

# Credentialing for international markets



Securing Victoria's future as an exporter of premium food and fibre



Energy,  
Environment  
and Climate Action

## AGENDA

1. **Project Introduction** - Agriculture Victoria (Neil McSkimming)
2. **Research Summary** – The University of Melbourne (Melindee Hastie)
3. **Q&A** – in the panel discussion

***Caveat:*** *The University of Melbourne research results are not necessarily the policy of the Victorian Government.*

## Agriculture is a critical driver of economic development and jobs growth, particularly in regional communities.

- Provides **food and fibre** to Australians and people across the world.
- Is the **economic base** of many rural and regional communities.
- Manages **half the land** and is the major water user.
- Is impacted by, and has a critical role in responding to, **climate change**.
- Helps shape the **social, cultural and environmental landscape** of Victoria.



\$21.8 billion in gross value of agriculture production in 2022-23.



150,750 jobs in agriculture and food manufacturing.



27% of national food and fibre exports, the nation's largest agri-food exporter in 2023-24.



21,285 farms across 10.7 million hectares, 48 per cent of Victoria's land.

# Victoria is investing in sustainability for market access and export trade

Since 2017, over \$100 million in traceability & sustainable agriculture programs



Traceability and credentials (\$35 million)

On-farm emissions action plans (\$20 million)

Research including breeding more productive cows with fewer emissions for dairy (\$61 million)



For information on Agriculture Victoria's Traceability and Climate Action Programs visit:  
<https://agriculture.vic.gov.au>

# Growing our export capability: credentialing for international markets

## We want to understand

- ❑ **How** can Victoria's agriculture sector realise the benefits of credentials in international markets?
- ❑ **What** can the Victorian government do to help with credentialing?

## Key considerations

- ❑ **Industry** has been proactive in the development of sustainability frameworks.
- ❑ There is a growing need from **trading partners** and consumers for credentialling.
- ❑ The **value** of credentials in international markets is **largely unknown**.
- ❑ **Compliance and enforcement** for credentialing schemes costs money.
- ❑ It is unclear what **government settings** are needed to support industry with credentialing

## A collaborative effort:



- ❑ The University of Melbourne helped us by undertaking an examination of valued credentials, now and emerging, in key international markets.
- ❑ Leveraged and provided access to an existing and extensive database and other resources.



- ❑ **Victoria supports a national approach to credentialing** and is looking to work collaboratively with industry and other governments across Australia.
- ❑ Our capability and track-record of investment in this field makes us a valuable partner.



# Sustainability credentialing in international markets

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# Sustainable product credentials: trust and consumer acceptance of Australian food exports

