New Zealand Sheep and Beef Sector

BARRIERS TO INTERNATIONAL TRADE

Prepared by Beef + Lamb New Zealand and the Meat Industry Association

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Foreword

The Meat Industry Association (MIA) and Beef + Lamb New Zealand (B+LNZ) are pleased to publish our biennial “Barriers to International Trade” report.

From the sheep and cattle farmers right through to highly innovative meat processors, New Zealand is one of the most efficient producers of beef and sheepmeat in the world. The sector has a robust trade strategy with access to more than 100 markets across the world.

This Barriers to Trade report has been released alongside the red meat sector’s *Our Pathway to Growing Value* report, the sector’s strategic plan to reduce the impact of NTBs and unlock great export value. While our sector is unlikely to increase the volume of our exports, due to land use constraints, we are focused on improving productivity across the supply chain and increasing the value of our exports through initiatives like Taste Pure Nature which is co-funded by the Government. Other projects with a focus on innovation and new products are in the pipeline to increase value to the red meat sector.

This strategy reflects our strong partnership with the New Zealand Government, in particular the Ministry for Primary Industries (MPI) and the Ministry of Foreign Affairs and Trade (MFAT), and outlines how we’re working together to achieve better recognition of New Zealand’s assurance systems and risk-based regulatory framework. With strong backing from government officials and ministers, we can continue working together to unlock greater value for farmers and processors by creating regulatory headroom and removing unnecessary red tape associated with NTBs. This will have a positive impact on rural communities and the New Zealand economy.

Our approach is built on pragmatism, science, and collaboration. We are committed to working through multilateral and bilateral channels, including through the World Trade Organization, to ensure New Zealand exporters are treated fairly and that global trade remains predictable and rules-based.

Since the last Barriers to Trade report was released in June 2023, new agreements in the Middle East have opened doors and the negotiations are underway with India. Global demand is currently strong, prices have recovered over the last 12 months, and the outlook is relatively positive. However, there remain headwinds.

The US' decision in April 2025 to impose tariffs on imports will have a significant effect on our sector's tariff profile. In 2024, the sector faced a total tariff cost of $155 million. The imposition of a 10 percent tariff to this one market will more than double the total tariffs costs to $367 million.

The Chinese Government is currently undertaking an investigation into potential injury on their beef sector from imports. While New Zealand's beef exports to China in the last few years have decreased significantly reflecting better prices in other markets, China remains a strategically important market. With a growing middle class and increasing demand for high quality proteins, we are focused on ensuring market disruptions do not hinder our ability to supply red meat to discerning Chinese consumers.

Non-tariff barriers also remain a significant drag on the potential growth of our exports, estimated to cost over sector of approximately $1.5 billion each year.

Some non-tariff measures, such as sanitary and phytosanitary measures, serve a vital purpose. But when these measures are applied in ways that are not science-based nor transparently, such as duplicative certification, unfair environmental requirements, or inconsistent animal welfare requirements, they become barriers that limit trade without improving consumer outcomes. A recent example is the poor design and implementation of European Union's deforestation-free supply chain regulations.

As the global trading environment becomes more complex and geopolitical tensions rise, the need for strong international institutions (like the WTO and UNFCCC) and enforceable trade rules has never been greater. For a small, export-dependent nation like New Zealand, a robust, multilateral rules-based system is essential, not optional.

Our recent FTAs with the EU and UK have specific provisions around the environment and climate change, and New Zealand's shared values in these areas were fundamental to securing a trade agreement and their successful passage through the respective parliaments.

The preferential market access secured under these FTAs could be at risk if New Zealand were to withdraw from the Paris Agreement. Such a move would not only damage New Zealand's credibility as a trade partner but also undermine the commercial value of the FTA.

This report is both a snapshot of the barriers our sector faces and a call to action to reduce their impact. With continued partnership, focus and advocacy, we can ensure New Zealand's red meat sector remains competitive, resilient and a world leader in sustainable food production.

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Red meat sector overview

The New Zealand sheep and beef sector is a vital driver of the New Zealand economy and its prosperity. Our export-led sector, comprising livestock production and red meat processing and exporting, accounts for over 92,000 New Zealand (full-time equivalent) jobs (or 4.7 percent of total national employment), nearly $12 billion in industry value added and $4.6 billion in household income, including direct and flow-on effects.

The red meat sector's exports are crucially important to the broader New Zealand economy, helping the nation grow because they increase revenue, create jobs and raise the standard of living.

Beef + Lamb New Zealand

Beef + Lamb New Zealand (B+LNZ) is the farmer-owned organisation representing New Zealand's sheep and beef farmers. B+LNZ is funded under the Commodity Levies Act 1990 through a levy paid by producers on all cattle and sheep commercially slaughtered in New Zealand. It represents around 9,200 commercial farming businesses whose farms cover just under a third of New Zealand's total land area.

B+LNZ's vision is thriving sheep and beef farmers, now and into the future. Its priorities are to champion farming excellence (through on-farm extension focused on enhancing productivity, profitability and sustainability, and through investing in research and innovation to solve sector production challenges), undertake advocacy (championing farmers' interests and shaping the future domestically and internationally), and to energise the sector (by building trust, reputation and confidence, and by proudly celebrating sheep and beef farming).

With around 70 percent of export revenues flowing through to farmers, market access and increasing market returns are key priorities for New Zealand sheep and beef farmers.

Meat Industry Association

The Meat Industry Association (MIA) is a voluntary trade association representing New Zealand red meat processors, marketers and exporters. It is an incorporated society (owned by members) that comprises companies supplying 99 percent of New Zealand beef and sheepmeat exports.

The MIA:

- Provides a collective voice for New Zealand's red meat processors, marketers and exporters on policy formation on economic, trade, market access, industrial relations, compliance costs, environmental, animal welfare, technical and regulatory issues facing the industry
- Plays an important role in maintaining and opening up access to overseas markets including working with government NTBs and developing relationships with international counterparts
- Provides a number of whole-of-industry services such as managing the contract with Approved Halal Organisations (AHOs) for halal certification services for members
- Facilitates a number of whole-of-industry innovation and research and development services

MIA's Mission

To provide trusted leadership and a credible voice for a vibrant, sustainable, and profitable industry. MIA's vision is for a high-value industry that thrives in dynamic domestic and international ecosystems.

MIA's priorities

- Trade and market access – members can maximise returns from global markets
- Policy and regulation – policy and regulation settings are for purpose, cost efficient, and ensure the sustainable future of the industry
- People and skills – the industry has access to the best people, training, and health and safety to operate at optimum levels
- Innovation – the sector has access to the best R&D and innovation to achieve its aspirations
- Biosecurity – the industry is well-positioned to respond to and manage biosecurity risks and threats
- Communication and advocacy – New Zealanders and international stakeholders have an understanding of the valuable and positive role our sector plays in our economy and society

Working across the sector

As the representative bodies that cover all parts of the red meat sector, MIA and B+LNZ work to bring together the whole of the value chain from the farm to the market.

The Red Meat Sector Strategy

In 2020 B+LNZ and MIA published a refreshed Red Meat Sector Strategy that set out our goals for a vibrant and profitable New Zealand sheep and beef sector that excelled for our people, animals and environment.

It established the critical priorities that B+LNZ and MIA would work on together with industry partners, bringing together the whole of the value chain from the farm to the market.

The strategy has been in place for five years, and is currently being reviewed to ensure that it remains relevant. A new set of priorities will be developed in due course.

VISION	**Growing sustainable value together**			
OUTCOMES	**Greater profitability, sustainability and resilience**	**Increased value for our customers and consumers**	**Greater social and economic benefits for Aotearoa**	**Enhanced integrity, trust and reputation of the sector**
2030 GOALS	**Sustainably profitable** Lift innovation, performance and productivity	**Premium value** Build a platform to create and capture value	**Vibrant communities** Provide economic growth and employment	**Trusted guardians** Guardianship of reputation, animals, water and land

2025 PRIORITIES

Market position	Innovation	Sustainability
New market access	Future processing plants	People
Assurance	Future farms	Reputation
Differentiation	Future products	Environment
Product benefits and attributes	Data integration	Biosecurity
	Traceability	Animal care

Working with the Government

The sector works constructively with government to develop and implement regulation across a range of policy areas. Effective and pragmatic policies are critical to achieve the outcomes that benefit all New Zealanders as well as support the ongoing viability of the red meat sector. As an export-driven sector that contributes 16 percent of New Zealand's goods export revenue getting the settings right in these areas is essential. In the trade area we are calling for:

- Protecting and maintaining existing market access, including resolving non-tariff barriers that impact the sector's ability to fully utilise the preferential access granted under trade agreements;
- Investment in foundation-building cooperation programmes to create and solidify trade relationships;
- Negotiating improved access with trade partners, including new trade deals;
- Negotiating systems recognition and mutual recognition agreements to address non-tariff barriers;
- Revisiting New Zealand's trade policy strategy and consider creative pathways for deeper trade relationships;
- Support for a strong international rules-based framework through regional and multilateral fora, including the World Trade Organisation (WTO).

To continue to strengthen and build an export-driven industry, domestically we advocate for:

- Sensible, effective, and science-based environmental policy;
- Immigration settings that respond dynamically to changes in the labour market;
- The certainty and stability required to plan and invest in people and plant;
- An enduring system to prepare for, and respond to, biosecurity incursions; and
- A national R&D and innovation strategy that supports sector-led transformational projects

The sector will continue to work with government to enable the sector to succeed.

Export Double: our pathway to growing value

As an export focused sector, we are actively focused on supporting export performance and value growth. The Government has set an ambitious target to double the value of exports in ten years. To contribute to this goal, MIA and B+LNZ have developed a framework to prioritise our work and sets out milestones for the next decade.

The key priorities are to leverage markets to deliver value and in turn ensure sustainable returns for meat companies and farmers are:

1. Enhancing on-farm productivity
2. Spotlight on China: amplifying our first mover advantage
3. Address non-tariff barriers: removing costs to add further value
4. Leverage market opportunities: grow value by developing new market opportunities
5. Creating regulatory headroom: regulation to support productivity, efficiency, and growth
6. Creating value from the carcass

Each priority area has key activities with high-level outcomes at each stage at approximately five-year intervals (2025, 2030, and 2034).

New Zealand Grass-Fed Standard

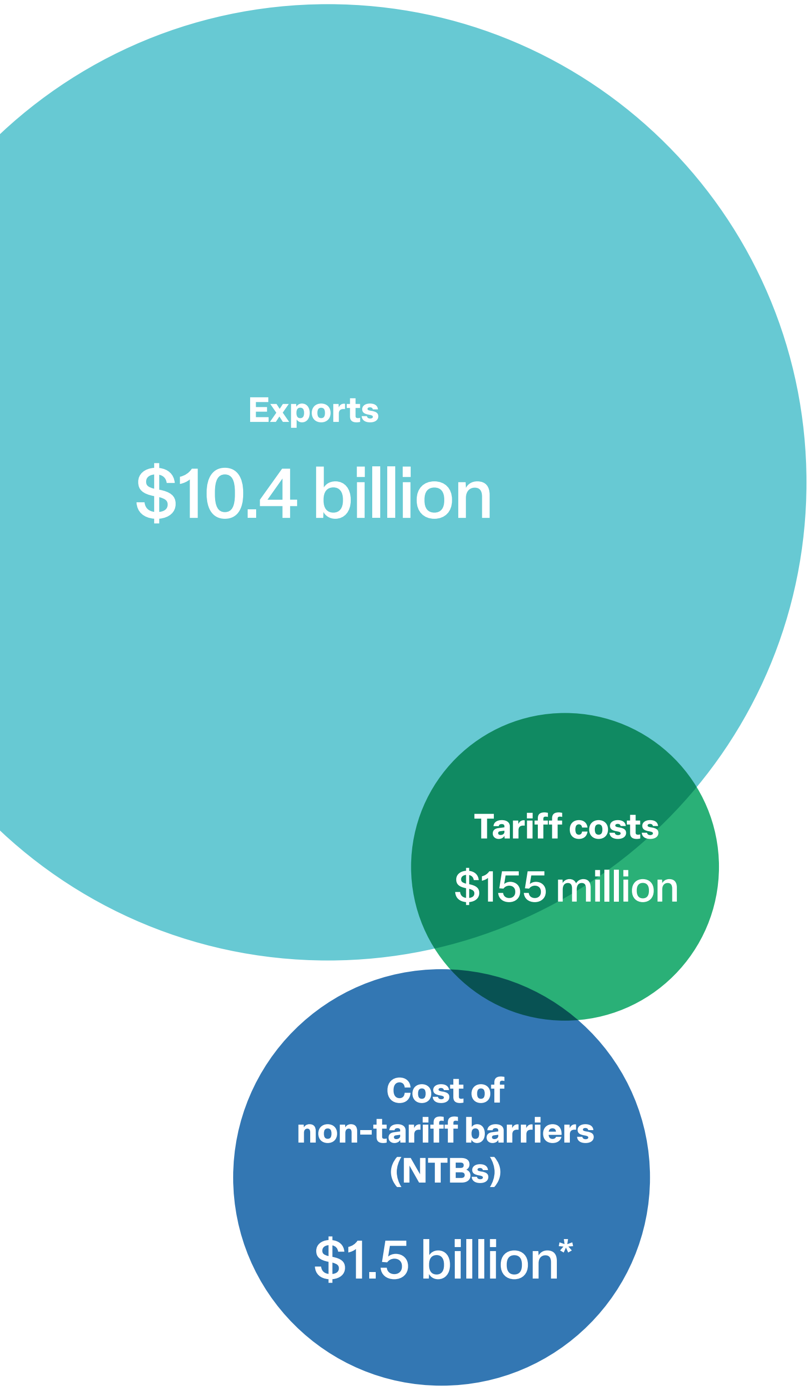
New Zealand is internationally recognised for producing some of the highest quality grass-fed red meat products. To support the red meat sector's in-market standing, it has worked with the Government to develop a grass-fed certification scheme.

