USDA Foreign Agricultural Service

GAIN Report

Template Version 2.09

Global Agriculture Information Network

Required Report - public distribution

Date: 3/11/2005

GAIN Report Number: NZ5004

New Zealand

HRI Food Service Sector

Annual

2005

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Report Highlights:
New Zealand's foodservice sector is experiencing rapid growth and offers sales opportunities for U.S. exporters. Industry sales were valued at NZ$5.8 billion in 2003, 41 percent above 1999. The largest growth is seen in full service restaurants which account for 43 percent of total industry revenue. Fast food outlets generated 21 percent of total foodservice sales in 2003 while cafes and bars account an additional 16 percent.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Wellington [NZ1]
[NZ]

SECTION I: Market Summary

Country Overview

New Zealand is a well-developed market of 4 million people. It is a largely urbanized society with two-thirds of its population residing in the principal urban areas of Auckland (1.12 million), Wellington (350,000), and Christchurch (345,000). New Zealand's population is diverse and multi-cultural. Approximately 75 percent of all New Zealanders are of European origin, with around 8 percent Maori, 9 percent Polynesian and 4 percent Asian. New Zealand is an English-speaking country with a strong and stable democracy.

The United States is New Zealand's second largest trading partner for agricultural products. Agricultural exports from the United States to New Zealand in 2004 totaled US$118 million, of which two-thirds consisted of consumer-oriented products. U.S. exports to New Zealand emphasize fresh fruit, processed fruit & vegetables, pet food, snack foods and dairy products.

New Zealand has shown strong economic growth in recent years. Real Gross Domestic product (GDP), which is an acceptable indication of market activity, increased 4 percent in the year ending June 2003. New Zealand's foodservice sector is one of the most dynamic in the world and the early adoption of new trends reflects rapidly changing consumer lifestyles and a busier workplace. The foodservice sector's share of total food spending in New Zealand has risen from 16.2 percent in 1989 to 23.7 percent in 2003. A multi-cultural population is fostering an increase in the consumption of ethnic foods, with a greater emphasis on regional cuisines like Cantonese, Sechuan, Goan etc. rather than Chinese or Indian.

HRI Market Overview

- New Zealand's total foodservice industry sales in 2003 are estimated at $5.8 billion, 41.2 percent above 1999.
- New Zealand's annual per capita expenditure on fast food is estimated at $198.
- Total restaurant sales in 2004 are estimated at $3.7 billion, 9 percent above 2003. New Zealand's restaurant industry employs approximately 75,000 employees distributed over 9,500 outlets, including restaurants, cafes, takeaways, fast food chains etc.
- Institutional foodservice sales are estimated at $800 million. This includes hospitals, nursing homes, prisons, schools, military sites, airlines etc.
- Tourism plays a significant role in New Zealand's food service and hospitality industry. More than 20 percent of the foodservice industry's income is generated by foreign tourists. New Zealand's clean and green image attracted approximately 313,000 international tourists in 2004, an increase of 5.3 percent over 2003. International tourism's contribution to New Zealand's foreign exchange earnings in 2003 is estimated at $7.4 billion compared to the $5.9 billion earned by dairy exports (New Zealand's dominant export industry).
- The home-delivery/takeaway sector expanded nearly 70 percent during the 1999-2003 period. Full service restaurant sales increased 40 percent over the same period.

Note: Currency values expressed in this report are in New Zealand dollars unless otherwise stated. Average Exchange Rate: 2004 – 1NZ$=US$ 0.66; 2003- 1NZ$=US$ 0.58; 2002- 1NZ$=US$ 0.46

- In number of transaction terms, the single most important sector is fast food, capturing 40 percent of the market. This reflects an ever-growing emphasis on convenience and quick service. In dollar terms, the leading sector in New Zealand is full service restaurants, capturing a 43 percent market share in 2003. This is mainly driven by an eating out culture which emphasizes on quality and ambience.

New Zealand's foodservice sector is divided into three major segments:

a. Full Service Restaurants (FSR) and Cafes

- Restaurant industry sales are estimated at $3.8 billion from approximately 9,500 locations including restaurants, cafes, coffee houses, caterers, takeaways food stalls and lunch and ice cream parlors. The restaurant industry has shown an annual growth rate of 9 percent in recent years.
- Cafés/bars represented 27 percent of total consumer foodservice units in 2003. The rise in coffee shops reflects a declining trend in traditional pubs/bars.
- The FSR sector is the largest within New Zealand's consumer foodservice industry, with the number of outlets increasing 30 percent from 1999 to 2003. To a large degree, this responds to the rising brand profiles of international FSR operations including Indian, Chinese and Thai FSR units.
- Home delivery/takeaway food outlets in 2003 have increased nearly 30 percent since 1999. Together they account for 18 percent of total foodservice units in New Zealand. Growth in this segment is being driven mainly by takeaway pizza and fish & chips establishments. These are usually small and independent outlets, offering easy meal solutions at affordable prices.
- Self service cafeterias and kiosks/stalls are growing at a rate of 2 percent annually.

