



An online review of Foreign Agricultural Service initiatives and services

Market and Trade Data

Take-Away Trendy in New Zealand

By Vinita Sharma

New Zealand's food service sector is one of the most dynamic in the world, and the early adoption of new trends reflects rapidly changing consumer lifestyles and a busier workplace. The food service sales were valued at more than \$4 billion in 2003, 41 percent above 1999. An important part of the economy, the food service industry employs more than 75,000 New Zealanders.

Growing population, rising wages and social changes are contributing to growth in food service expenditure. The tourism industry is also lending a healthy boost to restaurant sales, benefiting from the international publicity engendered by events such as the America's Cup competition and the Lord of the Rings movie trilogy.

Traditional Restaurants Still Lead

While the full-service restaurant sector still accounts for 43 percent of the market share in dollars spent, fast food has captured 40 percent of the volume of transactions.

Full service restaurants, numbering 9,500, had estimated sales of \$2.6 billion. Annual sales growth has averaged 9 percent in recent years, and the number of outlets has risen 30 percent since 1999. The increase in outlets is largely attributable to the influx of ethnic restaurants, mostly Indian, Chinese and Thai.

Within the restaurant sector, traditional café and bar outlets are declining, while coffee shops are increasing.

The number of home delivery and take-away outlets has increased nearly 30 percent since 1999, accounting for 18 percent

of all food service units. These establishments are usually small and independent and offer inexpensive popular choices such as meat pies, pizza and fish and chips.

Hotel, Institutional Sales

Close to 2,200 hotel and motel restaurants accounted for about 9 percent of total restaurant sales, almost \$236 million in 2003. Increased tourist traffic has encouraged upscale restaurants.

The noncommercial/institutional segment has expenditure of \$222 million, representing an equivalent retail value of \$524 million.

This sector, by yearly sales, includes:

- Educational institutions: \$48.3 million
- Hospitals, nursing homes and retirement communities: \$89.7 million
- Military: \$20.7 million
- Prisons: \$6.9 million
- Factories: \$27.6 million
- Airlines: \$10.35 million
- Cruise ships: \$15 million
- Others: \$3.5 million

New Zealand Marketplace Receptive to U.S. Foods	
Advantages	Challenges
Familiar business environment—language, communication and customs	Trade agreement that eliminates tariffs on Australian products
Minimum barriers to trade, including low tariffs	Strict sanitary and phytosanitary regulations for meats and fresh produce
Strong New Zealand dollar encourages consumers to select U.S. foods	Intense competition from domestic and Australian products
Relatively high disposable income per capita, coupled with growing interest in international cuisine	About 23 percent of New Zealand food expenditure spent on food away from home, compared to 45 percent in the United States and 40 percent in Canada and 27 percent in the United Kingdom

Take-Away/Fast-Food Culture

Price, taste and convenience have made take-away a runaway best seller. Many New Zealand households rely on take-away or delivery for some meals. Some fundamental facts:

- Hamburgers and chicken have become fast-food staples since the establishment of international franchises.
- New Zealanders consume more KFC chicken per capita than residents of any other country.
- Only the United States exceeds New Zealand in per capita consumption of ice cream.
- Pizza and Asian (mostly Chinese) outlets are take-away best sellers.
- Traditional meat pies are becoming more exotic with Asian fillings.
- Having small snacks throughout the day is replacing the traditional three-meals-a-day eating pattern.

Focus on Health and Diet

Although demand for convenience is at an all-time high, consumers are also increasingly seeking fresh, flavorful, low-fat meal choices made with natural or organic ingredients. The purchase of vegetarian meals has risen fourfold over the past five years. Consumption of red meats has also declined, while poultry consumption has gone up.

Asian foods, perceived as healthier, are taking market share away from more traditional food staples. The interest in ethnic foods reflects immigration, travel abroad and healthier eating patterns.

This growing acceptance of ethnic foods is prompting New Zealanders to seek out new flavors that are bolder and spicier.

Rules for Imports

Established in July 2002, the New Zealand Food Safety Authority administers all New Zealand food laws related to safety standards, import requirements, export certifications and food labeling and composition. FSANZ (Food Standards Australia New Zealand) develops labeling and composition standards for both countries.

The FSANZ Users Guide provides information on general labeling requirements, which extend to retail and catering sales. Labels should be easy to read and include:

- warning and advisory declarations
- ingredients by percentage
- use-by date
- nutritional information
- food additives
- any product representation
- presence of any biotech ingredients

Best High-Value Prospects

With the changing eating habits of New Zealanders, now is a good time for exporters to find a niche in the high-value marketplace. Best prospects include:

- snack foods, including nuts and dried fruits
- fresh fruits, especially grapes and stone fruits
- convenience meals, soups, pasta, sauces, dressings and canned items
- fruit juices and flavored drinks
- health foods such as high-energy bars and drinks
- organics
- specialty products offering nutritional or convenience features
- canned salmon

Use Import Specialists

Since 90 percent of all imported food products are distributed through New Zealand's import agents and distributors, it is highly recommended that prospective exporters look for a well-connected food importer.

U.S. exporters often target specific areas such as the hospitality industry or specific products such as organics. There are specialty importers familiar with requirements for these imports.

The New Zealand import industry always looks for new ideas — representatives often make purchases while attending international food shows like the National Restaurant Show in Chicago, IL. They also attend in-country events such as the Foodstuffs Food, Auckland Hospitality and Katrina Gordon trade shows.

The author is an agricultural marketing assistant in the FAS Office of Agricultural Affairs in Wellington, New Zealand. E-mail: Vinita.Sharma@usda.gov

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