The voluntary scheme, developed in partnership between the sector and MPI, sets a clear definition for grass-fed products. Producers who meet the standard can be independently assessed and display the trusted Grass-Fed certification on their products and market them to the world.

Nearly all New Zealand sheep and cattle are raised on pasture-based farming systems, and this standard provides the ability to add additional assurance, helping to underpin the red meat sector's position in global markets.

New Zealand's European Union (EU) country-specific quotas for beef (under the WTO and the Free Trade Agreement (FTA)) are conditional upon eligible products being derived from cattle "pasture grazed" or "raised under New Zealand's pastoral farming conditions, i.e. excluding commercial feedlots". The New Zealand Meat Board (NZMB), which has the delegated authority to administer and manage New Zealand's red meat quotas, has robust certification and verification systems to ensure this conditionality is met. The new government-recognised grass-fed administrative standard is separate, yet complementary, to the existing NZMB processes.

Overview of the red meat sector trade and barriers to this trade



Exports by product category
Beef - $4.4 billion
Sheepmeat – $3.6 billion
Fifth quarter products - $2.4 billion

Major export markets
United States - $2.8 billion
China - $2.7 billion
European Union - $1.4 billion
Japan - $548 million
United Kingdom - $478 million

Export markets with the highest tariff costs
Japan - $76 million
South Korea - $22 million
United States - $16 million
European Union - $13 million
Gulf Cooperation Council - $6 million

Types of NTBs the sector faces include:

- Onerous premises audits and registrations
- Complex and inconsistent halal requirements
- Burdensome or unnecessary certification
- Lack of transparency of requirements
- Inconsistent technical requirements
- Prescriptive and onerous labelling requirements
- Inefficient import checks
- Consularisation of documentation
- Private standards.

* The export and tariff data is for the 2024 calendar year, and the estimated cost of NTBs is for 2019. It does not include the tariff costs incurred as a result of the US' additional tariffs introduced in April 2025.

Overview of exports and tariff savings under key FTAs

With the entry in force of the New Zealand-EU FTA on 1 May 2024, approximately 65 percent of the sector's trade enjoys preferential treatment through an extensive network of agreements.

Below is a summary of the sector's exports in 2024 under the key trade agreements, and an estimate of the tariff savings these provided during the year.

Agreement	Sector exports under the FTA in 2024	Estimated tariff savings under the FTA in 2024
New Zealand-Australia Closer Economic Relations (CER) (1983)	$234,593,536	$6,193,377
New Zealand-China FTA (2006)	$2,683,746,864	$417,253,487
The ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) (2010)	$543,952,243	$31,969,667
Agreement between New Zealand and the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu on Economic Cooperation (ANZTEC) (2013)	$252,615,004	$22,356,414
Korea-New Zealand Free Trade Agreement (KNZFTA) (2015)	$210,798,381	$46,566,328
The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) (2018)	$914,360,685	$59,705,029
New Zealand-United Kingdom Free Trade Agreement (NZ-UK FTA) (2023)	$548,385,966	$11,406,832
New Zealand and European Union Free Trade Agreement (NZ-EU FTA) (2024)	$1,373,058,697	$9,070,831
Total	**$6,761,511,376**	**$604,521,966**

In cases where markets are included multiple FTAs (e.g. Vietnam), tariff savings for these markets are covered in the earliest FTA to enter into force with the most substantive tariff reductions. New Zealand also has bilateral FTAs with Thailand and Malaysia but the tariff savings for these two markets are included in the AANZFTA calculations.

For markets where existing WTO quotas were in place prior to an FTA (e.g. UK and EU sheepmeat), tariff savings under these quotas have not been included in the FTA savings.

Developments over the last two years

Trade and Sustainability

New Zealand's strong reputation as a principled advocate for the international rules-based system, which includes multilateral environmental agreements, delivers tangible commercial benefits. By consistently upholding international law, supporting multilateralism, and fulfilling its international obligations, New Zealand is viewed as a reliable and trustworthy partner in global trade. This credibility enhances investor confidence, facilitates access to high-quality trade agreements, and helps secure favourable terms in negotiations as occurred for both the United Kingdom (UK) and the European Union (EU) FTAs. It also strengthens partnerships with like-minded countries, creating opportunities for long-term commercial relationships. In this way, New Zealand's commitment to a stable and rules-based global system not only reflects its values but directly supports its long-term economic interests.

New Zealand's red meat sector is highly attuned to the demands of the market. Increasingly, red meat exporters are seeing demand for evidence of sustainability, most notably on environmental practices or climate action, throughout the supply chain for access to market, access to shelf, and access to pocket. A recent report[1] found that 80 percent of New Zealand's exports are destined for markets with mandatory climate-related disclosures (in force or proposed). In addition, FTAs have enforceable obligations on emissions, and investors and lenders are including climate change as a risk factor. Some of the key developments in sustainability as it relates to trade are discussed below.

New Zealand red meat sector understands the growth in interest in environmental standards. The sectors sustainability credentials are strong, with an integrated approach to farm management that incorporates biodiversity, climate, and water policies that differ from those of our competitors. However, it is critical that sustainability rules are not used as barriers to trade.

Sustainability chapters in EU and UK FTAs

Issues related to sustainability, including sustainable agriculture, feature prominently in the UK and the EU FTAs with both including provisions including those related to biodiversity, labour rights, the economic empowerment of Māori and women through trade, and animal sentience. The two agreements also include enforceable provisions relating to commitments made under the Paris Agreement, as well as provisions on cooperation and promotion of activities to advanced common goals in this area.

New Zealand's strong reputation on the environment and shared values on these issues was very important for getting these FTAs across the line and throughout the EU and UK's respective parliamentary processes. This alignment on credentials and values not only facilitated the agreements' ratification but also positioned New Zealand favourably in accessing these premium markets. Both the UK and the EU are high-value markets with prices significantly higher than other key markets for many products. For example, the average value per tonne for beef to the EU is about $21,000 compared to $9000, which is the average for all beef exports.

The preferential market access secured under these FTAs could be at risk if New Zealand were to withdraw from the Paris Agreement. Such a move would not only damage New Zealand's credibility as a trade partner but also undermine the commercial value of the FTA.

As an export-based economy, and with a subsidy-free primary industry, New Zealand is exposed to market forces and relies on our strong reputation as a high value producer. All New Zealand exporters market their products on New Zealand's reputation – New Zealand Inc as a brand was worth US$248 billion in 2022[2]. The world associates brand New Zealand with integrity, ingenuity, care, and respect—this extends to respecting the environment and being a responsible global citizen that brings people together to identify solutions to global problems such as climate change. Additionally, New Zealand has a solid reputation as a trusted, responsible trading partner that believes in the international rules-based system, which includes WTO and Paris Agreement membership. While New Zealand punches above its weight on the world stage, when it comes to trade our focus must be on quality and premium products. New Zealand is too small to compete on volume, so our focus must be on value. By leveraging our reputation and focusing on high-value, sustainable exports, New Zealand can continue to thrive in global markets while staying true to its principles.

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[1] Chapman Tripp (2024), *Protecting New Zealand's Competitive Advantage*, https://chapmantripp.com/trends-insights/protecting-new-zealand-s-competitive-advantage/
[2] Punching above our weight: brand New Zealand stronger and more valuable than ever | New Zealand Story

EU Deforestation-free supply chain Regulations (EUDR)

On 30 June 2023, the EUDR came into force. From 30 December 2025, it requires all those who are placing particular products on the EU market to undertake due diligence that the products are sourced from deforestation-free supply chains. The products within the scope of the EUDR are palm oil, soy, wood, cattle, cocoa, coffee, rubber, and their derived products (e.g. beef, furniture, chocolate etc). The EUDR applies to both domestically produced and imported products.

Only products that are deforestation-free and covered by a due diligence statement will be allowed on the EU market, or exported from the EU market. The compliance obligation is on those who place those products on the market, or exports them from the EU. The scope of land use is after 31 December 2020 (i.e. deforestation occurred after this date).

Under the EUDR, countries will be categorised as having low-, standard-, or high-risk as a source for deforested supply chains. In May 2025, New Zealand was classified as low-risk, alongside key competitors in the EU market. Low-risk countries face simplified due diligence, which means that a risk assessment and risk mitigation actions do not have to be demonstrated, and they also face fewer checks by member states. However, the geolocation of all plots of land where the relevant commodities has been produced still needs to be provided This new market access requirement represents a significant compliance cost for the sector.

The EUDR's objectives are to tackle global deforestation and halt the impact that deforestation has on biodiversity, climate change, and ecosystems. To do so, the EUDR aims to stifle demand for products that are associated with deforestation. While the objectives are broadly supported, the EUDR has been poorly designed, poorly drafted, and is not fit for purpose. Instead of incentivising the trade of deforestation-free products, the EUDR sees exports from countries with extremely low instances of deforestation, like New Zealand, treated the same as countries where there is a high-risk of this occurring.

New Zealand does not have a deforestation issue. Therefore, New Zealand does not contribute to global deforestation and should be exempt for this onerous, complex regulation. MIA and B+LNZ continues to advocate for this outcome and recognition by the EU of the way that New Zealand manages its land resources and its forestry management system. The sector is supportive of the goals of the EUDR, but consider it to be an inappropriate, technical barrier to trade. EUDR should be amended to facilitate trade in sustainable products and support EU consumers' ability to purchase imported beef that is produced in a way that aligns with their expectations.

B+LNZ and MIA have consistently engaged with both New Zealand and EU policymakers, industry stakeholders, and trade officials advocating for New Zealand's red meat sector interests, including pushing for an exemption that recognises New Zealand's strong environmental credentials. Part of these efforts has been working closely with EU counterparts through B+LNZ EU-based staff, to advocate for broader changes to the regulations, including the establishment of a 'zero risk' category. Such an amended would create a fairer, more inclusive outcomes that would benefit similarly placed EU Members States. Similar advocacy efforts were integral in ensuring the EUDR wasn't expanded to include sheepmeat despite the desire to do so in some EU circles in recent years.

In parallel, the sector has worked together to develop a commercial solution to meet this new market access requirement. This solution will use mapping technology and New Zealand's animal traceability system (NAIT) to enable industry to demarcate animals that are at risk of being in a deforested supply chain and, therefore, ineligible for export to the EU (see box story below). The EU market is a long-standing, high-value market for beef and for beef hides, with exports worth $200 million in 2024. The EUDR is a complex piece of regulation, but non-compliance is not an option if exporters are to retain access into the market. The EUDR is not the only regulation or requirement associated with sustainability and affecting market access. The EUDR applies to the entirety of the supply chain, so relevant products from New Zealand that are exported to another country for further processing before being exported to the EU are captured (e.g. hides to China that then get used for leather products into the EU). Other jurisdictions are also planning on similar legislation. For example, the UK passed the primary legislation for deforestation-free supply chains in 2021 and is currently developing the implementing regulations. In addition, in the private sector, customers' terms of supply are also containing conditions related to the verification of sustainability and environmental credentials.

Compliance with the EUDR

The Meat Industry Association worked with earth observation technology specialists Prism Earth and Lynker Analytics to develop a deforestation monitoring system that will enable meat importers to ensure all beef and leather products arriving in the EU from New Zealand are deforestation free. This required analysis of forest loss between the present day and December 2020 across more than 10 million hectares of grazing land.

By using and independently verifying medium resolution satellite imagery to detect forest canopy changes in half hectare areas across grazing land, and intersecting that cattle movement data from OSPRI, exporters can use that information to generate due diligence statements required by the EUDR.

Through developing an industry-wide approach that is verifiable and auditable, New Zealand red meat exporters are in a good position to continue to supply product to a high-value market.

The EUDR is the tip of the proverbial iceberg with other governments as well as private businesses with global supply chains looking to adopt similar policies.

Agreement on Climate Change, Trade and Sustainability

In 2024, wool was been classified as an 'environmental good' under the Agreement on Climate Change, Trade and Sustainability (ACCTS), an innovative agreement that will help eliminate tariffs in several countries. This recognition is a win for New Zealand sheep farmers and part of a positive trend in global agreements and follows a similar classification under the New Zealand-UK FTA.

The ACCTS covers trade deals between New Zealand and Costa Rica, Iceland and Switzerland, and is open for other countries to join. It will remove tariffs on many products that benefit sustainability and the environment, including wool. While New Zealand doesn't face any tariffs when exporting wool to the ACCTS countries, this classification does create a useful precedent when engaging with countries where we do face tariffs, such as India, the US and the Gulf Cooperation Council.

ACCTS also includes principles-based guidelines for voluntary eco-labelling programmes. These guidelines are a useful tool to ensure ecolabels provide meaningful information to consumers but do not become inadvertent barriers to trade. As key markets seek to ensure product sustainability claims are credible, this is shaping up to be a key issue for New Zealand's sheep and beef exports.

The ACCTS initiative complements other work under way internationally including in the WTO, APEC, the United Nations Framework Convention on Climate Change (UNFCCC) and the OECD.

FTAs

GCC FTA and UAE CEPA

Two new agreements in the Middle East will offer the red meat sector significant opportunities in a dynamic and growing part of the world. The Comprehensive Economic Partnership (CEPA) with the United Arab Emirates (UAE) was signed in January 2025 and expected to be in force by the end of the year. Once in force, frozen New Zealand beef and sheepmeat can be exported to the UAE tariff-free. Chilled products are already tariff-free.

The Free Trade Agreement (FTA) with the Gulf Cooperation Council (GCC) was concluded in October 2024. Once in force, all of New Zealand's red meat exports to the GCC will be eliminated within 10 years. No other major red meat exporters to the GCC have secured such an agreement. In addition, the GCC FTA provides new avenues for engagement on halal through the Trade and Food Products Committee.

UK and EU FTAs

Since the last Barriers to Trade report, New Zealand's FTAs with the EU and UK have come into force which has seen a growth in beef exports to both these markets.

Under the New Zealand-UK FTA, tariffs on New Zealand's beef exports to the UK dropped from 20 percent to zero on 1 June 2024 under an increasing transitional quota and safeguard arrangement. From 2038, trade will be fully liberalised. In 2024, the sector exported 4,417 tonnes of beef to the UK worth $57 million, an increase of 84 percent by volume and 116 percent by value from 2023.