New Zealand Consumer Foodservice by Sector: Establishments

Sector	1999	2000	2001	2002	2003
Cafés/bars	5,277	5,432	5,172	5,213	5,308
Full-service restaurants	5,024	5,807	5,601	5,734	5,869
Fast food	4,355	4,600	4,696	4,743	4,806
100% home delivery/ takeaway	2,844	3,109	3,309	3,427	3,629
Self-service cafeterias	12	10	10	10	10
Street stalls/kiosks	193	213	234	243	249
Consumer foodservice by type	17,705	19,171	19,022	19,370	19,871

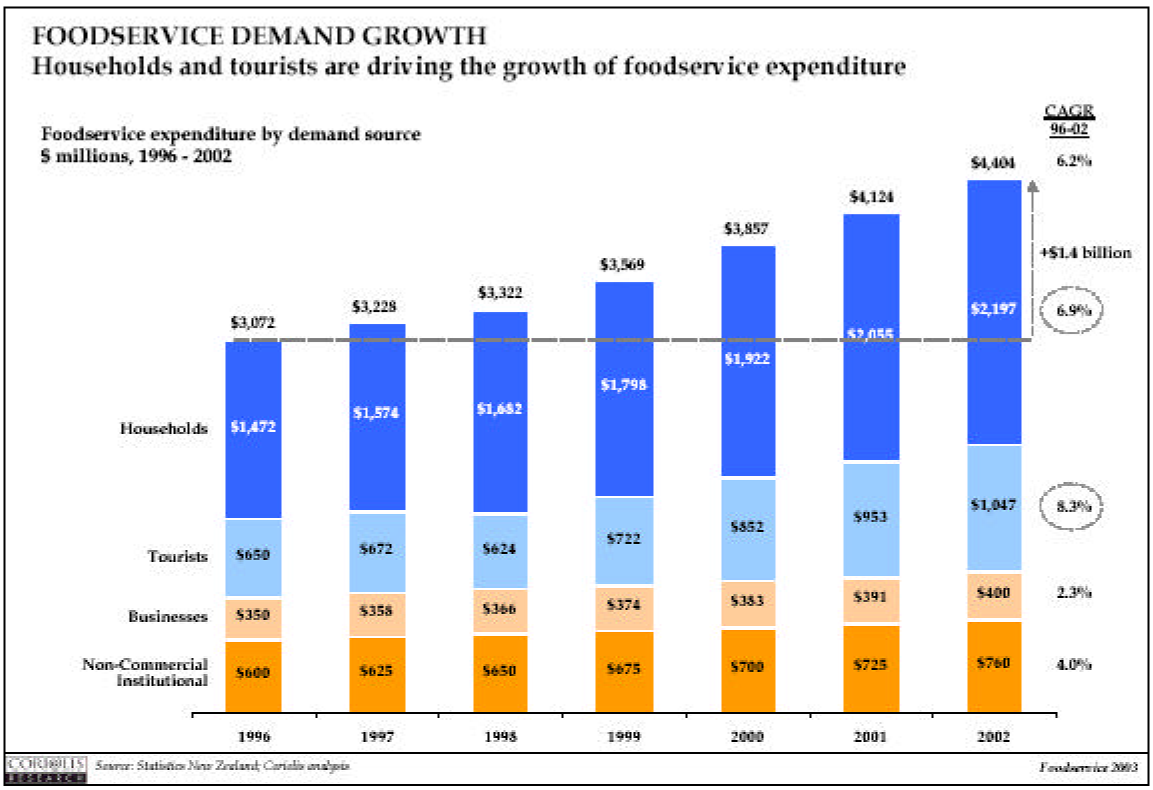
Source: Consumer Foodservice in New Zealand –Euromonitor 2004

b. Hotels/motels

- Hotels are the second most important location for consumer foodservice outlets in New Zealand, accounting for 9 percent of total restaurant sales in 2001.
- An increasing number of hotels/motels across New Zealand offer restaurant quality food.
- The total number of hotels/resorts in New Zealand is estimated at 555 together with an additional 1,681 motels, motor inns and serviced apartment operations.

