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Report Highlights:

New Zealand imported a record number US\$ 535 million of food and agricultural products from the United States in 2018, representing approximately 10 percent of total food imports. The growth of U.S. food and agricultural exports to New Zealand are primarily high-value, consumer-oriented products, although the United States does supply animal feed products as well. Exports of consumer-oriented products to New Zealand enjoyed 6 percent compound annual growth during the last five years. This is a result of an expanding economy, strong consumer demand and a positive view of U.S. foods, as well as active efforts to promote the benefits of U.S. products in New Zealand.

Quick Facts CY 2018

Executive Summary

US\$ 5 billion – Agricultural Products
 US\$ 2.7 billion – Consumer Food Products

List of Top 10 Growth Products in New Zealand (Percentage growth)

- | | |
|--------------------------|-------------------|
| 1) Egg Products | 2) Dairy products |
| 3) Non-alc beverages | 4) Beef products |
| 5) Tea | 6) Tree nuts |
| 7) Condiments and sauces | 8) Wine |
| 9) Chocolate | 10) Beer |

Consumer Oriented Food Sales (millions)
 Exports* US\$ 22
 Imports* US\$ 2.7

Note: * Refers to consumer-oriented products, total world statistics only.

Top New Zealand Retailers

- | | |
|---------------|----------------|
| - New World | - Supervalu |
| - Pak n Sav | - Fresh Choice |
| - Countdown | |
| - Warehouse | |
| - Four Square | |

GDP/Population

Population (millions): 4.9
 GDP (billions US\$): 205** (2018), 202 (2017)
 GDP per capita (US\$): 38,000

Sources: Trade Data Monitor, Trading Economics.
 **GDP CY 2018

New Zealand is a wealthy economy, with per capita GDP of US\$ 38,000 in 2018. New Zealand's economy is projected to grow by 3-3.5 percent in the coming years. New Zealand is proving to be an appealing and profitable market for U.S. companies. Underpinning New Zealand's strong economy is its open and transparent trade and investment environment as well as strong trade and economic links with emerging economies, particularly in Asia.

Food Processing Industry

Food, beverage, and grocery manufacturing accounts for almost one third of New Zealand's manufacturing sector. Food and beverage processing accounted for US\$ 22 billion and is a sector that is experiencing growth in several areas.

Imports of Consumer Oriented Products

New Zealand imported US\$ 2.7 billion in consumer-oriented products in 2018. Primary suppliers were Australia, the United States, China, Singapore, Netherlands and Thailand.

SWOT Analysis

Source: Trade Data Monitor

Strengths	Weaknesses
<ul style="list-style-type: none"> US products are viewed as high quality. Minimum barriers to trade including low tariffs ranging from 0-5 percent. US and NZ have a science-based approach to food imports. 	<ul style="list-style-type: none"> Phytosanitary/sanitary regulations regarding fresh produce and meat are strict. New Zealand's retail market is highly consolidated and has two main players. Distance from the United States results in high transportation costs.
Opportunities	Threats
<ul style="list-style-type: none"> US produce is counter seasonal to New Zealand. Some supermarkets make individual buying decisions. New Zealand is easy to do business in. 	<ul style="list-style-type: none"> Competition from Australia and import subsidies on wine. New Zealand is a member of the Transpacific Partnership. South East Asia is a growing imports region.

