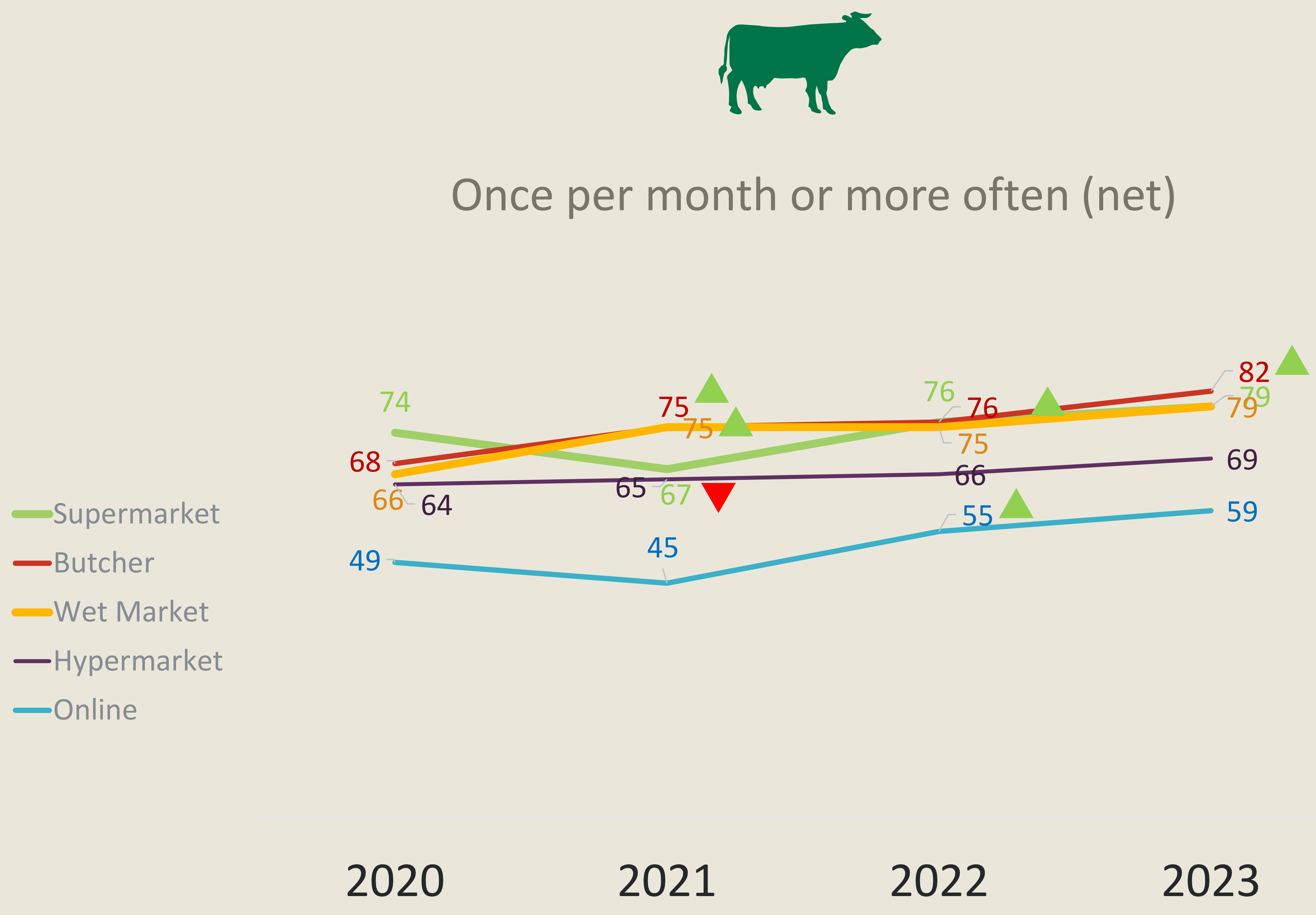
-5 or less = relative category weakness.

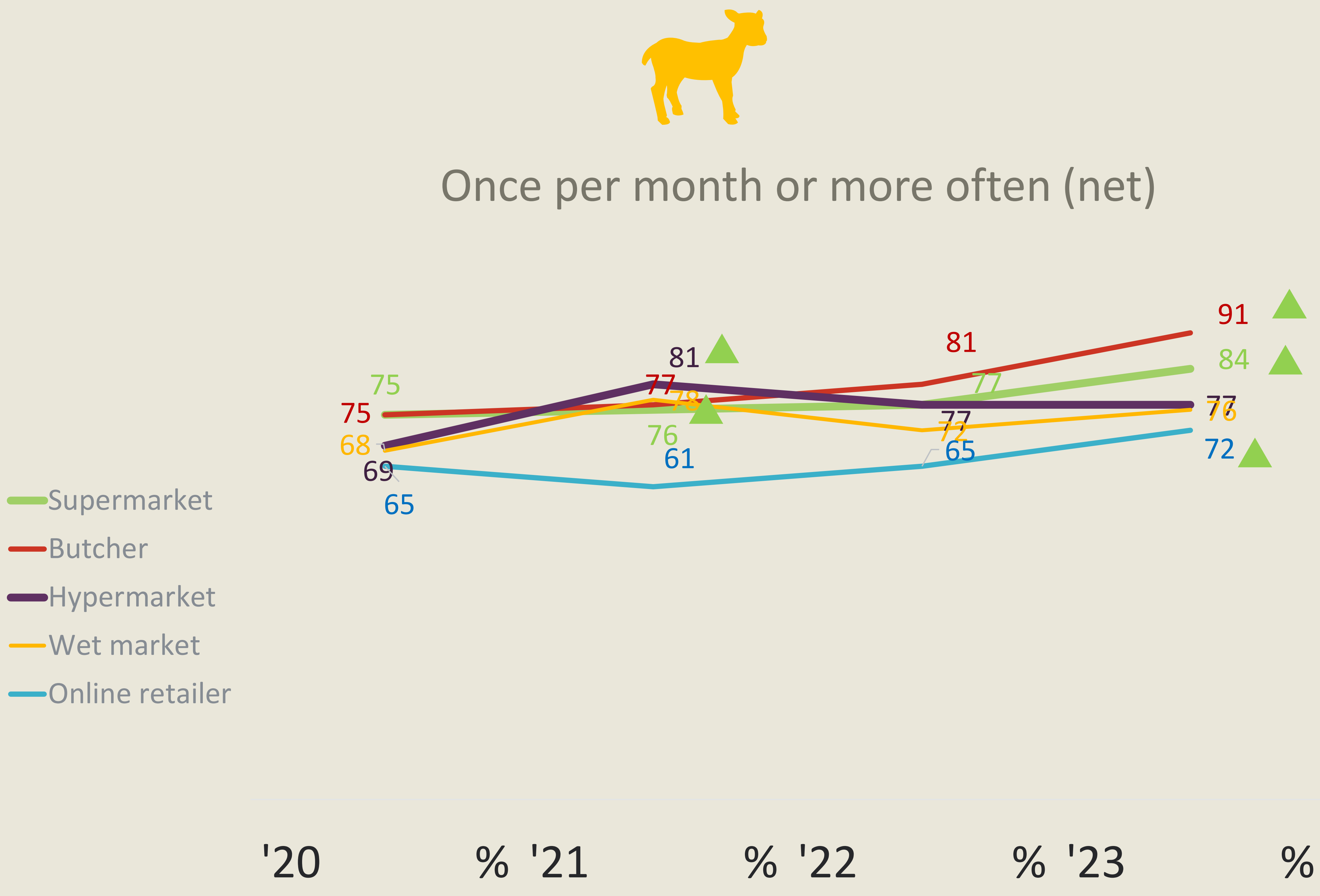
GF5. Which of the following things do you associate with each type of beef below? Base: Grass fed beef (n=615), Grain fed beef (n=480), Organic beef (n=592), Hormone-free beef (n=277), ABF beef (n=210), Non-GMO beef (n=250), Cornfed beef (n=212), Regular or conventional beef (n=548), High marble beef (n=184)

MEAT & LIVESTOCK AUSTRALIA

Increased consumption of Beef and Lamb reflects in higher purchase across most channels. Online continues to grow as it supports dual needs of convenience and reduced human contact post COVID.

PLACES OF PURCHASE- BEEF AND LAMB





Protein landscape in China

Red meat marries superiority & nutrition

Red meat continues to be seen as premium and superior, delivering nutrition.

Online purchase of red meat continues to grow. Important for AU red meat to ensure it is well placed to adapt to changing lifestyles and be present in online channels which are increasing in popularity.

Consumption of Grass fed beef is on the rise

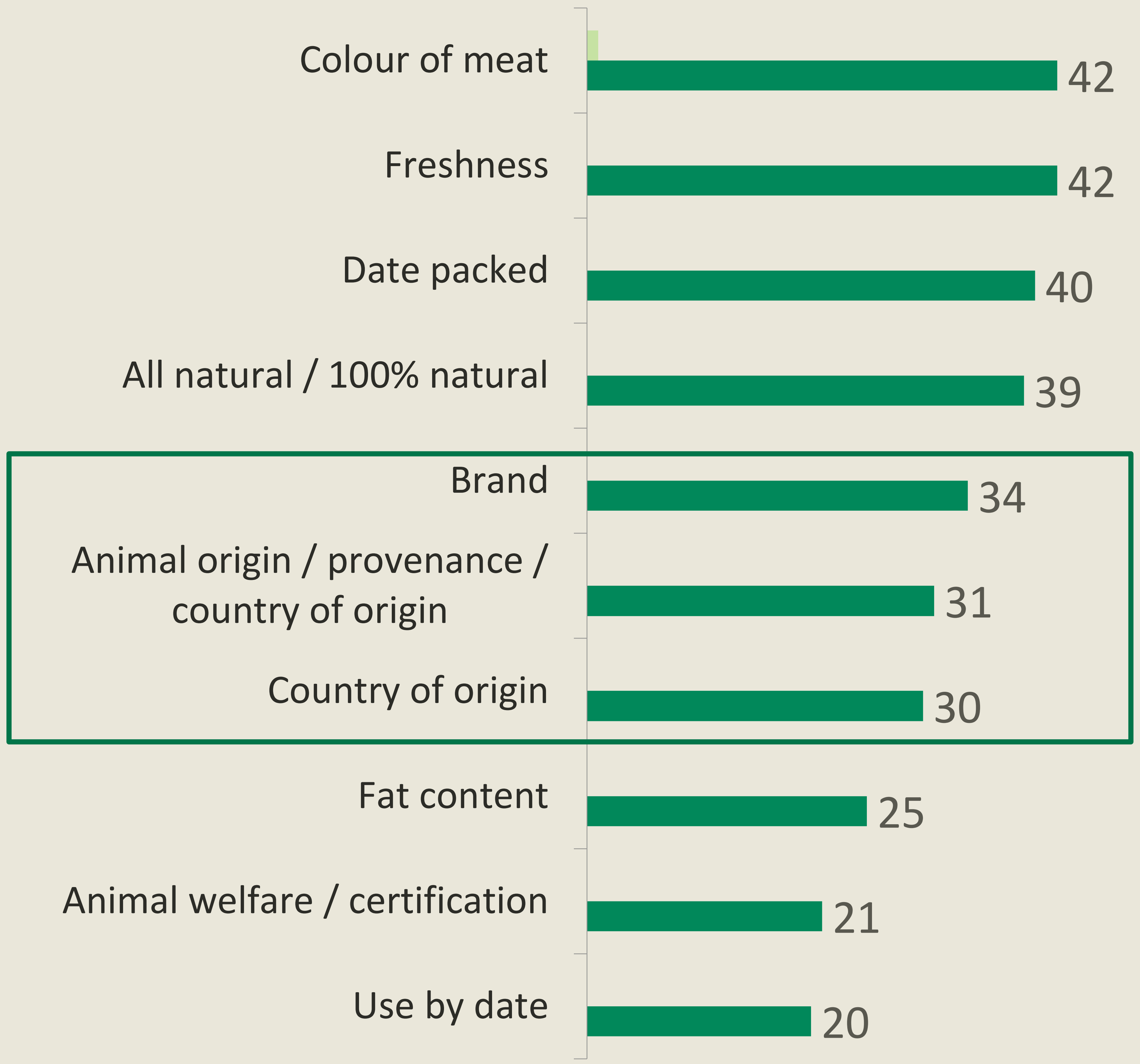
Grass fed beef is clearly associated with being Natural, Better for the environment and Better for the animals, reflecting an opportunity for Australian Beef to leverage this.

