

Voluntary Report – Voluntary - Public Distribution

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Report Name: New Zealand - a Key Market for US Fresh Fruit

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Prepared By: Brendan Cody

Approved By: Levin Flake

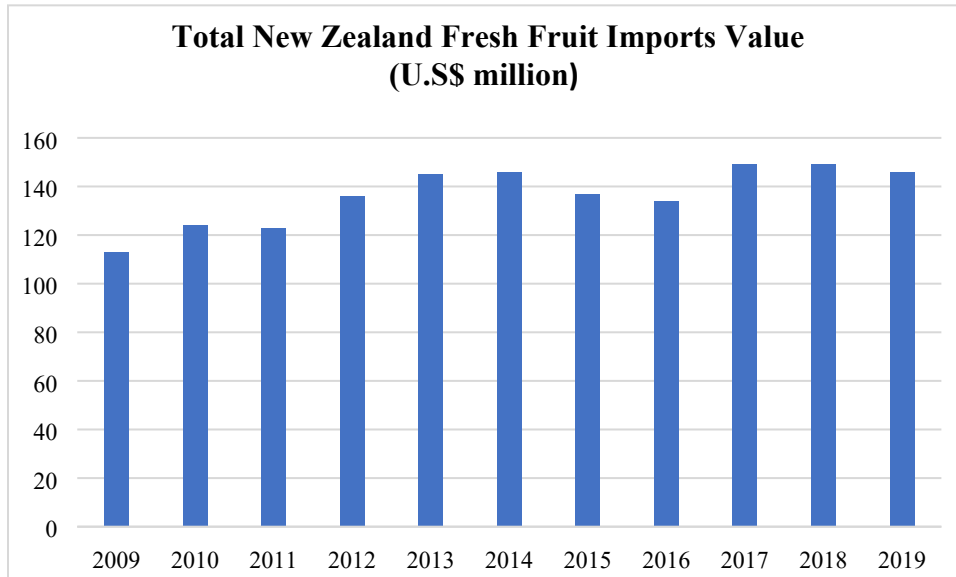
Report Highlights:

While New Zealand is a population of just 5 million, consumers in this market have high spending power and it presents strong prospects for U.S. products, including fresh fruit. One of the main advantages for the United States is New Zealand's domestic growing season is counter-seasonal to the United States, so U.S. fruit is available in months when local fruit is not available and Southern Hemisphere competitor fruit (Australia, Chile) is not in supply. While COVID-19 has impacted the New Zealand retail market, demand for fresh fruit has remained high.

Market Summary

New Zealand is an attractive market for U.S. produce exports due to its growing season being counter-seasonal to the United States and having consumers with high spending power. In fact, despite the population being only 5 million, New Zealand is already the 10th largest market for U.S. fresh grapes, 9th largest market for U.S. citrus, and 6th largest market for U.S. peaches. While COVID-19 has impacted the New Zealand retail market, demand for fresh fruit has remained high.

Graph 1



Source: Trade Data Monitor

New Zealand has high per capita demand for fresh fruit and consumers want a wide range of products and fruits year-round. According to the New Zealand Ministry of Health, 48 percent of males and 60 percent of females surveyed were shown to consume two or more pieces of fruit per day. New Zealand consumers were once quite price sensitive in the fresh fruit space, and small price increases could impact purchasing decisions. However, with income growth and trends towards healthier foods, New Zealand consumers are now willing to pay higher prices for their fresh fruit than they were a decade ago.

The United States is the second largest supplier of fresh fruit to New Zealand after Ecuador. Australia and the Philippines are the other two major suppliers. Imports from the United States are typically relatively steady but have shown some growth in the past decade. Bananas, grapes, and citrus are the largest fruit categories being imported by New Zealand. Total import demand was worth nearly \$150 million last year.

Table 1 Top Suppliers of New Zealand Fresh Fruit Imports (U.S\$ Millions)

Partner Country	2009	2019	Percentage Change
Ecuador	15	41	+173
United States	28	38	+36
Australia	22	35	+59
Philippines	38	10	-73
Mexico	.5	7	+1300
Chile	3	3	n/c
Peru	.2	2	+900
Italy	1	1	n/c
Thailand	1	1	n/c
China	.2	.8	+300