Section I. Market Overview

Agricultural Trade

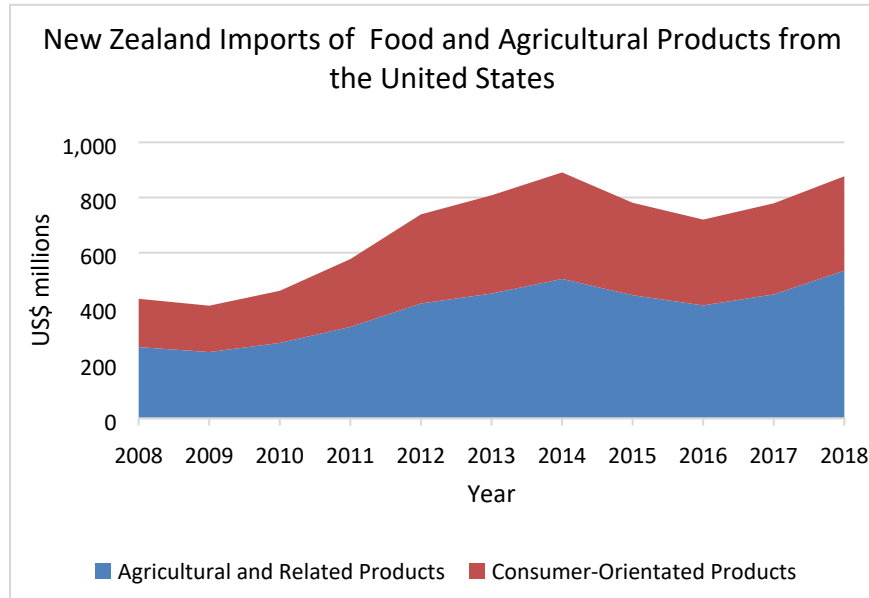
Although New Zealand is a relatively small country, it is still an important and growing market for U.S. agricultural products. It is among the top 10 U.S. export markets for grapes, oranges, pet food, and hops, and is the number two market for U.S. lactose. According to Trade Data Monitor, New Zealand imported a record US\$ 535 million of food and agricultural products (including edible fishery) from the United States in 2018, representing approximately 10 percent of total food imports. The United States exports many high-valued consumer-oriented agricultural products, including food preparations, pet food, baked goods, pork, wine and cheese.

Table 1. Countries Exporting to New Zealand

Ranking	New Zealand Imports of Consumer-orientated Food Products			
	Country	Amount (US\$ million)	Share of Total New Zealand Imports (%)	Top Imported Consumer-Oriented Products
1	Australia	966	48	Food preparations, beer, wine, non-alcoholic beverages, cocoa preparations
2	United States	342	17	Food preparations, dairy products, pet food, grapes, pork
3	China	140	7	Confectionary, snack foods, processed fruit, cocoa preparations, vegetables
4	Singapore	120	6	Food preparations, cocoa butter, chocolate prep, pasta, soy sauce
5	Netherlands	105	5	Food preparations, coffee extracts, bulbs, cheese, whey protein concentrate

(Source: Trade Data Monitor)

Graph 1.



(Source: Trade Data Monitor)

Demographics

New Zealand has a rapidly aging society. According to the New Zealand Ministry of Social Development, by 2046 the population of those over 65 is expected to reach 1.5 million (it is currently 711,000) and these changes have been accompanied by modifications in family structure, such as increasing female participation in the workforce, childless couples, and a decline in multi-generational families living together. Consumption patterns have also changed to reflect these trends with growth in the number of people frequenting restaurants, consuming prepared foods, and eating healthier food as a result of the increasing levels of disposable income.

Economy

The latest data available from Statistics New Zealand indicates that's 17 percent of disposable income is spent on food. Housing costs are the largest contributor to household expenditure at 26 percent and this is a constraining factor on other discretionary spending. It is likely that this will reverse in the medium term as interest rates reach historic lows, easing the burden of mortgage repayments. New Zealand continues to have steady economic growth and low unemployment, which helps boost consumer spending.

New Zealand is dependent on the primary sector with food and agricultural products accounting for approximately 55 percent of total exports. The figure increases to 65 percent when forestry and seafood are included. An estimated 80 to 90 percent of New Zealand's primary production is exported and dairy remains New Zealand's largest exported product valued at US\$ 9 billion.

