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Report Highlights:

New Zealand continues to be an important market for U.S. agricultural products. In 2019, New Zealand imported a record US\$ 587 million of food and agricultural products (including edible fishery) from the United States, representing approximately eight percent of total New Zealand food imports. New Zealand has had relative success in combating COVID-19, and this has helped support economic output and led to continued strong consumer demand for imported and U.S. products.

MARKET FACTSHEET: NEW ZEALAND

Executive Summary

New Zealand's per capita GDP totaled NZ\$ 42,084 (US\$ 27,944) in 2019, and the economy grew by 2.3 percent. While this growth is modest compared to projections, the economy is underpinned by its open and transparent trade and investment environment. While 2020 saw New Zealand impacted by COVID-19, it has been affected less than most other countries.

Quick Facts CY 2019

Imports of Agricultural and Related Products

US\$ 4.9 billion – Agricultural Products
US\$ 2.8 billion – Consumer Food Products

List of Top 10 Growth Products in New Zealand

- | | |
|------------------|----------------|
| 1) Prepared Food | 2) Pork |
| 3) Pet food | 4) Baked goods |
| 5) Soybean meal | 6) Lactose |
| 7) Animal Feed | 8) Sauces |
| 9) Wine | 10) Beer |

Consumer Oriented Food Sales (US\$)

Exports \$23 billion, Imports \$2.8 billion

Top New Zealand Retailers

New World, Pak N Sav, Countdown, The Warehouse, Four Square, Supervalu, Farro

GDP/Population

Population (*millions*): 5.0
GDP (*billions US\$*): 256
GDP per capita (*NZ\$*): 42,084 (US\$ 27,944)

Sources: Reserve Bank of New Zealand, Trade Data Monitor.

Food and Beverage Industry

The food, beverage, and grocery sectors account for NZ\$ 22 billion (US\$ 14.61 billion) in revenue. The sector consists of several companies, as well as several smaller players. Although COVID-19 has impacted hospitality and tourism, the grocery sector remains relatively unimpacted.

Imports of Consumer-Orientated Products

New Zealand imported US\$ 4.9 billion in agricultural and related products in 2019. US\$ 2.8 billion, or 57 percent of total imports, were of consumer-orientated products. The United States supplied US\$ 382 million of consumer-orientated products in 2019. COVID-19 has impacted imports, but New Zealand's rapid recovery has resulted in import volumes beginning to recover.



Source: Trade Data Monitor

SWOT Analysis

Strengths	Weaknesses
<p>U.S. products enjoy a reputation for quality as well as for the reliability of the supply chain.</p> <p>Opportunities to market fresh products counter-seasonally.</p> <p>Low tariffs ranging from 0-5 percent.</p>	<p>Phytosanitary/sanitary regulations are strict regarding fresh produce and meat.</p> <p>Distance from United States results in high transportation costs.</p> <p>The United States dollar has been strong against the New Zealand dollar, making imports more expensive.</p>
Opportunities	Threats
<p>The New Zealand market already has many U.S. products and retailers are looking for more products.</p>	<p>Strengthening competition from Australia, China, and Singapore in the consumer-oriented food category.</p>

Section I. Market Overview

Agricultural Trade

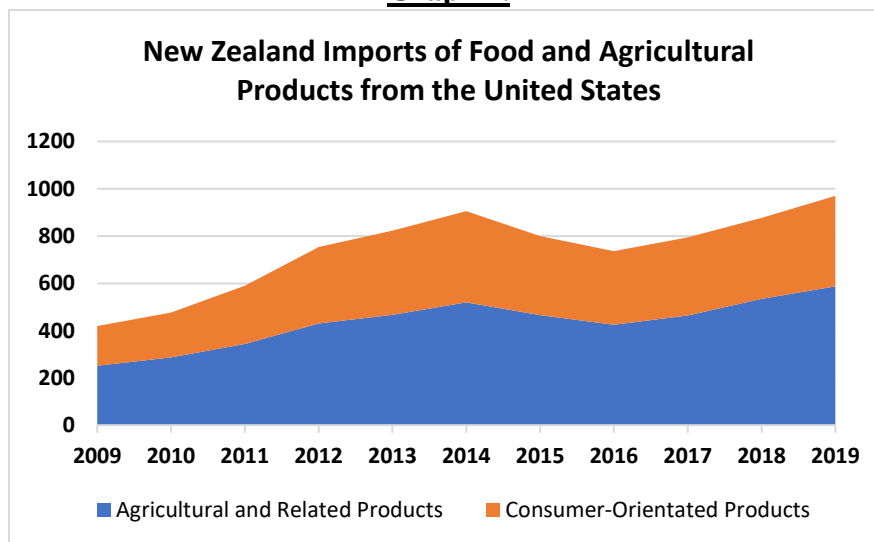
New Zealand is an important market for U.S. agricultural products and imported a record US\$ 587 million of food and agricultural products (including edible fishery) from the United States in 2019, representing approximately eight percent of total New Zealand food imports. New Zealand has had relative success in combating COVID-19, and during the first ten months of 2020 agricultural imports from the United States were only down slightly. The main products the United States supplies are prepared food, lactose for milk powder, dried distillers’ grains for animal feed, pet food, corn, whisky, pork and table grapes. New Zealand is one of the largest markets in the world for a significant number of U.S. products (see table 1). Consumers in New Zealand in general have high disposable incomes and desire high-quality, safe food products, creating opportunities for U.S. suppliers.

