

Voluntary Report – Voluntary - Public Distribution

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Report Name: Market Opportunities Expand for Imported Meat in New Zealand

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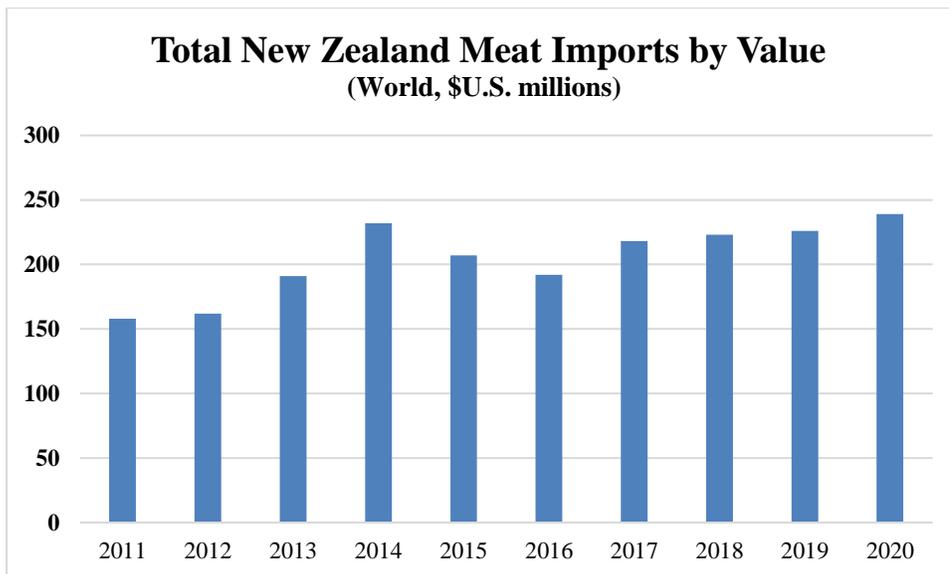
Report Highlights:

New Zealand is both a huge producer and exporter of meat products, exporting 70 percent of production. Despite this, New Zealand is also a market for a significant amount of meat imports to supply consumer demand for a wide variety of products. The United States is a key supplier of pork, sausages, and edible offal to New Zealand. The “low and slow” U.S. barbecue cooking trend has grown in popularity in New Zealand and this has opened opportunities for specialty cuts of U.S. meat as well as sauces and spices to enter the market. In 2020, New Zealand imported US\$ 239 million of meat products, of which the United States was the second largest supplier at US\$ 36 million.

1.0 Market Summary

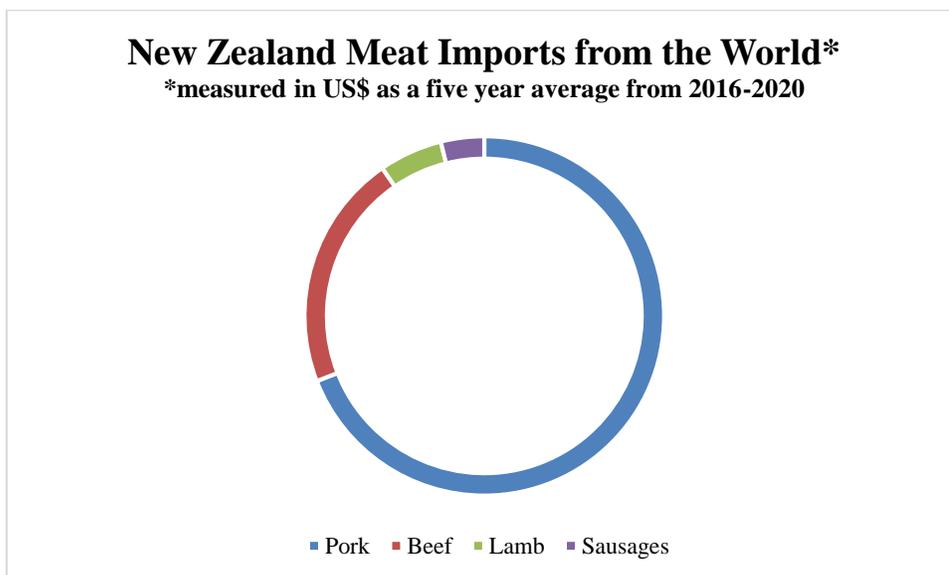
New Zealand is a large producer and exporter of meat products, exporting 70 percent of production. Despite this, New Zealand is also a market for a significant amount of meat imports, which have been climbing in recent years. Some of the reasons for this rise have been the expanded hospitality sector as well as increasing consumer demand for a wider range of products. New Zealand's meat imports have risen from US\$ 158 million in 2011 to a record US\$ 239 million in 2020. Top imports include pork, beef, lamb, and offal. Imports consist of finished cuts as well as meat for further processing into products such as sausages, jerky, bacon, burger patties, pet food, and other products.