Source: Trade Data Monitor

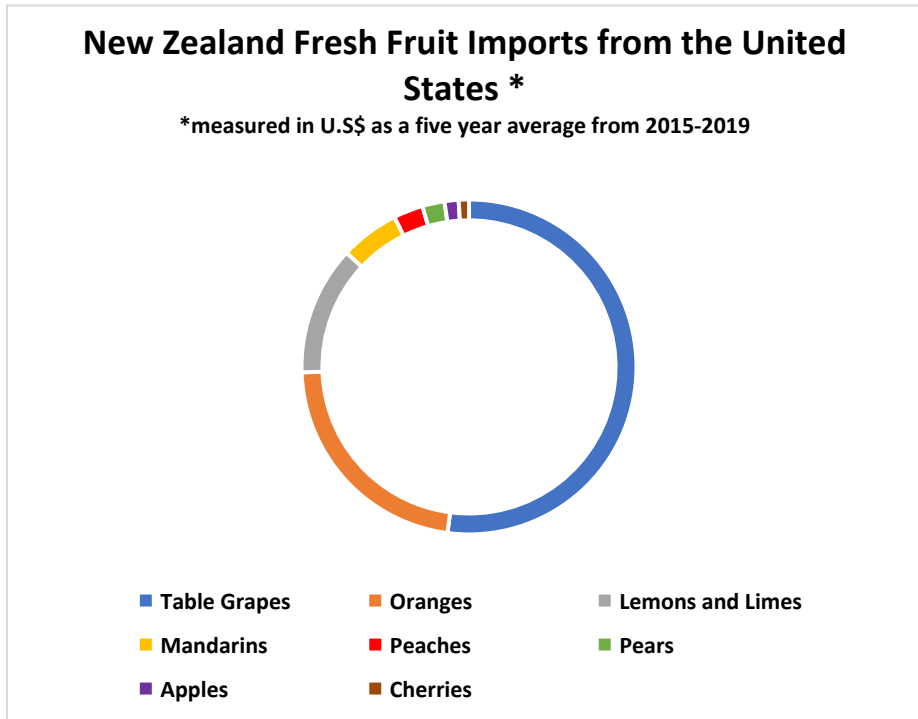
Table 2 New Zealand Fresh Fruit Imports by Type (U.S\$ Millions)

Partner Country	2009	2019	Percentage Change
Bananas	48	50	+4
Grapes	18	34	+88
Mandarins	5	10	+50
Oranges	10	9	-10
Mangos	3	6	+100
Lemons and Limes	1	4	+300
Pears	3	4	+33
Melons	3	4	+33
Watermelons	2	3	+50
Strawberries	1	3	+200

Source: Trade Data Monitor

About half of New Zealand imports of U.S. fresh fruit are grapes, followed by citrus (oranges, lemons, limes and mandarins). For both grapes and citrus, U.S. production is counter-seasonal to the other major supplier – Australia – and as a result has reduced competition. For grapes, this means in the key months of September-November nearly all imports and grapes sold at the supermarket in New Zealand are from the United States. A similar situation exists for citrus, where from December through March nearly all imports are from the United States, but between June and September it is almost all Australian.

