

FARMERS WEEKLY



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Vol 19 No 7, February 22, 2021

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Meat markets evolve



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CHANGING eating patterns as global consumers respond to the covid-19 pandemic is forcing meat exporters to shift their focus to retail markets, which will require more stock supplied out of season.

The global retail sector is growing rapidly for meat exporters as consumers, forced due to the pandemic lockdown, are cooking for themselves at the expense of foodservice.

For the past year, meat exporters and Beef + Lamb NZ (B+LNZ) have collaborated to target retailers, celebrity chefs, influencers and conscious foodies through television, social and digital media to buy New Zealand meat.

That included a NZ lamb cooking segment on the Good Morning America television programme with celebrity chef George Duran, which was viewed by four million people.

Alliance Group global sales manager Shane Kingston says the pandemic has accelerated the growing market of people cooking and eating at home.

"There is a lot of evidence and data that I have read where people required to stay at home are resetting their behaviour," Kingston said.

"Penetrating the in-home dining occasion is a critical part of our success."

That means supplying cuts that are easy and quick to cook.

And for many consumers lamb,



TARGET MARKET: Last year, four million viewers in the US were told the merits of cooking with NZ lamb on the Good Morning America television show by celebrity chef George Duran (centre), pictured with presenters Amy Robach and Michael Strahan.

which accounts for less than 3% of global meat consumed in the home, is an unfamiliar meat.

Kingston says foodservice remains a key market and platform to test and promote lamb and venison, but the biggest growth area is home-cooking.

"Retail and in-home dining will be a larger proportion of sales than it was previously," he said.

That provides a challenge for exporters.

"We've got to be able to confidently guarantee 365-day supply," he said.

Kingston says Alliance is looking how to incentivise and reward suppliers willing to provide out of season supply.

Silver Fern Farms (SFF) chief executive Simon Limmer says growing retail demand, especially e-retail, is changing supply logistics and will require greater volumes of out of season livestock.

"It is even more important to focus on the supply chain, produce sustainable, nutritious product with animal welfare components, because we are seeing a real shift in consumer behaviour and covid-19 has accelerated that shift," he said.

Greenlea Premier Meats managing director Tony Egan says the pandemic and uncertainty around Brexit illustrated how quickly markets evolve and the

response to market changes, adding the meat industry worked collaboratively during the pandemic, realising there was mutual benefit.

"We have reached a point where we realise there are major changes ahead for farming and land-use, and we have to be smart on our feet to survive," he said.

B+LNZ's global manager of the NZ Red Meat Story Michael Wan says the pandemic accelerated a change in buying patterns as consumers sought a protein-based diet to boost their immunity.

The US online grocery turnover grew from \$1.7 billion (\$US1.2b) in 2019 to \$10b (\$US7.2b) last year.

Wan says not only have NZ companies successfully pivoted their focus to retail, but used digital and social media to connect with potential customers.

He predicts meat company sales will in the future be more balanced between retail and food service.

"It will balance out," Wan said. "There will still be a strong foodservices presence, but it will be different and be balanced by a larger retail presence."

B+LNZ used its Taste Pure Nature brand to raise awareness and Wan says research shows the US' awareness of NZ farming practices has increased by 17% to 58% in the last 22 months.

Despite dire predictions, the value of NZ red meat exports reached an historic high of \$9.2b in 2020, up 1% on 2019 and 7% higher than 2018.

Farm gate values for lamb and mutton are holding above the five-year averages, but are below that benchmark for beef.

“ Penetrating the in-home dining occasion is a critical part of our success. ”

Shane Kingston
Alliance Group

need for companies to be creative and flexible.

"We gained a much greater understanding of the complexity of cut specifications and packaging," Egan said.

Egan says businesses require a culture to enable a quick

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