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New Zealand

Exporter Guide

New Zealand Export Market Guide 2018

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Report Highlights:

In 2017, New Zealand imported more than \$4.5 billion of food and agricultural products. With its economy projected to grow by 3-3.5 percent in 2018, demand for these products are expected to continue. New Zealand offers strong opportunities for U.S. exports, particularly for food preparations, dairy and pet food products, and fruits.

Market Fact Sheet: New Zealand

Executive Summary

New Zealand's per capita GDP totaled U.S. 36,461 in 2018. In 2018, New Zealand's economy is projected to grow by 3 to 3.5 percent. Underpinning New Zealand's strong economy is its open and transparent trade and investment environment and vibrant trade and economic links with emerging economies, particularly in Asia.

Imports of Consumer Oriented Products

New Zealand imported \$2.6 billion in consumer-oriented products in 2017. Primary suppliers were Australia, the United States, China, Singapore, Netherlands and Thailand.

Quick Facts CY 2017

Imports of Consumer-Oriented Products U.S. \$2.6 billion

List of Top 10 Growth Products in New Zealand

- | | |
|----------------------------|----------------------------|
| 1) Non-alcoholic beverages | 2) Sauces |
| 3) Wine | 4) Fresh cut roses |
| 5) Tomato sauces/ketchup | 6) Juice from single fruit |
| 7) Soy sauce | 8) Sparkling wine |
| 9) Frozen orange juice | 10) Beer |

Consumer Oriented Food Sales	\$22 billion
Exports*	\$21 billion
Imports*	\$2.6 billion
Inventory	N/A

Domestic Sales	\$1.0 billion
Retail	\$0.8 (approx.)
Food Service	\$0.3 (approx.)

Note: * Refers to consumer-oriented products only.

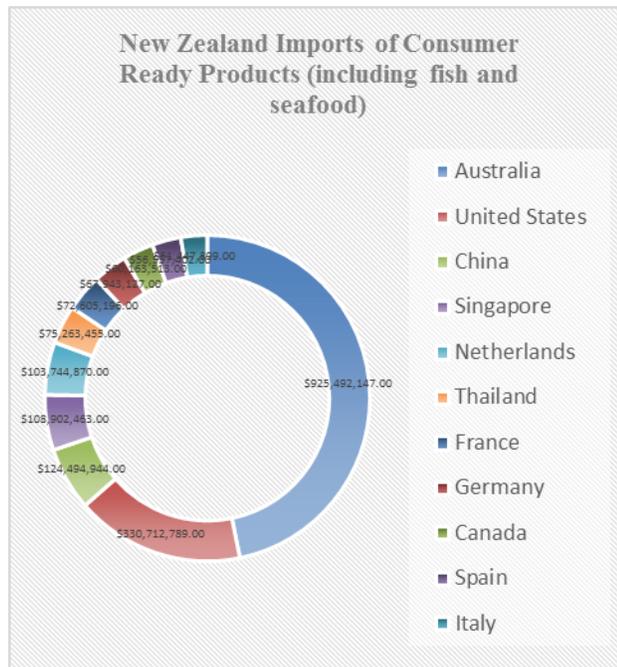
Top New Zealand Retailers

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

GDP/Population

Population (millions): 4.5
 GDP (billions USD): \$185.00** (2017), \$176.00 (2016)
 GDP per capita (USD): 39,889 PPP

Sources: Tradingeconomics.com, Global Trade Atlas. **GDP estimates as of April 2018.



Source: Global Trade Atlas

SWOT Analysis

Weaknesses	
	Distance from United States results in high transportation costs.
Threats	
	Growing competition from Australia, India and China in the consumer-oriented food category.

Food Processing Industry

Food, beverage, and grocery manufacturing accounts for almost one third of the country's manufacturing sector. Food and beverage processing accounted for US\$21 billion and is a sector that is experiencing growth in a number of areas.

Section I. Market Overview

Agricultural Trade

Given New Zealand's relatively small population and geography, its dependence on food and feed imports are expected to continue to grow. In 2017, New Zealand imported \$463 million of food and agricultural products (including edible fishery) from the United States, representing 10 percent of total imports. Year-to-date August 2018 data indicate that New Zealand imported \$336 million of U.S. food and agricultural products. This represents a 17 percent increase for the same period in 2017.

2017 New Zealand Consumer Oriented Products Imports and Exports

[See attachment for top exporting countries to New Zealand.](#)

[See attachment for top importing countries from New Zealand.](#)

Demographics

New Zealand has a rapidly aging society. By 2026, more than 22 percent of the population is expected to be over 65 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 multigenerational families. 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.

[See attachment for economic indicators in New Zealand.](#)

New Zealand is a prosperous country heavily reliant on trade. It 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. Dairy remains New Zealand's largest exported product valued at \$9 billion.

(Source: <https://www.mfat.govt.nz/assets/.../Goods-and-Services-Trade-YE-March-2017.pdf> March 4 2018).