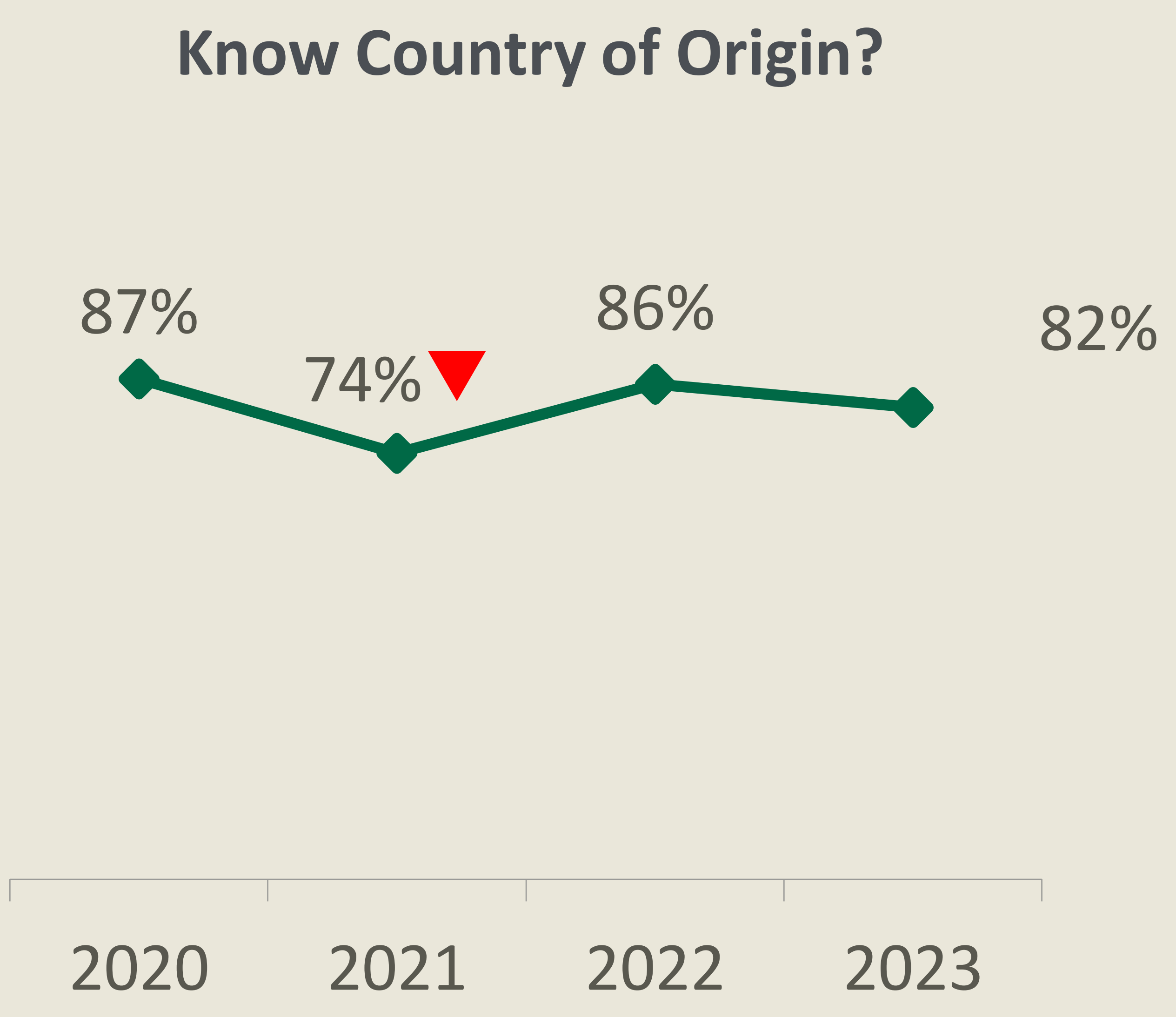
BEEF COUNTRY OF ORIGIN BRAND HEALTH, TRUST & PERCEPTIONS

All questions in this section were asked of beef buyers only (must have ever bought beef). They also must have previously bought, or would consider buying, imported beef.

When buying Beef, Country of Origin cues are among the top things Chinese consumers look for along with colour and freshness of the meat. Thus, awareness of Country of Origin is high.

TOP 'ON PACK' CUES SOUGHT WHILE BUYING BEEF





KANTAR

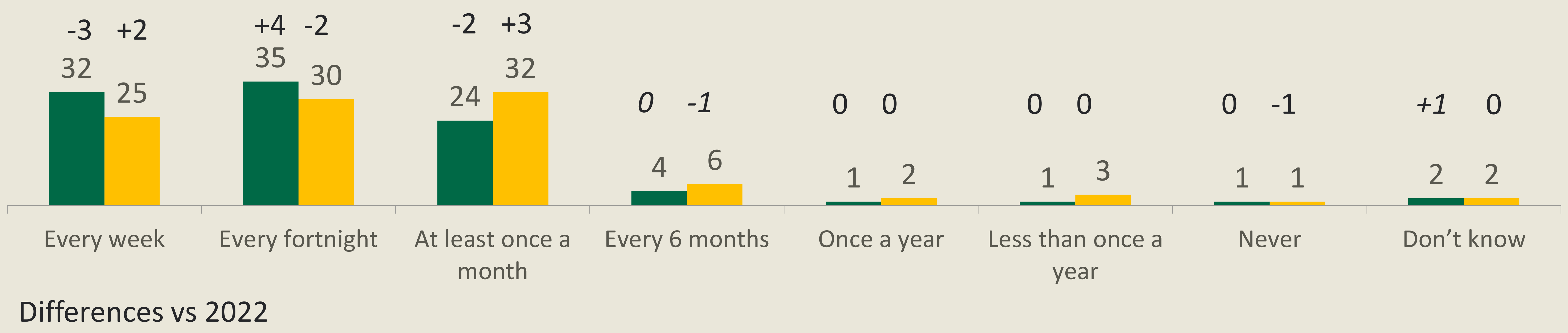
PACK 1- Can you please select up to 6 things you look for (on the pack, on the shelf etc.) when buying beef? Base: (n=392)

mla
MEAT & LIVESTOCK AUSTRALIA

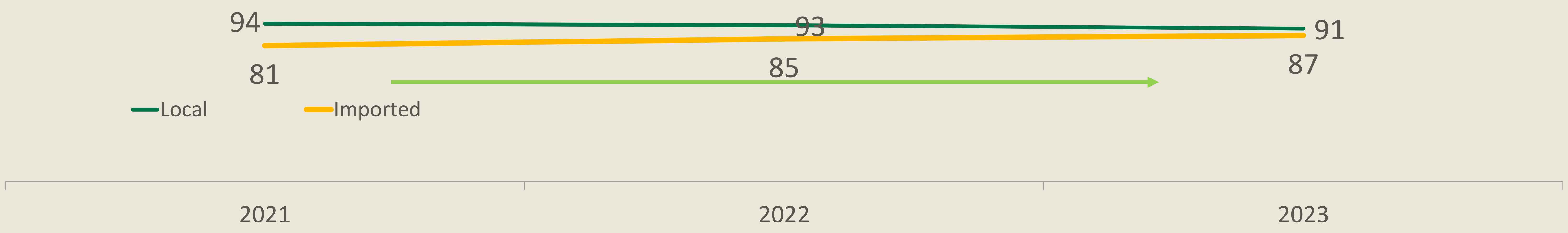
Almost 9 in 10 consumers buy both Imported and Local beef at least once a month. Frequency of buying imported beef shows an increasing trend.

FREQUENCY OF BUYING BEEF

FREQUENCY OF BUYING LOCAL AND IMPORTED BEEF

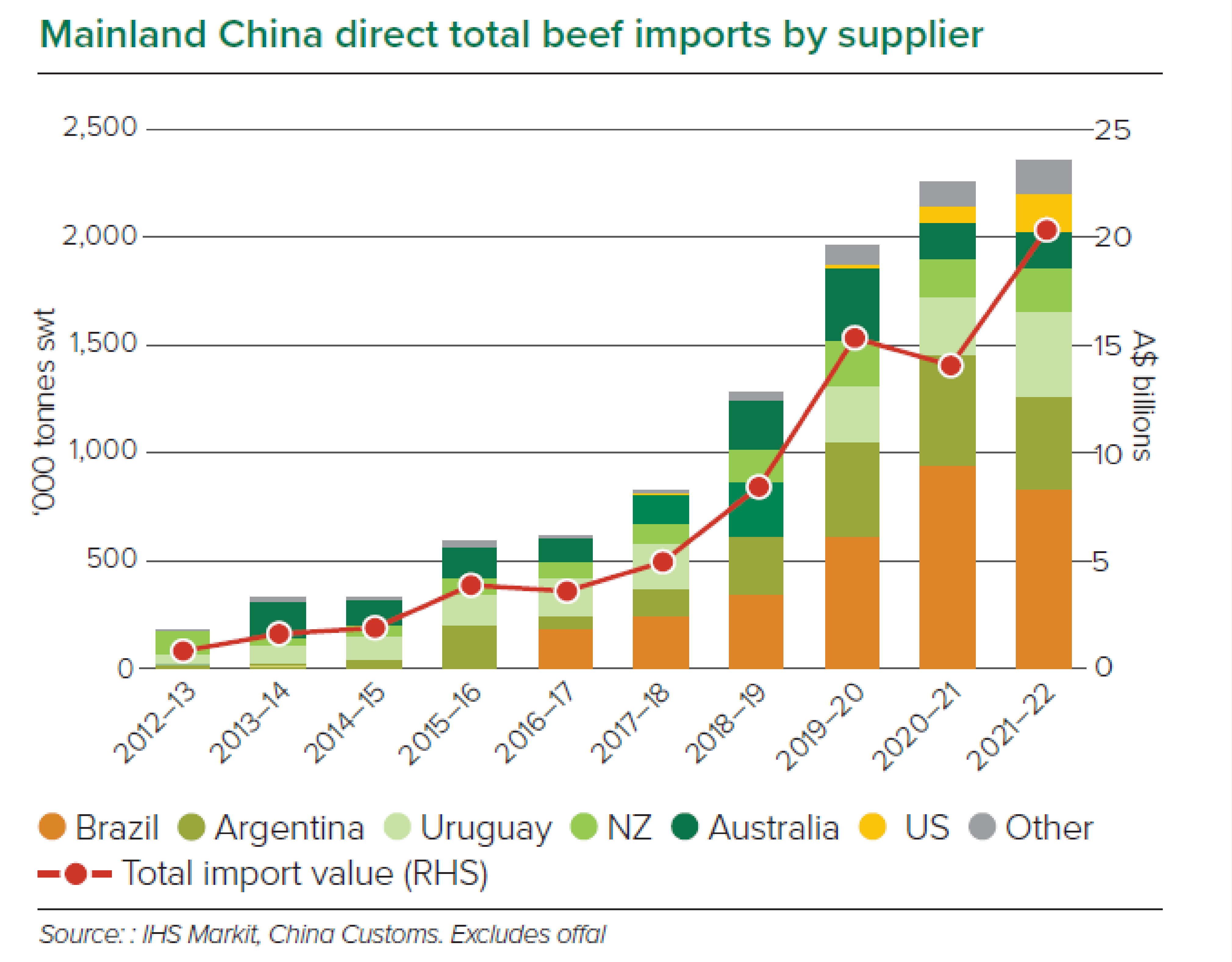


LOCAL & IMPORTED MONTHLY PURCHASE BEEF OVER TIME



Looking at MLA market data for source of imports, AU imports shrank post 2020 due to market access challenges while US is gaining share. Brazil with its lower price point continues to have highest share albeit saw a drop in 2021-22

BEEF IMPORTS BY SUPPLIER – MLA DATA



- Competition in China's beef market is intense with now at least 31 countries granted market access, driven by a government priority to diversify the country's supply.
- Australia is China's largest supplier of chilled beef. However, market access challenges since 2020 have restricted Australian exports, with New Zealand and the US filling some of the gap.
- South American countries dominate China's direct frozen beef import market, particularly Brazil, Argentina and Uruguay, which have benefited from weaker currencies and lower beef prices. These suppliers are also relatively exposed to the China market, with 2021–22 combined export value to China and Hong Kong accounting for 59%, 62% and 63% of total beef exports for these countries respectively.

Recent improvement in Australia China Trade relations indicates better market access for the Australian red meat industry in the foreseeable future. Lift on Japanese beef ban, however, means increased competition in the premium meat space

Recent developments indicate Australia- China trade relations are on a positive trajectory

Australia is hopeful China will next lift trade sanctions on barley imports in a fresh sign of improving trade relations.

China's ambassador to Australia Xiao Qian on Thursday confirmed bans on Australian timber imports worth $600 million, which had been in place since 2020 after Beijing cited quarantine risks, had been lifted.

The timber ban was part of the $20 billion in coercive trade sanctions imposed by Beijing that same year at the height of the diplomatic rift between the two countries and included barley and wine exports.

The ambassador also revealed talks were underway for Prime Minister Anthony Albanese to visit China "as quickly as possible".

Agriculture Minister Murray Watt said there were "positive signals on the barley front".

"We'd be hopeful that we can certainly get that resolved within that three-month window," he told the ABC on Friday.