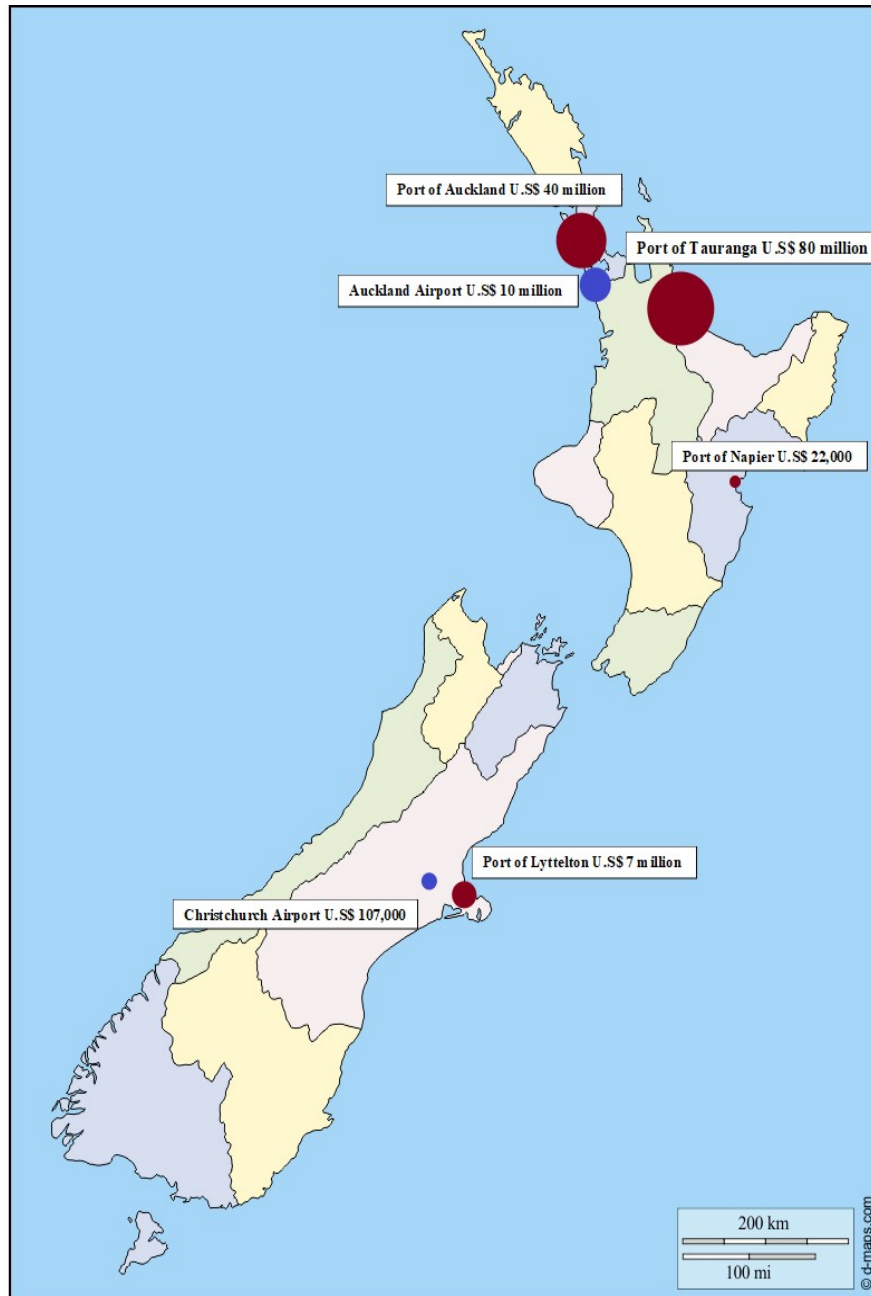
Graph 2



Source: Trade Data Monitor

The vast majority of fruit imports arrive into the North Island of New Zealand, which has approximately 3.7 million of the total New Zealand population of 5 million. About 93 percent of fresh fruit arrives into New Zealand via sea freight. Most of the fruit arriving by air freight (strawberries, mangos, and limes) arrives into the Auckland airport, while most of the fruit arriving by sea freight arrives either into the port of Tauranga or the Port of Auckland.

Fresh Fruit Imports by Ports/Airports US\$



Note: Blue Circles are Air Freight; Red Circles are Sea Freight

Source: Trade Data Monitor

Base map from https://d-maps.com/pays.php?num_pay=284&lang=en

Advantages and Challenges for U.S. Fresh Fruit

Advantages	Challenges
Fresh fruit import demand remains strong in New Zealand and the United States is a counter-seasonal supplier.	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 number two supplier of fresh fruit to New Zealand and has market access for a range of fruits.	Due to a new market access agreement between New Zealand and Egypt, U.S. oranges could face increased competition.
The United States has a strong trading relationship with New Zealand.	

There are several trends and consumer preferences driving change for fresh fruit in New Zealand. Traceability, a focus on production processes, and food safety are some of the aspects of the fruit supply chain becoming more important to consumers. Other trends are listed in the table below.

Product Trends in the New Zealand Fresh Fruit Market

Trend	Examples
Health	Higher fruit demand is driven by increased consumer focus on food safety, safe shopping practices, good nutrition, and wellbeing.
Consumption	Contactless pay methods have become a trend because of COVID-19 and has led to consumers wanting to use on-line shopping and delivery for groceries, including fruit.
Technology	Robotics and other technology are being explored to help increase the chill storage length for domestic fruit.
Lifestyle	Remote working, distance learning, telehealth, online entertainment, and social interactions are influencing consumer purchasing decisions towards more healthy food choices.

Source: FAS/Wellington and information from Produce Marketing Association of Australia and New Zealand – State of the Industry Report 2020.

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 into New Zealand without the need for an agency.
- 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
- Exhibit at New Zealand food shows. Fine Food New Zealand is a bi-annual event which brings together major buyers and importers from all over the country and region.

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.
- Over 65 percent of all produce sold in New Zealand is through two major supermarket groups - Food Stuffs Ltd and Progressive Enterprises. The rest is sold through small independents.
- New Zealand supermarkets mainly purchase imported products from importers and distributors rather than importing directly.
- Tariffs assessed on U.S. food products range from zero to 5 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 can be targeted for inspection at a higher frequency.

Company Profiles and Additional Information

Company Profiles

According to industry sources, 58 percent of all produce sold in New Zealand is sold through supermarkets. Those groups and links to their websites are listed in the table below.

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 Woolworths 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 retailers	New Zealand Owned	25 percent	

Key Contacts and Further Information

Agricultural Affairs Office

Foreign Agricultural Service

U.S. Department of Agriculture

Embassy of the United States of America

Email: agwellington@usda.gov

Tel: [+64 4 4626030](tel:+6444626030)

Attachments:

No Attachments.