Under the New Zealand–EU FTA, tariffs on New Zealand beef exports to the EU were reduced. As of 1 May 2024, the tariff rate dropped from over 20 to 7.5 percent under a new quota that will gradually increase over time. By 2031, this quota will be permanently set at 10,000 tonnes. Additionally, the in-quota tariff rate for New Zealand's country-specific WTO beef quota (1,102 tonnes) was also reduced from 20 to 7.5 percent under the FTA, further improving market access for New Zealand beef exporters.

When compared to the New Zealand-UK FTA beef quota, the New Zealand-EU FTA beef quota is much smaller, administratively complicated, and has an in-quota tariff rate. Therefore, the ability for the sector to increase beef exports to the EU is more limited. The FTA entered into force mid-year and has resulted in a modest increase in beef exports, with the volume in 2024 increasing 14 percent to 5,209 tonnes and the value increasing six percent to $110 million. However, the decrease in the tariff rate did result in tariff savings of around $8 million in 2024.

US Trade Policy

In 2025, trade policy changes out of the United States (US) have upended the rules-based order that has governed international trade for decades. While the direction of the current Administration was well-signalled, the speed and magnitude of change has been swift and vast. On 2 April 2025, the Administration announced a blanket 10 percent tariff on top of any existing tariffs for all goods imported into the US. In addition, some countries would also face a "retaliatory" tariff based on their trade profile with the US. On 9 April 2025, the "retaliatory" tariff was suspended for 90 days.

New Zealand has a country-specific quota for beef set at 213,402 tonnes with an in-quota tariff of US4.4c/kg (an *ad valorum equivalent* of 0.7 percent). The out-of-quota tariff on beef is 26.4 percent. As the additional 10 percent tariff applies to all goods into the US, this is estimated to impose additional tariff costs of approximately $143 million for beef exports in 2025.[3]

For sheepmeat, New Zealand faces a US0.7/kg-US2.8c/kg tariff (0.1 percent AVE). It is estimated that the 10 percent tariff, will result in additional tariff costs of $45 million. Across all red meat sector exports to the US, the sector would face additional costs upwards of $212 million in 2025.

The US continues to be a significant market for the red meat sector, particularly for beef exports for which it is the sector's largest market. Demand for New Zealand's meat is growing due to increased consumption of beef and lamb. In parallel, the US continues to experience supply constraints, particularly as the US cattle herd remaining in a rebuild phase.

The US Administration's trade policy strategy continues to evolve as announcements get made on an almost daily basis, introducing uncertainty into the global trading system. For the red meat sector, especially for beef, expectations are there will be a shift in product flows as competitors focus on markets other than the US, and the US looks to restore and improve its market access which has been impacted by retaliatory actions.

Domestic agriculture groups in the US have largely supported the direction of the Administration's trade policy noting the importance of improved market access for US exports. Industry groups are calling for the US to use the imposition of tariffs as a means to improve access for US exports to a range of markets.

The New Zealand red meat sector, supported by B+LNZ US-based staff, continues to advocate for recognition of New Zealand as a reliable, consistent and dependable supplier of high-quality red meat to the US market. The sector also continues to advocate for a rules-based trading system that support economic growth, including that the use of tariffs ultimately leads to fewer choices and higher prices for consumers. The sector is closely monitoring developments in the US, including through New Zealand Government officials. While there continues to be uncertainty, with careful and considered planning the sector can maintain market position and secure opportunities where they arise.

[3] Based on the value of exports from April to December 2024.

Other challenges and opportunities

Domestic challenges

Production Constraints

Over the past two years, declining livestock numbers in New Zealand have also been significantly influenced by persistent on-farm inflation. Although the inflation rate has eased recently, the cumulative effect of rising input costs has placed immense financial pressure on sheep and beef farmers. Since 2021-22, farm input prices have increased by over 30 percent. These escalating costs significantly impacted farm profitability. As a result, many farmers have been forced to reduce livestock numbers to manage cash flow and mitigate financial risk, contributing to the ongoing decline in national herd and flock sizes.

In this context, land-use change in New Zealand has accelerated in recent years, with a significant shift from pastoral farming to large-scale forestry, particularly carbon-only forestry. New Zealand is the only country in the world, other than Kazakhstan, that has no limits on the amount of forestry that can be used to offset emissions. Between 2017 and 2024, over 300,000 hectares of sheep and beef farmland was sold for conversion to forestry. This trend was driven by the increasing financial returns from a rising carbon price, which have made carbon credits a lucrative option for investors, and for fossil fuel emitters being able to offset rather than reduce their emissions.

Conservatively, more than two million stock units have been lost to afforestation since 2017 leading to a decline in livestock production and associated economic activities. The decline in livestock numbers has broader implications for rural communities and the economy.

In response to this trend, the Government has announced measures to limit the conversion of highly productive land into forestry. These include a temporary moratorium on full-farm conversions of Land Use Capability classes 1–5 and a cap on annual ETS registrations for class 6 land. However, the red meat sector believes that further restrictions are required to ensure a balanced approach to land use that supports both environmental goals and the agricultural sector.

While afforestation plays an important role in addressing climate change, the rapid whole sheep and beef farm sales for conversion to forestry poses challenges to New Zealand's food production capacity and rural communities. A more balanced land-use strategy is necessary to achieve sustainable outcomes that consider both environmental and agricultural priorities. Without such an approach, approximately one million hectares of sheep and beef land is expected to be converted from sheep and beef production into forestry by 2050 which would lead to an estimated 19 percent reduction in grassland and 18 percent reduction in stock units nation-wide.

Environmental regulations are also putting pressure on the viability of sheep and beef farming, including:

- Resource Management (Stock Exclusion) Regulations 2020;
- National Policy Statement for Freshwater Management 2020;
- National Environmental Standards for Freshwater 2020; and
- Regulations applying to the monitoring and management of sediment and erosion control.

Infrastructure and Supply Chain Constraints

The 2023 Barriers to Trade report highlighted some of the supply chain logistics challenges the sector had been facing, particularly the difficulties of getting chilled exports to key markets such as the UK.

While some of the Covid-19-related disruptions have eased, there are still challenges. Internationally, attacks on commercial shipping in the Red Sea have disrupted trade to Europe, leading to increased costs and transit times with many shipping lines avoiding transit through the Suez Canal.

In late 2023 and early 2024, these challenges were exacerbated by disruptions due to low water levels in the Panama Canal following a long period of drought. This meant that fewer ships could transit the canal each day, leading to delays. These restrictions were eased in late 2024 as the drought eased and water levels in the canal normalised.

While it is difficult to control these shocks to the international supply chain, there should be an increased focus by the New Zealand Government on investment into our infrastructure to support an efficient, highly productive domestic supply chain.

The New Zealand Cargo Owners Council, which represents the supply chain interests of many of the country's largest exporters and importers including major meat exporters, has noted that in the wake of the disruptions caused by Covid-19, there have not been any meaningful moves to enhance New Zealand's supply chain and that while most other countries New Zealand trades with have returned to pre-Covid levels of supply chain productivity (e.g. the efficiency with which they move goods through ports), New Zealand has not.

The delay in the Tauranga Port berth extension is a case in point. According to the Council:
"The Government's failure to prioritise this has been a significant handbrake on growth and an accelerant of congestion, both of which impact the entire supply chain, ultimately adding extra costs and undermining the nation's competitiveness."

This highlights that prioritising the domestic supply chain infrastructure is a crucial component for growing the value of New Zealand's exports.

Digital Trade

In 2023, MFAT undertook a review of New Zealand's engagement in digital trade designed to build upon the broader all-of-government 2022 Digital Trade Strategy. The Review covered New Zealand's international engagement in digital trade and international policy settings affecting digital trade and supporting the digital economy, including as reflected in digital provisions negotiated in international trade agreements.

The review recommends a series of policy principles that focus on how the government can work to remove barriers and address challenges that exist in the digital economy, as well as to continue to protect the government's right to regulate in this space.

Crucially for trade, the review recommends adopting the UNCITRAL Model Law on Electronic Transferable Records (MLETR), which is the internationally recognised standard for digital trade, to facilitate the digitisation of documents commonly used in trade and commerce while ensuring they are legally equivalent to paper-based records. This includes electronic bills of lading, promissory notes, and warehouse receipts. Adoption of the MLETR could mean faster processing and streamlining of key trade documentation, as well as costs savings for exporters.

The sector continues to engage with MFAT and other key agencies on implementing the policies and recommendations from the review to ensure alignment across and within relevant government agencies and highlight this as a key opportunity to further reduce barriers to trade.

Other challenges

Foreign Animal Diseases

Foreign Animal Diseases FADs), particularly foot and mouth disease (FMD), have the potential to severely disrupt the red meat sector's ability to trade to a wide range of high-quality markets. New Zealand trades on its "FMD-free without vaccination" status as a condition of entry for products in a range of markets. The threat of FMD into New Zealand remains very low, despite continuing persistence of FMD in southeast Asia and recent outbreaks in parts of Europe.

MPI estimates that an FMD outbreak could cost the New Zealand economy $16 billion over four to five years with significant impacts on regional economies, employment and agriculture-related services. To this end, in 2023, MPI released the *Foot and Mouth Disease Response and Recovery Plan* that sets out how New Zealand would seek to stamp out and recover from an outbreak of FMD. Part of this plan is a new disease management strategy.

In any outbreak, continuity of trade will be crucial to the recovery of the sector. At the general session of the World Organisation for Animal Health (WOAH) in May 2024, key changes for FMD were adopted, including:

- Aligning the recovery of freedom status through a vaccination to live approach with that of the vaccinate to die approach – both are three months
- Allowing for containment zones to be declared while cases are still occurring (previously this could only be done after 28 days without a case)

This means New Zealand's disease management strategy can use a wider range of tools. While these are positive developments, what will require further work are the processing parameters to enable processing to continue. These will need to be considered through the scientific commission.

FMD Operational Agreement

MIA and B+LNZ are both signatories to the Government Industry Agreement (GIA) for Biosecurity Readiness and Response, which provides a framework for industry and government to work together to prepare for and respond to biosecurity incursions.

Under the GIA, the livestock industries and MPI have been negotiating the terms and conditions governing how preparedness and any future response to FMD will operate under this partnership model. In June 2025, the FMD Operational Agreement was signed by six industry organisations - DairyNZ, the Dairy Companies Association of New Zealand, Beef + Lamb New Zealand, NZPork, Deer Industry New Zealand, and the Meat Industry Association – and MPI. The agreement took effect from 1 July 2025 for five years.

This is a landmark agreement, through which industry will contribute 40 percent of readiness costs, and 15 percent of response costs – capped at $450 million. In return, industry will have a formal seat at the decision-making table with Government. Work is now underway under this Agreement to put in place strong readiness plans.

Other foreign animal diseases

MPI continues to look at ways of minimising the trade impacts of an FAD incursion to reduce economic impacts for the primary industries and New Zealand as a whole. An example of this is to ensure ruminant animal product export certificates do not include FAD country freedom clauses for diseases which are not relevant, such as High Pathogenicity Avian Influenza (HPAI) and Avian Influenza.

To this end, MPI has successfully negotiated updates to a significant proportion of export certificates for major markets to remove references to HPAI for commodities that it is not relevant to. This has significantly reduced the potential economic impact for red meat and other primary sectors of an HPAI incursion in New Zealand.

HPAI is a disease that is highly contagious and often deadly in poultry, caused by highly pathogenic avian influenza A (H5) and A (H7) viruses; it is also known as bird or avian flu. HPAI viruses can be transmitted by wild birds to domestic poultry and other bird and animal species.

Although bird flu viruses do not normally infect humans, sporadic human infections have occurred. It is important to note that "highly pathogenic" refers to severe impact in birds, not necessarily in humans.

Outbreak of HPAI across the globe has seen bans of poultry imports as well as culls of birds as authorities try to manage the disease. The impact of this on global protein markets is still being worked through. With major players in the global poultry market now affected – such as Brazil – impacts may include inflation in key markets, higher prices, and a demand for other proteins.

Opportunities

India FTA

In March 2025, the Prime Minister and Minister of Trade announced the launch of negotiations towards a comprehensive free trade agreement with India. The New Zealand red meat sector is strongly supportive of a comprehensive, commercially meaningful, high-quality agreement, including measures to address NTBs and the complete elimination of all tariffs within a reasonable period.

The Indian market offers great potential as an attractive export destination for the New Zealand red meat sector. As well as sheepmeat, demand for fifth-quarter and co-products also offer great opportunities. For example, in pharmaceuticals, wool, leather, petfood, and tallow. For some of these products India is already an important export destination, while for others reduction in trade barriers would improve market conditions.

In addition to trade, the red meat sector considers the FTA would provide opportunities to establish and strengthen cooperation efforts between India and New Zealand on mutually beneficial activities. For New Zealand, cooperation activity can be a means to building better understanding of the regulatory and food production systems, and offers a change to leverage the relationship towards better market access outcomes.

India is a market where there are significant opportunities for the sector, and the sector has developed a strategy that aims to create a deeper understanding of the market's challenges and opportunities, and to guide our positioning with the Government as it progresses its work in this area.

Innovation and Trade

New Zealand red meat processors recognise the importance of innovation to maintain access to global markets. Innovation is key to growth and improving export returns. However, compared to other countries, in New Zealand it is costly and underfunded. This impacts our ability as a sector to accelerate and drive innovation. We have, however, traditionally punched above our weight in terms of outputs, with a number of globally significant meat science and processing advancements originating in New Zealand.

As a core discipline, the sector maintains investment into food safety science research, with a focus on hygienic compliance and pathogen control during processing. While New Zealand has low levels of pathogens typically found on meat, zero tolerance in some markets means we continue to seek new methods to improve and prevent contamination of product during processing, including use of advanced technologies such as light-based scanning and artificial intelligence for detection.