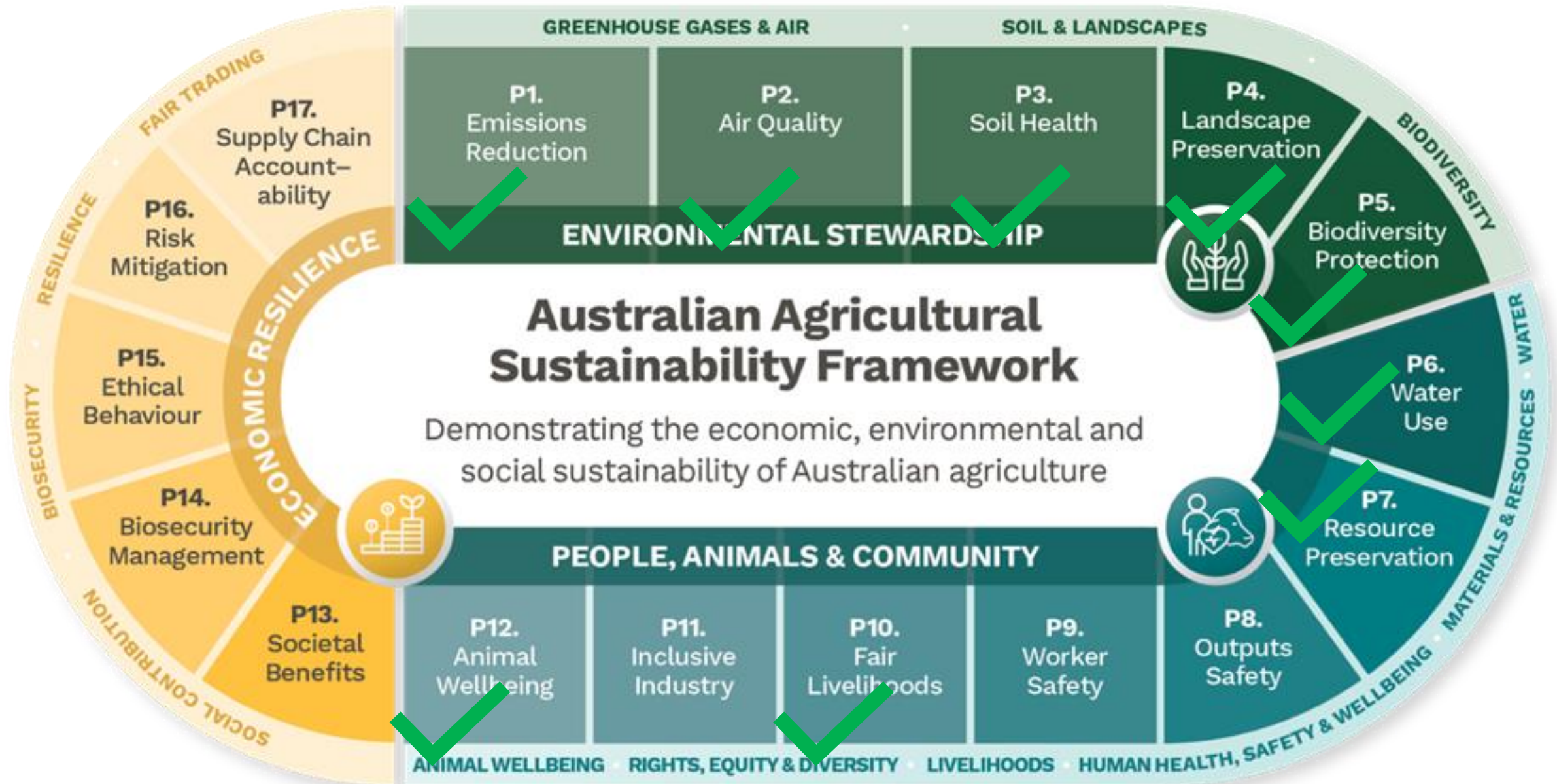
## Research problem:

There is a lack of data on Australian export market consumer preference for sustainable production/certification of food commodities.

- **Phase 1 Desktop Review (Jun – Dec 2023) outputs**
  - Database of 7200 consumer responses/market to premium cues (from \$16 million ARC ITRP - The University of Melbourne and Mondelez)
- **Phase 2 Consumer Study (Jan – Dec 2024) outputs**
  - Trust, likelihood to purchase and willingness to pay in
    - (i) developed markets
    - (ii) developing markets



# Definition of sustainability





# Phase 1: Database - Premium drivers for Australia & China



## Dairy

Unique Source  
Traceability



## Meat

Unique Source  
Traditional Methods  
Australian  
Traceability  
Local store



## Produce

Traditional Methods  
Traceability



## Wine

Australian  
Traditional Methods  
Traceability  
Local store



## Organic

Health Benefits  
Unique Source  
Traceability

## Organic

Traditional Methods  
Unique Source  
Traceability  
Australian

## Organic

Traceability

## Organic

Traceability  
Australian



# Phase 1: Review findings

## Consumer insights

- **Consumers find sustainability compelling** and there is evidence that they are willing to pay more for trusted credentials.
- However, what constitutes a **trusted credential varies** with the national context.
- **There are marked differences** in motivations for sustainability credentialing **between developed and developing countries.**

## Enabling strategies

- **Government has an important role** in enabling creditability and consumer trust in sustainability claims.
- **There is benefit in government and industry collaborating** on sustainability schemes.
- Adoption and **harmonisation of internationally recognised schemes** eases international trade.

# Enabling strategies for Government and Industry

## Key finding:

**Collaboration between industry and government for trusted sustainable agriculture certification can realise premium value.**

Opportunities identified in the research:

### Develop credible schemes

**Undertake assessments of sustainability schemes and standards.**

**Build on established sustainability standards.**

**Combine the adoption of sustainability schemes with legislative powers for credibility.**

**Monitor international scheme development for insights and response.**

### Enable market access and trade

**Revise schemes in use and lead harmonisation efforts** across standards and industries to help build trust, competitiveness, and enable market access.

