

This IMI complements a current ISA on New Zealand's food processing equipment.

A recent study by Massey University for New Zealand Trade and Enterprise (NZTE) has found that more than half the value of New Zealand's food and beverage exports in 2003 came from value-added foods. The newly released research shows value-added food and beverage exports increased by 7% from 2002 to 2003, up to 53% on New Zealand's total food exports.

Value-added food products generated NZ\$7.6 billion of export income, an increase of NZ\$200 million over the year before. The study's results are directly comparable with an earlier study by Massey and may show for the first time the commodity/value-added balance has shifted toward majority value-added. Generally, New Zealand companies have a poor record for research and development but companies such as Fonterra, the world's largest exporter of dairy products is a significant investor of research and development into adding value to milk. Fonterra bases the level of investment it makes in processing facilities on the milk volumes it expects to collect on the busiest day of the year (normally late October – to coincide with calving).

The significance of New Zealand's trend to add value to its food commodities is the flow through for an increased demand for innovative processing and packaging equipment. At New Zealand's recent trade event for this sector (Foodtech/Packtech) held from October 12-14, 2004 at Auckland Showgrounds, visitor numbers were up by 8% on the previous show held in 2002. (By combining with the packaging industry, the show organizers provide a united forum). The 2004 event focused on cost-effective technology innovations. Food technology on display covered systems for storage, wrapping labeling, barcoding and distribution. Packaging technology on display included weighing, handling, freezing, refrigeration and instrumentation. Imports are estimated to supply two-thirds of New Zealand's machinery requirements in these combined sectors.

The U.S. Commercial Service in New Zealand welcomes inquiries from U.S. companies for information on this market.

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