The introduction of robotics and intelligent manufacturing devices is an important area of growth in the sector, with processors looking to advanced manufacturing innovations to improve process yields and productivity. Fully automated boning rooms driven by robotics and sensors have improved yields and throughput in larger plants, while the sector is currently investing in the integration of smart cameras, powered by artificial intelligence to monitor and improve operations along the production chain, that will have application for all size operations. Acceptance of these technologies by regulators is a potential barrier to uptake, but that appears to be minimised when the technology is used to assist decision making, rather than replace humans.

Another area of investment for the sector is the development of new data on the nutritional value of red meat in the diet. With a growing number of claims that red meat is not good for you, data that shows red meat can be included in the diet is essential to help consumers make informed choices about their food. Red meat is a whole food, rich in protein, vitamins and minerals that are considered essential for good health.

Recent clinical trials completed in New Zealand have demonstrated that red meat can be safely consumed as part of a healthy diet, without any negative side-effects. The Pasture Raised Advantage clinical trial fed 80 healthy participants for 10 weeks, comparing a vegetarian diet, to the same base-vegetarian diet with red meat added. There were no significant differences between the two groups of participants at the end of the trial, with measures of health and wellbeing largely the same after the ten-week period. A key to the acceptability of this information and its power to counteract current thinking is independent, balanced interpretation of scientific data.

Studies undertaken in New Zealand have followed strict guidelines to ensure independence for the experts involved, who were free to publish what was found, without any bias or influence from the sector.

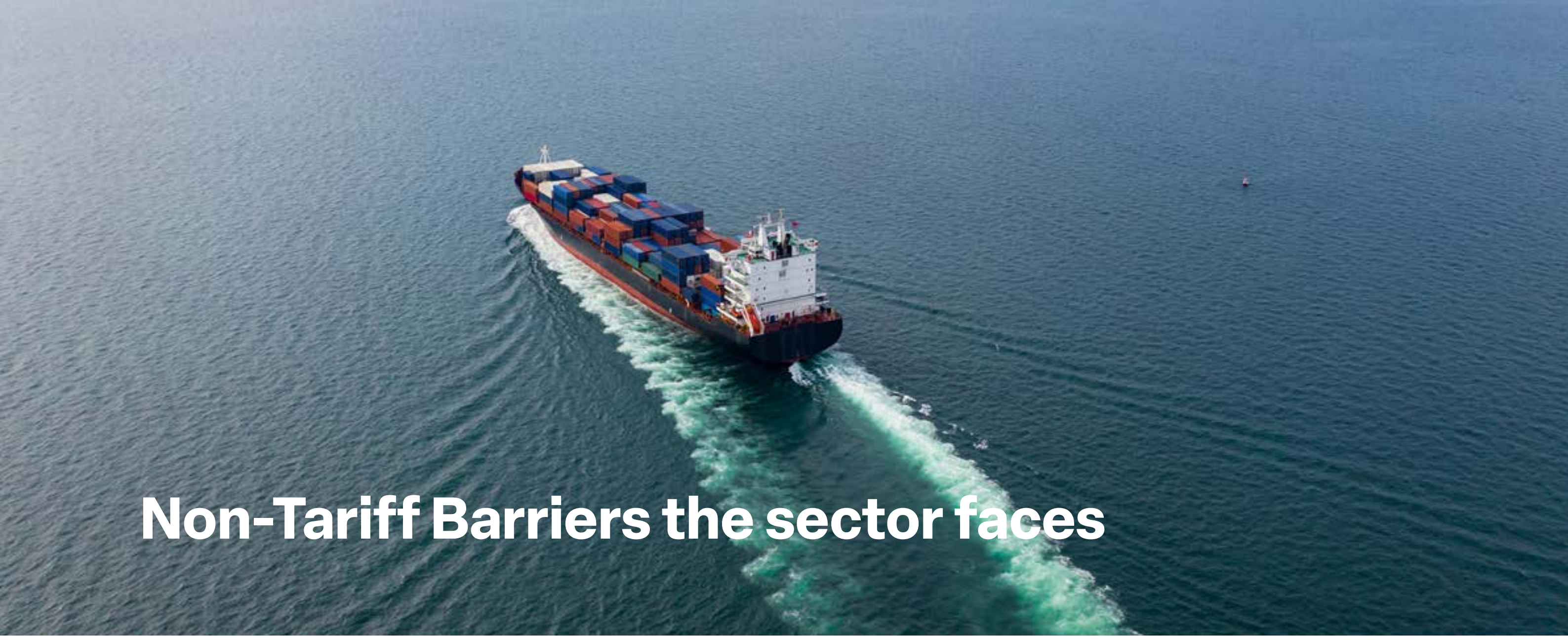
The future of trade policy

The future of trade policy for New Zealand's red meat sector is inseparable from the preservation and evolution of a strong, rules-based international trading system. As a small, export-driven economy, New Zealand depends on transparent and predictable global trade rules to secure access to high-value markets. With around 90 percent of the sector's trade now covered by a preferential trade agreement of some kind, including FTAs, this framework has enabled significant tariff reductions, supported market diversification, and reinforced the sector's resilience in the face of global disruption. Ensuring these agreements are fully implemented, trade barriers are addressed, and new opportunities are pursued remains essential, especially in a world marked by increasing volatility and disruption.

Despite this strong network of FTAs, the impact of non-tariff measures (NTMs) is significant. NTMs that focus on behind-the-farmgate production are often overly prescriptive, administratively complicated, and are often don't meet the core WTO principle of proportionality. These include animal welfare rules, traceability requirements, environmental standards, and carbon-related policies, which all presents a more complex and shifting trade policy landscape. While many NTMs reflect legitimate societal expectations, they risk becoming trade barriers if they lack transparency or are applied inconsistently. New Zealand trade strategy must therefore continue to advocate for science-based, non-discriminatory rules across a range of multilateral, regional, and bilateral fora. This is critical to ensuring that NTMs support rather than hinder sustainable and fair trade.

Sustainability is also crucial to international trade, with increasing scrutiny on on-farm emissions, biodiversity, and water use. Encouragingly, the New Zealand red meat industry has strong international credentials and demonstrated its leadership through a range of initiatives, which confirms our sector's global efficiency. Mutual recognition and system equivalence agreements, which recognise New Zealand's credible, evidence-based environmental performance and guard against green protectionism that distorts market access under the guise of sustainability.

Looking ahead, future trade policy must remain agile and strategic. Preferential trade arrangements, including FTAs, should be fully implemented, reviewed, and updated to ensure critical market access gains aren't eroded by these barriers to trade. It is critical this architecture facilitates trade and acts as platforms for cooperation on regulatory alignment, sustainable production, and innovation. With trade relationships evolving and global volatility continuing, New Zealand must maintain its reputation as a principled and credible partner, working to uphold international norms while ensuring exporters remain competitive in a complex and dynamic world.



Non-Tariff Barriers the sector faces

As red meat is one of the most regulated products in the world, the sector faces at least $1.5 billion annually is costs related to non-tariff measures (NTMs).[4] While some NTMs are legitimate and science-based, designed to protect human, plant and animal health and life, others can be arbitrary, convoluted, and not risk- or science-based. In those cases, they become barriers to trade.

NTBs can be imposed under the guise of legitimate measures for food safety, or the protection of human or animal health. Emerging reasons for NTBs are animal welfare requirements, quality and sustainability credentials, religious requirements, and other matters where harmonised standards are not available. Without harmonised standards, or international agreements, it is difficult to ensure consistency and a proportionate response. As such, trade is often impeded. At times, and increasingly so, consumer demand for these requirements can drive their application but without commonly agreed rules.

In general terms, the specific types of NTBs facing the sector include:

- Onerous premises audits and registrations
- Complex and inconsistent requirements for halal certification and auditing
- Unnecessary or inefficient certification requirements
- Lack of transparency of requirements
- Inconsistent technical requirements
- Prescriptive and onerous labelling requirements
- Onerous import checks
- Consularisation of documentation (i.e. where export documents must be signed/ rubber stamped at an Embassy or High Commission)
- Private standards.

As well as undermining trade, NTBs can raise food prices, undermine food quality, impact food security, and impose further burdens on businesses.

Sector and Government Cooperation

We welcome the priority placed by government on tackling NTBs. Addressing NTBs effectively requires government-to-government engagement, so the expertise and networks that the Ministry for Primary Industries (MPI) and Ministry of Foreign Affairs and Trade (MFAT) have are crucial for the success of the sector. No two markets administratively structured in the same way. Navigating this complexity requires building and maintaining strong relationships with MPI and MFAT.

The sector works with government through mechanisms such as the Strategic Directions Group, which provides a direct channel of communication for the sector. We also work with the bilateral teams at MPI, including a regular review of the sector's market access priorities to ensure that resources are focused on the critical short- medium- and long-term NTBs that need to be resolved to further market access into a country or region.

[4] Sense Partners report

As an export-driven industry, we consider that a rules-based international trading system is key to New Zealand's success. International standards and guidelines (set by the three international standards setting bodies[5]) are an integral part of this system. While there is pressure on this system, we strongly encourage the New Zealand Government to take a leadership role in international standard setting bodies.

When it does participate and contribute, New Zealand is well-regarded in these bodies. The development of robust, science-based international standards is a key strategy that government should use to anticipate and stop potential trade barriers before they arise.

At a bilateral or plurilateral level, we fully support the Government advocating for and negotiating the recognition of New Zealand's assurance systems by all major markets. New Zealand's risk- and science-based regulatory framework and its associated legal instruments support an outcomes-based model. It is what drives innovation in the sector, while delivering the highest-quality food safety outcomes.

Resourcing is crucial to addressing NTBs. The sector considers it essential that government has multi-disciplinary staff resources and a well-targeted off-shore footprint. A well-resourced system will enable responses to issues as they arise, but also to develop long-term and proactive activities.

We encourage government to review existing negotiations and agreements continually as a way to address NTBs and seek commercially meaningful outcomes.

We have full confidence in the expertise of our own technical authorities and the integrity of our procedures, but varying degrees of expertise and political drivers in some markets can undermine internationally agreed core principles. In this regard, ensuring that the foundations of international best-practice standards and guidelines are adopted by our key trading partners is an ongoing priority for the red meat sector.

Major NTBs across multiple markets

Post-Mortem Inspection (PMI) reform

The purpose of PMI is to protect the public health by ensuring that the carcasses and cuts that enter commerce are safe, wholesome, not adulterated, and properly marked, labelled, and packaged. This means that any carcasses or parts that do not meet these attributes are designated as unfit for human consumption and do not enter the human food chain.

Who carries out PMI (especially for quality) is a priority for the industry. It has been a long-established position that suitably qualified company personnel, rather than traditional government meat inspectors, should be able to carry out inspections for meat quality assurance without compromising regulatory assurances. Food safety and hygiene are still subject to regulation and inspection by government.

Non-meat food businesses in New Zealand (for domestic and export) use this model. However similar provisions are not available to the red meat sector largely due to the heightened international sensitivities around official veterinary and government meat inspection, particularly for some of our key markets.

Ongoing work on reforming PMI will lead to considerable gains for industry. One area where some modernisation has occurred is the delivery of training. This will allow for a more agile approach to training, giving companies flexibility. Further work is underway to reform PMI, and if successful will support further uptake of company meat inspection models and provide greater flexibility in how processors manage their business.

[5] IPPC, WOAH, Codex

Electronic Certification

MPI uses Animal Products Electronic Certification ("AP E-cert") to issue government-to-government assurances for animal products exported from New Zealand. An approved export certificate is provided to the appropriate border agency of the destination country – in electronic and/or paper form – to facilitate border clearance into that country.

A lot of progress has been made in this area, with many key markets for the sector now accepting electronic certification, but there is still some way to go. Acceptance of electronic data exchange by regulatory authorities is a priority for the sector because it streamlines the certification process, reduces overall costs and handling delays, expedites issue resolution and minimises the risk of fraudulent activity. The sector continues to support government actions to negotiate with regulatory authorities in export markets for acceptance of electronic certification.

Official assurances such as that described above are only one part of the paperless trade puzzle. In a previous section addressing digital trade, the sector is supportive of the adoption of international frameworks to support the digitisation of trade documents and recognise these as of legal equivalence to paper-based records. In addition, demands for more traceability of products also sees digital tools being used such as 2D and 3D barcodes. This work is a key part of addressing NTBs.

Approval and listing of establishments (premises)

Regulatory authorities in most markets require that meat being exported to their market is produced in approved establishments. This is to manage the risk of transmitting human and animal disease and foodborne illness, particularly in raw products.

Approved establishments fulfil requirements set by the importing country and usually reflect its domestic practices. Some allow MPI to approve premises on their behalf, while others will require an audit visit prior to exporting along with periodic reviews.

Audits can be onerous and resource intense. Costs of an audit can be up to $100,000 for each visit and are borne by the exporting country. Audits that are not reviewing the system of meat processing can also lead to sudden delisting on a single observation. Delisting often means exports are blocked immediately with no certainty of when or how to be relisted. Even if an audit goes smoothly, delays on gaining approval can also lead to uncertainties. This has commercial implications in that companies could be locked out of potentially lucrative markets or may be at a commercial disadvantage compared with their competitors that are approved.

It has long been the preference for a systems-based audit rather than of individual premises, i.e. an audit of the New Zealand system to manage the risks posed by meat processing. Where the auditing country determines that New Zealand's system meets the outcomes they are seeking, then MPI should be able to approve premises based on objective criteria negotiated between the two. Achieving "systems recognition" with importing countries should be a priority for New Zealand Government, and a negotiating objective in any trade agreement.

The last few years has seen red meat processors face an increased volume in audits. Generally it appears that in-country audits are becoming the norm rather than the exception. As well as encouraging the use of systems audits, the red meat sector would like to see greater use of technologies to address issues with costs and delays of audits. This includes virtual audits, which were conducted during the Covid-19 pandemic by some importers.

Halal processing

Muslim consumers around the world require meat products to comply with the religious requirement that meat be halal ('wholesome'). Halal requires, among other things, that meat must come from permitted species, and that the animal is alive (though it can be unconscious, i.e. stunned, which is mandatory in New Zealand) when slaughtered by a knife across the throat by a Muslim halal butcher reciting a Muslim prayer. Halal meat must also be kept segregated from non-halal meat.