c. Institutions

- New Zealand institutions including military establishments, prisons, schools, nursing homes and airlines, cruise ships etc., serve meals with an equivalent retail value of almost $800 million annually.
- New Zealand has more than a million primary, secondary and university students, which account for $70 million in non-commercial food service operations.
- The health sector, including public and private hospitals, nursing homes and retirement villages represent $130 million in foodservice sales.
- The New Zealand military includes almost thirteen thousand personnel and accounts for an estimated $30 million in foodservice activities.
- There are nineteen prisons in New Zealand representing a $10 million foodservice market.
- There are about 22,500 factories in New Zealand offering foodservice valued at $40 million.
- Airline traffic includes almost 3.5 million international passengers annually, and together with eleven million domestic passengers, represents a $15 million foodservice market.
- A large number of ships moving in and out of New Zealand waters represents an $11 million foodservice market.



Source: Coriolis-Foodservice 2003

Advantages/Challenges for U.S. Food Exports to New Zealand

Advantages	Challenges
Familiar business environment for U.S. exporters, including language, communication and customs	The Treaty of Closer Economic Cooperation with Australia eliminates tariffs on Australian food products.
Minimum barriers to trade, including low tariffs	Strict phytosanitary/sanitary regulations with regard to fresh produce and meat.
Strong New Zealand dollar encourages New Zealand buyers to select U.S. food products.	Intense price competition from domestic products and those from Australia. Australia holds a 52 percent market share for imported foods.
New Zealanders enjoy a relatively high disposable income, coupled with a growing interest in global cuisine.	About 23 percent of New Zealand food expenditure is spent on food away from home, compared to 45 percent in the United States, 40 percent in Canada and 27 percent in the United Kingdom.
Approximately 13 percent of total average household weekly expenditure estimated at NZ$445 is directed to food. Meals away from home and ready-to-eat foods account for 23 percent of all food expenditures.	

Eating Habits

Food Service Expenditures

New Zealanders' allocated approximately 24 percent of their total food budget on eating out and takeaway in 2003, up from 22.5 percent in 1999. Growth in New Zealand's foodservice industry was due largely to a growing population and rising wages and salaries. Demographic and social changes resulting in busier lifestyles also contributed to the rise in New Zealand's foodservice sales.

Total New Zealand Food Expenditures

NZ$ million current prices

	Retail	Foodservice	TOTAL
1999	18,808.8	5,460.6	24,269.4
2000	20,859.3	6,160.5	27,019.8
2001	22,174.6	6,623.6	28,798.2
2002	23,473.2	7,145.2	30,618.4
2003	24,801.2	7,724.5	32,525.7

Source: Consumer Foodservice in New Zealand - Euromonitor 2004

a. Tourism

New Zealand is witnessing significant growth in its tourism industry. High profile activities including the America's Cup, the Lord of the Rings movie and international publications create a positive image of New Zealand. The country's tourism industry is supported by adventure and eco-tourism and the continued expansion of its accommodation and transport infrastructures. The meeting and conference market also is helping to increase tourism spending. The growing trend of international corporate clients to select New Zealand as a destination for small and medium conferences has helped to offset seasonality. Most conferences take place May-September, outside the peak tourist season. Corporate tourists typically spend three to four times more than a holiday visitor.

Tourism in New Zealand grew nearly 30 percent between 1999-2003, while food service expenditures during the same period increased 42 percent. New Zealand hosted 2.32 million visitors for the year ending October 2004, 13 percent above a year earlier. The average intended length of stay for international visitors is nearly 3 weeks. Total tourism receipts for the year ending March 2003, was $15.6 billion, an increase of 34 percent over a year earlier. Tourism derived food and beverage sales in 2003 reached $2.2 billion.

Tourism Income [1]

	1999	2000	2001	2002	2003
Accommodation	1,218.0	1,401.7	1,565.4	1,680.1	1,767.9
Entertainment [2]	727.2	830.8	905.3	990.8	1,077.1
Excursions	1,405.3	1,490.1	1,541.7	1,394.6	1,570.0
Food [3]	1,534.5	1,721.3	1,863.0	2,020.5	2,182.1
Shopping	2,926.1	3,148.9	3,223.1	3,503.3	3,678.5
Travel within country [4]	3,564.3	3,801.2	4,228.6	4,284.4	4,512.4
Others [5]	702.6	745.0	770.9	697.3	785.0
TOTAL	12,078.0	13,139.0	14,098.0	14,571.0	15,573.0

Note: *Includes spending by incoming tourists as well as domestic tourist spending*
1NZ$ million current prices
2 Entertainment includes attractions and evening entertainment
3 Food includes restaurants
4 Denotes spending on domestic transportation services
5 Others includes travel agency services and convention fees

Source: Consumer Foodservice in New Zealand - Euromonitor 2004.

c. Eating Out Patterns

Increasingly, New Zealanders are turning to meals prepared outside the home. Young people often lack culinary skills and are living alone or with other singles, an environment not conducive to sit-down, home-cooked meals. Busier lifestyles in New Zealand are pushing demand for quick and convenient meals. The average New Zealander consumed 182 meals away from home in 2002, up from 177 meals a year earlier.