(Source: <https://www.mfat.govt.nz/en/trade/trade-statistics-and-economic-research/>)

Table 2. Economic Indicators New Zealand 2015-2018

Economic Indicators				
	2015	2016	2017	2018
Population	4.65 million	4.74 million	4.84 million	4.92 million
Per Capita GDP (\$U.S.)	36,770	37,319	37,678	38,000
Unemployment Rate (percent)	4.9	5.2	4.5	4.3
GDP Growth (percent)	4.8	4.1	3.0	2.6
Minimum Wage Rate (US\$)	9.28	9.59	9.91	10.38
Consumer Price Inflation (percent)	0.9	0.9	1.0	1.0
Food Price Inflation (percent)	0.9	0.9	0.9	0.9

Note: The New Zealand financial year begins in April.

(Source: Statistics New Zealand and Reserve Bank of New Zealand)

Advantages	Challenges
U.S. products are high quality and are increasing in their presence in the New Zealand market.	Growing competition from Australia, India, and China for consumer-oriented food products.
Low tariffs ranging between zero and 5 percent on U.S. products.	Strict phytosanitary/sanitary regulations regarding fresh produce and meats.
Opportunities to market U.S. fresh products during New Zealand's counter-cyclical seasons.	Consumer foods imported from Australia are duty free, while U.S. products are assessed tariffs between zero and 5 percent.
Some supermarkets make individual buying decisions, and this allows importers to approach them directly.	
Ease of doing business and size of market make it a good fit for new-to-export and small-to-medium U.S. companies.	New Zealand's retail market is highly consolidated, dominated by two supermarket chains.
New Zealand practices a science-based approach to trade, thus, open to exploring	Distance from United States results in high transportation costs.

innovative products.	
New Zealand and Australia share a joint labelling standard.	The labelling standard is very different from the United States and requires an over sticker, which is an additional cost.

Section II. Exporter Business Tips

Market Entry Strategy

Imported goods must conform to local standards and labeling regulations. A local agent or distributor should be able to assist with obtaining the necessary certifications and permits. The Foreign Agricultural Service can assist with connecting you with in country importers and provide promotional support for your industries products in general, rather than specific to your company/brand. Small to medium size exporters may consider working with the appropriate U.S. State Regional Trade Groups (SRTG) to take advantage of the SRTG’s resources for marketing and promotion support in major export markets. The SRTGs provide export assistance to companies located in their geographic region through a variety of export programs and integrated marketing services. To learn more services available, contact the SRTG for your geographic region in the list provided below.

- Western U.S. Agricultural Trade Association ([WUSATA](#))
- Southern U.S. Trade Association ([SUSTA](#))
- Food Export-Midwest ([Food Export](#))
- Food Export-Northeast ([Food Export](#))

2020 New Zealand Trade Show Schedule

Companies interested in entering the New Zealand market could also attending one of the key trade shows. These trade shows are frequented by all the major companies in the food and agricultural sectors in New Zealand.

	Show Name	Show Date	Products Featured
1	New Zealand Fine Food Show	June 2020	Consumer products, meat and seafood
2	The Food Show	July 2020	Consumer products
3	Field Days New Zealand	June 2020	Animal feed and Agricultural technology

Market, Business Customs and General Consumer Tastes and Trends

- New Zealand is a well-developed market. Establishing good working relationships with importers/distributors is key to entering the New Zealand marketplace. More information on doing business in New Zealand can be found [here](#).
- While email transactions are good, New Zealand businesses prefer building personal rapport and face-to-face meetings.
- Consumers are becoming more health conscious. In response, grocery operators and supermarkets are bringing in more health and wellness products. Health-conscious consumers tend to be less concerned about prices when shopping for products believed to be healthier and more nutritious.
- The cost of international freight is a significant percentage of the final cost of a product. U.S. exporters can contact freight forwarders in the United States to determine transportation cost. New Zealand importers and distributors can arrange shipment with the help of customs brokers in New Zealand.
- High quality products with innovative packaging and unique features that are price competitive tend to do well in the New Zealand.
- Fresh U.S. produce is a welcome addition to New Zealand retail shelves, particularly during the winter season, which runs from June-August in the southern hemisphere.
- Innovative, environmentally friendly packaging has an advantage in retail food products.