Halal processing is a cornerstone of the sector's business model as it enables companies to provide a wide range of products to Muslim countries and Muslim customers in other markets.

Nearly all of New Zealand's export processing premises are approved by MPI to undertake halal processing and over 90 percent of sheep and cattle are processed according to halal requirements. Halal exports accounted for 34 percent of red meat and edible co-product exports by volume in 2024 and were worth around $2.9 billion. Halal-certified exports were sent to 63 countries during the year.

Halal processing and certification requirements for Muslim countries are justifiably important, but they can be complex as there is no international standard for halal production and trade. This means exporters must meet differing criteria to access various markets adding additional cost and regulatory burden. Other challenges include:

- Some importing country halal requirements are incompatible with New Zealand's animal welfare requirements that an animal be stunned insensible prior to being slaughtered.
- Ongoing challenges with approval/renewal of New Zealand-based halal certification organisations by authorities in importing countries.
- Some markets have additional requirements for labelling or logos that differ from the New Zealand halal export standards, adding cost and complexity for companies.
- Stunning remains a reluctantly accepted halal practice in some Muslim countries.

The sector has been undertaking halal processing for around 40 years, with Islamic organisations based in New Zealand providing halal audit and certification services.

In response to growing indications that many importing countries wanted to deal with government agencies, in 2010 the New Zealand Government promulgated the Animal Products Notice: General Export Requirements for Halal Animal Material and Halal Animal Products (the Halal Notice). This sets out among other things, requirements that must be met by establishments undertaking halal processing, by the halal butchers in these plants, and by the Islamic agencies that provide audit and certification for halal meat.

Having government involvement in halal processing has helped to provide some certainty for the sector about the requirements that must be met. It also provides an important platform for MPI to negotiate recognition of New Zealand's halal systems with overseas markets, although it can be challenging for halal authorities in Muslim markets to fully accept that the halal system in a non-Muslim country is fully equivalent to their own requirements.

Furthermore, different institutions and interpretations across Islamic countries means that the sector still faces halal-related market access issues in several markets.

Previous Barriers to Trade reports have highlighted that one of the major challenges domestically has been finding Halal butchers, who play a crucial role in halal processing.

The sector needs approximately 240 halal butchers employed at any given time (which represents around one percent of the total meat processing workforce). Because of New Zealand's relatively small Muslim population, who are mostly located in the major urban centres, and the specialised nature of the role, many of the Halal butchers must be recruited from overseas.

In the past, immigration settings made this challenging, but changes over the last three years have simplified the process for recruiting Halal butchers from overseas. They have also allowed for Halal butchers to stay in New Zealand for longer and provided them with a pathway to residency. This has significantly reduced the turnover on halal butchers and eased the pressure that the sector previously faced.

Acceptance of innovative processes and technologies

Innovative processes and technologies can improve productivity without compromising on hygiene practices and food safety. It can be challenging, however, to have these processes accepted by regulatory authorities in export markets. It can also take time for international standards to be updated to recognise new processes and technologies. As mentioned in the innovation section, this can be a barrier to uptake of technologies and practices that may improve productivity and efficiencies in the sector.

A specific example of this is hot or warm boning, which are alternative methods to cold boning. Hot or warm boning involves breaking down the carcass immediately after the slaughter floor after cooling has started but before its temperature has reduced to 7°C or less. The advantages of warm or hot boning are reduced energy costs and consumption, fewer health and safety issues, and reduced moisture loss. It also still produces safe meat. Despite this, some markets still do not recognise it as an acceptable method of boning a carcass.

Looking to the future, the New Zealand industry is developing automation and machine visioning solutions for introduction into meat production and inspection processes. To build acceptance in market, industry is working with regulators from the initial stages of the project to break down barriers to acceptance and demonstrate the value of the technology. Automation of inspection is expected to improve decision making and will initially be used to augment manual meat inspection, with the aim of improving accuracy and repeatability. In Europe, visioning systems have been accepted by regulators as a tool to assist humans, and this precedent should enable more widespread acceptance of technology going forward.

The sector is supportive of government efforts to enable the acceptance of innovative processes and technologies bilaterally and multilaterally through international forums.

Authentication/Consularisation

A number of countries, particularly in the Middle East, require that exportation documents be 'consularised' (i.e. authenticated) by that country's consulate in the exporting country.

Consularisation costs range from $300 to more than $1,000 for a set of documents. As well as the unnecessary additional costs, the process can take considerable time and exporters have experienced delays of up to three weeks in getting documents returned.

Given New Zealand has robust and well-respected border assurance systems and processes, the requirement for consularisation is an unnecessary burden adding to the cost and time of doing business while not providing any additional assurance for the importing country.

Some countries removed consularisation requirements during the Covid-19 pandemic to facilitate trade, but have subsequently reinstated these. MPI's E-Cert platform is a fundamental tool that demonstrates the redundant nature of consularisation of export health certificates to some markets, although there are still numerous other documents required for border clearance purposes that sit outside of this. The sector would like the Government to negotiate with importing countries for the permanent removal of this requirement for all required documentation.

Private standards

While NTBs are understood primarily as regulatory measures, the compliance burden of meeting private standards may have similar impacts. Private standards are those developed by specific companies or non-governmental organisations (e.g. global retailers or multinational corporations) to set requirements for products or production processes. Compliance with these standards is voluntary, but companies that do not comply may find themselves excluded from markets or global value chains.

While private standards have some benefits, there are drawbacks when those standards do not align with government regulations, or are not accepted by markets, and potentially act as a behind the border obstacle to trade. The most common concern with private standards is that they often lack transparency and may be more burdensome and costly to comply with than relevant international standards. Because the private entities that develop these standards are not subject to WTO disciplines, there is little scope to challenge unjustified standards and to seek redress.

Compliance and use of these private standards are largely a commercial decision driven by terms of supply to a customer, marketing to specific consumers, or being able to demonstrate particular attributes. However, development of these standards can be opaque, and requirements can be more burdensome and costly to comply with. For instance, exported products will meet the food safety and hygiene standards of an importing country, but will have to meet other standards over and above these to be eligible for shelf space in a retailer.

Summary of red meat sector exports by product and market

The following tables cover New Zealand's red meat exports between 2022 and 2024.

After reaching a record $11.8 billion in 2022, the sector's exports declined in 2023 and 2024. While the volume of exports remained relatively stable during this period, the decline in value was mainly due to weaker economic conditions and cost-of-living pressures in many of the sector's key markets.

The largest declines were in the sector's two largest product categories, frozen beef and sheepmeat, which was mainly due to lower demand and reduced returns in China.

Despite these challenges the sector's exports were still worth $10.4 billion in 2024, which was only 12 percent lower than the record level of 2022.

Not included in these tables, export returns have lifted in 2025 due to improvements in demand in some of our key markets and reduced supply by key global red meat producers, including New Zealand.

Details of the trade for each product category are covered later in the report.

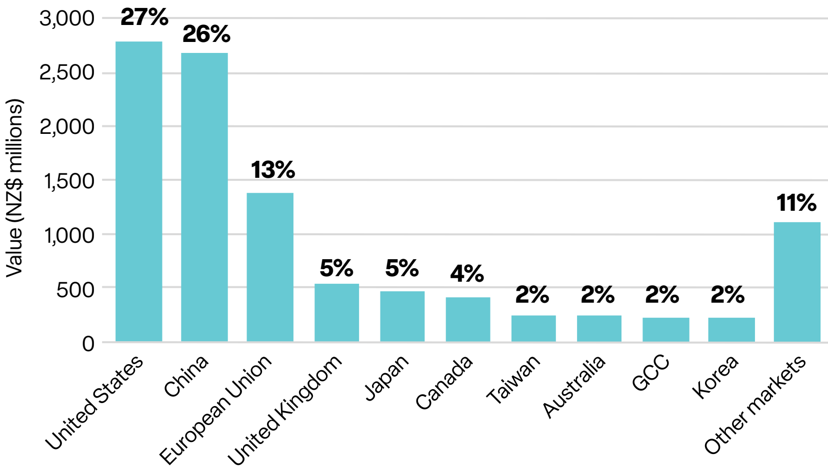
Red meat sector exports by product category, 2022-2024

Product category	**2022**	**2023**	**2024**
Frozen beef	$4,239,738,831	$3,861,215,606	$3,747,731,144
Frozen sheepmeat	$3,592,303,745	$3,081,894,417	$2,940,983,757
Chilled sheepmeat	$738,296,826	$622,884,419	$664,312,573
Chilled beef	$590,529,995	$534,737,692	$641,065,846
Wool	$451,197,247	$409,027,564	$495,136,041
Casings and tripe	$354,141,236	$337,216,142	$342,912,876
Edible offals	$438,678,985	$382,260,256	$328,135,331
Hides and skins	$226,029,069	$280,458,010	$270,902,247
Tallow	$250,341,946	$239,014,042	$257,737,974
Prepared and preserved meat	$301,656,526	$264,897,113	$243,679,268
Blood products and glands	$295,915,503	$182,620,477	$182,753,671
Meat and bone meal	$219,438,923	$222,694,116	$178,943,448
Petfood	$105,701,694	$110,044,228	$59,693,711
Total	**$11,803,970,526**	**$10,528,964,082**	**$10,353,987,887**

Tougher economic conditions in China over the last two years meant it was overtaken by the US as the sector's largest market in 2024. However, China still accounted for 26 percent of the sector's exports for the year valued at $2.68 billion.

The most significant export growth over the last two years has been to North America, where domestic meat supply has tightened as producers have begun to restock following widespread drought. Between 2022 and 2024, exports to the US increased by 21 percent and exports to Canada increased by 61 percent.

***Figure 1:** Top 10 red meat sector markets by value in 2024*



The red meat sector's top 20 markets by value, 2022-2024

Market	2022	2023	2024
United States	$2,310,325,169	$2,482,798,205	$2,783,602,913
China	$4,430,574,126	$3,737,319,174	$2,683,746,864
European Union	$1,412,458,599	$1,279,561,221	$1,373,058,697
United Kingdom	$487,868,216	$382,104,300	$548,385,966
Japan	$562,869,750	$389,057,265	$478,392,418
Canada	$263,747,195	$294,802,419	$425,008,738
Taiwan	$319,427,420	$291,445,460	$256,456,955
Australia	$261,345,003	$222,067,611	$234,593,536
Gulf Cooperation Council	$213,067,637	$220,600,944	$233,823,427
South Korea	$347,359,076	$227,623,674	$210,798,381
Indonesia	$184,403,219	$170,275,865	$156,005,265
Singapore	$132,100,270	$122,581,144	$146,579,196
India	$71,807,386	$76,533,247	$90,345,106
Malaysia	$154,849,122	$70,047,883	$78,169,096
Hong Kong	$97,690,954	$92,873,360	$68,625,945
Philippines	$55,069,849	$35,006,290	$63,066,055
Thailand	$62,233,469	$45,854,739	$57,541,092
French Polynesia	$51,320,359	$47,651,125	$49,448,811
Fiji	$32,481,569	$33,281,174	$44,531,111
Jordan	$63,694,441	$40,084,856	$44,522,327
Other markets	$289,277,697	$267,394,126	$327,285,988
Total	**$11,803,970,526**	**$10,528,964,082**	**$10,353,987,887**

Data sources

The trade data has been compiled by MIA from overseas merchandise trade data published by Statistics New Zealand, and covers the 2022, 2023 and 2024 calendar years. The merchandise trade data was downloaded when it was published by Statistics New Zealand at the end of January 2025. As Statistics New Zealand data is provisional for three months after it is released, there may subsequently be small changes to the data. The export value used in the report is the Free on Board (FOB) value. This is defined as the current market value of goods in the country of origin, including all costs necessary to get them on board the ship or aircraft.

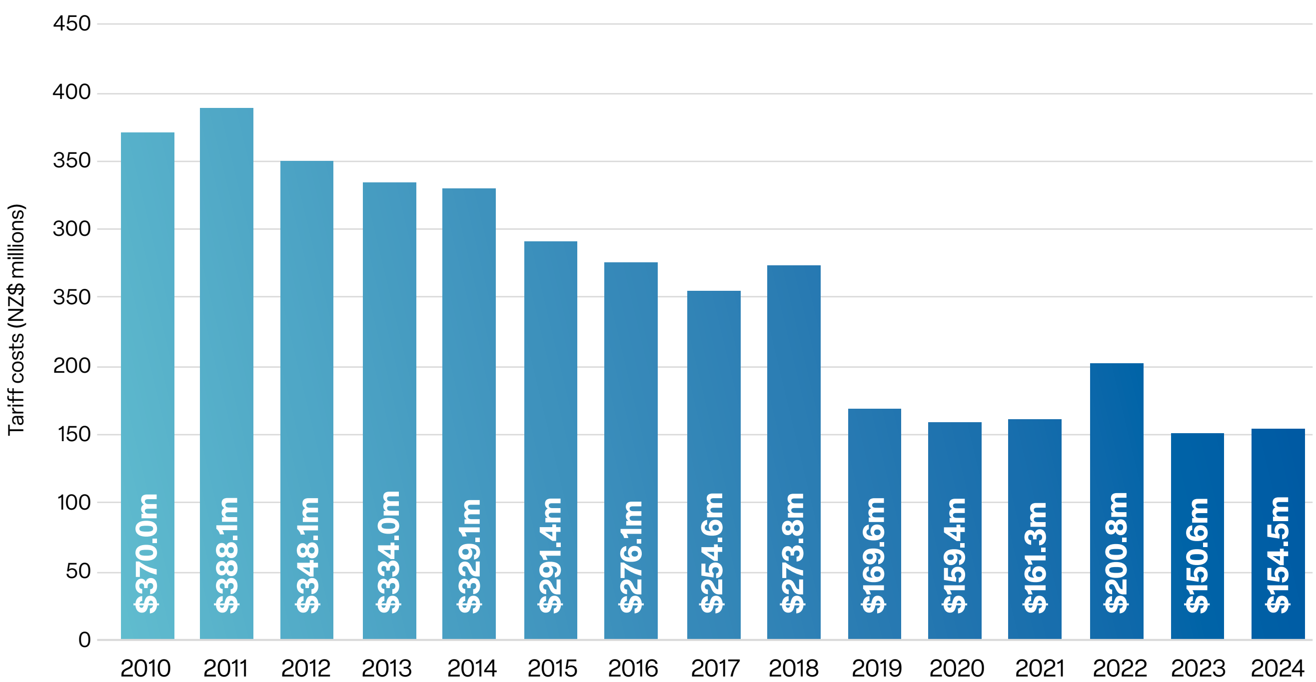
Summary of tariff barriers

The tariff costs imposed on the red meat sector's exports have generally been declining over the last decade or so, due to the steady reduction of tariffs under New Zealand's network of FTAs.