"The next thing would be wine, because there are similar issues that face the wine industry."

Australian beef producers confident China trade suspensions will be lifted soon

Beef producers are increasingly confident China could soon lift trade suspensions on some Australian beef processing plants, following an easing of other import restrictions this week.

China has placed tariffs on Australian barley and wine in recent years, and suspended the live lobster trade and coal imports, until this week.

It also blocked imports from eight beef exporters from Queensland, NSW and Victoria, over labelling non-compliance and COVID-19 related issues.

That was between May 2020 and September 2021.

But now the Australian Meat Industry Council (AMIC) CEO Patrick Hutchinson said there were "exceptionally positive" signs business with those companies would soon be reinstated.

Key points:

- China could soon lift suspensions on beef imports from eight Australian processing plants
- Industry leaders say signs are "exceptionally positive" that trade suspensions will be lifted
- The Casino Food Co-op says China's beef ban has cost the business millions

"This is not a scenario like barley or wine where there's a huge tariff, this is a government to government process," he said.

China lifted 18- year ban on Japanese beef imports in December 2019

CHENGDU, China--Beijing lifted an 18-year ban on some Japanese beef imports ahead of a planned state visit to Japan next year by Chinese President Xi Jinping.

The trade restriction had been imposed since September 2001 to stop the spread of mad cow disease.

Japan plans to resume exporting beef to China as early as next year after the two nations iron out quarantine and other measures.

The Japanese government had been pushing China to lift the ban to foster better relations ahead of Xi's visit in spring.

Boneless beef from Japan aged 30 months or less will be allowed into China for the first time in 18 years, China's General Administration of Customs and the Ministry of Agriculture and Rural Affairs announced Dec. 19.

Japan has lobbied since 2004 for an end to the ban, which China slapped on all Japanese beef imports. An outbreak of foot-and-mouth disease in 2010 stalled progress in negotiations.

Japan's "wagyu" beef, which is regarded as top-tier Japanese cuisine, has rocketed in popularity among China's emerging nouveau riche.

KANTAR

Source- Australia 'hopeful' China will lift more trade bans (thenewdaily.com.au)
Australian beef producers confident China trade suspensions will be lifted soon - ABC News
China lifts 18-year-old ban on Japanese beef imports as Beijing seeks to warm trade ties with Tokyo | South China Morning Post (scmp.com)

mla
MEAT & LIVESTOCK AUSTRALIA

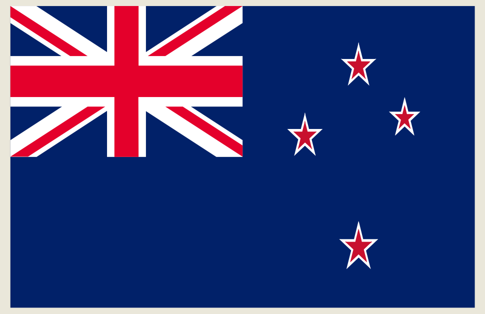
Japanese beef was a new brand added in 2023, meaning equity and imagery scores cannot be compared with previous years. Brand funnels however can be compared.

BEEF BRANDS TRACKED IN 2023

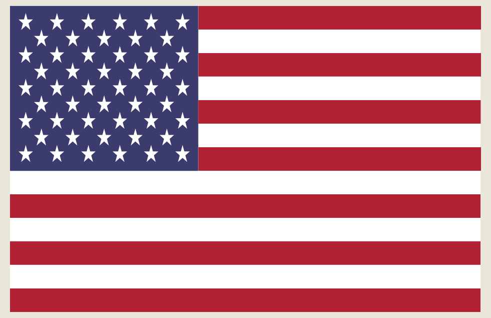
Local Chinese beef

Australian beef

New Zealand beef



American beef



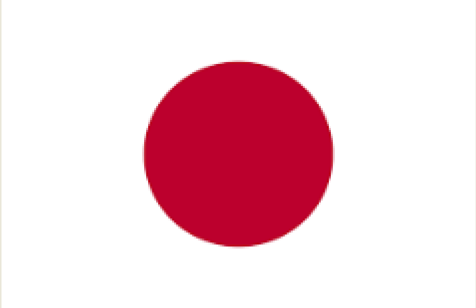
Brazilian beef

Argentinian beef

Canadian beef

Uruguayan beef

Japanese beef
Added



AU and NZ beef continue to have strong brand health behind local beef but show weakening on awareness and consumption. American beef has managed to remain stable on consumption but behind AU and NZ

BEEF- BRAND HEALTH FUNNELS BY COUNTRY OF ORIGIN

	LOCAL CHINESE BEEF %	'22	'21	'20	AUSTRALIAN BEEF %	'22	'21	'20
Spontaneous awareness	50	47	32	43	36▼	48	33	51
Total Awareness	75▼	88	65	87	53▼	72	49	72
Ever Eaten	71▼	87	64	85	41▼	52	39	52
Eat P12M	70▼	87	62	83	34▼	42	30	46
Eat P3M	68▼	84	60	79	24	27	21	30
Past Month	65▼	81	56	73	16	20	15	22
Most Often	54▼	67	47	62	10	7	8	11

	NEW ZEALAND BEEF %	'22	'21	'20	AMERICAN BEEF %	'22	'21	'20
Spontaneous awareness	29	32	36	31	24▼	42	20	33
Total Awareness	52▼	67	47	64	43▼	60	31	58
Ever Eaten	38▼	47	40	42	33	37	20	33
Eat P12M	31▼	38	32	36	26	27	13	22
Eat P3M	22	26	23	22	19	18	7	12
Past Month	15	20	16	16	13	13	6	9
Most Often	5	5	5	6	2	3	1	2

Sorted in order of Total Awareness
BBH1. Spontaneous Awareness, BBH2. Prompted Awareness, BBH3. Ever Eaten, BBH4. Eaten last year, BBH5. Eaten in the last 3 months, BBH6. Eaten last month, BBH8. Most often
Base: '23 (n=422), '22 (n=415), '21 (n=400), '20 (n=399) – Bought beef in past month or ever buy beef

▲▼ *Sig. different at 95%*

KANTAR

mla MEAT & LIVESTOCK AUSTRALIA

Japanese beef, new to our brand list ranks in the top 5 beef brands. In comparison, market leaders Brazil and Argentina have weaker brand health suggesting lower predisposition for these popular brands.

BEEF- BRAND HEALTH FUNNELS BY COUNTRY OF ORIGIN

	JAPANESE BEEF %	BRAZILIAN BEEF %	'22	'21	'20	ARGENTINIAN BEEF %	'22	'21	'20	CANADIAN BEEF %	'22	'21	'20
Spontaneous awareness	18	15	16	14	17	9	13	9	17	4	7	4	8
Total Awareness	39	36 ▼	46	32	50	30 ▼	43	25	52	23 ▼	34	21	38
Ever Eaten	27	18 ▼	26	19	25	15 ▼	21	14	22	12	13	11	16
Eat P12M	22	14	17	13	20	11 ▼	17	10	17	9	8	6	12
Eat P3M	14	9	10	9	9	7	11	6	11	5	4	5	6
Past Month	11	5	7	7	7	5 ▼	9	5	8	2	3	5	4
Most Often	2	2	1	3	2	2	3	1	3	0	0	1	1

KANTAR

BBH1. Spontaneous Awareness, BBH2. Prompted Awareness, BBH3. Ever Eaten, BBH4. Eaten last year, BBH5. Eaten in the last 3 months, BBH6. Eaten last month, BBH8. Most often
Base: '23 (n=422), '22 (n=415), '21 (n=400), '20 (n=399) – Bought beef in past month or ever buy beef

▲▼ *Sig. different at 95%*

MEAT & LIVESTOCK AUSTRALIA

Uruguayan Beef continues to have low salience and usage despite strong market share, again speaking to lower brand predisposition.

BEEF- BRAND HEALTH FUNNELS BY COUNTRY OF ORIGIN

	URUGUAYAN BEEF %	'22	'21	'20
Spontaneous awareness	1	2	1	2
Total Awareness	13	15	10	18
Ever Eaten	8	8	6	9
Eat P12M	6	6	3	7
Eat P3M	4	4	3	4
Past Month	2	3	2	3
Most Often	1	0	0	1

KANTAR

BBH1. Spontaneous Awareness, BBH2. Prompted Awareness, BBH3. Ever Eaten, BBH4. Eaten last year, BBH5. Eaten in the last 3 months, BBH6. Eaten last month, BBH8. Most often
Base: ‘23 (n=422), '22 (n=415), '21 (n=400), '20 (n=399) – Bought beef in past month or ever buy beef

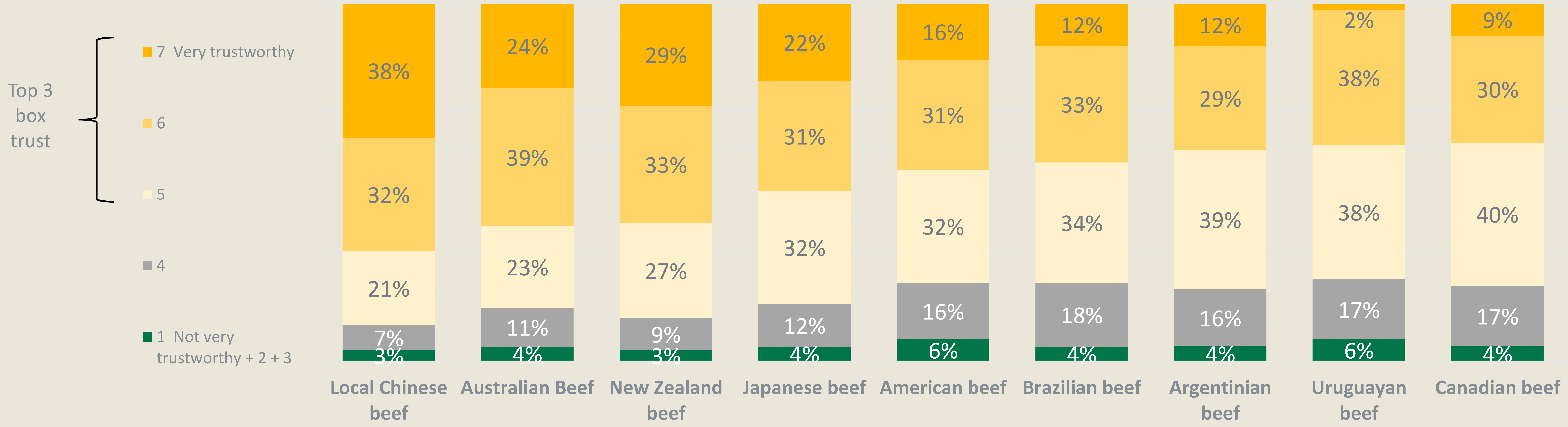
Sig. different at 95%

MEAT & LIVESTOCK AUSTRALIA

AU continues to be the most trusted imported beef. With increased competitiveness in the market, however, Trust has strengthened for all imports. Important for AU, therefore to further strengthen Trust perceptions.

BEEF- TRUST BY COUNTRY OF ORIGIN

2022	Top 2 Box	70%	51%	53%	NA	38%	39%	40%	34%	37%
2023	Top 2 Box	70%	63%	62%	53%	47%	45%	41%	40%	39%



KANTAR

BTR2B. How trustworthy is the imported beef from these countries – 7 point scale

Base: Australian Beef (224) American beef (182), New Zealand beef (219), Canadian beef (96), Local Chinese beef (315), Argentinian beef (128), Brazilian beef (151), Uruguayan beef (53), Japanese beef (166), 0 (0), ()

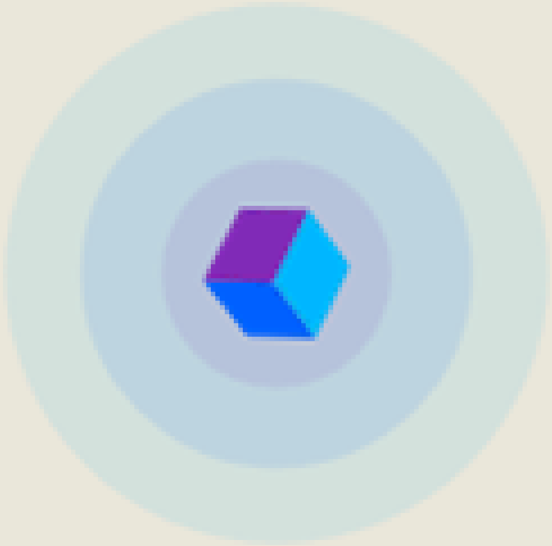
mla MEAT & LIVESTOCK AUSTRALIA

WHAT NEXT FOR AU BEEF IN CHINA?

There are two paths to brand growth.