Graph 1.



Source: Trade Data Monitor

Graph 2.



Source: Trade Data Monitor

Pork has been the largest driver in overall increasing meat imports. Pork demand has been rising due to a number of factors. One is the growth of Asian food service, as some Asian chefs prefer the flavor profile of imported pork in their dishes. Another factor has been the increasing popularity among New Zealand consumers to eat out for “brunch” - typically on weekends. This meal typically includes bacon as a major component and has created increasing need for imported pork for processing into bacon. Other demand drivers are the growth of American-style barbeque as well as use of pork in pet food manufacturing. Despite rising pork demand, domestic production has been stagnant for the past decade.

According to industry sources, COVID – 19 has had minimal effect on meat imports into New Zealand. Although during the lockdown period the hospitality sector was completely closed, this closure only lasted for seven weeks and restaurants began to open again. The tourism sector, however, continues to be impacted by border closures. Despite some weaker import demand from these sectors, this has been largely offset by strong retail demand for meat. Even during the lockdown period, the New Zealand government mandated that the major supermarkets could remain open and meat sales transferred from other channels towards retail. Despite COVID-19 impacts, New Zealand meat imports reached a record value in 2020.

Australia remains the largest supplier of meat and meat products to New Zealand, followed by the United States. Imports from the United States have expanded over the past decade.

Table 1. Top Suppliers of New Zealand Meat Imports (US\$ Millions)

Partner Country	2011	2020	Value Change
Australia	62	58	-4
Spain	0.2	32	+31
United States	22	36	+14
Canada	25	13	-12
Finland	19	14	-5

Source: Trade Data Monitor

Trends, Consumer Preferences, and Attitudes for Meat

Analysts in the meat sector in New Zealand have reported a few trends in consumer behavior in recent years. These include:

Meat Consumption: In general, most New Zealand consumers feel that meat continues to be an integral component of a healthy and nutritious diet. In fact, fewer people believe they are eating less meat than they did two years ago. However, compared to two years ago New Zealanders perceive they are eating more chicken and traditional (red meat) proteins, but less pork, mince, plant-based proteins, and sausages.

