

Asia Fruit Logistica Hong Kong 2023

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In early September, I had the opportunity to join the Berries Australia International Market Tour to Singapore, Hong Kong and Dubai, along with berry growers from South Australia, Queensland and Western Australia, and Projects Manager Jen Rowling. The tour was led by Berries Australia Export Manager Jenny Van de Meeburg. All three markets have been identified in the Export Plans as offering opportunities for quality Australian berries, particularly as they are non-protocol markets. Further insights and opportunities will be shared through a series of articles in this journal with the first article on Singapore to be found on PAGE 69.

Whilst in Hong Kong, we attended Asia Fruit Logistica (AFL) which had not been held in Hong Kong since before the COVID-19 pandemic in 2019. AFL is a huge trade show running over three days and covering the entire fresh produce industry value chain in Asia, introducing new products and ideas from around the globe and giving all parts of the supply chain a chance to network together. As Hong Kong is an open protocol market, there are no phytosanitary barriers to bringing produce in, so the range of fruit on display from all over the world was amazing. There were around 700 exhibitors from 45 countries, with China by far the best represented with nearly 250 exhibitors. The Australian contingent was the second largest and comprised 45 organisations including industry associations, marketing groups, fruit growing businesses and Hort Innovation.

Despite being unable to open on day three due to the worst rainstorm to hit Hong Kong in 150 years, more than 13,000 visitors attended the conference. The trade show was very busy, and very much geared towards promoting opportunities for direct interactions between importing and exporting businesses with everyone showcasing their fabulous produce.

We were all disappointed that it was not Korean strawberry season, as we had heard so much about their strawberries and were keen to try them. Unfortunately, the beautiful berries on display at the Korean stands were all fake!

A notable feature in berries, throughout our tour, was the difference in packaging in the Asian markets (this will be covered in more detail in a later article), but many countries were exhibiting blueberries in handy flip-top tubs, which we saw in retail stores as well as at AFL .

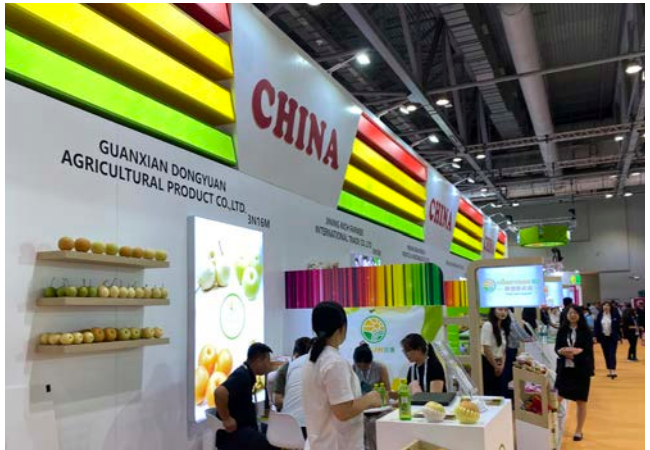


Tubs of blueberries from California

Photo credit: Angela Atkinson



Part of Australia's display
Photo credit: Jen Rowling



Part of the huge display from China
Photo credit: Berries Australia



Exhibits from Korea
Photo credit: Berries Australia



Beautiful Korean strawberries – that you can't eat! Photo credit: Angela Atkinson

Asiafruit Congress, which is Asia's premier fresh produce business conference also takes place at the same time as Asia Fruit Logistica and in the AFL exhibition space. AFL attendees are able to attend the conference sessions for free.

The first session focused on new market demographics in Asia, which are changing and presenting new opportunities for marketing fresh produce. India has just overtaken China as the world's most populous nation, and mid-tier cities are on the rise across India and other countries in South East Asia. Asia is also now home to more 'empty-nesters' with surplus income to spend on premium products.

Prerna Garg (research strategist with HSBC in Hong Kong) gave a presentation about the changes in demographics and the consumer markets in a number of Asian countries. In summary:

- China has a changing demographic with more 'empty-nesters', more working women and high internal migration
- India has more population to feed, and having a good distribution network is essential. Consumer preferences are very diverse across the nation
- In South East Asia there are opportunities in the Philippines, Vietnam and Indonesia with a rise in mid-tier cities and a rising middle class. Vietnam is predicted to have a large increase in the population segment with a daily income of more than US\$20, from 29 million in 2021 to 49 million in 2030. Bangladesh, which is rarely mentioned as a potential export market, is predicted to increase from 21 million people with a daily income of more than US\$20 in 2021 to 54 million in 2030.
- In North Asia, Japan and Korea have ageing populations – 'silver societies' – with increased spending power. There is also an increase in single person households.

Her key takeaway messages were that China is trading up and there are strong opportunities there as it matures and becomes more sophisticated. Distribution networks are important for success in India. Strong opportunities exist in the Philippines, Vietnam and Indonesia with the rising middle class, and there are potential export opportunities as per capita income increases in Bangladesh.

Chris Baker (Totem Media) gave a presentation on the changing marketing landscape in the region, with a focus on China. E-commerce is a huge part of the retail sector in China. 50% of global e-commerce flows through China, compared to 19% through the US, and 55% of all commerce in China is online.

He described three demographics in the Chinese market and strategies for reaching those consumers:

- The younger consumer, where 'discovery marketing' is a valuable strategy especially for new products (brands) going to market. Using platforms like Tik Tok to build a voice and excitement works well for this demographic.
- Mums are THE most important demographic in Asia as they are buyers for three generations. Strategies must build authority and credibility.
- Families, where trust in, and benefits of, a product are important, as decisions (especially with food) are made with consideration of family harmony and health.

There are three important pillars in marketing in China:

- Influencers – social media is paramount – used for 'discovery marketing', building authority and trust
- Livestreaming – used to kickstart sales – farmer to consumer live streaming was a breakthrough during the pandemic
- Social commerce – word of mouth marketing, used to sustain sales momentum

Websites are not important marketing tools, particularly in China, but 'super apps' like **Grab** (a bit like Uber where you can do everything on it) are popular and successful tools.

The second session asked, 'What's next for food retail?' and focused on the big trends shaping food retail in Asia.

Carlos Bonet from AM Fresh spoke about the changing shopping trends in Asia, with physical stores evolving to incorporate more experiential elements to make them more engaging, such as in-store hydroponic farms and more shopper activations. There is a focus on convenience, with in-store dining and cashier-less stores. Local sourcing to support small business and farmers is an increasing trend, as is sustainability for larger stores, and global suppliers can engage with this trend through their Environmental, Social and Governance (ESG) programs.



(L-R) Jen Rowling, Tina McPherson (Qld grower), Angela Atkinson and Kirsten Cleeve-Edwards (WA grower)
Photo credit: Berries Australia

Edwin Sun from Nielsen IQ also described a move towards sustainable retailing for larger stores, with more local, organic and sustainable choices, vertical farms in store, no plastic packaging and climate impact labelling on products, among other measures. There is also an expansion of smaller format stores across South East Asia, and less of a focus on supermarkets and hypermarkets, as accessibility of retail outlets increases.

For anyone interested in more information about markets in Asia, the Asiafruit Congress Statistics Handbook 2023 is available online and provides analysis of key trends in trade across 12 Asian markets.

The handbook can be found at https://desktop.asiafruitmagazine.com/full_page_image/asiafruit-congress-statistics-handbook-cover/content.html

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Attending Asia Fruit Logistica was a great experience, and I would encourage any growers curious about export to attend the show, and certainly explore any trade tour opportunities offered in the future through the Berries Australia Export program.