By increasing the likelihood
that a consumer will buy a brand

We call this Demand Power

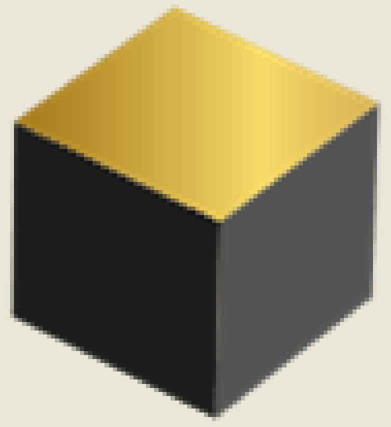


Demand Power

High Demand Power brands capture **5× higher** volume share

By increasing the likelihood
consumers will pay for a brand

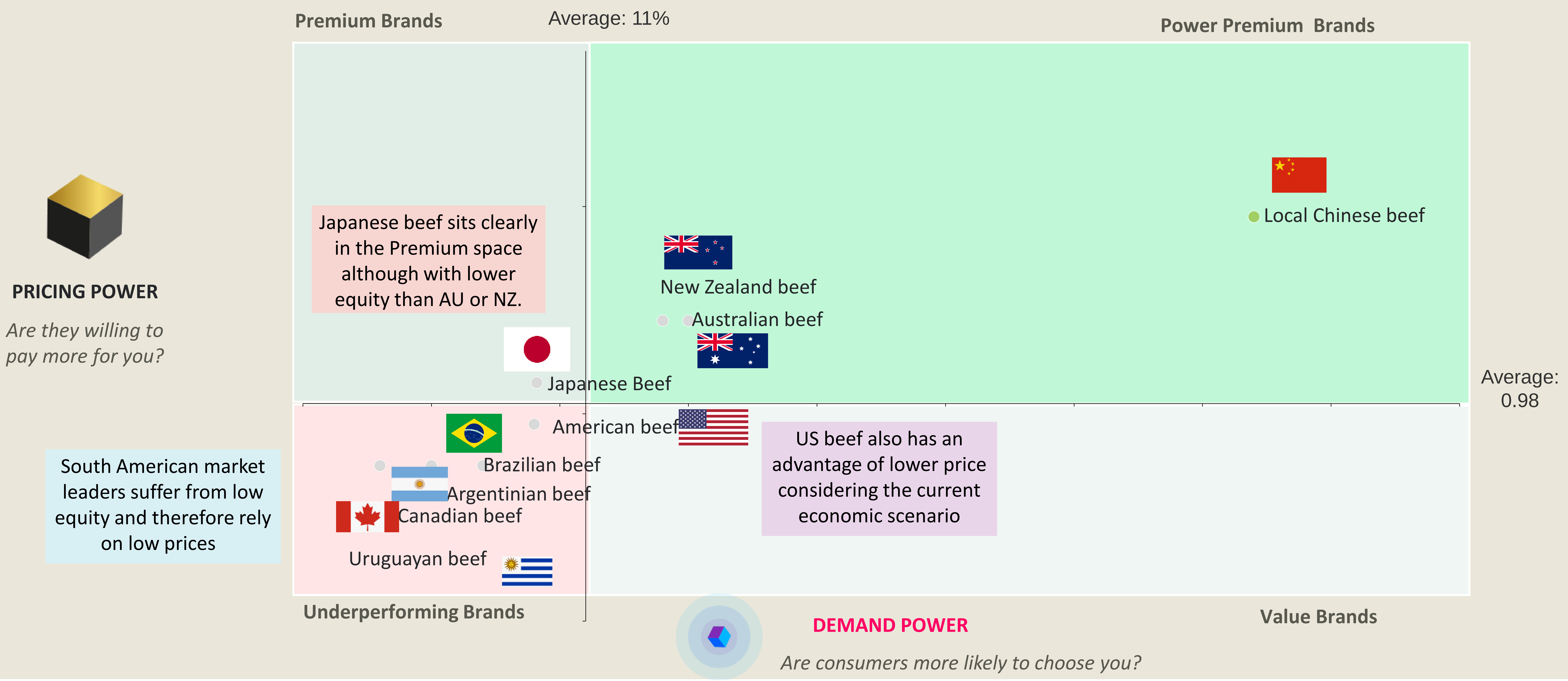
We call this Pricing Power



Pricing Power

High Pricing Power brands can charge **25% more** than brands with a low Pricing Power score

Due to strong brand equity AU and NZ sit in a strong position relative to the other imported brands. Both able to charge a justified price premium. South American Beef is more reliant on its lower price point. US Beef is the watch out, a value brand with strong equity. Japan is less able to justify its premium price.

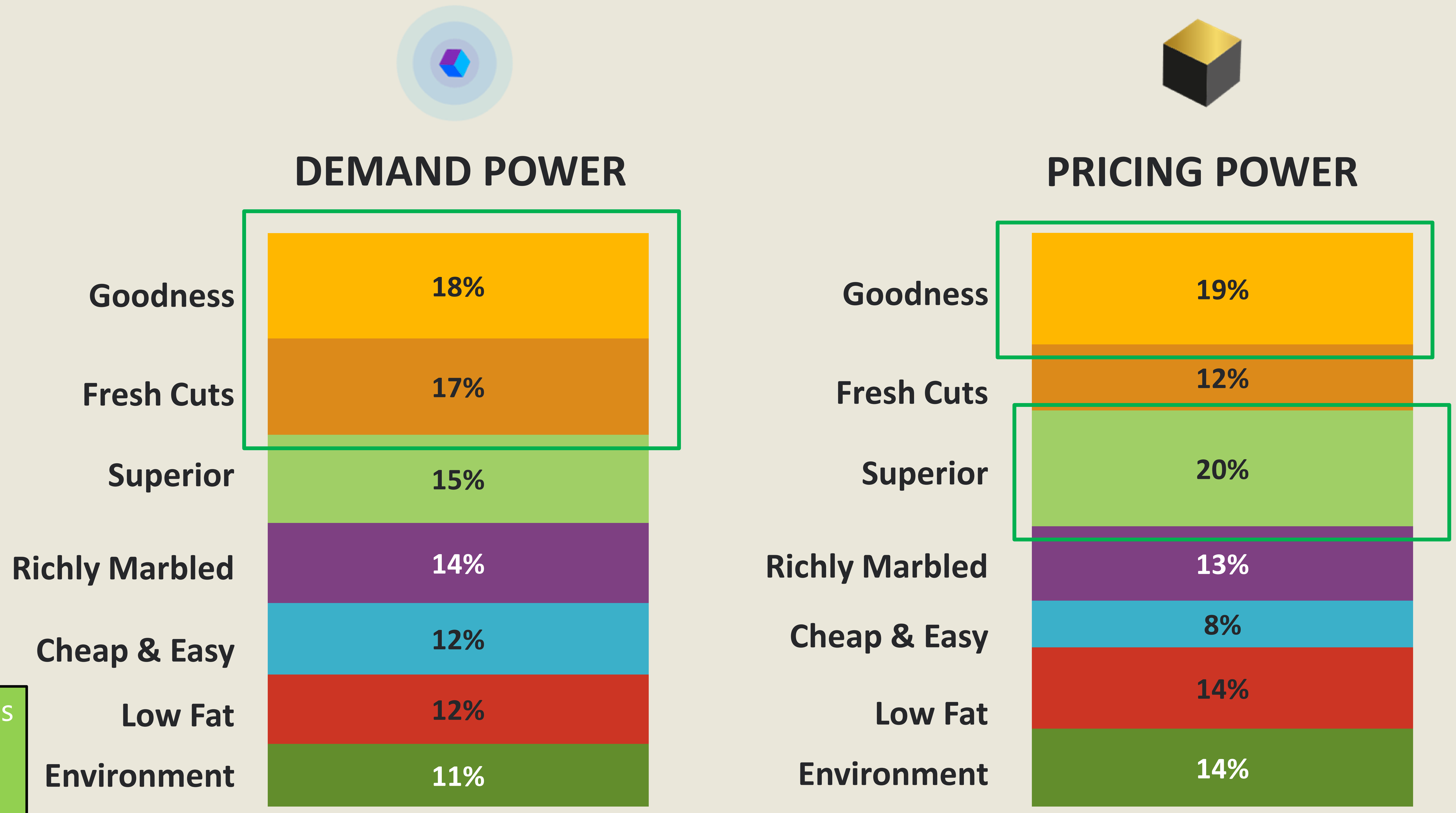


KANTAR

MEAT & LIVESTOCK AUSTRALIA

There are differences in which levers to pull depending on the need to drive brand equity vs premium associations. Being premium, an important aspect for AU Beef, centres around communicating superior quality and tenderness followed by the goodness of the meat in terms of food safety and nutrition.

WHAT DRIVERS DEMAND POWER AND PRICING POWER



GOODNESS
Guaranteed safe to eat
More nutritious
The animal is well-cared for
Is my/my family's favourite beef

FRESH CUTS
Offers a variety of cuts
Fresh

SUPERIOR
Is the most superior beef
The meat is usually tender
Consistent Quality Standards

While Sustainability is gaining awareness, not yet influencing meat purchase

Japanese beef is a watch out with similar strength of associations as AU beef, making it a key competitor but with stronger associations on attributes related to superiority. A key driver of premium. NZ is also a brand to watch sitting marginally ahead of AU on nearly all associations but in particular Superiority

DRIVERS OF **DEMAND POWER** (ranked top to bottom)

		LOCAL BEEF	AUSTRALIAN BEEF	NEW ZEALAND BEEF	JAPANESE BEEF	AMERICAN BEEF	BRAZILIAN BEEF	ARGENTINIAN BEEF	CANADIAN BEEF	URUGUAYAN BEEF
Goodness (18%)	More nutritious	49	29	32	27	17	23	19	17	7
	Animal is well-cared for	52	29	31	26	19	16	18	21	6
	Guaranteed safe to eat	56	30	35	29	21	18	20	22	9
	Family's favourite beef	60	23	28	26	15	15	14	16	6
Fresh cuts (17%)	Fresh	61	25	29	27	19	17	19	20	5
	Offers variety of cuts	60	27	32	26	21	18	20	20	9
Superior (15%)	Most superior beef	45	26	32	31	16	17	19	20	6
	Tender	48	26	30	32	17	17	18	18	5
	Consistent quality standards	51	27	33	28	19	18	18	16	4
Richly Marbled (14%)	Fat is nicely marbled	41	29	26	29	19	18	19	19	5
Cheap and Easy (12%)	Easy & convenient to purchase	67	22	24	24	17	17	16	16	6
	Cheaper	65	19	21	21	12	18	17	17	8
Low fat (12%)	Low in fat	49	27	33	29	18	18	23	20	10
Environment (11%)	Environmentally sustainable	50	30	32	27	20	20	19	21	8
	AVG	*54*	*26*	*30*	*27*	*18*	*18*	*19*	*19*	*7*

KANTAR

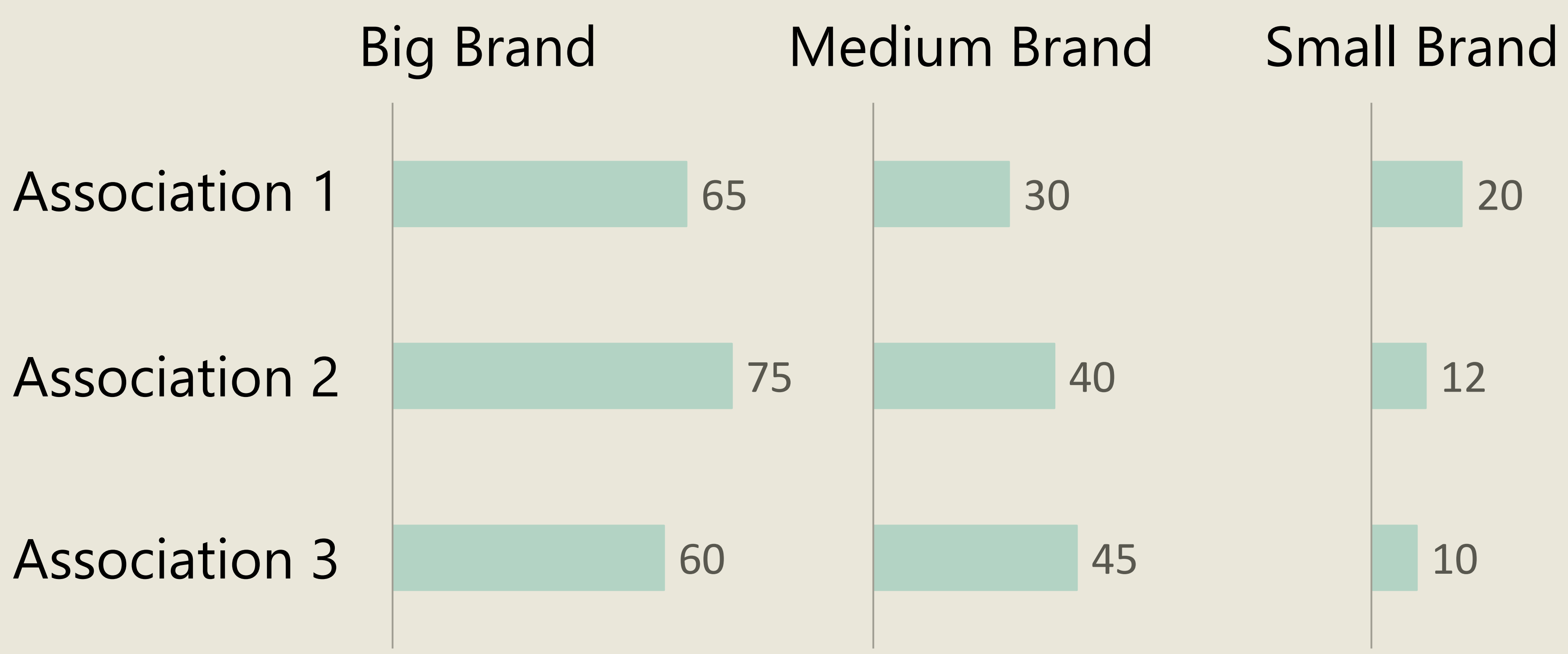
BBH9. Here are some things which people have said about beef. We would like to know which of the following statements apply to beef from different countries of origin. You may choose as many or as few countries of origin as you wish. It doesn't matter if you don't buy any of them - it's your impressions we'd like. Base: (n=xxx). *Attributes are grouped according to level of co-endorsement i.e. when respondents endorse one attribute for a brand, they are likely to endorse the others in the group. In this way the attributes are linked, then the groups are given an appropriate, summary name.*