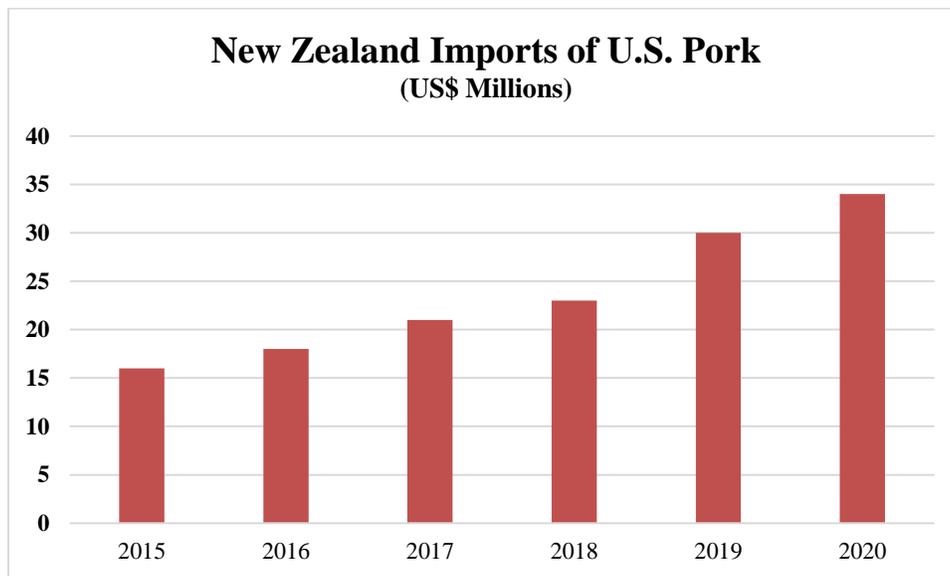
Alternative meats (plant-based and synthetic): There has been an increase in the awareness of alternative proteins among New Zealand consumers. Consumers stated that they are more likely to have tried an alternative protein during the previous two years, but in general will still not necessarily add it as a regular purchase. Alternative meats are becoming more favorable due to the notion they have a more sustainable production process and supply chain than traditional meat products.

Online purchasing: In part because of the COVID environment, over half of New Zealanders find the idea of purchasing meat online appealing. New Zealand supermarkets are seeing an increase in online purchasing and some supermarkets have built dedicated distribution centers to meet the online purchasing volumes. (Source: Beef and Lamb New Zealand Reputation and Consumption Monitor produced by Colmar Brunton.)

1.2 Meat from the United States

As explained, the United States is one of the top suppliers of meat to New Zealand, and imports have been increasing. Pork accounts for the majority of meat imports from the United States, and imports of pork reached a record US\$ 34 million in 2020, more than doubling in value over just five years. In 2020 the United States surpassed Spain as the largest supplier of pork to New Zealand. In addition to pork, the United States is also a large supplier of swine casings to New Zealand for sausage making.

Graph 3.



Source: Trade Data Monitor

“Low and Slow” Barbecue Trend

One trend that is helping to increase demand for U.S. meat is “low and slow” barbecue. Starting in the 1980s, New Zealand was an avid user of charcoal in the process of slow cooking grilled meat. However, this tapered off in the late 1980s as the convenience of grilling with gas resulted in

charcoal barbecuing nearly became extinct in New Zealand. Since 2016, though, “low and slow” U.S.-style cooking has found its way to New Zealand. Although consumer adoption of this cooking style was initially slow, it has been boosted by cooking competitions. In 2017, the Australian “low and slow” barbecue competition - Meat Stock - set up a New Zealand competition which was highly successful. This competition exposed New Zealand consumers to new cooking techniques, new cuts of meat and rubs, as well as cooking technology that they had never before seen or experienced. From this a national barbecue competition was created and launched in 2018 and this competition saw 50 teams compete on a national circuit. As these teams took their skills and technology to a broader public audience, New Zealand retailers found that demand for new barbecue products exploded. In fact, the demand for smoker-style barbecues, certain meat cuts, rubs, and sauces became extremely strong and there was a race to acquire the latest and greatest new thing in barbecuing. Craft beer experienced a similar trend of rapidly increasing exposure and demand.

The most pressing issue in New Zealand for this barbecue trend is the availability of specific needed meat cuts. The barbecue circuit in New Zealand primarily uses pork ribs, pork collar, and beef brisket. The structure of New Zealand meat production and processing is such that these cuts are not readily available, and the domestic product that is available can be quite expensive. As a result, those involved in barbecuing have begun to look offshore to the United States to obtain needed supplies. For example, a brand of pork ribs from the United States have been introduced into the market by a local New Zealand company and are proving popular for “low and slow” cooking. This cooking trend is also increasing sales of U.S. sauces and rubs.

