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Report Highlights:

New Zealand continues to be an important market for U.S. agricultural products. In 2022, New Zealand's imports grew to a record US\$ 629 million of U.S. agricultural products. Despite its relatively small population, the country is already a top market for several U.S. exports, including dairy ingredients like lactose and whey, fresh fruit such as grapes, and distiller's dried grains. New Zealand is also a key market for consumer-oriented products including grocery products. Overall, New Zealand continues to present opportunities for U.S. exporters.

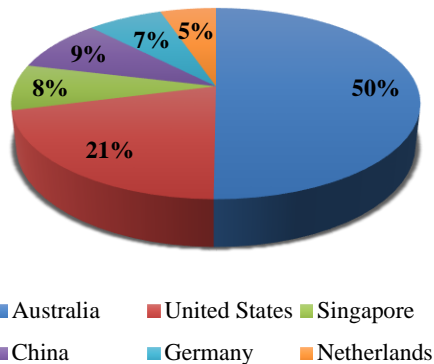
Market Fact Sheet: New Zealand

Executive Summary

New Zealand is a wealthy economy with a GDP per capita of US\$ 45,686. Underpinning New Zealand's strong recovery is its open and transparent trade and investment environment. However, the economy is facing challenges with lower expected growth and strong inflation.

Imports of Consumer-Oriented Products

New Zealand Imports of Consumer Orientated Products 2022



Food Processing Industry

New Zealand has a sophisticated food processing industry and has the capacity to create numerous consumer goods, pet food and other food products from raw ingredients. Some of the large companies include Davis Foods, Ceres Organics, Sherratt Ingredients and Pacific Ingredients.

Food Retail Industry

New Zealand's food retail sales reached US\$ 22 billion in 2022. The three largest retailers, Food Stuffs, Countdown and The Warehouse, plan to maintain investments in New Zealand's market. Together, the three groups represent 90 percent of retail revenues. Costco opened in Auckland in September 2022.

Sources: Trade Data Monitor LLC, Statistics New Zealand.

Quick Facts CY 2022

Imports of Consumer-Oriented Products (US \$million)

US\$ 6.3 billion – Agricultural Products
US\$ 3.3 billion – Consumer Food Products

List of Top 10 Growth Products in New Zealand

- | | |
|-----------------------|------------------|
| 1) Food preparations | 2) Pet food |
| 3) Pork | 4) Baked goods |
| 5) Cocoa preparations | 6) Sauces |
| 7) Wine | 8) Confectionary |
| 9) Beer | 10) Pasta |

Food Industry by Channels (US\$ billion) 2022

Food Exports	\$35
Food Imports	\$6.3
Domestic Market	\$22
Retail	\$14
Food Service	\$6.3

Food Industry Gross Sales (US\$ billion) 2022

Food Industry Revenues
- US\$ 22 Food (Domestic market)

Top Host Country Retailers

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

GDP/Population

Population (millions): 5.2
GDP (billions USD): 233
GDP per capita (USD): 45,686

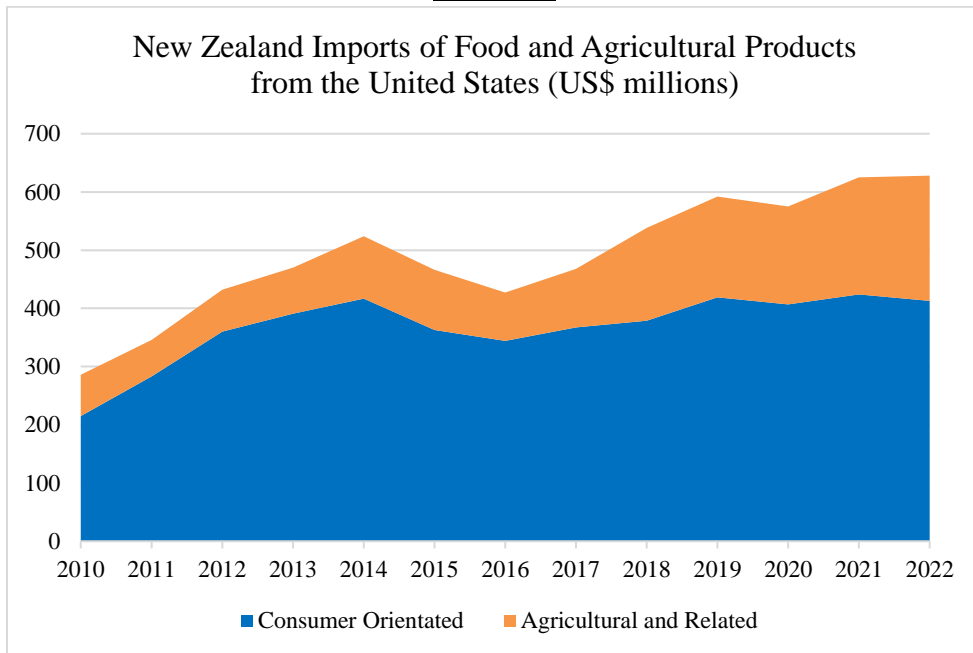
Sources: Trade Data Monitor LLC, Trading Economics. Statistics New Zealand, Reserve Bank of New Zealand. **GDP CY 2022