Highest association
Second highest
Third highest

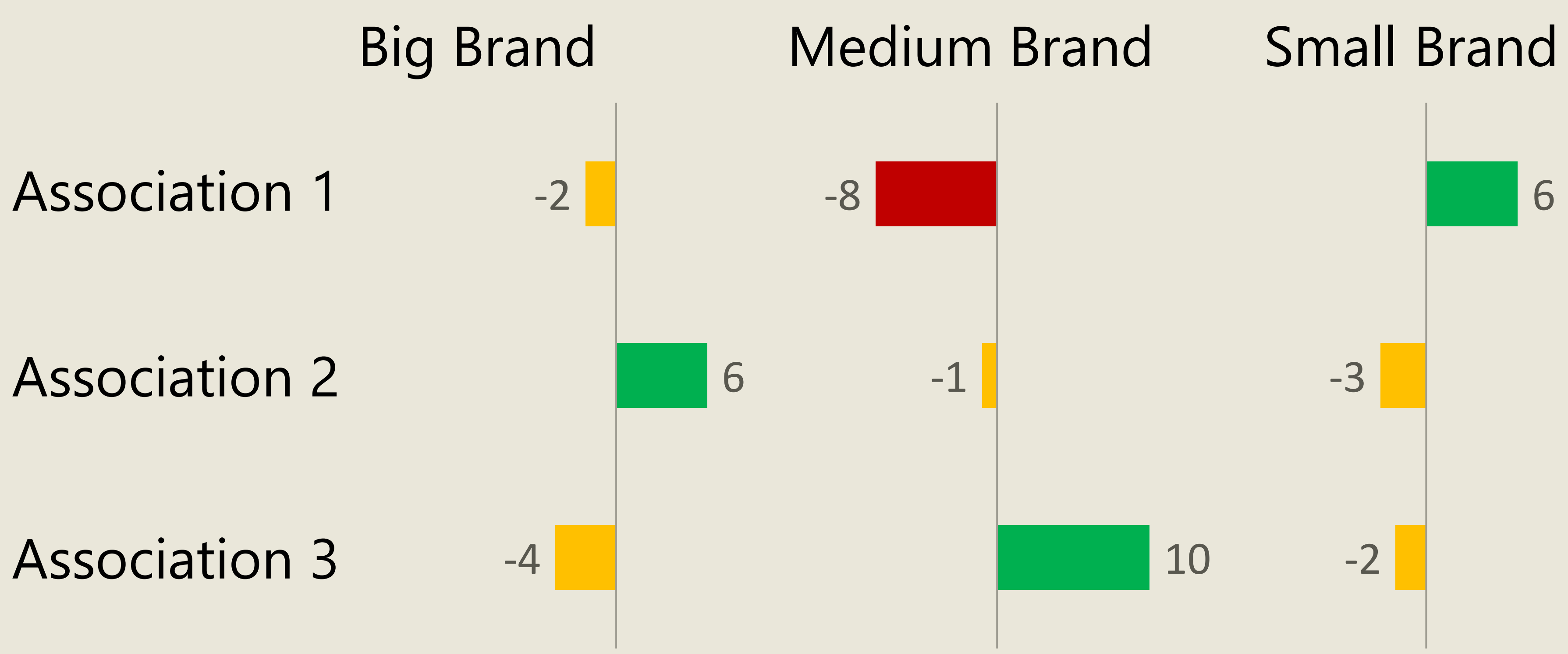
MEAT & LIVESTOCK AUSTRALIA

Big brands naturally attract high endorsement, which can limit insights.
But we can run a statistical analysis to strip out size to identify relative strengths and weaknesses.

BIP ANALYSIS AND WHY WE SHOULD LOOK AT IT?



Statistical Analysis



Limited Insights:
Big Brand leads on everything, followed by Medium Brand and Small Brand.

More Insights:
- Big brand's strength is driven by Association 2
- Medium brand's role is clear in consumers' minds – it is known for Association 3, but not for Association 1
- While small, Small Brand is a threat on Association 1

We can then **overlay what drives demand and willingness to pay** to help you pursue what matters most (choice/price driving associations, differentiation/competitive white space)

KANTAR

Note: +/- 5 = relative strength or weakness
It is not possible to have a relative strength on everything - brands with relative strengths/weaknesses typically perform best because they play a clear role for consumers

mla MEAT & LIVESTOCK AUSTRALIA

AU and NZ beef have a more neutral profile and have an opportunity to focus on building differentiation on attributes that are more important. Brazil has a strength in nutrition- a watch out, while Japan has a strength on Tenderness.

DRIVERS OF **DEMAND POWER**
(ranked top to bottom)

		LOCAL CHINESE BEEF	AUSTRALIAN BEEF	NZ BEEF	JAPANESE BEEF	AMERICAN BEEF	BRAZILIAN BEEF	ARGENTINIAN BEEF	CANADIAN BEEF	URUGUAYAN BEEF
Goodness (18%)	More nutritious	-6	2	2	-1	-1	5	0	-2	0
	Animal is well-cared for	-2	3	1	-1	1	-2	0	2	-1
	Guaranteed safe to eat	-2	0	2	-2	1	-2	-1	1	1
	My/my family's favourite beef	9	-1	1	1	-1	-1	-3	-1	0
Fresh cuts (17%)	Fresh	7	-1	-1	0	1	-1	0	1	-2
	Variety of cuts that suit the meals I make	3	-2	0	-4	1	-2	0	-1	2
Superior (15%)	Most superior beef	-8	0	3	4	-1	0	1	2	0
	Meat is usually tender	-5	1	1	6	0	0	0	0	-1
	Consistent quality standards	-2	2	4	2	2	1	0	-2	-2
Richly Marbled (14%)	Fat is nicely marbled	-11	4	-2	3	2	1	2	1	-1
Cheap and Easy (12%)	Easy and convenient to purchase	15	-3	-4	-2	0	0	-1	-2	0
	Cheaper	14	-5	-6	-4	-4	2	0	0	2
Low fat (12%)	Low in fat	-8	-1	1	0	-1	-1	3	0	3
Environment (11%)	Industry is environmentally sustainable	-6	2	0	-2	1	1	-1	1	1

KANTAR

+5 or more = relative category strength
-5 or less = relative category weakness.

BBH9. Here are some things which people have said about beef. We would like to know which of the following statements apply to beef from different countries of origin. You may choose as many or as few countries of origin as you wish. It doesn't matter if you don't buy any of them - it's your impressions we'd like. Base: (n=xxx). *Attributes are grouped according to level of co-endorsement i.e. when respondents endorse one attribute for a brand, they are likely to endorse the others in the group. In this way the attributes are linked, then the groups are given an appropriate, summary name.*

mla
MEAT & LIVESTOCK AUSTRALIA

What does AU beef need to focus on to target further growth in China?

AU beef needs to focus on communicating what makes our beef superior and strengthen perceptions of quality and nutrition while showcasing variety of cuts.

TOP ASSOCIATIONS TO GROW - VOLUME & PREMIUM (ORDERED BASED ON IMPACT ON BUILDING EQUITY*)

1. Family favourite

Space owned by local beef. Difficult for AU beef to own

2. Animal is well cared for

AU beef is best positioned on this attribute- low hanging fruit to differentiate on

3. Consistent quality standards

White space that we have a right to address with process and quality

4. Offers a variety of cuts that suit meals I make

With more at-home cooking, showcasing this becomes important.

5. More nutritious

Space that was previously a strength for AU beef- low hanging fruit to differentiate on
Now a strength for Brazilian beef

NOTE: GRASS FED LEVEL

These associations are simulated in the Meaningfully Different model to ascertain which will drive the greatest growth in Power and Premium

KANTAR

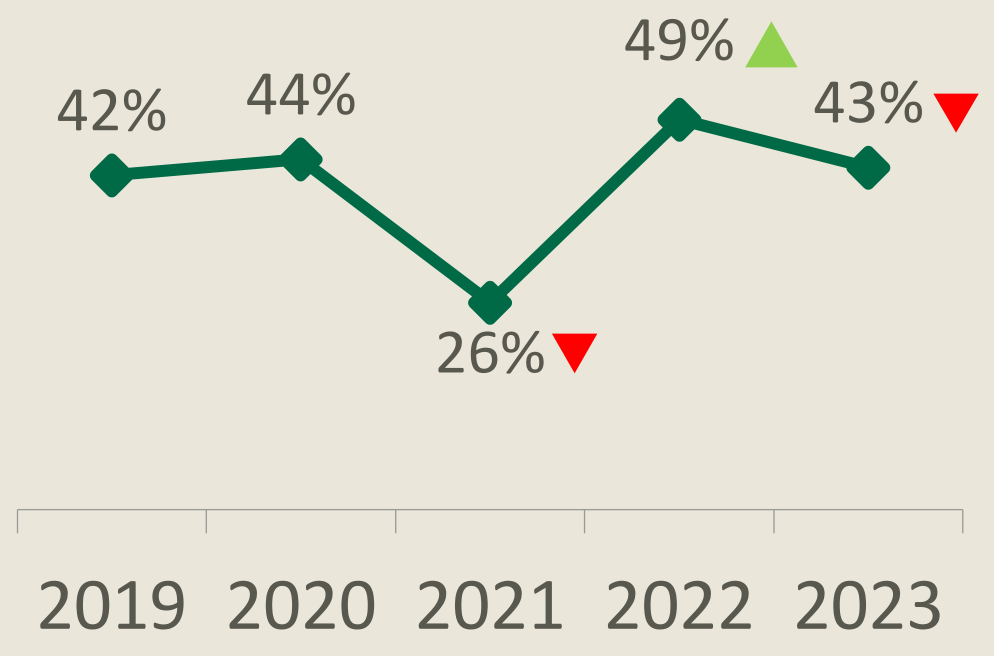
Associations for AU to communicate

MEAT & LIVESTOCK AUSTRALIA

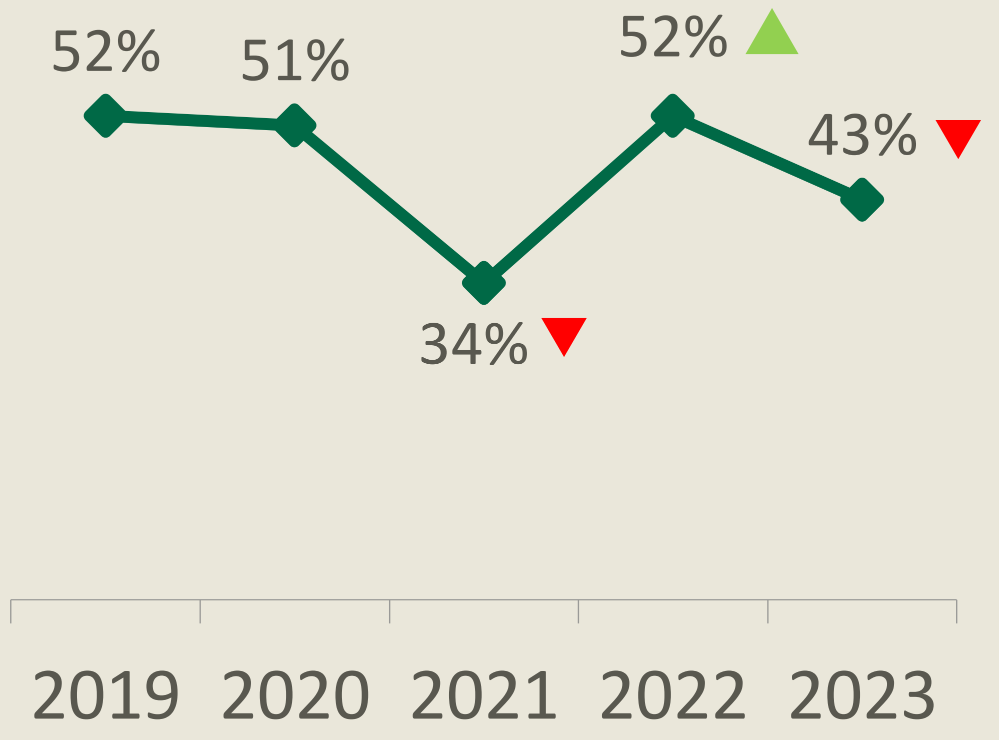
True Aussie builds image around quality, nutrition and sustainability- an asset we can leverage when communicating our brand. Thus, it is important to strengthen awareness, especially in context of the new logo rollout

