

Project Overview

Understanding the demand for Australian tea tree oil

March 2021 - June 2021

Background

Australian Tea Tree Oil production has increased over recent years due to an expansion in planting areas. The AgriFutures' breeding program, along with improved agronomic practices, has also resulted in increased yields. Global demand for Australian Tea Tree Oil has increased with up to 90 percent exported to more than 70 countries. But while supply is in balance with demand, producers can achieve strong commercial returns. As the industry seeks to grow, there is a need to maintain and sustainably increase demand for Australian Tea Tree Oil, ensuring its farm gate value through a collaborative industry approach.

As prices increase and demand grows, new plantings in other regions of the world and the availability of

cheap adulterated products could potentially impact on the commercial competitiveness of Australian grown Tea Tree Oil.

Critical to the industry maintaining its competitive advantage are traceability and quality assurance of the clean, green pure Australian product.

As part of the AgriFutures Tea Tree Oil Program, AgriFutures Australia is seeking to better understand current and future demand for Australian Tea Tree Oil and identify opportunities to sustainably increase its demand. Of particular interest are opportunities to grow demand across different sectors including cosmetics, home care and pharmaceuticals.

Objectives

AgriFutures is seeking a review of global demand for Australian Tea Tree Oil. The objectives of this project align with the second main objective of the Tea Tree Oil Program RD&E 2018-2022 Plan *Objective Two: Increasing Demand*.

The project aims to:

- Develop an understanding of the current global market demand for Australia Tea Tree Oil.
- Identify opportunities to retain and expand current global demand for Australian Tea Tree Oil.
- Identify opportunities for new global demand for Australian Tea Tree Oil.
- Quantify potential growth opportunities across product segments in global markets

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agrifutures.com.au/tea-tree-oil

Expected outcomes and implications

- The outcomes of this project will assist the AgriFutures Tea Tree Oil Program to define research, development, and extension questions for further investigation.
- Qualitative and quantitative assessments of current and future market demand for Australian Tea Tree Oil have been used to determine key drivers and barriers to the purchase of Australian Tea Tree Oil. These included stakeholder consultations with regulatory, purchasing and quality managers, marketers, formulators and research and development leads.
- A prioritisation framework will be developed to assess market attractiveness by country and industry.
- Growth opportunities will be prioritised to retain and drive further growth for the demand of Australian Tea Tree Oil in core markets, and to expand into new domestic and global markets.
- Clear recommendations will be developed, detailing the key actions and next steps needed for the Australian Tea Tree Oil industry to harness opportunities for growth.



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