The following tables summarise the tariffs faced between 2022 and 2024.

In 2022, there was a spike in tariff costs due to a higher volume and value of beef exports to Japan and Korea, where tariffs are still relatively high. However, the last two years have seen a reduction of tariffs on exports to those markets as beef exports have declined. The UK and EU FTAs came into force in 2023 and 2024 respectively, reducing the tariffs on some key exports into those markets.

Figure 2: *Red meat sector tariff costs, 2010-2024*



Summary of estimated tariff costs by product

Figure 3: *Tariff costs by product in 2024*

The majority of the sector's tariff costs continue to be incurred on beef exports. However, these tariff costs declined by 25 percent from 2022 to 2024, due to ongoing tariff reductions in Japan and Korea, and the introduction of the UK and EU FTAs.

The tariff costs for most other product categories have decreased since 2022. Tariff costs for tallow, however, have increased due to some tallow entering the US under an HS code that has a higher tariff rate.

It is important to note, however, that the imposition of a 10 percent tariffs on New Zealand's red meat exports to the US in April 2025 will have a significant impact on the overall tariffs faced by the sector. If unchanged, they will add $212 million to the $154 million total below.

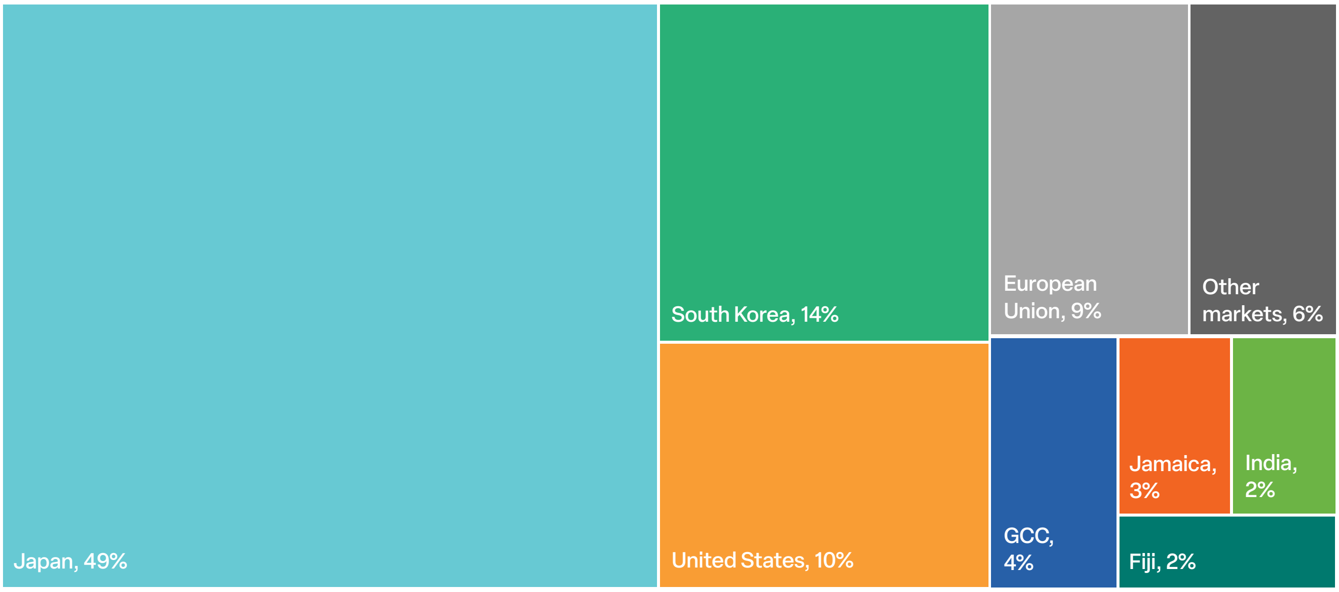
Estimated tariff costs by product category, 2022-2024

Product category	**2022**	**2023**	**2024**
Frozen Beef	$134,579,709	$93,312,256	$93,699,318
Chilled beef	$34,738,812	$25,777,152	$33,362,720
Frozen sheepmeat	$10,745,291	$11,337,284	$9,216,531
Edible offals	$8,599,090	$7,712,821	$6,114,842
Prepared and preserved meat	$5,339,600	$4,772,827	$4,268,864
Casings and tripe	$2,173,200	$2,156,141	$2,509,594
Wool	$1,788,179	$1,727,845	$1,647,210
Chilled sheepmeat	$634,709	$1,247,342	$1,437,947
Meat and bone meal	$462,399	$525,792	$797,857
Tallow	$560,781	$441,663	$679,660
Blood products	$635,546	$881,918	$426,641
Hides and skins	$515,525	$615,397	$274,367
Petfood	$88,006	$110,507	$64,258
Total	**$200,860,849**	**$150,618,946**	**$154,499,807**

Details of the trade and tariffs for each product category are covered in the next section of the report.

Summary of estimated tariff costs by market

Figure 4: *Tariff costs by market in 2024*



Most of the sector's tariff costs continue to be incurred on exports to Japan and Korea, but these have dropped by 30 percent since 2022 due to a combination of lower tariff rates and a reduction in the value of exports, particularly to Korea.

Exports to the US have seen an increase in tariff costs as a result of increased exports over the last three years. With the entry into force of the New Zealand-EU FTA in mid-2024, there was an immediate reduction in the tariff costs on exports to that market. Further, while the UK was the market with the eighth largest tariff costs in 2022, the entry into force of the New Zealand-UK FTA in 2022 removed tariffs on nearly all exports in 2024.

Tariff costs on exports to Jamaica increased from $1 million in 2022 to nearly $4 million in 2024, due to an increase in beef exports which face a 40 percent tariff rate.

Estimated tariff costs by market, 2022-2024

Market	2022	2023	2024
Japan	$88,132,819	$56,965,539	$75,698,274
South Korea	$51,756,059	$28,812,338	$22,108,222
United States	$11,235,182	$15,687,858	$16,142,712
European Union	$19,346,716	$21,048,306	$13,128,200
Gulf Cooperation Council	$5,797,186	$6,532,503	$6,386,280
Jamaica	$1,088,006	$1,823,155	$3,967,926
India	$3,273,902	$4,164,365	$3,687,097
Fiji	$2,906,067	$2,704,849	$3,179,399
Norway	$2,591,735	$4,503,781	$1,724,311
Barbados	$1,569,319	$986,552	$1,125,765
Papua New Guinea	$909,521	$999,312	$872,524
Tunisia	$135,917	$206,482	$581,506
New Caledonia	$3,372,959	$595,198	$531,451
Switzerland	$1,384,204	$450,593	$491,850
South Africa	$174,905	$297,508	$457,162
Faeroe Islands	$78,830	$233,813	$433,010
Samoa	$527,640	$474,073	$411,674
Dominican Republic	$0	$58,073	$342,547
Cambodia	$293,988	$137,993	$321,429
Indonesia	$455,387	$441,148	$291,608
Other markets	$5,830,506	$3,495,508	$2,616,857
Total	**$200,860,849**	**$150,618,946**	**$154,499,807**

Note on tariff calculations:

The tariff cost calculations have been compiled by MIA using the MFAT Tariff Finder database combined with New Zealand export data for most markets.

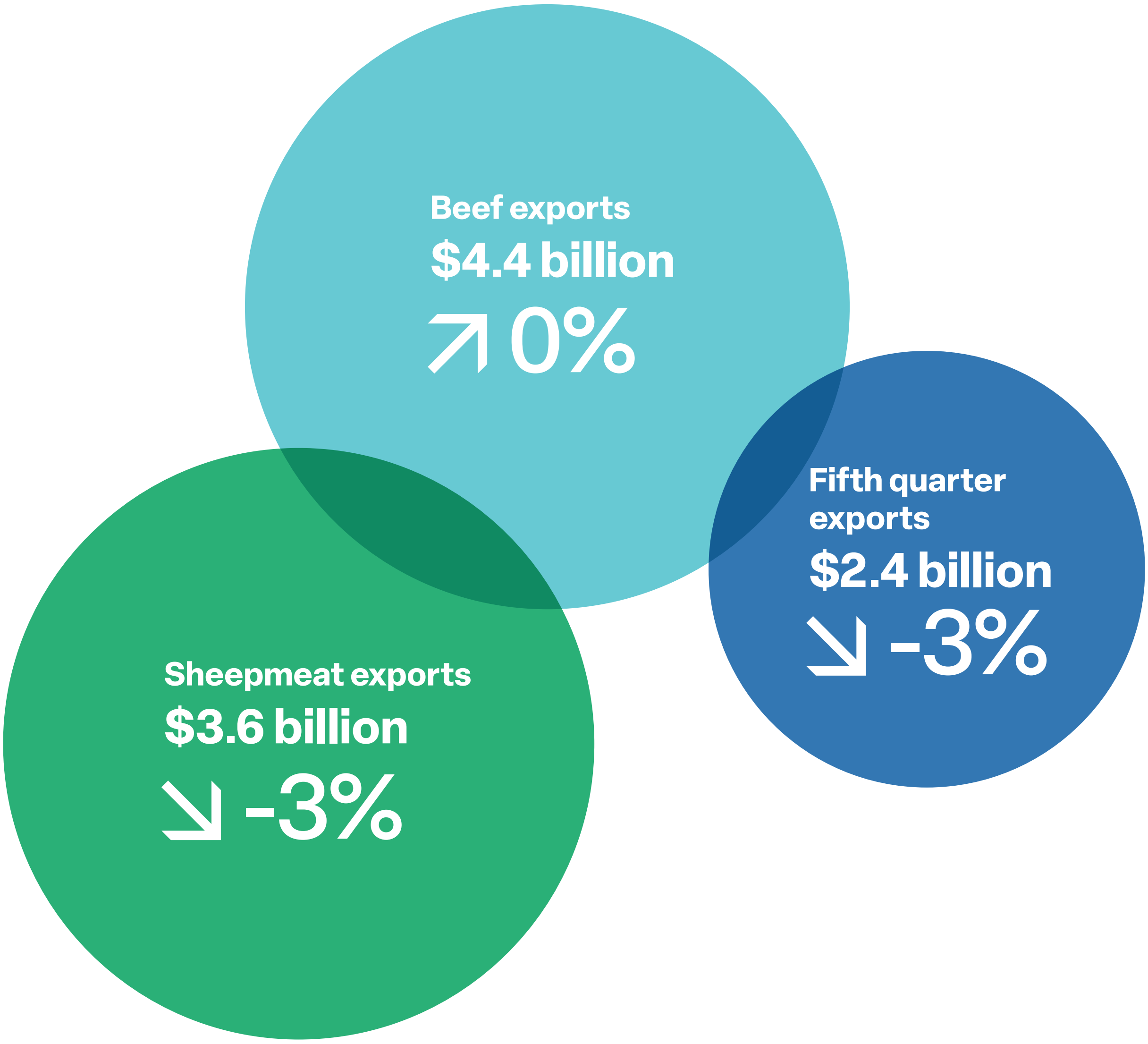
However, some markets have complicated tariff structures and in certain cases import data for these markets has been used to calculate the tariff costs for specific products.

In cases where there is a per/kg rate in the importing country's currency rather than an ad-valorum rate, this has been converted to New Zealand dollars using an average of the Reserve Bank's monthly exchange rate for the currency over the year. For currencies not covered by the Reserve Bank, a representative exchange rate for the year from a commercial provider has been used.

Some markets such as Switzerland and the EU operate complicated quota systems which make it difficult to determine the tariff rate that has been applied to certain products. In these cases, some assumptions have been made about the tariff rate that has been applied, which is noted in the report.

Trade and tariffs by product

__Figure 5:__ Red meat sector exports in 2024
(Showing change in value from 2023)



Chilled beef

Market	2024 volume (tonnes)	Change in volume from 2023	2024 value (NZ$)	Change in value from 2023	Tariff costs in 2024
United States	8,150	28%	$180,096,138	36%	$592,307
Japan	7,851	60%	$120,229,184	60%	$27,249,994
Gulf Cooperation Council	4,669	6%	$75,266,780	13%	
China	6,456	-29%	$65,862,869	-31%	
European Union	1,441	11%	$40,455,974	21%	$4,499,162
United Kingdom	2,404	179%	$34,263,314	197%	
French Polynesia	1,779	7%	$29,232,815	5%	
Singapore	1,279	-5%	$27,496,031	-5%	
Canada	1,115	42%	$20,421,235	52%	
Taiwan	664	-1%	$11,428,158	-8%	
Hong Kong	445	-13%	$10,582,516	-11%	
New Caledonia	611	-15%	$10,235,784	-5%	$307,074
Australia	281	-28%	$5,235,872	-7%	
Faeroe Islands	177	109%	$2,807,649	121%	$359,379
Wallis and Futuna	116	-3%	$1,827,895	5%	$73,116
Other markets	325	-2%	$5,623,632	-6%	$281,689
Total	**37,763**	**12%**	**$641,065,846**	**20%**	**$33,362,720**

Trade

Chilled beef makes up a valuable component of overall beef exports, with an average export value of $16.98/kg in 2024, compared to $8.44 for frozen beef.