TRUE AUSSIE- AWARENESS AND PERCEPTION

Aware of Term: 'True Aussie'



Aware of Logo:



Top 5 impressions of True Aussie logo:

1. Is more nutritious
2. Environmentally sustainable
3. Animals are free to roam
4. Processed under the highest animal welfare standards
5. Guaranteed safe to eat

Top Associations to Grow - Volume & Value

2. Animal is well cared for	3. Consistent quality standards	5. More nutritious

KANTAR

QTA1. Have you heard the term "True Aussie" before? Base: '23 (n=800), '22 (n=799), '21 (n=800), '20 (n=801), '19 (n=801),
QTA3. Have you ever seen this logo before? Base: Beef Beef '23 (n=422), Beef '22 (n=410), '21(n=400), Beef '20 (n=399), Beef '19 (n=401); Lamb '23 (n=378), Lamb '22 (n=391), Lamb '21 (n=400), Lamb'20 (n=402), Lamb'19 (n=400),

Sig. different at 95%

MEAT & LIVESTOCK AUSTRALIA

Summarising Beef Module

- Competition in China's Beef market is strong with at least 31 countries granted market access and most recently the ban on Japanese beef lifted – a key competitor in the premium space.
- Thus, it is important for AU beef to maintain a strong position in this competitive market.
- Reinforcing safety/ quality standards and nutrition credentials will help drive demand. Consumption of Grass fed beef is on the rise and can support this.
- With the context of economic uncertainty, justifying a premium price is important. Perceptions of 'Superiority' are key to justifying a premium price for beef.
- Japanese beef has strong associations on 'Superiority'. To counter this, AU Beef can leverage the provenance of Australia's clean and green rearing conditions to reinforce superiority and strengthen quality perceptions.

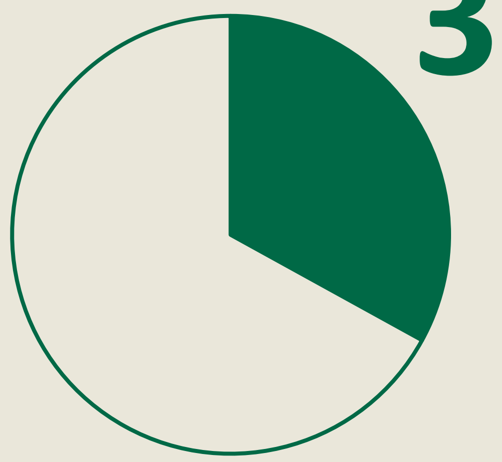
LAMB

COUNTRY OF ORIGIN

All questions in this section were asked of lamb buyers only (must have ever bought lamb). They also must have previously bought, or would consider buying, imported lamb.

Almost 3 in 10 have never bought lamb, suggesting a growth opportunity. But fundamental functional barriers of taste and smell remain, issues with taste are more prominent than before

LAMB PURCHASE BEHAVIOUR

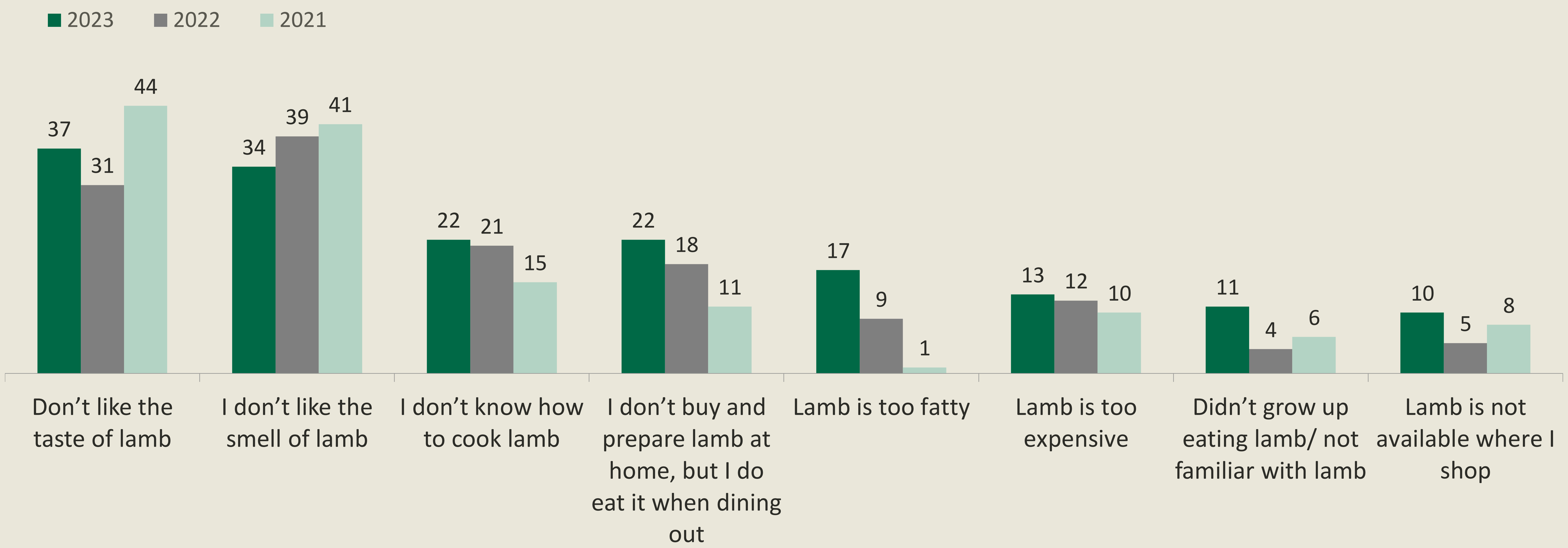


33%

Of the sample have never bought lamb

2022: 28%
2021: 22%

Barriers to eating lamb



KANTAR

CH6. Do you ever buy lamb? Base: (n=800) (Never bought lamb rebased to total sample)
QCH6a. Why do you not buy lamb? Base: '23 (n=262), '22 (n=222), '21 (n=179)

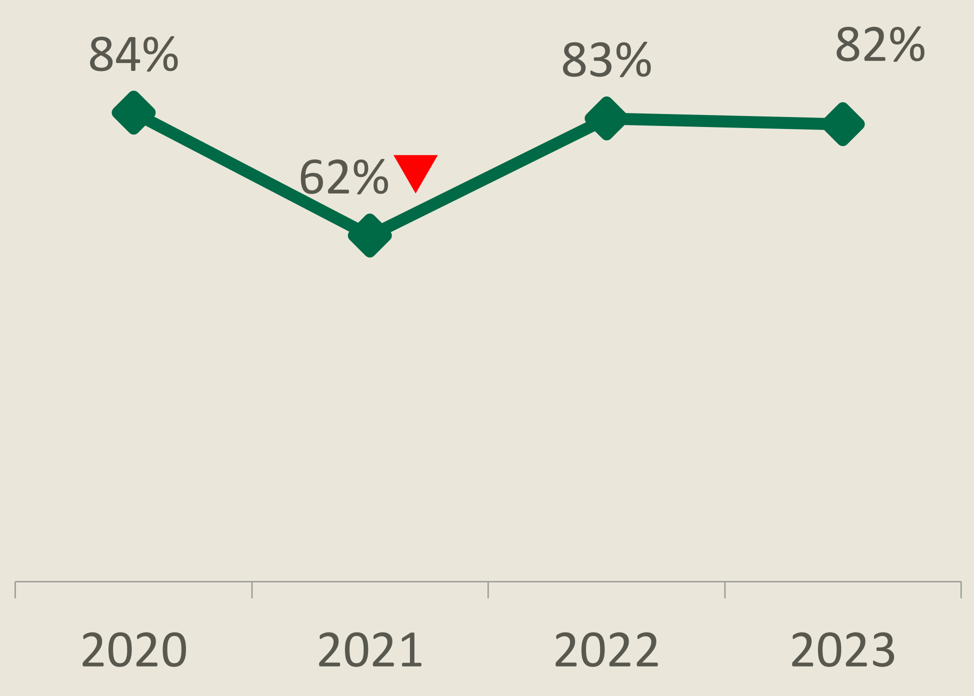
Sig. different at 95%

mla MEAT & LIVESTOCK AUSTRALIA

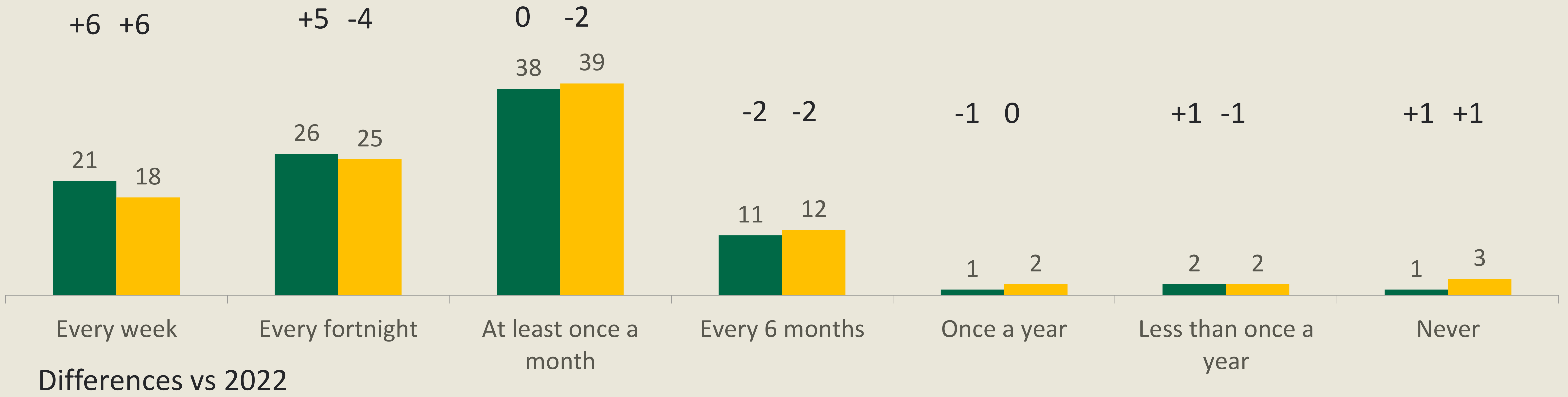
Awareness of Lamb Country of Origin is also high and stable. Similar to beef, monthly imported lamb purchase continues to show an upward trend

LAMB PURCHASE BEHAVIOUR

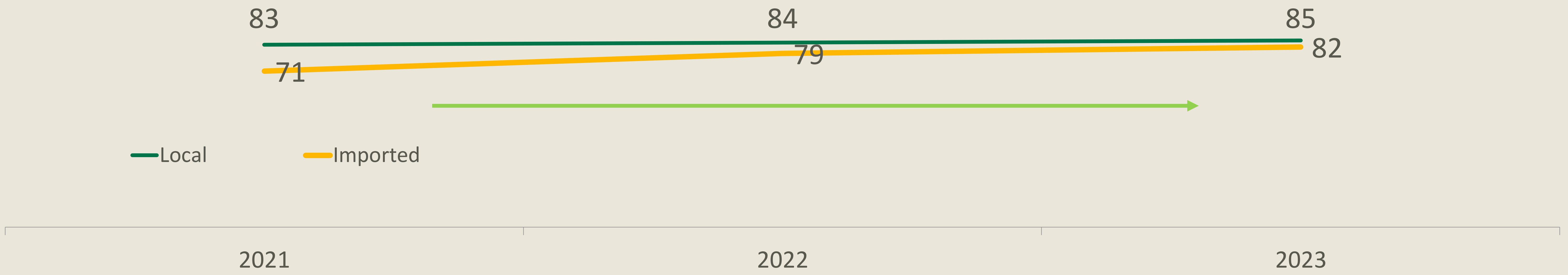
Know Country of Origin?



