



Australian Foodservice Advocacy Body Publishes Annual State of the Foodservice Industry Report Revealing the Foodservice Dollar Has Rebounded to Near Pre-Pandemic Levels Despite Cost of Living Crisis

MEDIA RELEASE: Sydney 26 September 2024: The [Australian Foodservice Advocacy Body](#) (AFAB) today released its third annual State of the Foodservice Industry Report, providing a comprehensive overview of the Australian foodservice industry. The report highlights key trends, challenges, and opportunities facing producers, manufacturers, distributors, hospitality operators and tourism businesses.

Key Findings:

- **Foodservice Spending:** The foodservice dollar has rebounded, accounting for 36.4% of household average spend on eating out as a percentage of their total food and non-alc budget vs the previous high of 37.2% in 2019 and 33% in 2023.
- **Size of Wholesale Foodservice Market:** \$29 Billion value - volume 2.7 Million tonnes
- **Employment:** 52% of employees in FMCG and retail are looking to change roles.
- **Popular Cuisines:** Modern Australian (47%) Chinese (24%), and Italian (23%) are the most popular cuisines in Australia.
- **Commercial Foodservice Sector:** There are a total of 59,000 venues in Australia in 2024 up by 2% from 57,400 in 2023
 - 6 Billion meals are served in the commercial sector
 - 2 Billion meals are served in the institutional sector
 - 80% of all commercial foodservice outlets are independent owner-operated rather than part of a chain.
- **Food Waste:** Food waste remains a significant issue in Australia, with one-third of all food being wasted.
 - 7.6 Million tonnes of food - enough to fill Melbourne Cricket Ground to the brim ten times over, never makes it to a table - costing the economy \$36.6 Billion.
 - 1 in 6 Adults and 1.2 Million children go hungry regularly in Australia.
- **Supply Chain Challenges:** Producers are concerned about vulnerabilities, such as labour and infrastructure shortages, freight delays, natural disasters, and geopolitical conflicts.
- **Biosecurity Threats:** Australia faces increased biosecurity threats and farmers are seeking tools to manage these risks. Communities, landowners and producers desperately need knowledge and skills in biosecurity.
- **Agtech Adoption:** While agtech adoption is increasing, barriers include cost and inflation pressures, perceived ROI, and lack of confidence in telco networks.

- **Manufacturing Trends:** Manufacturers are using automation and robotics to bridge labour gaps but require skilled IT and engineers.
- **Distribution Challenges:** Road tolls are becoming a significant concern for distributors with a round trip in Sydney costing \$80-\$100.
- **Hospitality Recovery:** Tourism is slowly recovering, but visitor numbers remain 2M less than pre-pandemic levels, this is not only a pipeline of customers but new labour.
- **Australian Dining Habits:** Australians' desire to eat out is among the highest in the Western world. Breakfast is eaten out more than in any other Western country and is used to gauge how the market is performing. Despite the cost-of-living crisis, Australians' desire to eat out remains strong. However, consumers are trading down in their choices of outlets and frequency.

Tony Green, CEO of AFAB comments, "AFAB's State of the Foodservice Industry Report provides valuable national and regional insights for industry stakeholders and policymakers. By addressing the challenges and seizing the opportunities identified in the report, the Australian foodservice industry can continue to thrive and contribute to the nation's economy. AFAB exists to connect, advocate and inspire an outstanding foodservice industry."

Key Recommendations & Predictions for 2024/2025 Financial Year

- AFAB predicts growth of 7% across the commercial market
- Cafes and hotels are set to be the biggest winners with 10% growth while pubs and QSR chains are predicted to have slower rates of growth at 3% and 2% respectively
- Across the supply chain, businesses should look to renegotiate terms as even small changes can provide significant savings to protect profit margins.
- On average, End Food Waste estimates a \$14 benefit for every dollar invested in food waste reduction for businesses.
- Organisations should use technology to track performance, inventory and areas of waste to help navigate difficult conditions and identify opportunities for growth.

As well as in-depth analysis, data and insights the State of the Foodservice Industry Report also includes access to the Unilever Food Solutions Future Menu report.

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Notes to Editors

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About the Australian Foodservice Advocacy Body

Australian Foodservice Advocacy Body (AFAB) is an integrated industry body for Australia's \$80 billion Foodservice sector that directly and indirectly employs thousands and thousands of Australians. AFAB is the first complete collective of leading Foodservice industry people coming together to facilitate a platform for education, connectivity and leadership to embrace the changing face and capability of our industry. With voices from producers, manufacturers, distributors, hospitality operators and service providers the group's reach spans the total foodservice value/supply chain.

Entering its 4th year, AFAB acknowledges the following foodservice industry leaders for its support to our industry as founding AFAB members.

- Miller Leith
- Food Industry Foresight
- Ingham's Foodservice
- Simplot Foodservice
- Tip Top Foodservice
- Primo Foodservice
- Masterfoods Professional
- The Aussie Plant Based Co.
- Comcater Equipment
- Fine Food Australia
- Cookers Oils
- Bega Foodservice
- Mutti Foodservice
- Ecolab