Chilled beef export volumes recovered from relatively low levels in 2023, and the value increased to a record annual value of $641 million.

This was driven by an increase in demand in North America, a recovery in demand in Japan, and significant growth in exports to the UK under the New Zealand-UK FTA. There was also an increase in exports to the EU following the entry into force of the New Zealand-EU FTA in mid-2024.

The US was the largest chilled beef market in 2024, with a record annual volume and value. This was a result of ongoing demand for beef in the US, with retail prices reaching record levels during the year, and constrained domestic supply as the US beef sector started to rebuild following a period of significant drought.

In recent years, China has been one of the major markets for chilled beef. However, tougher economic conditions during the year saw a drop in the volume and value of chilled beef exports to China, and it was replaced as one of the sector's top three markets by the Gulf Cooperation Council.

Tariffs

The sector's second largest costs are incurred on exports of beef, with most on chilled beef exports to Japan.

Under CPTPP, tariffs on beef exports to Japan are steadily decreasing, and dropped from 23.3 percent to 22.5 percent during 2024. However, the recovery in chilled beef exports to Japan saw tariff costs increase by more than 50 percent compared to 2023.

The other market where there were significant tariff costs during the year was the EU. With the entry into force of the New Zealand-EU FTA during the year, tariffs on most beef exports to the EU dropped from 20 percent to 7.5 percent, which resulted in a 33 percent drop in tariff costs compared to 2023.

Frozen beef

Market	2024 volume (tonnes)	Change in volume from 2023	2024 value (NZ$)	Change in value from 2023	Tariff costs in 2024
United States	174,933	1%	$1,667,343,657	14%	$12,712,830
China	140,487	-27%	$986,849,127	-33%	
Canada	27,249	60%	$238,613,076	71%	
Japan	24,739	27%	$203,992,931	32%	$46,285,493
Taiwan	13,837	-13%	$134,246,246	-18%	
Korea	15,396	-12%	$127,092,108	-6%	$16,903,250
European Union	3,767	16%	$69,679,313	-1%	$8,546,231
Philippines	10,649	113%	$53,191,657	107%	
Indonesia	7,272	13%	$39,758,727	15%	$291,608
Gulf Cooperation Council	4,390	15%	$35,411,839	2%	$1,770,592
Thailand	3,294	60%	$30,689,361	46%	
United Kingdom	2,013	31%	$22,567,792	52%	
Hong Kong	1,335	-32%	$19,869,710	-35%	
Malaysia	2,234	-42%	$15,673,759	-36%	
Australia	2,187	-31%	$11,983,772	-19%	
Other markets	10,111	33%	$90,768,069	23%	$7,189,313
Total	**443,894**	**-7%**	**$3,747,731,144**	**-3%**	**$93,699,318**

Trade

The majority of New Zealand beef is still exported in frozen form. In 2024, frozen beef was the sector's largest export by both volume and value.

In recent years, the majority of frozen beef exports have gone to China or the US, with exports fluctuating between the two markets depending on supply and demand factors. In 2024 there was a significant drop in exports to China due to difficult economic conditions and large supplies of frozen beef going into China from the major South American exporters, in particular Brazil and Argentina.

On the other hand, constrained domestic beef supply in the US combined with high consumer demand and high retail beef prices saw a small increase in the volume of frozen beef exports, but a larger jump in the value, with exports reaching a record annual total of $1.67 billion.

Like the US, parts of Canada experienced a significant period of drought up until 2022 which resulted in herd liquidation. As the drought began to ease in 2023, there has been an increase in demand for imports as re-stocking has begun. The increase in exports to Canada saw it grow to be the sector's third-largest frozen beef market for the year.

Tariffs

The sector's highest tariff costs are incurred on frozen beef exports. The tariff costs for frozen beef were largely unchanged from 2023. While the increase in exports to Japan saw an increase in tariff costs in that market, this was offset by a 22 percent drop in tariff costs to Korea due to lower exports and a reduced tariff rate, and a 39 percent drop in tariff costs to the EU following the entry into force of the New Zealand-EU FTA mid-year.

The tariff cost on exports to the US was unchanged from 2023 as the tariff is calculated on a per kilogramme basis and the volume of exports was only slightly higher in 2024.

Chilled sheepmeat

Market	2024 volume (tonnes)	Change in volume from 2023	2024 value (NZ$)	Change in value from 2023	Tariff costs in 2024
European Union	17,067	11%	$300,089,255	9%	
United States	7,082	13%	$158,658,213	13%	$82,597
United Kingdom	4,325	-17%	$46,291,973	-15%	
Japan	2,442	10%	$45,040,350	-1%	
Canada	2,768	-8%	$31,496,714	-6%	
Gulf Cooperation Council	2,525	35%	$30,602,493	32%	
Switzerland	703	20%	$22,266,882	23%	$395,778
China	283	3%	$9,944,868	3%	
Hong Kong	136	-19%	$4,826,877	-21%	
French Polynesia	210	-1%	$3,386,913	-5%	
Singapore	73	-28%	$2,244,612	-30%	
Malaysia	53	-9%	$1,144,163	-16%	
Taiwan	27	-9%	$1,037,640	3%	
Jordan	85	-59%	$823,071	-60%	
New Caledonia	43	-56%	$671,019	-53%	
Other markets	428	86%	$5,787,530	68%	$201,285
Total	**38,249**	**7%**	**$664,312,573**	**7%**	**$679,660**

Trade

Over the last 30 years, the sector has developed a significant trade in chilled sheepmeat, particularly chilled lamb. This has been backed by ongoing research into meat quality and extending the shelf life of chilled exports so that they arrive in the key markets of the UK and Europe in optimal condition.

The ongoing logistics disruptions following Covid-19 have significantly impacted chilled sheepmeat exports, which dropped to the lowest volume and value for 25 years in 2023.

While the volume and value of chilled sheepmeat exports to the UK were still only about at 25 percent of pre-Covid-19 levels in 2024, there was a promising recovery in exports to other markets. This includes exports to the EU and growth in exports to the US where there is still strong consumer demand for meat despite cost-of-living pressures.

There was also good growth in exports to the GCC. While the GCC markets do not impose tariffs on chilled meat imports, other provisions in the upcoming New Zealand-GCC FTA, particularly relating to border clearance, should help to ensure that this trade can continue to develop.

Tariffs

Tariffs on New Zealand's chilled sheepmeat exports are generally low, largely due to the tariff-free quota access that New Zealand has into the UK and EU. Other key markets, such as Japan and the GCC, do not apply any tariffs to chilled sheepmeat imports either, and the tariffs on most exports to the US are very low (US$0.7c/kg).

The one major exemption is Switzerland, which accounted for more than half of the sector's tariff costs on chilled sheepmeat in 2022. The tariff of $396,000 is a conservative estimate, given the opaque nature of the Swiss import system.

Frozen sheepmeat

Market	2024 volume (tonnes)	Change in volume from 2023	2024 value (NZ$)	Change in value from 2023	Tariff costs in 2024
China	168,769	-22%	$946,056,779	-32%	
European Union	42,593	11%	$626,532,316	7%	
United States	27,506	30%	$466,415,536	16%	$449,665
United Kingdom	37,858	53%	$371,377,257	58%	
Canada	10,109	29%	$108,972,136	25%	
Taiwan	9,030	7%	$69,402,237	-17%	
Gulf Cooperation Council	7,936	-5%	$60,238,049	-10%	$3,011,902
Malaysia	6,154	33%	$46,278,603	23%	
Jordan	5,370	35%	$39,736,422	28%	$157,487
Fiji	4,695	68%	$34,782,082	54%	$1,739,104
Japan	3,000	51%	$25,234,693	48%	
Hong Kong	1,224	-10%	$22,909,055	-16%	
Trinidad and Tobago	1,502	123%	$13,282,655	85%	$105,274
Korea	535	-8%	$12,553,546	-15%	
Mauritius	1,086	75%	$10,483,886	54%	
Other markets	8,067	28%	$86,728,505	19%	$3,753,099
Total	**335,433**	**-3%**	**$2,940,983,757**	**-5%**	**$9,216,531**

Trade

New Zealand started exporting frozen sheepmeat in 1882, and it has been a vital component of the sector's exports for more than 130 years.

Historically, the UK and EU have been the major markets, but China's demand for protein means it has been New Zealand's largest frozen sheepmeat market since 2012. China was still the largest market in 2024, but there was a drop in the volume and value of exports. This was due to a range of factors including the difficult economic conditions and an increase in China's domestic sheepmeat production during the year due to higher levels of commercial investment following good prices in recent years.

Recovery or growth in exports to other major markets mostly made up for decline in exports to China. As noted above there has been a decline in chilled sheepmeat exports to the UK and much of this trade has shifted to frozen exports. In 2024, the volume of frozen exports to the UK were the highest they have been since 2016.

There was also further recovery in exports to the EU after they fell to relatively low levels in 2021, and growth in exports to North America.

Tariffs

New Zealand's tariff-free quotas into the key markets of the UK and EU, and zero tariffs into China under the China-New Zealand FTA, meant that tariff costs on New Zealand's sheepmeat markets were relatively low.

The Gulf Cooperation Council (GCC) has zero tariffs on chilled exports but a five percent tariff on frozen exports, and the $3 million in tariff costs on exports to the GCC for a third of total tariff costs for the frozen sheepmeat in 2024. Under the New Zealand-GCC FTA these tariffs will be removed.

Other markets where there were reasonably significant tariff costs were Fiji (15 percent tariffs) and Norway, which has tariff rates of approximately 40 percent for sheepmeat.

Under the New Zealand-Korea FTA tariff rates on sheepmeat have been reducing steadily, and in 2024 New Zealand sheepmeat exports to Korea were finally tariff-free. If the FTA was not in place, sheepmeat exports to Korea would have incurred tariff costs of around $2.8 million.

Edible offal

Market	2024 volume (tonnes)	Change in volume from 2023	2024 value (NZ$)	Change in value from 2023	Tariff costs in 2024
China	9,063	-1%	$60,636,430	-18%	
United States	6,923	37%	$56,669,390	54%	
Japan	4,357	-21%	$53,864,670	-18%	$1,611,607
Korea	3,783	-8%	$28,108,587	-25%	$1,687,099
United Kingdom	5,729	52%	$26,669,911	9%	$0
Gulf Cooperation Council	7,709	4%	$24,575,830	3%	$1,228,792
Taiwan	2,433	125%	$23,434,073	125%	
European Union	2,366	46%	$17,259,195	92%	$3,138
Indonesia	5,015	-21%	$16,719,375	-26%	
South Africa	5,049	19%	$8,392,716	15%	$318,649
Thailand	2,281	61%	$5,901,422	88%	
Singapore	482	3%	$2,267,152	14%	
Papua New Guinea	776	12%	$2,226,195	11%	
French Polynesia	402	-3%	$2,174,841	-1%	
Egypt	786	4%	$1,897,577	-18%	$94,879
Other markets	3,431	-17%	$12,115,512	-19%	$1,170,679
Total	**60,586**	**8%**	**$342,912,876**	**2%**	**$6,114,842**

Trade

Edible offal, including livers, hearts and kidneys, is one of the most important 'fifth quarter' categories. While offal is often considered as having a higher food safety risk than muscle cuts, New Zealand's high food safety standards and disease-free status mean that there are few restrictions on where offal exports can go. In 2024 New Zealand exported offal to 58 markets. In contrast some of New Zealand's competitors face restrictions on their offal exports. For example, India can export beef but not beef offal to Indonesia.

China was the largest market for offal exports during the year, but as with most other products the volume and value of exports decreased from 2023.

In recent years, Japan has been the largest or second largest market for offals but the drop in the volume and value of exports meant that it was overtaken by the US in 2024. Despite this, Japan remained one of the most valuable offal markets on a per kilogram basis, with an average export value of $12.36/kg, compared to an average value of $5.66/kg for overall exports.

The significant increase in exports to the US during the year reflects the demand for beef and beef products in the market. Three years ago, the volume of exports was split fairly evenly between beef and sheepmeat offals, but in 2024 two thirds of exports were beef offals.

Of the other major markets, nearly all exports to Korea were beef offals and exports to the UK were nearly all sheep offals.

Tariffs

The tariff cost on offal exports decreased by 20 percent from 2023. As most of these costs were incurred on exports to Japan and Korea this reflected the lower value of offal exports to these markets and the reduction in tariff costs under their respective FTAs.

In 2024, most New Zealand offal exports incurred tariff costs of under four percent. However, the tariffs on exports to Korea ranged from six to eight percent, and Japan's tariffs on some exports is as high as 28.6 percent.

The other market where there were significant tariff costs was the GCC. These tariffs are currently five percent but will be removed under the New Zealand-GCC FTA.

Casings and tripe

Market	2024 volume (tonnes)	Change in volume from 2023	2024 value (NZ$)	Change in value from 2023	Tariff costs in 2024
China	NA	NA	$243,337,311	-13%	
European Union			$31,940,471	-8%	
Korea			$15,422,558	7%	$1,388,030
Japan			$8,127,330	-34%	
Hong Kong			$5,646,305	-55%	
Taiwan			$5,123,429	-33%	
United States			$5,088,656	-26%	
Singapore			$2,808,703	-33%	
Thailand			$2,803,762	-6%	
Turkey			$1,679,766	168%	$0
South Africa			$1,325,318	106%	
Morocco			$1,123,487	1393%	$28,087
Australia			$946,324	-50%	
India			$707,254	60%	$212,176
Canada			$647,896	106%	
Other markets			$1,406,761	-47%	$18,917
Total			**$328,135,331**	**-14%**	**$1,647,210**

Trade

This category covers casings, which are mostly made from sheep intestines and are exported frozen or salted, and tripe, which is the stomach lining of sheep or cattle

China is the major market for both casings and edible tripe by a significant margin, accounting for 74 percent of exports in 2024. As with many other products, weaker demand in China saw a drop in the value of exports during the year.

However, the sector is in a good position to increase exports when demand recovers. For many years, New Zealand was unable to update the meat premises registrations for China to add new products, and not all New Zealand processing plants were able to export tripe.