### Educate to build trust

**Educating consumers on sustainability certification will increase consumer trust and demand for sustainability certifications.**

**It will be beneficial to develop a nationally consistent approach to educating** markets and consumers about the value of sustainability certifications on Australian products.

### Premium Value

- ✓ Better market access
- ✓ Increased demand
- ✓ Preferred supplier
- ✓ Consumer preference
- ✓ Increased willingness to pay
- ✓ etc



# Phase 2: Consumer study methodology

## Form:

Online group interview via Zoom (1 hour) and an online survey.

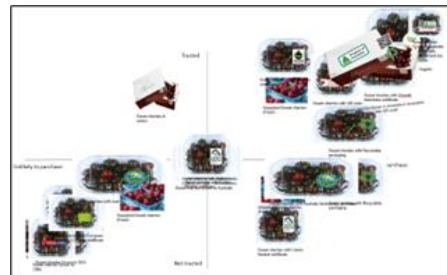
## Participants:

- 18-75 years old.
- Have been living in market more than two years
- Are the main household shopper.

## Procedure:



Eating behaviour and habits



Mapping and discussion



Wrap up questions



Online Survey



# Phase 2: Experimental Design

## Direct factors (Mapping)

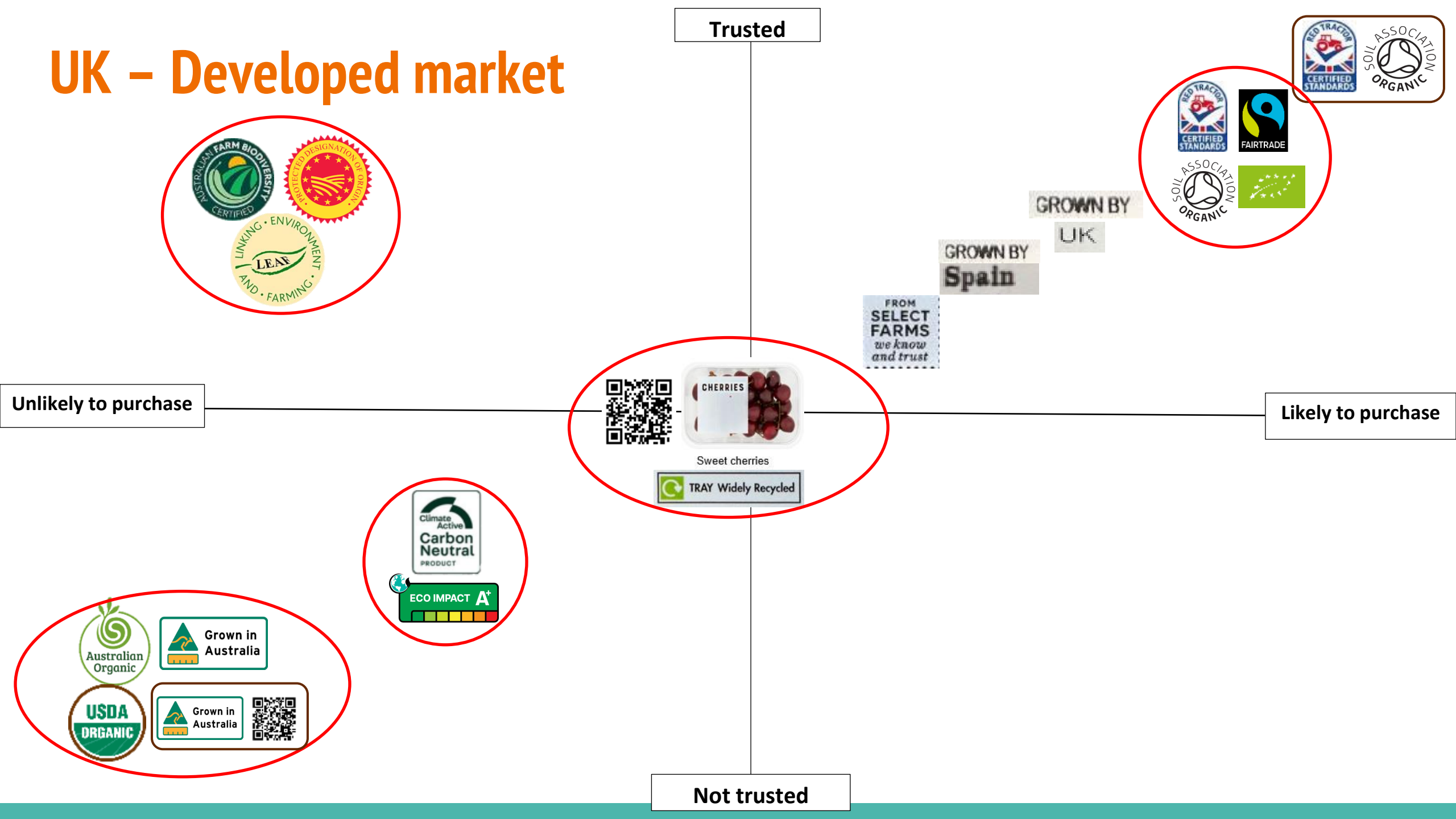
- Organic (International and local standard)
- Country of origin
- Fair trade
- Carbon neutral
- Traceability (QR code)
- Recyclable packaging