FREQUENCY OF BUYING LOCAL AND IMPORTED LAMB



LOCAL & IMPORTED MONTHLY PURCHASE LAMB OVER TIME



KANTAR

(LBH1A) Do you know the country of origin of the lamb you buy? Base: (n=538)
(CH7) How often do you buy imported lamb/Halal compliant lamb? Base: (n=538)
(CH7LOC) How often do you buy local lamb/Halal compliant lamb? Base: (n=538)

Sig. different at 95%

mla MEAT & LIVESTOCK AUSTRALIA

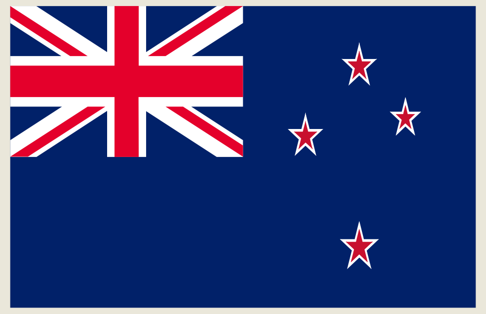
British lamb was a new brand included in 2023 meaning comparisons with last year for imagery data is not possible. Funnels however can still be compared with previous years.

LAMB BRANDS TRACKED IN 2023

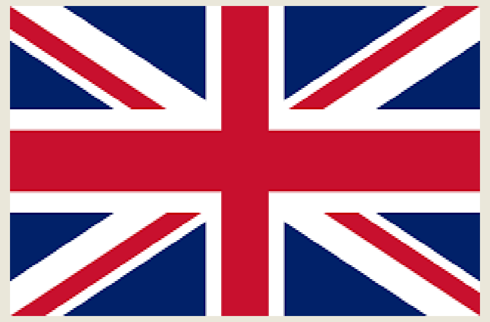
Local Chinese lamb

Australian lamb

New Zealand lamb



British lamb



Like Beef, Local Chinese lamb continues to be the most consumed, however, shows a drop across funnel metrics and is now back to 2021 levels. AU lamb broadly stable while NZ weakens on salience

LAMB- BRAND HEALTH FUNNELS BY COUNTRY OF ORIGIN

	AUSTRALIAN LAMB %	'22	'21	'20	NEW ZEALAND LAMB %	'22	'21	'20	LOCAL CHINESE LAMB %	'22	'21	'20	BRITISH LAMB %
Spontaneous awareness	40	44	37	49	41	43	39	50	52	52	32	47	0
Total Awareness	76	81	58	80	78▼	84	62	81	86▼	94	68	87	52
Ever Eaten	55	51	42	52	58	58	49	61	80▼	89	64	82	30
Eat P12M	45	41	36	46	48	48	44	52	79▼	88	63	79	24
Eat P3M	35	30	26	29	33	34	32	33	72▼	81	60	69	15
Past Month	30	24	20	22	24	26	22	22	63▼	70	55	59	9
Most Often	20	17	8	15	11	11	11	14	49	55	46	48	4

KANTAR

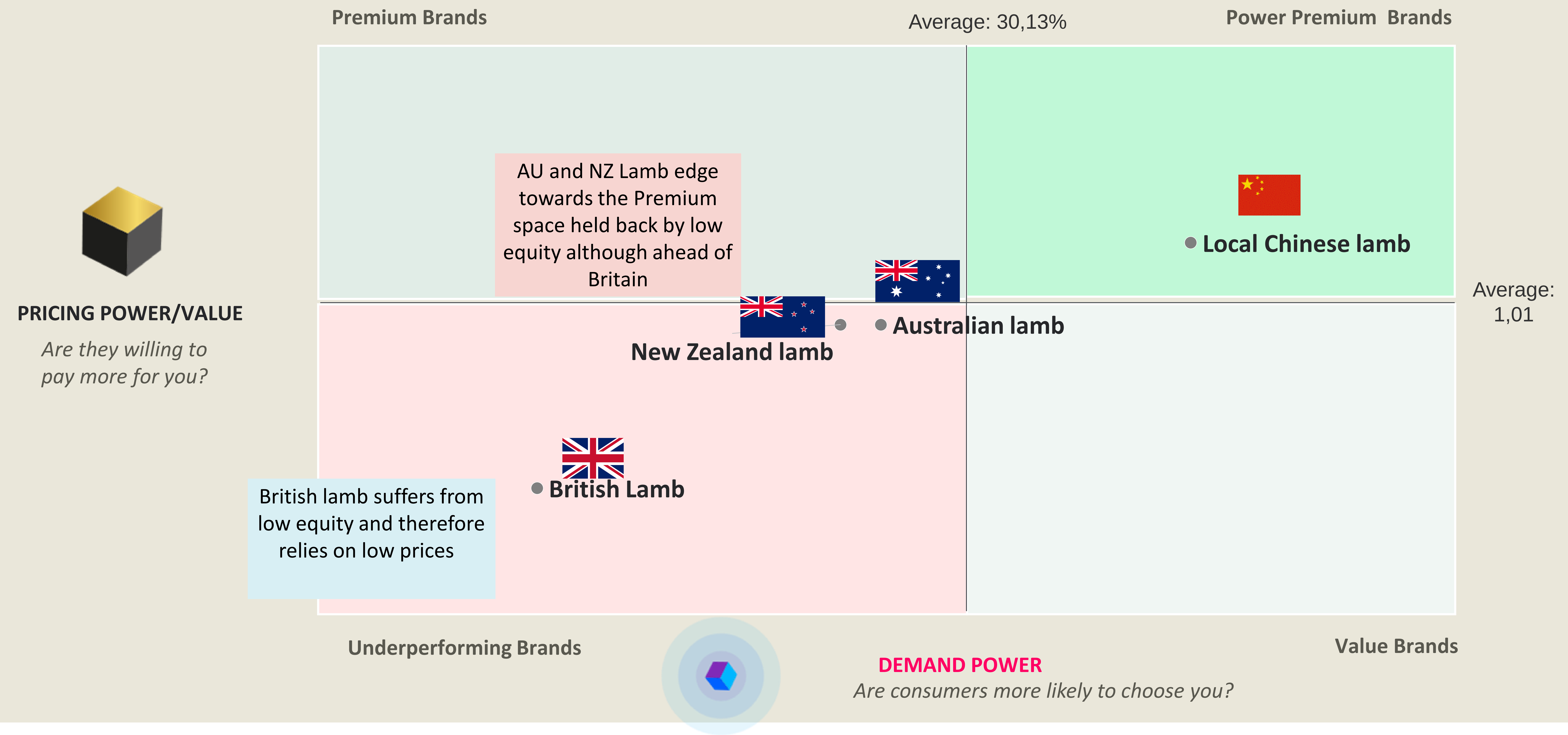
LBH1. Spontaneous Awareness, LBH2. Prompted Awareness, LBH3. Ever Eaten, LBH4. Eaten last year, LBH5. Eaten in the last 3 months, LBH6. Eaten last month, LBH8. Most often

Base: '23 (n=378), '22 (n=385), '21 (n=400), '20 (n=402) – Bought lamb in past month or ever buy lamb

▲▼ *Sig. different at 95%*

mla MEAT & LIVESTOCK AUSTRALIA

Local vs. Imported Lamb play different roles in consumer lives. Local is the more premium and preferred option while Imported lamb has relatively less demand. British lamb reliant on price and AU Lamb held back by weaker equity



KANTAR

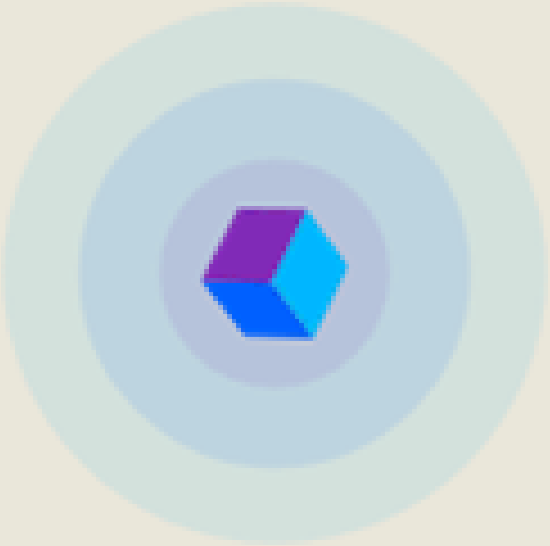
MEAT & LIVESTOCK AUSTRALIA

WHAT NEXT FOR AU LAMB IN CHINA?

There are two paths to brand growth.

By increasing the likelihood
that a consumer will buy a brand

We call this Demand Power

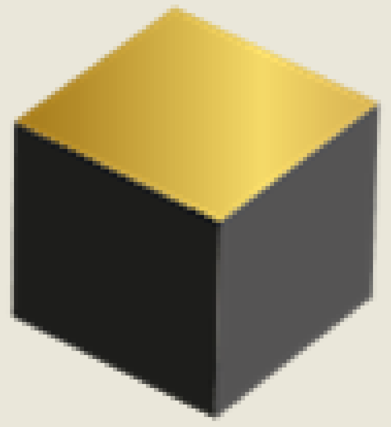


Demand Power

High Demand Power brands capture **5× higher** volume share

By increasing the likelihood
consumers will pay for a brand

We call this Pricing Power

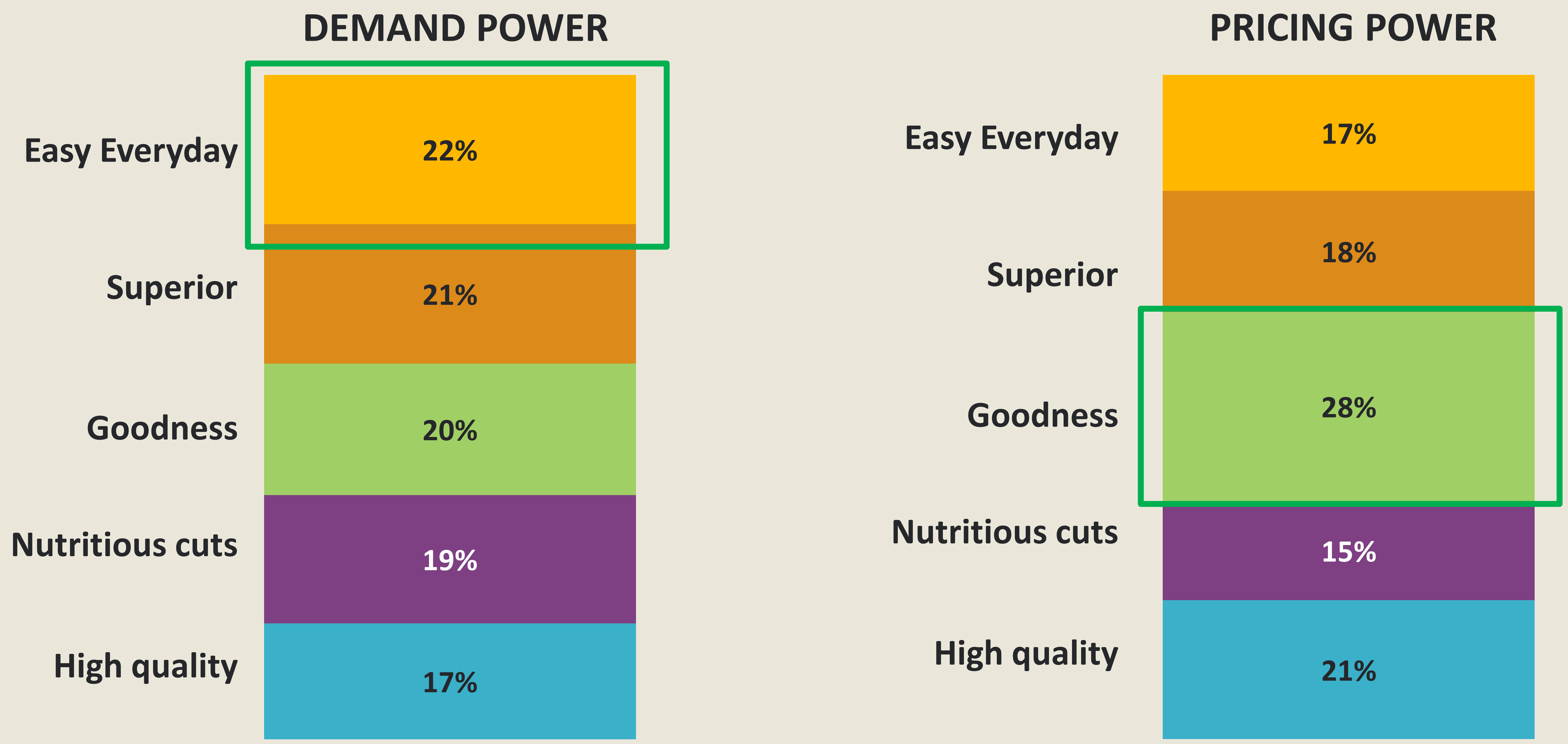


Pricing Power

High Pricing Power brands can charge **25% more** than brands with a low Pricing Power score

Being ‘Easy Everyday’ can help strengthen demand (Power) while building perceptions of ‘Goodness’ offers a clearer route to positioning as a premium brand.