However, in 2022 General Administration for Customs for the People's Republic of China (GACC) introduced a new online registration system, the China Import Food Enterprise Registration (CIFER) system, which has opened access for premises to add new product categories to their listing. As a result, most premises are now able to export tripe to China.

The second largest market, the EU, mostly takes beef tripe, and the third-largest market, Korea, takes a mixture of casings and beef tripe.

Tariffs

Most of the tariff costs on tripe and casings exports are incurred on exports to Korea, where there was a tariff rate of nine percent in 2024. Since the introduction of the New Zealand-Korea FTA, this rate has been steadily decreasing from the MFN rate of 27 percent.

Despite the relatively small value of exports to India, the 30 percent tariff rate meant that it was the market with the second-highest tariff costs in 2024.

Prepared meat products

Market	2024 volume (tonnes)	Change in volume from 2023	2024 value (NZ$)	Change in value from 2023	Tariff costs in 2024
Australia	8,099	8%	$123,867,537	17%	
United States	2,504	1%	$63,168,109	-5%	$752,120
South Korea	1,346	44%	$17,781,222	9%	$2,119,677
Japan	209	26%	$8,672,402	10%	$551,181
Papua New Guinea*	11	75%	$8,232,256	51%	$20,787
Canada	485	22%	$7,410,206	19%	
Singapore	274	37%	$4,565,498	19%	
Taiwan	207	1%	$3,841,951	7%	
Fiji	970	87%	$2,794,866	0%	$492,546
Tonga	232	7%	$2,784,228	-3%	
Samoa, American	154	-30%	$2,575,883	-28%	$6,900
Cook Islands	122	-26%	$1,822,987	-22%	
Hong Kong	111	70%	$1,492,082	17%	
New Caledonia	174	-26%	$1,406,742	-36%	$140,674
Mauritius	85	28%	$1,103,837	21%	
Other markets	364	-23%	$6,218,168	-17%	$184,978
Total	**15,346**	**11%**	**$257,737,974**	**8%**	**$4,268,864**

* A small number of prepared meat tariff lines do not have a volume measure, and the majority of exports to Papua New Guinea were in these tariff lines.

Trade

This category covers meat that has undergone some form of processing before being exported. This can range from raw meat patties that have had ingredients added, through to corned beef and other ready-to-eat products such as cooked lamb shanks.

The two major markets for prepared meat products continue to be Australia and the US, accounting for more than 70 percent of exports in 2024. The majority of exports to these two markets were prepared beef products such as corned beef.

The next two largest markets, Japan and South Korea, also mostly took prepared beef products and South Korea is an important market for meat extracts.

Tariffs

The market with the highest tariff cost for prepared meat products is South Korea. Although tariffs have been reducing under the New Zealand-Korea FTA, the tariff on some prepared beef products are still up to 24 percent. Just under half of the exports to Korea were at this rate in 2024.

Tariffs on prepared meat products to the US range from zero to 6.4 percent, and most New Zealand exports incurred tariff costs of under two percent in 2024. However, given the high value of exports to the US, this still resulted in tariff costs of $750,000 for the year.

While Japan's tariffs on prepared meat products have been reducing under the CPTPP, just half of New Zealand's exports still incurred a tariff of 11.9 percent.

Tallow

Market	2024 volume (tonnes)	Change in volume from 2023	2024 value (NZ$)	Change in value from 2023	Tariff costs in 2024
Singapore	61,342	110%	$88,479,575	56%	
United States	43,759	-13%	$66,590,888	-39%	$1,270,022
Malaysia	5,545	591%	$9,307,152	311%	
Canada	496	108%	$7,059,101	424%	
Philippines	1,727	23%	$3,980,163	0%	
Gulf Cooperation Council	871	135%	$2,760,140	139%	$138,007
Viet Nam	288	-17%	$1,269,399	-12%	
China	535	-22%	$1,155,451	-23%	
European Union	21	29%	$566,202	289%	
Samoa	412	41%	$550,639	41%	$27,532
Jordan	100	-90%	$325,000	-90%	
United Kingdom	116	228%	$199,977	273%	
Indonesia	54	-39%	$120,831	-52%	
Thailand	52	49%	$89,824	-11%	
Taiwan	34	20%	$79,478	103%	
Other markets	84	-66%	$219,851	-62%	$2,386
Total	**115,435**	**36%**	**$182,753,671**	**0%**	**$1,437,947**

Trade

Any parts of a carcass that are not sold individually are sent to be rendered and turned into meat and bone meal (MBM) or tallow. As well as saving material from being wasted, rendered products create important additional revenue for the sector.

Tallow has a variety of uses, such as making soap, but in recent years the bulk of New Zealand's tallow exports have been going into biodiesel manufacturing, mostly in Singapore or the US.

Exports have fluctuated between the two markets depending on demand, and in 2024 the majority of exports went to Singapore.

While these two markets accounted for 85 percent of exports in 2024, there was a good growth in exports to Malaysia and Canada during the year.

Tariffs

While there are relatively low tariffs on tallow exports to the US (either US 0.43c/kg or 2.3 percent), the large volume of tallow that New Zealand exported to the US in 2024 resulted in tariff costs of nearly $1.27 million for the year.

The other market where there were significant tariff costs was the GCC. These tariffs are currently five percent but will be removed under the New Zealand-GCC FTA.

Meat and Bone Meal (MBM)

Market	2024 volume (tonnes)	Change in volume from 2023	2024 value (NZ$)	Change in value from 2023	Tariff costs in 2024
Indonesia	98,271	3%	89,024,165	-14%	
European Union	17,539	42%	27,082,330	8%	
United States	7,333	-2%	17,283,317	-16%	
Viet Nam	11,217	22%	11,145,269	12%	
China	8,636	-68%	8,092,493	-76%	
Canada	2,386	50%	5,504,250	24%	
Taiwan	3,475	10%	4,371,574	17%	
Philippines	3,321	325%	3,067,938	124%	
Malaysia	3,568	84%	3,050,387	51%	
Fiji	2,656	3%	2,478,961	-13%	$123,948
Serbia	1,051	-21%	1,851,129	-40%	$55,534
Japan*	0	NA	1,724,451	NA	
Papua New Guinea	905	21%	1,272,208	11%	$0
Australia	633	-73%	1,101,151	-60%	
India*	0	NA	808,058	-62%	$242,417
Other markets	365	-91%	1,085,767	-83%	4,741
Total	**161,355**	**-5%**	**178,943,448**	**-20%**	**$426,641**

* A small number of prepared meat tariff lines do not have a volume measure, and the majority of exports to Papua New Guinea were in these tariff lines.

Trade

Meat and bone meal (MBM) is the other rendered product that is exported and is used mostly as a feed ingredient for non-ruminant animals.

The major market for bovine meal is Indonesia, where it is primarily used as an ingredient in aquafeed. Other important markets are the EU and US, where ovine meals are used as ingredients for petfood.

Viet Nam has a growing petfood industry, and New Zealand's exports of MBM to the market have grown from 1,700 tonnes in 2020 to more than 11,000 tonnes in 2024.

Tariffs

Tariffs are generally low for MBM, and there are no tariffs on exports to New Zealand's major markets. The two markets with the highest tariff costs are India (where the tariff rate is 30 percent) and Fiji (where the tariff rate is five percent).

Hides and skins

Market	2024 volume (tonnes)	Change in volume from 2023	2024 value (NZ$)	Change in value from 2023	Tariff costs in 2024
European Union	NA	NA	$93,874,781	-11%	$21,482
China			$90,819,780	-10%	
Australia			$17,362,348	4%	
Vietnam			$13,583,175	12%	
Indonesia			$9,076,063	3%	
Pakistan			$6,030,759	232%	
United States			$2,786,181	74%	$56,113
Switzerland			$2,756,529	-49%	
India			$2,594,520	-48%	$192,166
Turkey			$2,244,671	-52%	$1,154
Thailand			$1,010,164	132%	
Cambodia			$541,113	205%	
United Kingdom			$322,796	739%	
Argentina			$180,623	191%	
Brazil			$141,387	-37%	$1,053
Other markets			$354,378	-72%	$2,399
Total			**$243,679,268**	**-8%**	**$274,367**

Trade

Beef hides and sheep skins are mostly exported as partly cured 'wet' skins for further processing in the destination market.

In 2020, the value of exports dropped to a historical low of $193 million for the year due to a combination of reduced demand in China due to stricter environmental requirements for processing facilities, and the impact of Covid-19 on demand for beef hides in the EU.

Since then, there has been some recovery with exports increasing to $300 million in 2022, but decreasing again over the last two years.

Beef hides made up 84 percent of exports in 2024, and the major markets were Italy ($82 million), China ($65 million) and Australia ($17 million). The major markets for sheep skins were China ($25 million) and Pakistan ($6 million).

Tariffs

As hides and skins are generally exported for further processing in the destination market, tariffs are low. Even India, which applies a 30 percent tariff on most of the sector's exports, only applies a maximum tariff rate of 10 percent on New Zealand hides and skins exports.

Blood products and glands

Market	2024 volume (tonnes)	Change in volume from 2023	2024 value (NZ$)	Change in value from 2023	Tariff costs in 2024
United States	NA	NA	$76,368,504	2%	
European Union			$58,591,909	21%	
China			$50,187,769	-37%	
Australia			$34,870,224	-6%	
United Kingdom			$23,257,883	32%	
India			$7,896,079	52%	$789,608
Korea			$6,867,278	37%	
Japan			$4,283,445	12%	
Singapore			$2,508,709	-13%	
Canada			$1,128,129	-24%	
Thailand			$882,070	5%	
Malaysia			$848,602	384%	
Taiwan			$833,536	-15%	
Turkey			$713,625	4%	
Hong Kong			$615,917	126%	
Other markets			$1,048,568	46%	$8,249
Total			**$270,902,247**	**-3%**	**$797,857**

Trade

Blood products and glands are an important export for the sector. These products have a variety of uses, including in vaccines, diagnostic kits, and laboratory media. New Zealand blood products are highly valued due to New Zealand's disease-free status.

While the value of exports decreased by three percent from 2023, exports have generally been growing over the last decade and are now more than double what they were in 2015.

The largest markets are the US, the EU (in particular Denmark) and China.

Tariffs

Most countries do not impose any tariffs on products such as blood and glands for pharmaceutical use. The main exception is India, which imposes a 10 percent tariff, and accounted for 99 percent of the sector's tariff costs in 2024.

Petfood

Market	2024 volume (tonnes)	Change in volume from 2023	2024 value (NZ$)	Change in value from 2023	Tariff costs in 2024
China	1,390	-62%	$25,982,493	-54%	
United States	686	-40%	$11,135,747	-52%	
Australia	696	-1%	$7,692,574	-22%	
Japan	819	-27%	$3,388,790	-9%	
Taiwan	406	-56%	$2,352,334	-52%	
Korea	107	-12%	$2,281,792	-1%	
Canada	125	-47%	$1,699,148	-66%	
Hong Kong	75	-20%	$1,463,316	-22%	
Singapore	75	-27%	$1,014,558	7%	
Philippines	20	-59%	$825,852	191%	
European Union	76	1601%	$550,355	1341%	$2,231
Gulf Cooperation Council	68	49%	$505,624	54%	$25,281
Cook Islands	89	62%	$389,315	63%	
French Polynesia	48	-42%	$130,047	-43%	$13,005
Malaysia	2	NA	$78,443	NA	
Other markets	28	1%	203,323	-42%	23,741
Total	**4,708**	**-44%**	**$59,693,711**	**-46%**	**$64,258**

Trade

Exports in this category are restricted to petfood that is primarily made from meat, and do not include petfood that is mostly made from other ingredients such as dairy or fish products.

After a period of strong growth, exports were relatively steady at just over $100 million from 2020-2023 before a significant drop in 2024. This was likely due to cost-of-living and inflation pressure impacting consumer spending on petfood during the year, particularly in China.

Tariffs

New Zealand petfood exports are generally subject to low or non-existent tariffs in most markets.

The market where there was the largest tariff cost in 2024 was the GCC. These tariffs are currently five percent but will be removed under the New Zealand-GCC FTA.

Wool

Market	2024 volume (tonnes)	Change in volume from 2023	2024 value (NZ$)	Change in value from 2023	Tariff costs in 2024
China	NA	NA	$194,821,494	27%	$0
European Union			$105,702,623	16%	$904
India			$77,281,002	28%	$1,933,271
Australia			$30,132,446	17%	
United Kingdom			$23,169,769	-3%	
Nepal			$15,268,051	6%	
United States			$11,998,577	16%	$227,059
Thailand			$7,770,375	-29%	
Egypt			$5,534,501	193%	
Turkey			$4,125,630	411%	
Japan			$3,773,256	13%	
Gulf Cooperation Council			$3,583,596	9%	$179,180
Iran			$1,921,225	-29%	$96,061
Switzerland			$1,418,934	58%	
Mauritius			$1,206,888	48%	
Other markets			$7,427,674	53%	$73,119
Total			**$495,136,041**	**21%**	**$2,509,594**

Trade

There has been some recovery in the value of wool exports after they dropped below $400 million in 2020, and in 2024 exports were worth $495 million.

China continues to be the sector's largest market for wool, and this was the only category, apart from chilled sheepmeat, where exports to China grew in 2024.

The was also growth in exports to the EU, where the main markets were Italy ($36 million), the Czech Republic ($15 million) and Germany ($12 million). There was also further growth in exports to India, which reached a record $77 million for the year.

Tariffs

Tariffs on wool are generally low. The majority of the sector's tariff costs were on wool exports to India, where the tariff rates are up to 10 percent for certain tariff lines.

The US imposes tariffs of up to 25 percent on some wool products, but most New Zealand exports in 2024 incurred a tariff of six percent.

Wool is one product where there are still restrictions under the China FTA. Exports of specific wool tariff lines are through a tariff-free quota of 36,936 tonnes. Given the significant difference in cost between the in-quota and out-of-quota rates of up to 38 percent, exports of these tariff lines have remained under the trigger volume.

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