New Zealanders are demanding products that deliver convenience while still appealing to health concerns. A third of all New Zealanders consider themselves too busy and short of time to cope with day-to-day tasks. Half of all New Zealand households rely on takeaways or dial in for their main meal. Of those households who do cook, 70 percent spend less than thirty minutes preparing the evening meal.

Fast food and takeaway

Fast food and takeaway items continue to dominate New Zealand's eating out culture. Fish & chips and meat pies, which are eaten as snacks throughout the day and at sporting events, are traditional takeaway items that continue to be very popular. The diversification of meat pies from standard mince and cheese to more exotic fare such as Asian fillings has contributed to their sustained success. Consumption of ice cream and baked goods also is widespread. New Zealand boasts the world's second highest per capita consumption of ice cream, after the United States.

Hamburgers and chicken have become fast food staples since the establishment of international franchises in the last few decades. New Zealanders consume more KFC products per capita than any other country. More recently, pizza and Asian outlets have become fast food and takeaway bestsellers. Chinese food is by far the most popular Asian cuisine, although consumption of Indian and Southeast Asian food has risen significantly in the last five years. Price, taste and convenience are all part of the attraction.

Annual Per Capita Fast Food Expenditure (US$)

United States	$322
Australia	$297
Canada	$164
New Zealand	**$131**
Japan	$90
United Kingdom	$55
Germany	$45
France	$44
Spain	$25
Taiwan	$17
Brazil	$10
Italy	$08

Source: Coriolis Research-Foodservice 2003

New Zealand Consumer Foodservice Brands by Sector and Number of Units- 2003

Sector/subsector	Brand	Units
Cafés/bars	Starbucks	45
	Robert Harris Café	35
	Muffin Break	35
	BB's Coffee & Bake	22
	McCafé	33
FSR	Valentines	14
	Cobb & Co	16
	Tandoori Palace	6
Fast food		
Bakery products	Subway	65
	Bakers Delight	39
	KB Bakery	16
	Dunkin' Donuts	5
Burger	McDonald's	148
	Burger King	58
	Wendy's	19
	Burger Wisconsin	18
Chicken	Country Fried Chicken	178
	KFC	87
	Others	7
	Nando's	6
	Oporto	5
Ice cream	Wendy's Supa Sundaes	25
	New Zealand Natural Ice Cream	10
Fish	LJS	19
Pizza	Pizza Hut	18
Convenience stores	4 Square/4 Square Discount/On The Spot	556
	BP Express	379
	Star Mart	200
	Shell Select	198
	Mobil on the Run	84
	BP Connect	39
	Woolworths at Gull	17
	Gull c-store	13
100% home delivery/takeaway		
Pizza	Pizza Hut	68
	Pizza Haven	37
Street stalls/kiosks	Mr Whippy	36
	Hey-Joe	17

Source: Consumer Foodservice in New Zealand - Euromonitor 2004

Café and restaurant culture

New Zealanders are becoming increasingly health aware, more sophisticated in their eating habits and more brand and image conscious. Increased patronage of cafés and restaurants is being spurred by their ambience and the generally healthier, better-quality food that they offer.

New Zealand today is truly a café society, especially in urban centers. Tearooms and cafés, are highly popular among relatively affluent young professionals as well as a growing number of tourists that visit each year.

Health and Diet focus

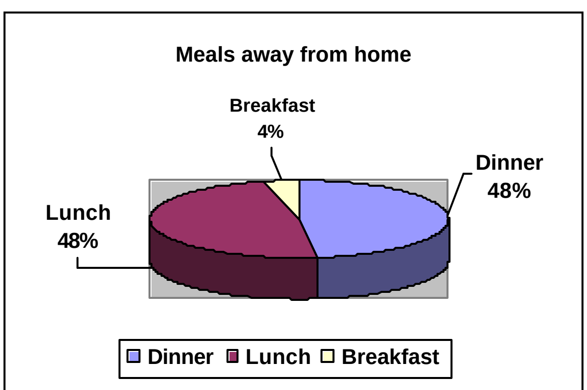
New Zealanders today are more health conscious than ever before, in part due to active campaigning from public and private organizations to encourage consumption of fruit and vegetables. Although demand for convenience is at an all-time high, consumers are also increasingly seeking fresh, flavorful, low-fat meal choices made with natural or organic ingredients. Purchases of vegetarian meals in restaurants have risen 400 percent over the past five years. Asian food, which is perceived as healthier, is growing rapidly at the expense of more traditional food staples such as fish & chips.