Advantages	Challenges
U.S. products are seen as high quality and has a novelty status.	Growing competition from Australia, India, and China for consumer-oriented food products.
Minimum barriers to trade including low tariffs ranging between zero and 5	Strict phytosanitary/sanitary regulations with regard to fresh produce and meats.

percent.	
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 Canadian products have preferential tariff treatment.
Some supermarkets make individual buying decisions.	
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 innovative products.	Distance from United States results in high transportation costs.

Section II. Exporter Business Tips

Market Entry Strategy

Except for large exporting companies that maintain their representative offices in New Zealand, the appointment of a customs agent is critical for most exporters. Importers prefer to see product samples whenever possible and will often place small initial shipments to test the market response. Imported goods must conform to local standards and labeling regulations, thus, a local agent or distributor should be able to assist with obtaining the necessary certifications and permits.

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 marketing resources and promotion support in major export markets. The four SRTGs are non-profit trade development organizations that help U.S. food producers, processors, and exporters sell their products overseas. USDA's Foreign Agricultural Service (FAS), individual state departments of agriculture, and private industry, provide funds to support these organizations. The SRTGs also 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](#))

See attachment for New Zealand trade show schedule.

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 is found [here](#).
- While email transactions are adequate, 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/>.

In March 2015, the New Zealand government approved [Food Act 2014](#), which came into force on March 1, 2016 and replaced Food Act 1981. The new legislation focuses on food production processes instead of the premises where food is made. A central feature of the new Act is a sliding scale under which businesses that are higher risk from a food safety point of view have to operate under more stringent food safety requirements than lower-risk food businesses.

The [Food Act 2014](#) introduced some 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. The Act introduced the following food safety measures:

- Food control plans (FCPs) for higher-risk activities; and
- National programs for lower-risk activities.

Information on the Act can be found at <http://www.foodsafety.govt.nz/policy-law/food-act-2014/>.

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.

Prior to exporting, exporters should do the following:

- Submit an electronic import entry or electronic cargo entry (ECI) lodgment;
- Pay applicable Customs duties and Goods and Services Tax (GST);
- Pay other applicable charges and levies; and
- Submit appropriate documentation if you are bringing in any [restricted items](#), including:
 - [pets and domestic animals](#);
 - weapons and firearms; and
 - [Hazardous substances](#).

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](#). It was established in 2002. FSANZ develops standards that are contained within the Australia New Zealand Food Standards Code. FSANZ's primary objectives are: protection of public health and safety; provision of adequate information to consumers to make informed choices; and prevention of misleading or deceptive conduct. 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.

FSANZ administers [the Code](#) and it contains requirements relating to food composition, including foods requiring premarket assessment such as novel foods, irradiated foods and foods produced using genetic modification. It is broken down into four chapters: general food standards; commodity standards; food safety standards (Australia only); and primary production and processing standards (Australia only). Only the chapters on general food standards and commodity standards are applicable to New Zealand. In New Zealand, [the Code](#) is enforced by MPI.

The Food Standards Australia New Zealand has revised the Code, which came into effect on March 1, 2016. Information on Food Standards Code is at <http://www.foodstandards.govt.nz/code/Pages/Food-Standards-Code-from-1-March-2016.aspx>.

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 Trans Pacific 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 83 percent by 2026 (Source: Neilson Consumer Research)

Organic Foods Sector

Currently, a strong trend in New Zealand is the demand for healthier products and a fitter lifestyle. As such, the organic foods sector in New Zealand is rapidly growing as consumers search for natural products and new items become available.

According to industry sources, the New Zealand organic market was valued at an estimated \$246 million in 2017, up from \$192 million in 2015. Supermarket sales of organic products totaled \$216 million, while special organic shops reached \$30 million.

A number of 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.

[See attachment for percentage share of total retail sales of organic food.](#)

For more information on importing organic products into New Zealand, visit the following website:
<https://www.mpi.govt.nz/importing/food/organics/steps-to-importing/>.

Section V. Agriculture and Food Imports

The growth of U.S. food and agricultural exports to New Zealand are mostly high-value consumer-oriented products. While U.S. bulk commodity exports are available in the New Zealand market (i.e., grains), these products face fierce competition from countries with lower production costs. However, U.S. exports of consumer-oriented products experienced a 6.35 percent compound annual growth in the last five years to December 2017. The key food categories of growth in U.S. exports to New Zealand are food preparations, lactose, pet food, grapes, and meat.