Strengths	Weaknesses
<p>U.S. products enjoy a reputation for quality as well as for the reliability of the supply chain.</p> <p>The New Zealand retail market is quite consolidated, and it is easy to access it using sales and marketing agencies (SMA).</p>	<p>Transport costs to get products to market are expensive.</p> <p>In recent years, the United States dollar has been strong against the New Zealand dollar, making imports more expensive.</p>
Opportunities	Threats
<p>The New Zealand retail market already has many U.S. products and retailers are looking for more products.</p>	<p>Growing competition from Australia and China in the consumer orientated food category.</p>

Section I. Detailed Market Overview
Agricultural Trade and Economy

New Zealand is an important market for U.S. agricultural products and imported a record US\$ 629 million of food and agricultural products in 2022 (see graph 1), representing approximately eight percent of total New Zealand food imports. The main United States’ products are prepared food, lactose for milk powder, distiller’s dried grains for animal feed, pet food, corn, whisky, pork, and fresh fruit. New Zealand is one of the largest markets in the world for a significant number of U.S. products (see Table 1) and the United States is the second largest supplier of consumer-oriented products to New Zealand (see Table 2).

Graph 1.



Source: Trade Data Monitor LLC

Table 1. New Zealand’s Ranking as a Top U.S. Market 2022

Product Type	Rank for U.S. Market	Value US\$
Lactose	1	70 million
Lemons/Limes	1	3 million
Hops	1	10 million
Fresh Grapes	1	14 million
Pet Food	2	37 million
Distiller’s Dried Grains	1	95 million
Oranges	1	5 million
Cheese	1	6 million
Pork	6	10 million
Whiskey	2	20 million

Source: Trade Data Monitor LLC

Table 2. Top Countries Exporting to New Zealand 2022

Ranking	New Zealand Imports of Consumer-Orientated Food Products			
	Country	Amount (US\$ millions)	Share of Total New Zealand Imports (%)	Top Imported Consumer-Oriented Products
1	Australia	994	30	Prepared food, beer, dairy products, non-alcoholic beverages, snack foods
2	United States	413	13	Prepared food, dairy products, pet food, pork, fresh fruit
3	China	177	5	Prepared food, snack food, processed fruit, cocoa preparations, processed vegetables
4	Singapore	154	5	Dairy products, snack foods, processed fruit, cocoa preparations, processed vegetables
5	Germany	140	4	Dairy products, coffee extracts, beer and wine processed fruit, sauces

Source: Trade Data Monitor LLC

In general, consumers in New Zealand have high disposable incomes and desire high-quality and safe food products, creating opportunities for U.S. suppliers. However, although New Zealand has a strong economy, some economic trends have presented challenges for U.S. imports. Because of inflationary pressures on the economy, key New Zealand banks are forecasting an impact on discretionary income and a slowing of private consumption, which has occurred over the last 12 months. As of September 2023, the general inflation rate sat at 5.6 percent, a 2 percent drop from the previous year, with the New Zealand economy stabilizing. Nevertheless, the U.S. dollar continues to be strong against the New Zealand dollar, impacting the price point of imported goods.

According to banking industry sources, the demand for loans to expand warehousing and distribution in New Zealand continues to grow at 5-10 percent and the expansion of warehouse footprint and equipment for moving goods such as trucks and forklifts remains strong. This suggests New Zealand is still well placed for future economic growth and continued demand for imported products.

Further to this, in general, New Zealand imports of U.S. agricultural products have continued to be resilient. So far this year (January to October), imports have been on par with last year. Expectations are that there will be continued strong demand in New Zealand for a wide range of imported food products, including from the United States.