There is a decline in red meat consumption in favor of white meat. Average annual per capita beef consumption fell from 36.5 kilograms in 1985 to 31.2 kilograms in 1999, while poultry consumption increased from 15 kilograms to 26.8 kilograms over the same period. Interest in ethnic foods over the past decade has grown markedly. This reflects relatively high level of immigration, travel abroad and, healthier eating patterns. Growing acceptance of ethnic foods– in particular Southeast Asian- is prompting New Zealanders to seek out new flavors that are bolder and spicier. Having small snacks throughout the day is replacing the traditional three meals a day eating pattern.

New Zealand Foodservice Industry	**Estimated - Annual Sales 2004 (NZ$m)**	**Estimated - % Growth 2003-2004**
Restaurant & Cafes, Coffee Houses & Caterers	3,010	9
Fish & Chips, Chinese, Hamburger and Chicken Takeaway	457	6
Lunch Bars, Ice-Cream Parlors and Vendors and	224	14
Pizza Takeaway	72	3
Total	**3,763**	**9**

Source: Restaurant Association of New Zealand

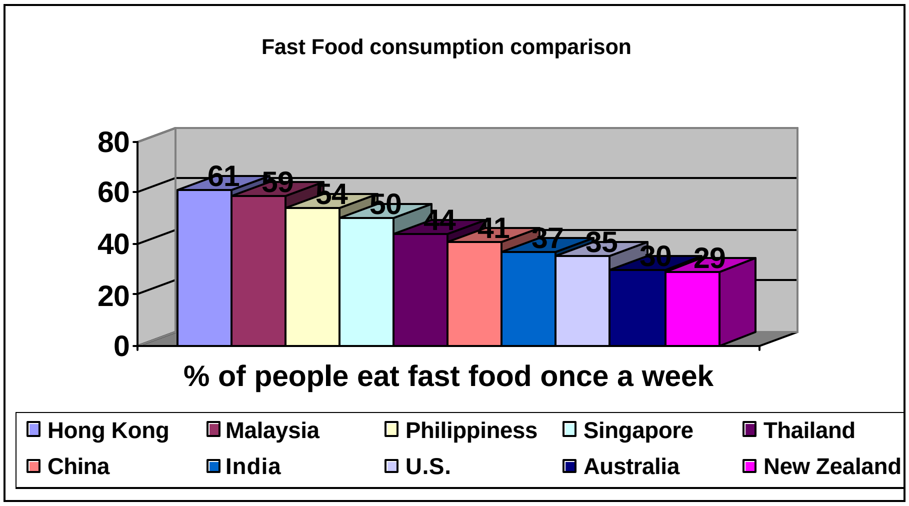
The average New Zealand household weekly expenditure is 2003 is estimated $760. This included approximately $125 per week on food, of which $29 was spent on meals away from home. The $29 total is divided by the three daily meals in the figure shown below.



Source: Restaurant Assoc. of New Zealand 2004

The consumer foodservice sector in New Zealand is highly competitive, with a large number of both international and local brands present.

Fast food outlets specializing in bakery products and Asian food are growing especially fast in New Zealand. Intense competition and a low price structure are factors, however, which contribute to frequent closures and openings of these new outlets.



Source: Coriolis Research-Foodservice 2003

New Zealand's Food Labeling Regulations

The New Zealand Food Safety Authority (NZFSA) was established in July 2002, and has responsibility for the administration of all New Zealand Food laws related to food safety standards, import requirements, export assurances (certification) and food labeling and composition. Labeling and composition standards are developed for both Australia and New Zealand by a trans-tasman agency, Food Standards Australia New Zealand (FSANZ). FSANZ has the responsibility for the development, variation, and review of food standards (primarily labeling and composition) for food available in New Zealand and Australia.

General Labeling Standard

In New Zealand, Food Standards Australia New Zealand (FSANZ) regulates the delivery of safe food. The Users Guide of FSANZ provides background information on the general labeling requirements in the Code. The information in the guide applies both to Food for Retail Sale and to Food for Catering Purposes.