Advantages and Challenges for U.S. Meat Products

Advantages	Challenges
Although New Zealand is an exporter of meat products, import demand remains strong for certain products.	New Zealand is a distant market and shipping can be expensive.
New Zealand consumers view U.S. products as high-quality.	New Zealand has stringent biosecurity requirements.
The United States is already the second largest supplier of meat products to New Zealand	The United States faces stiff competition from Australia to supply New Zealand with meat products.
The United States has a favorable trading relationship with New Zealand.	The strong U.S. dollar has added to the cost of U.S. products.

Market Access for U.S. Meat

U.S. beef, pork, and turkey all have market access to New Zealand. As explained, thanks to the “low and slow” cooking trend, some U.S. beef cuts have increased in popularity such as brisket and some steak cuts. For pork, New Zealand requirements in the import health standard state that imported pork

for direct retail sale must be in packages not exceeding 3kg per package. This does not apply to pork being imported for further processing.

U.S. turkey access was granted in 2017. Traditionally, New Zealand consumers have seen turkey as something eaten solely as a whole bird during holidays. As a result, it has been necessary to foster consumer awareness for the wide range of U.S. turkey products, and promotional activities to build demand are ongoing in New Zealand.

2.0 Market Entry Information

Entry Strategy

- Enter the market through a distributor, importer or sales and marketing agent who then targets specific food categories or merchandise managers at major wholesalers and major supermarket chains. Major chains and wholesalers have their own distribution centers and national coverage. Specialist distributors or wholesalers may also be approached. There is one retail group that imports directly in New Zealand without the need for an agency.
- New Zealand's retail industry relies on meat importers and distribution companies to get your product into the retail environment.
- Product promotion - Product launches for supermarkets are popular and effective. Provide agent/distributors with promotional material and product suitable for in-store demonstrations. Promotional formats may vary.
- To enhance marketing activities, exporters should consider combining promotional advertising such as in-store displays and store catalogues as well as major industry magazines

Market Structure

- New Zealand is a well-developed market. Establishing good working relationships with importers/distributors is the key to entering the New Zealand market. Approximately 80 percent of all imported food products are purchased and distributed within New Zealand by importers/distributors.
- New Zealand supermarkets mainly purchase imported products from importers and distributors rather than importing directly. Interested U.S. exporters should reach out to sales and marketing agencies, and a list can be found [here](#).
- Meat products have different requirements depending on the type of animal the meat came from. For more information on the Ministry for Primary Industries Import Health Standards please find it [here](#).
- Tariffs assessed on U.S. food products range from zero to five percent. Tariff rates can be found on the New Zealand Customs website: [New Zealand Working Tariff Document](#).
- For a complete guide on import duties and charges please go to the following link: [New Zealand customs duties and charges](#).
- High quality products with innovative packaging and unique features that are price competitive tend to do well in the New Zealand market.

- All imported foods must comply with all aspects of Food Act and Food Standards Code at the point of entry into New Zealand. The Ministry for Primary Industries performs random inspections on any food imported. High-risk foods, like meat products, can be targeted for inspection at a higher frequency.

3.0 Company Profiles and Additional Information

Company Profiles

Supermarket Group	About	Market Share (approximate)	Store Names
Foodstuffs (NZ) Ltd	New Zealand owned; made up of three independently owned co-operatives	40 percent	<ul style="list-style-type: none"> • New World - Full-service supermarkets • Pak'n'Save - Retail food warehouses • grocer • On the Spot - Convenience stores
Progressive Enterprises	Owned by Woolsworths Limited (Australia)	35 percent	<ul style="list-style-type: none"> • Countdown - Full service supermarkets • Supervalu - Convenience grocery stores • Fresh Choice - Fresh and gourmet food stores
Other smaller meat retailers	New Zealand Owned	25 percent	

3.1 Key Contacts and Further Information

Agricultural Affairs Office

Foreign Agricultural Service

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Attachments:

No Attachments.