Table 3. Economic Indicators New Zealand 2019-2022

	2019	2020	2021	2022
Population	5.0 million	5.1 million	5.1 million	5.2 million
Per Capita GDP US\$	42,084	41,791	44,509	45,686
GDP Growth (percent)	2.3	-2.9	4.6	2.4
Minimum Wage Rate (US\$)	12.38	14.30	13.53	13.35*
Consumer Price Inflation (percent)	1.9	1.4	5.9	7.2
Food Price Inflation (percent)	-0.2	2.5	4.5	8.0

Note: The New Zealand financial year begins in April.

(Source: Statistics New Zealand and the World Bank)

*Exchange rate: Exchange rate used for this calculation is NZD=.59 USD.

Advantages and Challenges

Advantages	Challenges
U.S. products are high quality and are increasing in their presence in the New Zealand market.	Growing competition from Australia, Singapore, 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 counter-seasonally.	Consumer foods imported from Australia are duty free, while many U.S. products are assessed some tariffs.
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 with a high minimum wage (US\$13.35).
New Zealand and Australia share a joint labelling standard.	The labelling standard is very different from the United States and requires a 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 sales and marketing agency or distributor can assist with obtaining the necessary certifications and permits. The Foreign Agricultural Service can connect you to in-country importers and provide promotional support for your sector's 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 about more services available, contact the SRTG for your geographic region as per 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](#))

2023/24 New Zealand Trade Show Schedule

Companies interested in entering the New Zealand market could also attend one of the key trade shows listed below. These trade shows feature all the major companies of the food and agricultural sectors in New Zealand.

	Show Name	Show Date	Products Featured
1	The Food Show	May 2024	Consumer products
2	Field Days New Zealand	June 2024	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 New Zealand.
- Fresh U.S. produce is a welcome addition on 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 Regulations

Import Procedures

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 be found). 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 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 they meet the established Import Health Standard (IHS). IHS specifies the biosecurity requirements allowing products 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 fundamentally changed 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 businesses. 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 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 exempt 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.
- 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 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), which serves as the basis for consultations on trade and investment issues.

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.

In 2023, New Zealand ratified trade agreements with the European Union and the United Kingdom. New Zealand is now looking towards India as a future Free Trade Agreement partner.

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](#).

You can also find out more about the food regulations in New Zealand by reviewing the [FAIRS Report](#).

Section IV. Market Sector Structure and Trends

Sales and Marketing

New Zealand often follows United States and Australia in food trends. Currently there are several products that New Zealand food retailers are looking for, as part of their range expansion. One of these are functional beverages, which are beverages that convey a health benefit or performance enhancing substances such as vitamins, minerals, amino acids, and others.

Section V. Agriculture and Food Imports

Table 4. Key Product Areas for U.S. Suppliers 2022: Source Trade Data Monitor LLC

Product Category	Imports From U.S. In 2022 (US\$ millions)	Year-On-Year Percentage Change	Key Constraints Over Market Development	Market Attractiveness for the USA
Distiller's Dried Grains	95	+19	High transportation costs.	Emissions reduction strategies and the need to boost productivity is increasing the demand for grain as an animal feed input.
Prepared Food	77	+5	High transportation costs.	New Zealand consumers view U.S. products as high quality and safe.
Lactose	70	+8	High transportation costs.	Dairy trade regulations require New Zealand to lower the fat content of its milk powders by adding lactose imported from the United States.
Pet Food	37	-21	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.
Pork	10	-65	Biosecurity requirements are strict and can cause shipping delays.	U.S. pork is a popular choice for consumers and for further processing, competition from Europe is having an impact on sales.
Whiskies	20	+11	Distance to market.	U.S. whiskies are popular in New Zealand and the premium brands are growing in popularity
Grapes (fresh)	13	-7	Transportation costs and strict biosecurity make New Zealand an expensive market.	United States is one of the leading exporters of grapes and New Zealand relies on counter-seasonal supplies.

According to industry sources, online shopping in New Zealand is expanding and is forecast to grow 83 percent by 2026 (Source: Neilson Consumer Research). Group buying, online shopping apps, and several new types of e-commerce shopping business models have enjoyed growth in recent years. Another popular trend is the growth of U.S. consumer-oriented products, which are growing in demand. Many of these products are on shelves in small, independent stores, and increasingly, they are finding their way onto mainstream supermarket shelves.

Section VI. Key Contacts 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: [BICOCountry.doc](#)