Foods for catering purposes includes those products used in restaurants, canteens, schools, caterers or self-catering institutions where food is offered for immediate consumption. Labeling and information requirements in the this Code apply both to food sold or prepared for sale in New Zealand and food imported into New Zealand. This guide should be used in conjunction with other user guides developed for labeling standards.

Unless specifically exempted, the label on a package of food for retail sale or for catering purposes must include all of the following core information:

- Warning and Advisory Declarations
- Ingredient Labeling
- Date Marking
- Nutrition Information Requirements
- Legibility Requirements for Food Labels
- Percentage Labeling

- Food Additives
- Representations about Food
- Information Requirements for Foods Exempt from Bearing a Label
- Labeling Genetically Modified Food

Detailed information about food labeling and handling can be obtained from www.foodstandards.govt.nz as well as Attache's report on Food and Agricultural Import Regulations, report number NZ4012 from http://www.fas.usda.gov/scriptsw/AttacheRep/default.asp

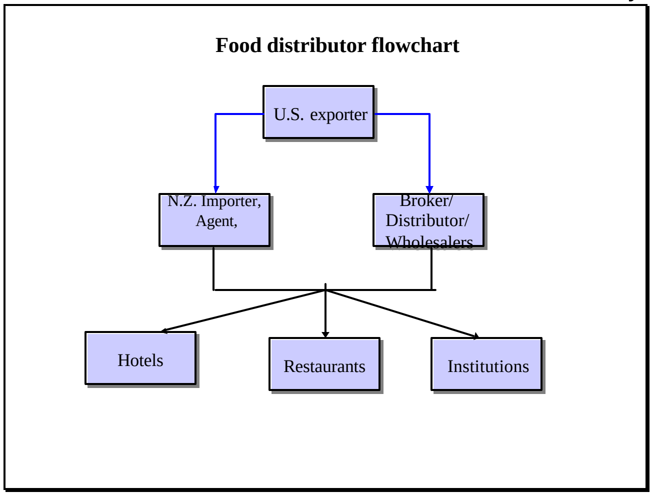
SECTION II – ROAD MAP FOR MARKET ENTRY

A. Entry Strategy

- U.S. exporters should consider entering the New Zealand market through an importer, distributor or a broker, who specializes in a specific food category and is well connected with the local hospitality industry. Approximately 90 percent of all imported food products are distributed within New Zealand through agents/distributors
- Specialty importers/wholesalers may also be approached for specialized products such as organics.
- Fresh or perishable products can be marketed directly to specialty importers offering storage and handling services to major institutional users.
- Ensure that the food product meets all food safety requirements. (www.foodstandards.govt.nz)
- U.S. exporters may elect to appoint agents, distributors, wholesalers or import brokers who can target hospitality industry segments such as restaurants, hotels and coffee shops.
- New Zealand importers and wholesalers frequently seek new ideas and make purchases from suppliers met while attending international food shows like the National Restaurant Show held in Chicago.
- U.S. exporters should consider exhibiting unique and innovative products at New Zealand trade shows such as the Foodstuffs Food Show, the Auckland Hospitality Show and the Katrina Gordon Trade Show.

B. MARKET STRUCTURE

Distribution Channel Flow Chart for Market Entry into New Zealand



Domestic Trade Shows

There are two major domestic Foodservice Trade Shows in New Zealand:

Hospitality Food and Wine Show:
Around 8,000 visitors attend this show. It's mainly attended by people from the hospitality industry and some local food importers/buyers. It takes place every September in Auckland. Contact details are as follows:

The XPO Group Ltd
PO Box 9682 New Market
Auckland, New Zealand
Tel: 64-9-300-3950
Fax: 64-9-379-3358
Internet Homepage: http://www.nationalhospitality.co.nz

Katrina Gordon Show
This local food show takes place in 16 major cities of New Zealand, including Auckland, Wellington, Christchurch and Queenstown in different months throughout the year. For more information, they can be contacted at:

Katrina Gordon Trade Shows
PO Box 8647
Christchurch, New Zealand
Tel: 64-3-348-2042
Fax: 64-3-348-0950
Internet Homepage: http://www.kgts.co.nz

C. SUB-SECTOR PROFILES

Hotels are a preferred location in New Zealand to have a meal outside the home. They account for 15 percent of total foodservice sales in 2003. Growth in New Zealand's tourism industry is a key factor accounting for rising food sales at hotel restaurants.