## Indirect factors (Mapping+Survey)

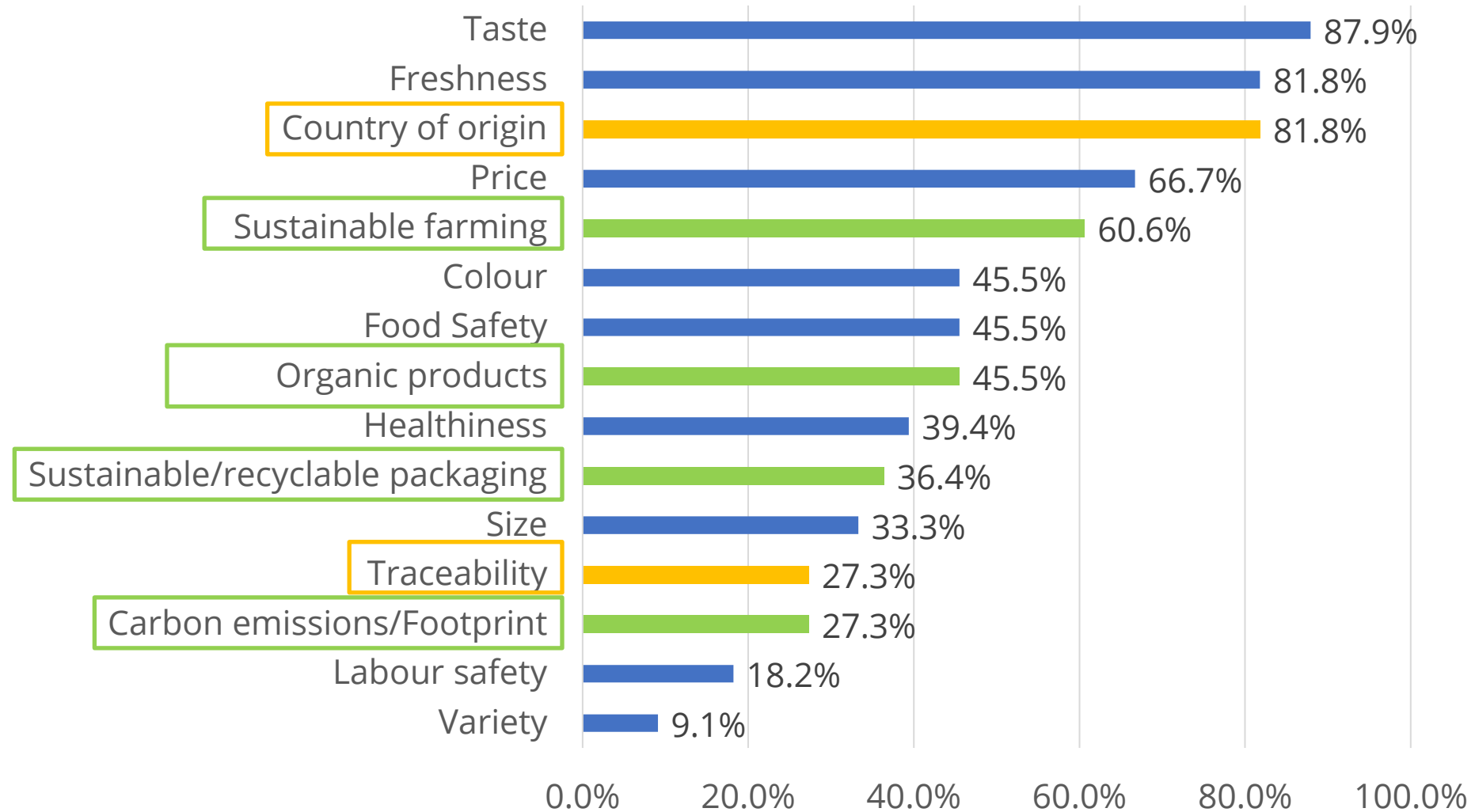
- Quality (Freshness, colour, taste)
- Price
- Nutritional values
- Point of sale (POS)



