

Focus Organic Market: New Zealand



Organic Market Overview

New Zealand is a market showing strong organic growth. Domestic organic sales from 2017 to 2020 were €0.17bn, +23% in three years. Whilst organic sales are dominated by fresh produce (50%) there is a broad range of growing categories including pasta, nuts, snacks, packaged food and organic beverages. Per capita spend on organic is €33 (end 2017).



Organic Production

With hilly and mountainous terrain, New Zealand has a relatively small amount of both organic land and producers, yet it is still a notable global exporter. Exports have traditionally been to Europe and North America, with Asia-Pacific growing and focused on dairy, fruit and increasingly wine.



Regulatory Landscape

- The Fair Trading Act, 1986, controls how the term 'organic' is used. Claims or representation about food must therefore be truthful and not mislead a consumer. Importers must be able to demonstrate that products labelled as 'organic' are produced organically.
- As the result of EU organic regulations being retained in UK law, certain foods that are certified as organic in Great Britain are recognised by New Zealand, but products must still meet all domestic regulations relevant to food and be labelled organic.



Organic Channels

Being a smaller market there is less fragmentation of the customer base and supermarkets enjoy over 69% share of organic sales with growth of 13.8% in the year to Nov 2020.



Drivers of Organic Growth

- New Zealand consumers are increasingly considering how healthy and safe their food is and how it is produced. Organic gives a strong foundation off which to both build sales but also identify product opportunities and develop new products.
- As in Australia, New Zealand consumers are more likely to actively use and consider an organic certification marque, with almost three quarters of consumers saying they use a marque when making their choice.



Future Prospects

- In 2020, the New Zealand Government introduced The Organics Product Bill aiming to increase consumer confidence in organic, increasing certainty for businesses making claims that their products are organic and enabling international trade in organic with confidence.
- This foundation, and growing consumer demand for healthy, sustainable food, positions organic well to grow in the future.