Section III: Import Food Standard and Regulatory Information

Food Standards and Regulations

The Ministry of Primary Industries (MPI) is the main organization that regulates imported food and takes the lead role in biosecurity matters (e.g., preventing unwanted pests and diseases from importation into New Zealand and controlling, managing or eradicating pests should they arrive). Food Standards Australia New Zealand (FSANZ) is the regulatory body responsible for setting food standards that govern the content and labeling of foods sold in both New Zealand and Australia. The standards also cover food composition, contaminants, and microbiological limits.

New Zealand has strict biosecurity rules and prohibits unprocessed products from entering unless it meets the established Import Health Standard (IHS). IHS specifies the biosecurity requirements that need to be met before a product is allowed entry into the country. Information on import health standards for specific products can be found at <http://mpi.govt.nz/importing/overview/import-health-standards/>.

The [Food Act 2014](#) made fundamental changes to New Zealand's domestic food regulatory regime. These changes aimed to provide an efficient, effective, and risk-based food regulatory regime to manage food safety and suitability issues, improve business certainty, and minimize compliance costs for business. Information on the Act can be found at <http://www.foodsafety.govt.nz/policy-law/food-act-2014/>.

Other important legislation and international agreements with New Zealand include:

- The Joint Food Standards Treaty, which committed the Australian and New Zealand Governments to a joint food standards system;
- [The Agricultural Compounds and Veterinary Medicines Act 1997](#);
- [Animal Products Act 1999 and Animal Products Amendment Act 2002](#);
- [Wine Act 2003](#);
- [The Trans-Tasman Mutual Recognition Arrangement](#) - This allows products made or imported into New Zealand that meet New Zealand's legal requirements, to also be sold in Australia and vice versa (some products are currently exempted from the agreement, including each country's high-risk food list); and
- The Sanitary and Phytosanitary and World Trade Organization Agreements.

Learn more about the New Zealand importing requirements [here](#).

Customs

All imported items are cleared through Customs. Prior to exporting, companies are advised to check the prohibited and restricted import list to determine if the product is:

- Allowed into New Zealand, and/or;
- Requires approval or consent.

To learn more about New Zealand customs importing requirements click [here](#)

Exporters are recommended to ask customs brokers and freight forwarders for help in importing products. To search for a New Zealand Customs Broker by area click [here](#).

Food Standards Australia New Zealand (FSANZ)

[Food Standards Australia New Zealand \(FSANZ\)](#) is a statutory authority operating under the (Australian Commonwealth) [Food Standards Australia New Zealand Act 1991](#). FSANZ is responsible for setting food standards that govern the content and labeling of foods sold in both New Zealand and Australia. The standards also cover food composition, contaminants, and microbiological limits.

Bilateral and Multilateral Agreements

New Zealand has concluded free trade agreements with several countries, including Taiwan, China, and South Korea to reduce tariffs and commercial barriers.

The United States and New Zealand have a Trade and Investment Framework Agreement (TIFA) and serves as the basis for consultations on trade and investment issues. New Zealand works closely with the United States through the World Trade Organization (WTO) for the purpose of further dismantling non-tariff barriers and lowering tariffs.

In November 2018, New Zealand ratified the Comprehensive and Progressive Transpacific Partnership (CPTTP). New Zealand was the fifth nation to ratify, closely followed by Australia.

Trademark and Patent Information

New Zealand has umbrella trademark and patent information. To learn more about the rules and regulations in the New Zealand market, click [here](#).

Section IV. Market Sector Structure and Trends

Sales and Marketing

Consumers are becoming more health conscious. In response, grocery operators, and supermarkets are bringing in more health and wellness products. Health-conscious consumers tend to be less concerned about prices when shopping for products believed to be healthier and more nutritious.

Business to consumer (B2C) online shopping is expanding and according to industry sources forecast to grow by 83 percent to 2026 (Source: Neilson Consumer Research). Group buying, online shopping apps, and several new types of e-commerce shopping business models have enjoyed growth in the recent years. B2C business continues to account for the most significant proportion of direct marketing sales. Young people aged 20-39 are the primary customers for online shopping in New Zealand while senior/retirees are slowly catching up as smartphone ownership among older adults has risen modestly.