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

Product Type	Rank of Top U.S. Market	Value US\$
Lactose	3	37 million
Whey	6	28 million
Mandarins	6	1.7 million
Peaches/Nectarines	6	1.1 million
Pet Food	7	42 million
Lemons/Limes	8	1.8 million
Fresh Grapes	10	20 million
Pork	11	20 million
Oranges	11	7 million
Onions	11	1.4 million
Dried Distillers Grains	12	48 million
Tree Nuts	12	7 million
Whiskey	13	15 million

Source: Trade Data Monitor

Graph 1.



Source: Trade Data Monitor

Table 2. 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	913	47	Prepared food, beer, dairy products, non-alcoholic beverages, snack foods
2	United States	382	18	Prepared food, dairy products, pet food, pork, fresh fruit
3	China	143	7	Prepared food, snack foods, processed fruit, cocoa preparations, processed vegetables
4	Singapore	107	6	Prepared food cocoa butter, chocolate prep, sauces, wine, and beer
5	Germany	105	5	Dairy products, coffee extracts, beer and wine processed fruit, processed vegetables

Source: Trade Data Monitor

COVID-19

New Zealand has been able to contain COVID-19 to a significant degree and has been less impacted than most countries around the world. This has helped support economic activity and consumer demand. One major impact on New Zealand, however, has been the effect of closed borders on the tourism and hospitality sectors, which are dependent on foreign visitors. While this has impacted demand for food service establishments that cater to tourists, the relatively short lockdown periods in New Zealand have helped ensure domestic consumers are able to continue to frequent and support restaurants. Also, the grocery and retail sectors have been largely unaffected. While there have also been some logistical issues with import shipments, in general the level of imports has been able to recover.

Table 3. Economic Indicators New Zealand 2016-2019

	2016	2017	2018	2019
Population	4.74 million	4.84 million	4.92 million	5.0 million
Per Capita GDP (NZ\$)	40,105 (US\$ 26,630)	42,849 (US\$ 28,452)	42,949 (US\$ 28,518)	42,084 (US\$ 27,944)
Unemployment Rate (percent)	5.2	4.5	4.3	4.1
GDP Growth (percent)	4.1	3.0	2.6	2.3
Minimum Wage Rate (US\$)	9.59	9.91	10.38	12.38
Consumer Price Inflation (percent)	0.9	1.0	1.0	1.9
Food Price Inflation (percent)	0.9	0.9	0.9	-0.2

Note: The New Zealand financial year begins in April.
(Source: Statistics New Zealand and the World Bank)

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 U.S. products are assessed tariffs of 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 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 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 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](#))

2021 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	New Zealand Fine Food Show	June 2021	Consumer products, meat and seafood
2	The Food Show	November 2021	Consumer products
3	Field Days New Zealand	June 2021	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 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 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 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 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 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

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.

Online shopping in New Zealand is expanding and according to industry sources 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 the recent years. COVID-19 has also had an impact on how food is sold and marketed in New Zealand and has accelerated the growth in e-commerce. Consumers are now increasingly valuing traceability in the products they buy.

Section V. Best Consumer Oriented Product Prospects

Table 4. Key Product Growth Areas for U.S. Suppliers

Product Category	Imports From U.S. In 2019 (US\$ million)	Year-On-Year Percentage Change	Key Constraints Over Market Development	Market Attractiveness for the USA
Dairy Products	96	+37	High transportation costs.	The United States is the number one supplier of lactose to New Zealand.
Prepared Food	79	+1	High transportation costs.	New Zealand consumers view U.S. products as high quality and safe.
Pet Food	39	+5	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.
Fresh Fruit	38	-11	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.
Pork	30	+36	Distance to market.	U.S. pork is a popular choice for consumers and for further processing.
Tree Nuts	23	+19	Competition from products from Australia and Southeast Asia.	U.S. tree nuts are popular for use in food ingredients.

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' grains), and have experienced some growth. Zealand consumers have relatively high purchasing power and continue to demand a wide range of imported products. U.S. consumer-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.

Additional reports:

[Food Processing Ingredients](#)

[Retail Foods](#)

[Food Service HRI](#)

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: [BICO Report 2020.xlsx](#)