[See attachment for key product growth area for U.S. exporters.](#)

U.S. Exports of Agricultural & Related Products to *New Zealand
CY 2011 - 2017
(\$US millions)

Export Market: *New Zealand

	Calendar Years (Jan-Dec)						
	2011	2012	2013	2014	2015	2016	2017
Bulk Total	11.0	11.3	12.6	35.7	24.5	13.8	6.8
Wheat.....	0.0	0.0	0.0	0.1	0.1	0.0	0.0
Corn.....	0.0	0.0	0.0	23.9*	18.0	7.8	0.1
Coarse Grains (ex. corn).....	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rice.....	5.0	4.3	4.8	4.5	4.0	3.1	4.1
Soybeans.....	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Oilseeds (ex. soybean).....	0.0	0.0	0.0	0.1	0.2	0.1	0.0
Cotton.....	1.0	0.4	0.0	0.1	0.3	0.1	0.1
Pulses.....	5.0	5.8	6.4*	5.5	0.8	1.7	1.7
Tobacco.....	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Other Bulk Commodities.....	0.0	0.5	1.3	1.5	1.1	0.8	0.8
Intermediate Total	61.0	66.4	55.2	68.8	65.4	63.3	95.5
Soybean Meal.....	0.0	0.2	0.3	0.1	0.2	0.2	1.7
Soybean Oil.....	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Vegetable Oils (ex. soybean).....	7.0	9.5	7.5	1.8	3.9	3.7	1.9
Animal Fats.....	0.0	0.1	0.1	0.0	0.1	0.0	0.0
Live Animals.....	13.0	20.8	10.4	10.9	15.3	9.5	13.4
Hides & Skins.....	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Hay.....	0.0	0.0	0.0	0.0	0.0	0.0*	0.0
Distillers Grains.....	0.0	0.0	0.0	19.0	6.5	14.2	31.9
Feeds & Fodders NESOI.....	14.0	6.1	6.5	7.1	5.6	4.7	11.9
Planting Seeds.....	5.0	4.5	5.1	5.6	5.0	4.7	5.6*
Sugar, Sweeteners, Bev. Bases..	4.0	4.0	4.5	4.0	3.6	3.9	2.8
Other Intermediate Products.....	19.0	21.0	20.8	20.1	25.1	22.2	26.2*
Consumer Oriented Total	232.0	299.0	328.5	355.2*	305.4	279.2	293.1
Beef & Beef Products.....	4.0*	1.0	1.4	1.0	1.3	1.0	1.0
Pork & Pork Products.....	20.0	26.8*	25.3	22.5	18.8	19.8	22.8
Poultry Meat & Prods. (ex. eggs)...	1.0	1.9	2.0	2.4	1.8	1.6	2.7
Meat Products NESOI.....	0.0	0.2	0.4	0.2	0.3	0.2	0.4
Eggs & Products.....	0.0	0.6	0.9	1.0	0.3	0.1	0.6
Dairy Products.....	69.0	112.1	119.3	121.7*	75.7	60.1	69.8
Fresh Fruit.....	38.0	35.4	34.9	38.3*	30.6	32.7	35.8
Processed Fruit.....	16.0	19.2	20.7	21.3*	19.9	16.9	14.0
Fresh Vegetables.....	2.0	1.5	1.1	2.0	1.7	1.7	1.9
Processed Vegetables.....	8.0	7.1	9.6	13.8	15.6*	11.8	11.0
Fruit & Vegetable Juices.....	6.0	4.2	3.3	2.1	2.0	1.9	1.8
Tree Nuts.....	8.0	13.8	17.5	27.9*	26.4	21.1	21.9
Chocolate & Cocoa Products.....	2.0	3.6	4.3	4.5	6.0*	5.7	6.0
Snack Foods NESOI.....	10.0	12.6	11.9	13.1	13.8*	12.5	13.1
Breakfast Cereals.....	0.0	0.0	0.1	0.2	0.4*	0.1	0.2
Condiments & Sauces.....	6.0	5.3	6.3	6.6	8.3	7.7	8.7*
Prepared Food.....	15.0	20.9	29.8	33.5	36.4	40.6	40.9*
Wine & Beer.....	1.0	1.8	2.4	2.3	2.3	3.1	3.0
Non-Alcoholic Bev. (ex. juices).....	3.0	4.1	4.9	5.2*	5.1	3.7	4.3
Dog & Cat Food.....	24.0	26.1	32.0	35.1	38.1*	36.3	32.6
Other Consumer Oriented.....	1.0	0.5	0.6	0.4	0.6	0.3	0.5
Agricultural Related Products	43.0*	36.0	40.4	41.0	36.0	35.9	43.0
Distilled Spirits.....	26.0*	23.2	22.6	22.8	19.8	20.4	24.9
Ethanol (non-bev.).....	0.0	0.1	0.1	0.1	0.0	0.0	0.3
Forest Products.....	10.0	7.7	9.8	11.7	11.9	11.8	12.8*
Fish Products.....	7.0	4.9	7.9*	6.4	4.2	3.7	5.0
Agricultural Products	303.0	376.7	396.3	459.7*	395.3	356.3	395.5
Agricultural & Related Products	346.0	412.7	436.6	500.7*	431.3	392.1	438.4

Source: U.S. Census Bureau

The BICO table above shows the growth areas in U.S food, beverage and agricultural exports to New Zealand from 2012 until 2017. Many of the consumer ready-oriented products are growing in demand and increasingly 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

Headquarters Contact Information:

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