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GAIN Report

Global Agricultural Information Network

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Report Highlights:

This report provides additional information for the New Zealand 2018 Annual Livestock Report.

Additional Information About the New Zealand Livestock and Meat Sectors

ANZCO Foods Shareholding Changes

ANZCO Foods Ltd. is one of the largest exporters and among the top four meat-industry related New Zealand businesses with an annual turnover of approximately NZ\$1.5 billion (US\$1bn). The company has 3,000 employees, mainly in regional New Zealand, and a network of eight offshore offices.

In December 2017, one of Japan's two largest meat processing and marketing companies, Itoham Yonekyu Holdings, received Overseas Investment Office (OIO) consent to increase its shareholding in ANZCO Foods from 65 percent to 100 percent. It will acquire the shares currently held by ANZCO's management (18.24 percent) and Japanese food company Nissui (16.76 percent). Itoham has signaled that it will not be making any significant changes to the business. Itoham has been a major shareholder in ANZCO since the company's inception in the late 1980's.

Alliance Meat Processing Cooperative Responds to Pharmaceutical Demand for Blood Products

The Alliance Group Ltd. announced in November 2017 that it will add a new blood processing facility at its Maitua plant in Southland to meet the growing demand from the pharmaceutical industry. The new facility will collect and process adult bovine blood to process into blood products, which are used in the development of vaccines, cancer treatments, and drugs to treat neuro-degenerative, hematological, and endocrine disorders. Demand from the pharmaceutical industry for New Zealand blood products has increased significantly due to the country's relatively disease-free status and good product quality assurance systems.

In June 2018, New Zealand gained market access for bovine blood product exports to China, which could potentially result in NZ\$50 million (US\$37m) in exports annually.

Over the past five years international demand for New Zealand's animal blood by-products has increased. For example, in 2016, Iowa-based Proliant Biologicals commissioned a US\$25m factory in Feilding (North Island), which uses bovine blood from locally slaughtered cattle to produce Bovine Serum Albumin (BSA). BSA is a common ingredient in vaccines. Proliant sources blood supplies from the largest meat packing company in New Zealand, Silver Fern Farms.

North Island based Taranaki Bio Extracts, a joint venture between Taranaki By-Products and ANZCO Foods Ltd, formerly a gelatin producer, is now extracting more protein from bones, which is used to produce protein based diet supplements.

Another high value product is the extraction of bovine pericardiums, which can be used in human heart surgery. ANZCO Foods Ltd is one of the few New Zealand meat companies that harvest and export the thin, light, white sheets of collagen membrane that encloses the heart. Generally, the raw pericardiums are exported from New Zealand and further processed by bio-medical companies in the Northern Hemisphere. While demand is growing quickly only a relatively small percentage of the slaughtered cattle meet the high quality criteria required by medical establishments.