# UK – Developed market



# UK-Purchase attribute



# UK-Price



\$16.3-\$19.5/kg



Sweet cherries



\$13-\$16.3/kg



\$9.8-\$13/kg

AUD \$13/kg  
(Consumers)

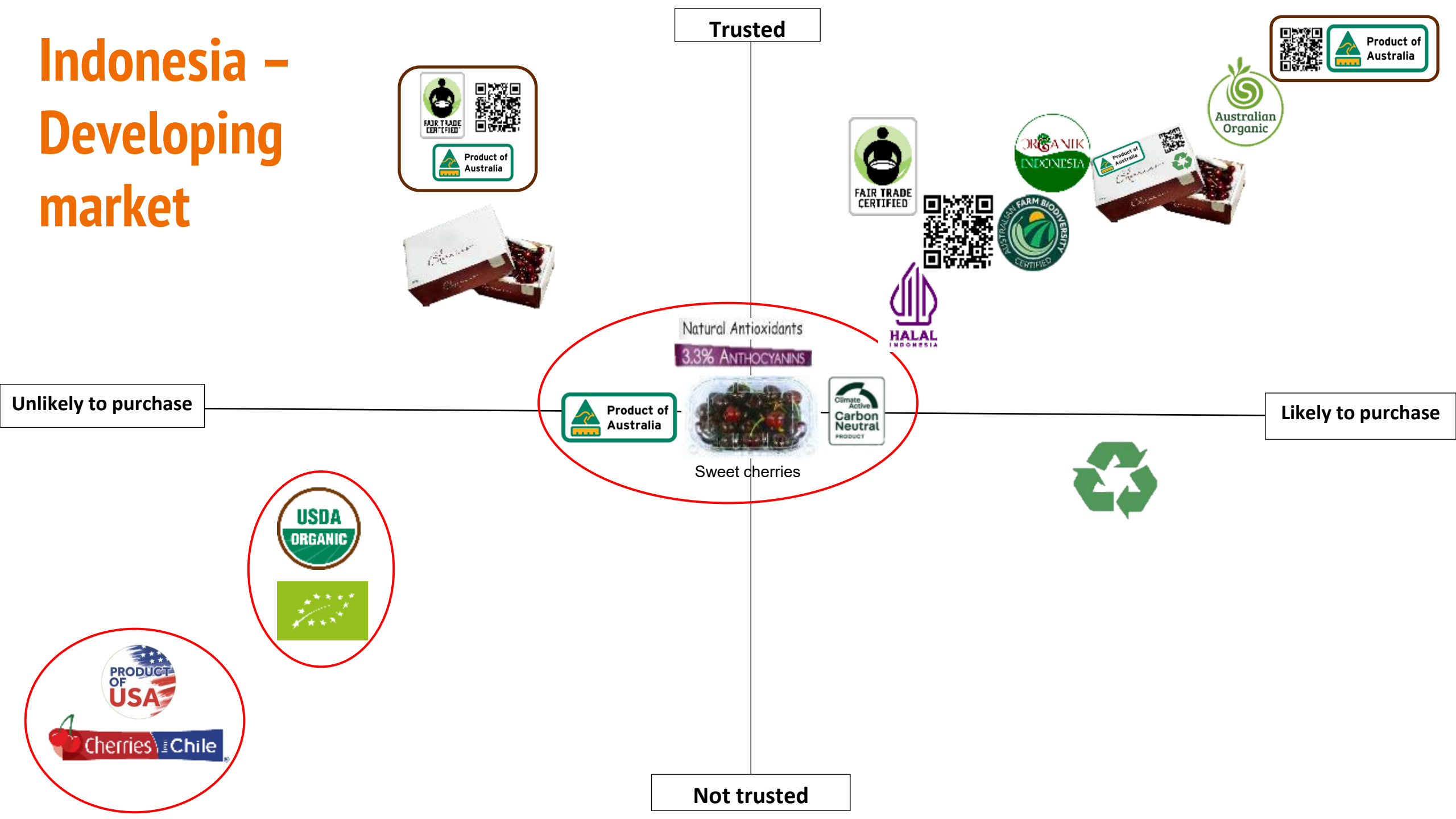


\$8.1-\$9.8/kg

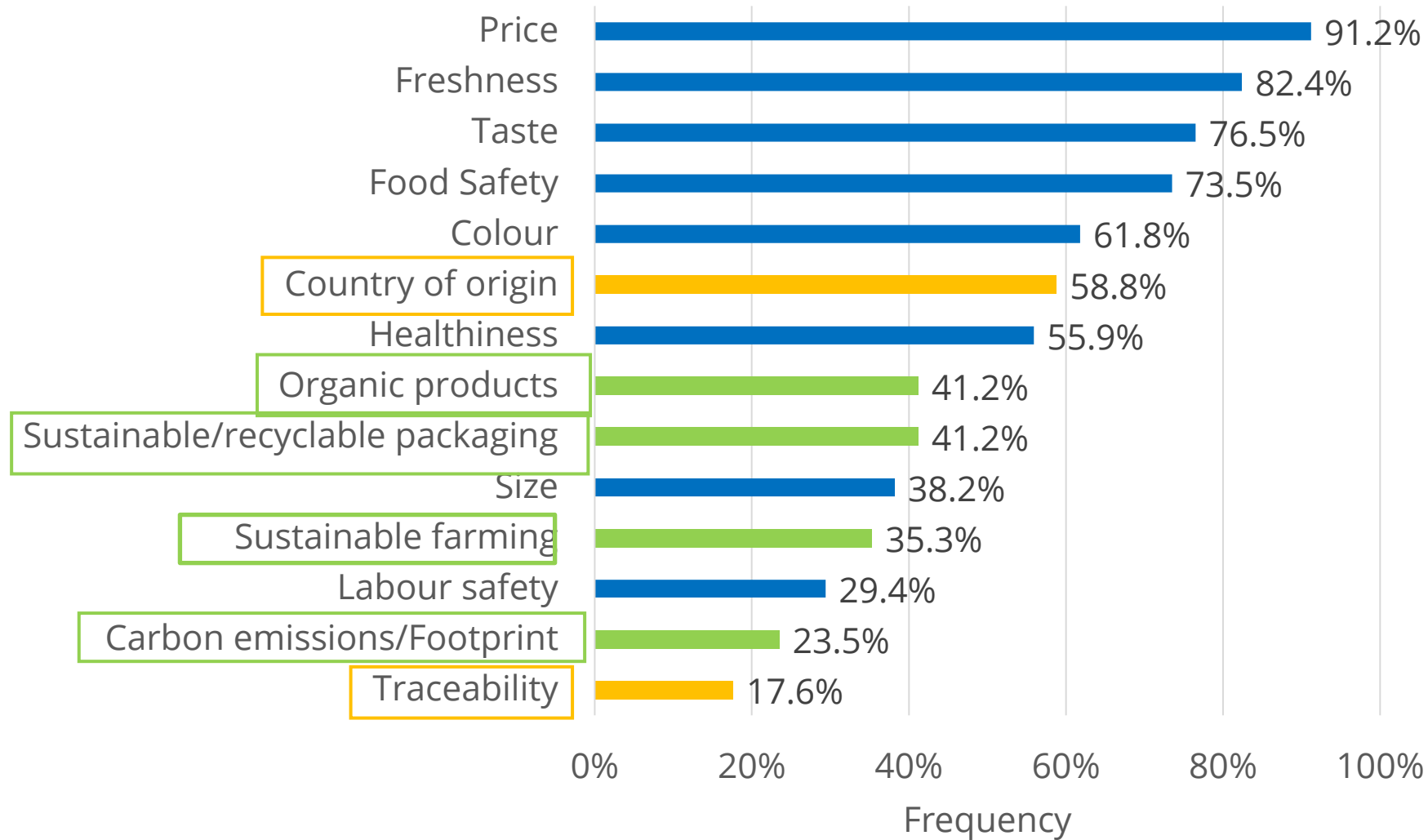




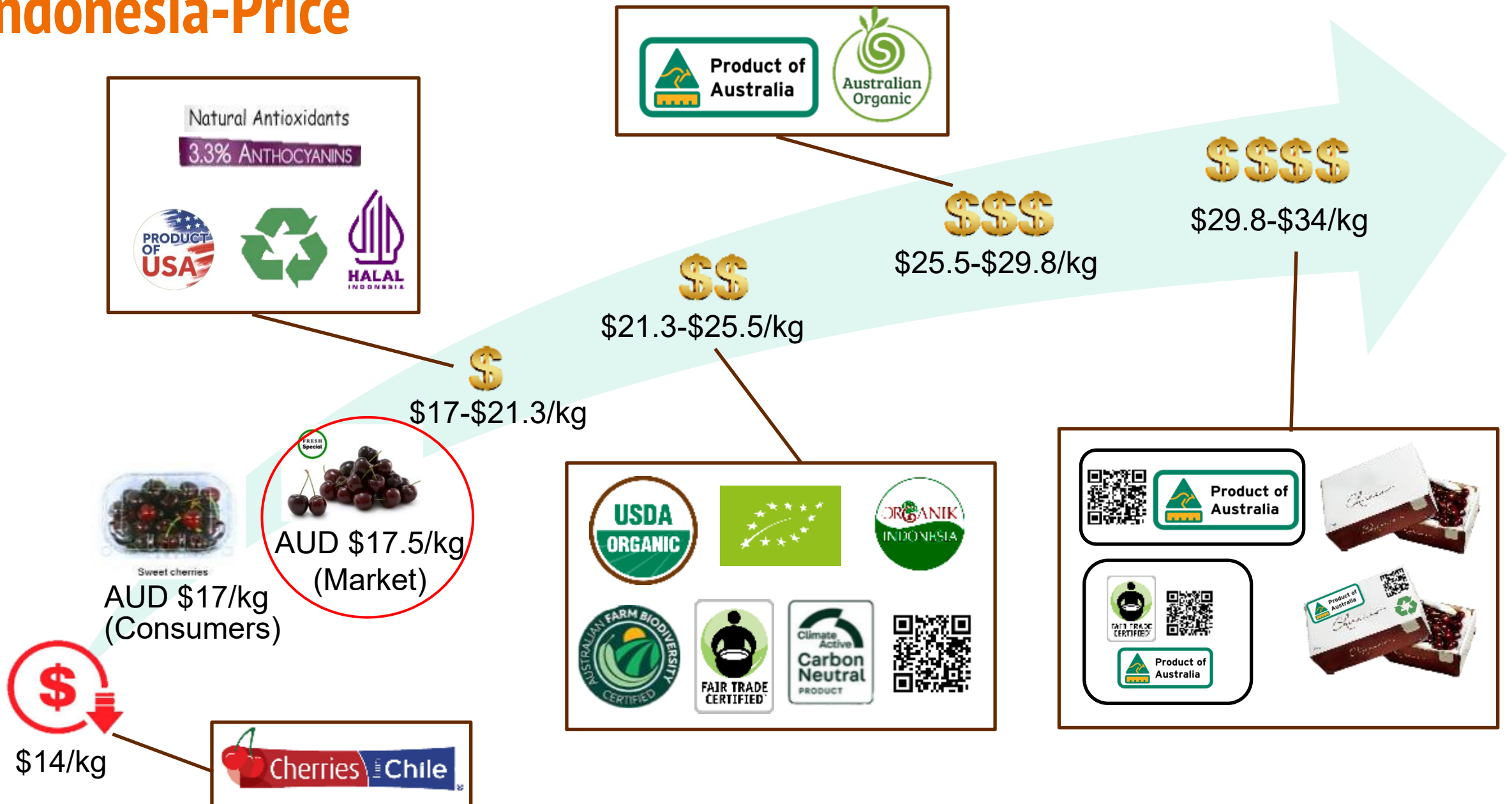
# Indonesia - Developing market



# Indonesia-Purchase attribute



# Indonesia-Price



Unofficial

## Key takeaways

1. **There is value in sustainability credentials for exports.**
2. **Exporters must understand their target market before investing in credentials.**
3. **There is benefit in industry and government collaboration on a national approach to credentialing.**





**Thank you.**

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**For information on Victoria's Traceability and Climate Action Programs**

Visit: <https://agriculture.vic.gov.au>



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