WHAT DRIVERS DEMAND POWER AND PRICING POWER



EAST EVERYDAY

Is easy and convenient to purchase

Cheaper

Fresh

GOODNESS

The animal is well-cared for

Low in fat

The meat is usually tender

The industry is environmentally sustainable

Local lamb, the more preferred brand has strengths in 'Easy Everyday'. AU lamb has a strength on Superiority an important driver which we can leverage while building strengths in Safety. Quality and Nutrition, current areas of white space where we have credentials we can leverage.

DRIVERS OF **DEMAND POWER**
(ranked top to bottom)

		AUSTRALIAN LAMB	NEW ZEALAND LAMB	LOCAL CHINESE LAMB	BRITISH LAMB
Easy Everyday (22%)	Is easy and convenient to purchase	-2	-7	11	-2
	Cheaper	-8	-9	17	-1
	Fresh	-3	-5	7	1
Superior (21%)	Is the most superior lamb	6	2	-9	0
	Is my/my family's favourite lamb	-3	1	6	-3
Goodness (20%)	The animal is well-cared for	3	0	-5	2
	Low in fat	0	6	-8	1
	The meat is usually tender	4	2	-4	-2
	The industry is environmentally sustainable	2	3	-7	2
Nutritious Cuts (19%)	More nutritious	2	2	-2	-2
	Offers a variety of cuts that suit the meals I make	-2	-1	1	2
High Quality (17%)	Consistent quality standards	2	4	-7	1
	Guaranteed safe to eat	0	1	-3	2

KANTAR
+5 or more = relative category strength
-5 or less = relative category weakness.

LBH9. Here are some things which people have said about lamb. We would like to know which of the following statements apply to lamb from different countries of origin. You may choose as many or as few countries of origin as you wish. It doesn't matter if you don't buy any of them - it's your impressions we'd like. Base: (n=xxx). *Attributes are grouped according to level of co-endorsement i.e. when respondents endorse one attribute for a brand, they are likely to endorse the others in the group. In this way the attributes are linked, then the groups are given an appropriate, summary name.*

MEAT & LIVESTOCK AUSTRALIA

AU lamb needs to focus on communicating what makes us superior and strengthen perceptions of safety, quality and nutrition.

Top 5 Associations to Grow - Volume & Value (Ordered based on impact on building equity*)

Focussing on these levers can help AU lamb build both Power and Premium

1. Family favourite

Space owned by local lamb. Difficult for AU beef to own

2. Guaranteed safe to eat

3. Consistent quality standards

White space that we have a right to address with process and quality

4. More nutritious

5. Meat is tender

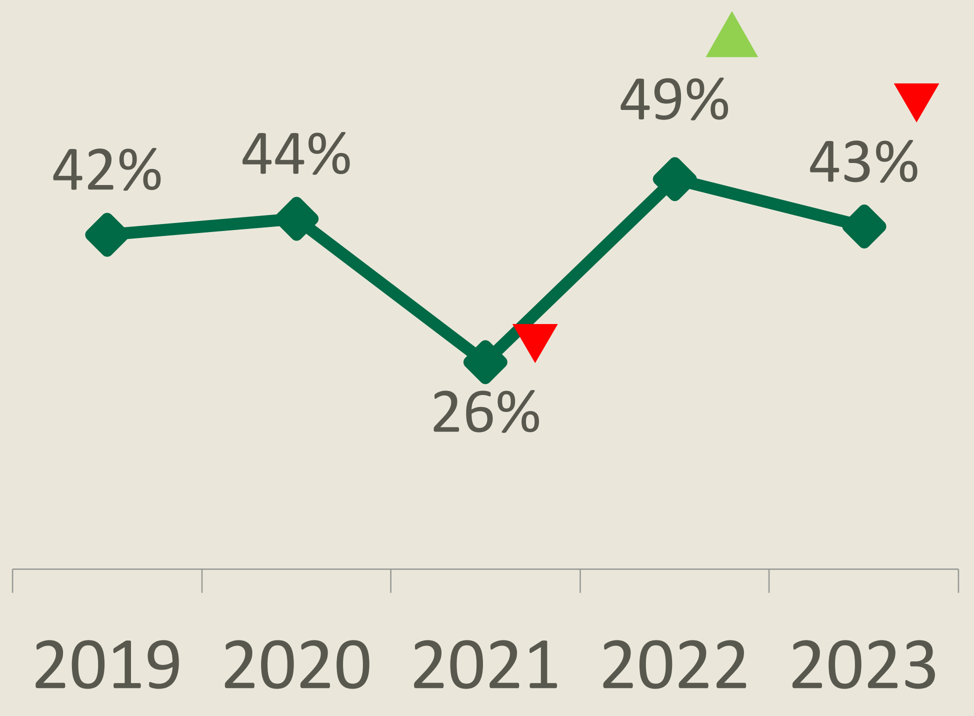
White space that we can address. Can also help in differentiating from NZ lamb

These associations are simulated in the Meaningfully Different model to ascertain which will drive the greatest growth in Power and Premium

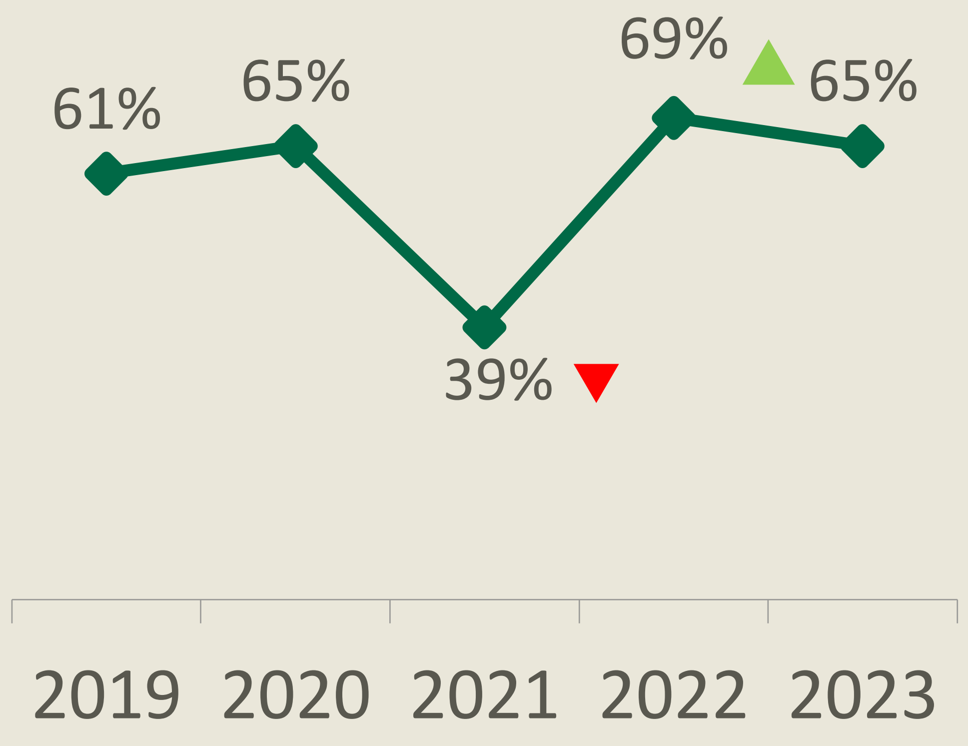
For Lamb as well as Beef, True Aussie is an asset we can leverage when communicating our brand and strengthen image around safety, quality, nutrition and sustainability

TRUE AUSSIE- AWARENESS AND PERCEPTION

Aware of Term: ‘True Aussie’



Aware of Logo:



Top 5 impressions of True Aussie logo:

1. Animals are free to roam
2. Care for animals
3. Environmentally sustainable
4. Comes from the perfect place
5. Processed under highest standards

Top 5 Associations to Grow - Volume & Value

2. Guaranteed safe to eat	3. Consistent quality standards	4. Nutritious

KANTAR

QTA1. Have you heard the term “True Aussie” before? Base: ’23 (n=800), ’22 (n=799), ’21 (n=800), ’20 (n=801), ’19 (n=801),
QTA3. Have you ever seen this logo before? Base: Beef Beef ‘23 (n=422), Beef ‘22 (n=410), ‘21(n=400), Beef ’20 (n=399), Beef ‘19 (n=401); Lamb ‘23 (n=378), Lamb ‘22 (n=391), Lamb ’21 (n=400), Lamb’20 (n=402), Lamb‘19 (n=400),

Sig. different at 95%

MEAT & LIVESTOCK AUSTRALIA

Summarising Lamb Module

- Local Chinese lamb continues to remain strong in terms of brand predisposition as well as consumption
- Australian lamb needs to focus on levers that are important for strengthening its position in terms of both Power as well as Premium (to be able to support premium price)- Safety, Quality, Nutritious and Tender meat
- Similar to Beef, it is important for Lamb to build on our baseline of nutrition and safety to drive further growth
- True Aussie assets for Lamb have stronger awareness compared to Beef and can be leveraged, providing a reason to believe AU lamb is safe, nutritious and a high quality product

FINAL THOUGHTS & DISCUSSION

Final thoughts and discussion

1. FOCUS ON HEALTH

Increased focus on health has made Chinese consumers more conscious of ‘quality’, ‘safety’ and ‘nutrition’ with regards to food.

Grass fed beef is seen to be more natural, better for animals and the environment- hence gaining more popularity.

Australia seems to be well placed to address the need for ‘healthy’, ‘safe’ and ‘good quality’ meat.

Improving Australia- China trade relations will improve market access for Australian red meat industry and hence a potential positive outlook compared to the past few years.

2. ECONOMIC UNCERTAINITY

Competition has intensified with at least 31 countries granted market access and the ban on Japanese beef lifted - a key competitor in the premium space.

While inflation doesn’t seem to be prohibitive yet with respect to imported red meat purchase, AU beef needs to justify its premium pricing and safeguard its position vis-à-vis Japanese beef which is perceived to be more superior.

AU beef needs to thus, communicate about its superiority by tapping into the ‘clean, green’ image of Australia, the concept of our rearing environment as perfect for raising cattle and underpinning our quality and taste associations.

With increasing lamb consumption, AU lamb has opportunity. Safety, Quality, Nutritious and Tender meat are strengths AU lamb can build on to create a strong position and also differentiate vs. NZ lamb.

3. EMERGING SUSTAINABILITY

Sustainability is gaining awareness but not yet influencing decision making. There is, however, a desire to be more sustainable.

Reinforcing the ‘clean, green’ image of Australia and our rearing environment can help strengthen sustainability credentials as well delivering positive perceptions of red meat

Terms of use: MLA data, reports and information

Meat & Livestock Australia Limited | ABN 39 081 678 364 | Level 1, 40 Mount Street, North Sydney NSW 2060 Postal address: Locked Bag 991, North Sydney NSW 2059 | Ph +61 2 9463 9333 | Fax +61 2 9463 9393 | mla.com.au

1. General
1.1 The reports, data and information provided to you (Data) are owned by Meat & Livestock Australia Limited (ABN 39 081 678 364) ("MLA", "we", "us" or "our").
1.2 "You" or "your" means the person or entity that is provided with a copy of the Data.
1.3 Your access to and use of the Data is subject to these terms of use and any additional terms, notices and disclaimers which appear with or in the Data. If you do not agree with the terms, notice and disclaimers, you must not access or use the Data.
1.4 MLA may amend these terms of use from time to time and will notify you of any amended terms of use. If you do not agree to the amended terms of use, you should not continue to use the Data. Your continued use of the Data after these terms of use have been amended constitutes your acceptance of them.

2. Limited licence
2.1 MLA grants you a non-exclusive, royalty free licence to use the Data solely for your personal and business purposes. MLA may revoke this licence at any time by providing you with at least 14 days' notice, in which case you must cease all use of the Data on expiry of the notice period.
2.2 You must not provide the Data to anyone else.

3. Copyright
3.1 All rights (including intellectual property rights such as copyright) in the Data, its content and design are owned by or licensed to MLA.
3.2 You must not remove, alter or obscure any copyright notices that appear on the Data.
3.3 You must not commercialise any information, content or designs contained in any part of the Data without the prior written consent of MLA.

4. Trade marks, trade names and logos
4.1 All trade marks, trade names, service marks and other names and logos on the Data are owned by or licensed to MLA and are protected by applicable trade mark and copyright laws.
4.2 You must not remove, alter or obscure any trade marks, trade names and other names and logos that appear on the Data.

5. Collection of information
5.1 If MLA requires you to provide personal information in connection with your receipt of the Data, MLA will collect, store, use and disclose this information in accordance with its privacy policy (found at www.mla.com.au/General/Privacy) and you consent to this.**6. Disclaimer and liability**

MEAT & LIVESTOCK AUSTRALIA