

## Potential for Asian Export of Branded King Island Wallaby Meat

# Asian export of branded King Island wallaby

### *Stage One Proof of concept*



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## Summary

### Objective

To provide an assessment of the feasibility of establishing wallaby meat exports as a viable business for King Island stakeholders.

### Background

The King Island wallaby population has no predators and the high animal numbers impact on farming profitability through overgrazing in competition with livestock. The current sale of meat from culled animals is a cost to the farmer and sales are limited by both the size of the local market and the Australian image of wallaby as a low-cost bush meat. The research therefore examined the feasibility of sustainable harvest with more profitable returns from the meat by selling it as a premium branded product to niche high end Asian markets.

### Research approach

The research stages were:

- Analysis of the nutritional profile of wallaby meat to determine a strategy for using health properties as a potential way to raise the value of the product
- Local restaurant trials to confirm the eating and taste quality acceptability of wallaby meat for Asian consumers and to identify issues that might impact on its perceived value
- Interviews of produce buyers in high end Shanghai restaurants to understand customer issues and estimate the possible value of wallaby as a premium product in Asia
- Development of marketing and branding recommendations for sale into Asian markets
- Estimation of the harvesting, shipping and logistics barriers and costs for access of wallaby meat to Asian markets
- Calculation of whether Asian markets might pay a premium that was sufficient to both offset the supply chain costs and provide a return to farmers to compensate for lost pasture production

### Results:

#### Nutrition & health benefits

An analysis of King Island wallaby meat for possible health benefits has shown that:

- It is ultra-lean with less than 1% fat v 10% for beef
- The low fat gives it an exceptionally low calorie content that is nearly 50% less than other common red meat sources
- It is very high in protein at 22% w/w
- The iron content is only 66% that of beef and 41% that of kangaroo

Wallaby can therefore be branded in Asia as exceptionally healthy to aid sales and values.

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## Eating quality and perceptions of King Island wallaby meat for Asian consumers

Restaurant trials were undertaken using a top local Chinese restaurant. The chefs prepared a wallaby carcass to give a variety of cuts that were cooked into six dishes related to traditional Cantonese cuisine. The meat preparation and cooking were filmed in Mandarin with English subtitles and posted on YouTube at <https://www.youtube.com/watch?v=hXNSYqwft7k>

A focus group of representative high end Asian consumers revealed that:

- The wallaby meat was versatile and highly acceptable to Asian tastes
- All parts of the whole carcasses were valued when prepared in appropriate dishes but the tail soup was felt to be the most elegant and classical Chinese-style dish and to potentially command the highest value
- The meat was perceived as very tender in contrast to expectations
- They felt that wallaby was just a small kangaroo and they did not conceptually recognise them as different
- Creating awareness of the product, which is currently unknown in Asia, would be the biggest challenge needed to successfully market it

## Response of potential product buyers in Asian

Market research was conducted in Shanghai using face-to-face interviews with high-end restaurant managers. It was found that:

- Restaurants require a good understanding of the basic information surrounding new products before they will consider adopting the produce
- Chefs need to know the handling and preparation methods of the produce so that they can add the restaurant's features to the traditional methods of cooking and produce better dishes
- Tasting or trials would be important to eliminate differences between expectations and reality
- Restaurants need to be assured there is a sustainable procurement practice for meat products to guarantee a stable long-term supply to meet demands.
- Younger consumers were perceived to have open ideas and acceptance of new products and would more easily accept wallaby meat
- The psychological factor behind eating a "cute" animal like a wallaby would be a marketing challenge to overcome
- "Wallaby" translates in Mandarin to "small kangaroo" but the translation of "kangaroo" 袋鼠 relates it to a marsupial (pouched) 袋 rodent like a "rat" 鼠 and therefore the translation of "wallaby" negatively influences its potential marketing and consumer acceptance

It was recommended that:

- The challenge of supplying the required quantities of meat for the large Chinese market could be addressed by only selling to selected high-end restaurants
- The approach of targeting the selected narrow market would aid in more easily focusing and communicating product information to buyers and consumers to build reputation and value
- An invented new branding name be adopted for the meat product instead of "wallaby"

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## Branding and values

Based on discussions with restaurant buyers and the Chinese researchers it was concluded that:

- The value of the product in China or similar markets would ultimately depend on the success of branding and communication
- The value of kangaroo in the Chinese market is low due to it currently being sold through the non-official “grey trade” and, if tasted, is perceived as “sour” meaning “gamey”
- Australia provenance has to be highlighted in the branding, but King Island origins should be used as the central brand attribute for the selected high end restaurants
- The branding strategy needs to position wallaby meat away from kangaroo meat in order to achieve a premium and to emphasise the differences in origins and quality
- A suggested brand name that avoids reference to kangaroo was the Mandarin translation equivalent of “Australian Bush Rabbit” or specifically “King Island little marsupial rabbit” “Guo Wang(国王) Dao(岛) Xiao(小) Dai(袋) Tu(兔)”
- Branding wallaby meat for rarity/exclusivity, wild harvest sustainability, provenance, health properties, superior taste and eating qualities could enable it to sell at a higher margin than premium beef
- King Island should use a premium pricing method in accordance with the King Island brand
- Wallaby meat prices should be bench marked to be equal or higher than equivalent cuts of Australian imported beef costing AUD\$25-50 kg retail with extra premium cuts like Grain Fed Veal Rib Fillet costing AUD\$63 Kg

## Supply chain issues and costs v Asian market values

- Entry to the Chinese or similar Asian markets is possible but requires significant understanding of, and successfully dealing with, the many points along the supply chain.
- There would be issues of current fresh chilled export capacity but supply chain costs would be only moderate in the range of \$7.60 to \$9.80 kg
- It is concluded a value chain that includes returns to farmers is possible. This may be up to \$10 kg depending on generating a premium in the Asian market related to the top end of beef prices and assuming a 100% mark-up from wholesale and marketing costs.

## Conclusions

- A value chain successfully selling wallaby meat to Asia at premium prices is possible if all aspects of the chain are correctly addressed
- A value chain supplying premium branded wallaby meat could provide a return to farmers instead of culling being a cost
- The major issue for export would be the establishment and licensing of an on-island multispecies abattoir and the Federal veterinary inspection required for the Chinese or similar Asian markets
- A culinary name for wallaby meat is needed in the Asian market that separates it from kangaroo

## Recommendations for implementation

- A King Island stakeholders group should develop options, approaches and a business plan to establish a wallaby export operation targeting high end restaurant markets
- The value chain needs to include farmers as the producers, as well as processors and marketers, for an equitable share of value to be returned to all parties
- The King Island stakeholders should secure ownership of a brand around a culinary name for wallaby in the Asian market on which further brand value can be built
- A sustainable harvest practise to maximise the supply of premium animals for meat needs to be developed in place of current mass culling of larger animals