Hotel and Resorts Company profile

Company Name	Outlet Name & (Number of Outlets	Location
CDL Hotels	Millenium (3); Copthorne (10) Kingsgate (15)	Major NZ urban centers
Scenic Circle	18	Major NZ urban centers
Grand Hotels International	The Chancellor (3); Grand Chancellor (4), Grand Tiara (1); Grand Central (1)	Major NZ urban centers
Heritage	Seven	Major NZ urban centers
Rydges	Six	Major NZ urban centers
Duxton	Three	Major NZ urban centers
InterContinental	Holiday Inn (1), Crowne Plaza (2), Intercontinental (1); Parkroyal (1), Centra (3)	Major NZ urban centers
Accor	Novotel (5), Mercure (6); Ibis (2)	Major NZ urban centers
Choice International	Flag (47)	Major NZ urban centers
Hilton	Hilton (1)	Major NZ urban centers
Best Western	71	Major NZ urban centers
Hyatt Hotels	Hyatt Regency (1)	Major NZ urban centers

Source: Coriolis Research-Foodservice 2003 and Restaurant Brands

Restaurants – Fast Food

The number of fast food establishments in New Zealand grew at an annual rate of 10 percent during the 1999-2003 period.

Company Name	# of outlets	Location/Sales NZ$m
McDonald's New Zealand	148	Cities/towns throughout NZ
Burger King	63	Cities/towns throughout NZ
Wendy's	15	Auckland
Subway	92	Cities/towns throughout NZ
Domino's	06	Cities/towns throughout NZ
Pizza Hutt	95	Cities/towns throughout NZ/$66.3m
KFC	88	Cities/towns throughout NZ/$38.3m
Starbucks	35	Cities/towns throughout NZ/$18.3m
Dunkin Donuts	04	Auckland

Source: Coriolis Research-Foodservice 2003 and Restaurant Brands

Small Fast food Restaurants

Brand	Number of Units	Parent Ownership
Pizza Haven	35	New Zealand
Burger Wisconsin	27	New Zealand
New Zealand Ice Cream	10	Australia
Nando's	09	South African
Burger Fuel	05	New Zealand
Oporto	05	Australia
El Taco	04	New Zealand

Source: Coriolis Research – Foodservice 2003 and Restaurant Brands

Coffee Shops Company Profile

New Zealand has become a café society, especially in urban centers. Tearooms or cafes, however, can be found in nearly every town throughout the country. They tend to be frequented by relatively affluent young professionals as well as a growing number of tourists. The number of speciality coffee shops in New Zealand has grown from 426 units in 1999 to 576 units in 2003.

Company Name	Store Numbers	Parent Company	Ownership Structure
Starbucks	35	Starbucks Limited	Franchise
Muffin Break	35	Foodco Group	Franchise
Robert Harris	32	BP	Franchise
Zip	32	Cerebos Greggs	Franchise
BBs	26	RFG (Australia)	Franchise
Sierra	10	Sierra Coffee	Franchise
Columbus	07	Foodco Group	Franchise
Mr. Bun Bakery & Coffee	07	Foodco Group	Franchise
Mecca	06	Mecca Cafe	N/A
JamaicaBlue	03	Foodco Group	Franchise
Esquires	03	Esquires (Canada)	Franchise

Source: Coriolis Research – Foodservice 2003

SECTION III. COMPETITION

Australia supplies more than 50 percent of the total value of New Zealand's food product imports serving the HRI industry. Australian suppliers enjoy lower transport costs and duty free entry for their products thanks to the Closer Economic Relations Agreement. In contrast, U.S. food products are assessed import tariffs ranging from 0-7 percent.

Many American firms have a manufacturing base in Australia which offers well-established food brands into the New Zealand market. Aside from Australia, there is only limited foreign competition to U.S. exports of food products serving the foodservice industry in New

Zealand. The United States is the second largest supplier of processed foods to New Zealand, holding a 11 percent market share. There is some competition from certain Canadian products, particularly canned fish *(salmon)*, bacon and the pork products and a few grocery items such as mayonnaise, pickles and syrups. Canadian food products enter New Zealand duty free.

Product Category	Major Supply Source	Strengths of Key Supply Countries	Advantages & Disadvantages
Red Meat	Australia 61% Canada 18% United States 10%	Australian and Canadian foods enter duty free	-New Zealand is a major net exporter of red meat -Import health conditions are strict
Dairy	Australia 67% Netherlands 5%	Australian foods enter New Zealand duty free	New Zealand is a major dairy exporting nation.
Poultry	New Zealand		Only limited canned poultry products are imported from the U.S. due to strict phytosanitary regulation.
Prepared Fruits and vegetables	Australia 37% India 18% Spain 7%	Australian foods enter New Zealand duty free	Strict phytosanitary regulations
Non-Alcoholic Beverages	Australia 72% Austria 14% U.S. 4%	Australian foods enter New Zealand duty free	U.S. is a key supplier of beverage bases.
Breakfast Cereal	Australia 93% South Africa 1.5%	Australian foods enter New Zealand duty free -Close proximity to NZ	Many U.S. branded products such as Kellogs breakfast cereal are made in Australia and exported to NZ
Dried fruits and Nuts	U.S. 51% Australia 20% China 11%	U.S. has the largest market share	U.S. offers consistent high quality fruit and tree nuts compared to China or India

SECTION IV. BEST PRODUCT PROSPECTS/TRENDS

Consumer Trends

Based upon research prepared by New Zealand Coriolis Research Company, there are seven key trends impacting the New Zealand restaurant and café sectors.