Organic Foods Sector

Currently, a dominant trend in New Zealand is the demand for healthier products and healthier lifestyles. Organic foods are becoming popular as consumers want natural and environmentally friendlier products. The organic sector in New Zealand is rapidly growing as consumers become increasingly aware of available products.

According to industry sources, the New Zealand organic market is valued at an estimated US\$ 246 million a year, up from US\$ 192 million in 2015. Supermarket sales of organic products totaled US\$ 216 million, while special organic shops reached US\$ 30 million. (Source: 2018 New Zealand Organic Sector Report, Nielsen Research).

Several core categories are making significant sales gains in the New Zealand retail market. Chilled foods, bakery biscuits, and non-alcoholic beverages have shown 20 percent increases in total sales. Core grocery products such as snack bars, sauces and muesli are also growing in sales valued at US\$ 216 million as mentioned above.

For more information on importing organic products into New Zealand, [visit](#).

There is additional information on the New Zealand market that is up to date relating to the Food Ingredients sector and the Hotel and Restaurant sectors. Please refer to the links below for the additional reports.

[2019 Retail Report](#)

[2019 New Zealand Food Ingredients report](#)

[2019 New Zealand HRI report](#)

Section V. Best Consumer Oriented Product Prospects

Table 3. Key Product Growth Areas for U.S. Exporters

Product Category	Imports From U.S. In 2018 (US\$ million)	Year-On-Year Percentage Change	Key Constraints over Market Development	Market Attractiveness for the USA
Food preparations	71	7	High transportation costs.	New Zealand consumers view U.S. products as high quality and safe.
Lactose	37	-25	Exports from the United States face competition from the European Union.	The United States is the number one supplier of lactose to New Zealand.
Pet food	37	4	Imports from Australia have lower transportation costs to New Zealand.	The United States offers a wide variety of pet food products, including ultra-premium products.
Dried Distillers Grains (DDG)	34	24	Transportation distance and complex biosecurity rules.	DDGs are now an important animal feed input for the dairy sector as it transitions away from palm kernel.
Grapes	21	-22	Biosecurity requirements are strict and can cause shipping delays.	The United States is one of the leading exporters of table grapes and New Zealand relies on it for counter-seasonal supplies.
Oranges	10	15	Biosecurity requirements are strict and can cause shipping delays.	The United States is the number one supplier by a substantial margin and provides counter-seasonal citrus.
Pork	10	57	Distance to market.	U.S. pork is a popular choice for consumers and for further processing.
Seafood	6	-23	Competition from products from South-East-Asia.	U.S. seafood is growing in popularity.
Egg products	5	59	Price competition from Asia.	The food manufacturing sector is booming and is purchasing increased volumes of egg products.

(Source: Trade Data Monitor)

The growth of U.S. food and agricultural exports to New Zealand are mostly high-value consumer-oriented products. U.S. feed and other ingredient exports, however, are also available in the New Zealand market (i.e., Dried Distillers Gains), and have experienced some growth. U.S. exports of consumer-oriented products enjoyed a 6 percent compound annual growth in the last five years. (Source: Trade Data Monitor).

New Zealand is increasing its reliance on U.S. food and agricultural exports. The quality of the products, as well as the high level of trust between the competent authorities, are making it easier to process transactions. The BICO table in attachments shows the growth areas in U.S food, beverage and agricultural exports from 2014 until September 2019. Consumer Ready-Oriented products are growing in demand and many of these products are on shelves in small, independent stores and increasingly they are finding their way onto mainstream supermarket shelves.

Section VI. Post Contact and Further Information

Contact Information for FAS Office in New Zealand

For Market information/Trade Policy/Market Access and General Agricultural Issues:

Office of the Foreign Agricultural Service in New Zealand, Wellington	
Office Hours:	8:00 AM – 5:00 PM
Telephone:	(+64-4) 462-6030
Email-FAS:	AGWellington@fas.usda.gov

Attachments:

[New Zealand BICO Stats 2019.xlsx](#)