1. The growth of casual dinning – New Zealand consumers are moving away from both fine/formal dinning and fast food style dinning. They wish to eat at locations where they can feel comfortable to meet their friends, read a newspaper, etc.
2. An increasing number of meal occasions – New Zealanders are moving away from a traditional three meal a day eating habit to snacking or eating small portions throughout the day. Restaurants/cafes are providing all day brunch menus and smaller meal solutions.
3. Growth in ethnic foods - A multi-cultural population is fostering an increase in the consumption of ethnic foods, with a greater emphasis on regional cuisine such as Cantonese, Sechuan, Goan etc. rather than Chinese or Indian.
4. Healthy Options – New Zealand consumers are fairly health conscious. The foodservice industry is catering to diverse consumer needs by providing low fat, gluten-free, vegetarian, and other meal options.
5. Personalized menus- Foodservice industry is providing greater choice to customers by modifying menus according to customer demand.
6. Simple and fresh foods – New Zealanders are demanding seek fresh ingredients and a simple presentation of food.
7. Gourmet take-home meals – Another restaurant trend taking place is the emergence of gourmet meal solutions which focus on healthy and fresh ingredients.

Best High-value Product Prospects

- Snack foods including nuts (almonds, pistachios, walnuts) and dried fruit (raisins, mixed fruit, dates, figs);*
- Fresh fruit, especially grapes, stone fruit (nectarines, peaches and plums), strawberries, cherries, citrus and pears during New Zealand's off-season period;
- Microwave meals, frozen foods, meal replacement drinks, soups, pasta, sauces, dressings and canned foods;
- Fruit juices and flavored drinks. Carbonated drinks and fruit juice account for 30 percent and 16 percent respectively, of the New Zealand beverage market.
- Health foods such as high energy bars and drinks;
- Organic foods;
- Niche market food preparations, especially new products or those offering special nutrition, convenience or taste preferences;
- Canned salmon

(*Note: Many U.S. processed food products are sold in bulk volume to New Zealand importers and are used for further processing and/or are re-packaged in New Zealand.)

A. PRODUCTS NOT PRESENT BECAUSE THEY FACE SIGNIFICANT BARRIERS

- Uncooked poultry meat from the U.S. cannot meet revised NZ import regulations.
- Some fresh fruit products could have access if an import health standard is concluded (e.g. melons)
- Pork meat imports must be cooked to certain temperatures either before export or after import into New Zealand which can alter presentation characteristics.

SECTION V: POST CONTACT AND FURTHER INFORMATION

GOVERNMENT REGULATORY AGENCY CONTACTS

Local government authorities with responsibilities for administration and evaluation of imported products:

New Zealand Food Safety Authority
PO Box 2835
Wellington
New Zealand
Phone: (+64)-4-463 2500
Fax: (+64)-4-463 2501
Web: www.nzfsa.govt.nz

Food Standards Australia New Zealand
PO Box 10559
Wellington 6036
New Zealand
Phone: (+64)-4-473 9942
Fax: (+64)-4-473 9855
Email: info@foodstandards.govt.nz
Web: www.foodstandards.govt.nz

New Zealand Customs Service
(Wellington, Corporate Office)
PO Box 2218
Wellington, New Zealand
Phone: (+64)-4-473 6099
Fax: (+64)-4-473 7370
Email: feedback@customs.govt.nz
Web: www.customs.govt.nz

Ministry of Health
PO Box 5013
Wellington
New Zealand
Phone: (+64)-4-496 2000
Fax: (+64)-4-496 2340
Email: EmailMOH@moh.govt.nz
Web: www.moh.govt.nz

APPENDIX II: OTHER IMPORTANT SPECIALIST CONTACTS

Office of the Agricultural Attaché
U.S. Embassy
PO Box 1190
Thorndon
Wellington
New Zealand
Phone: (++64)-4-462 6030
Fax: (++64)-4-462 6016
Email: AgWellington@fas.usda.gov
Web: http://www.usembassy.org.nz