

INDUSTRY FACT SHEET – SHEEPMEAT

2022/23 SUMMARY



NEW ZEALAND
EXPORTED
SHEEPMEAT TO
88 COUNTRIES

OVER 95%
OF PRODUCTION
IS EXPORTED

NEW ZEALAND
EXPORTED
378,515 TONNES
OF SHEEPMEAT
4% MORE THAN IN
2021/22

VALUE OF
EXPORTS
\$3.9 BILLION
8% LOWER THAN
IN 2021/22

HIGHLIGHTS

Sheepmeat exports in 2022/23 were mixed. While the volume of exports increased by 4% from the previous year to 378,515 tonnes, the value of exports declined by 8% to \$3.9 billion.

In many markets, sheepmeat is significantly higher priced than other proteins and high food prices during the year saw consumers in some markets switch to cheaper cuts and cheaper meats.

China has been the sector's major market for sheepmeat for a number of years and this remained the case in 2022/23, with exports of 220,218 tonnes worth \$1.6 billion. While the volume increased by 16% compared to the previous year, the value of exports was down by 5%.

Exports to the US declined from the record levels recorded last year, down 25% by volume to 24,325 tonnes and 15% by value to \$511 million. Despite this, the US was still a high-value market in 2022/23, with the average value of exports increasing to \$21 per kg.

The UK continued to be a challenging market for sheepmeat in 2022/23, due to high inflation and food prices having an impact on consumer spending on sheepmeat and the ongoing logistics challenges in getting chilled products into the market.

Compared to 2021/22, sheepmeat exports to the UK dropped 26% by volume to 25,661 tonnes and 41% by value to \$263 million.

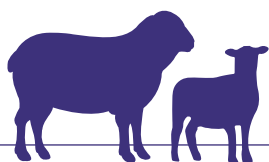
In contrast to the UK, exports to the European Union (EU) actually increased 16% by volume to 55,720 tonnes and 15% by value to \$954 million compared to the previous year, and overall exports recovered to pre-Covid 19 levels.

As noted above, logistics issues continued to have an impact on chilled sheepmeat exports to most markets in 2022/23.

Both the volume and value of chilled exports declined 20% from 2021/22 to 33,683 tonnes worth \$631 million. This was the lowest volume of chilled sheepmeat exports since 1999/2000 and the lowest value since 2006/2007.

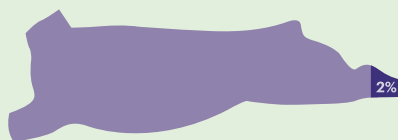
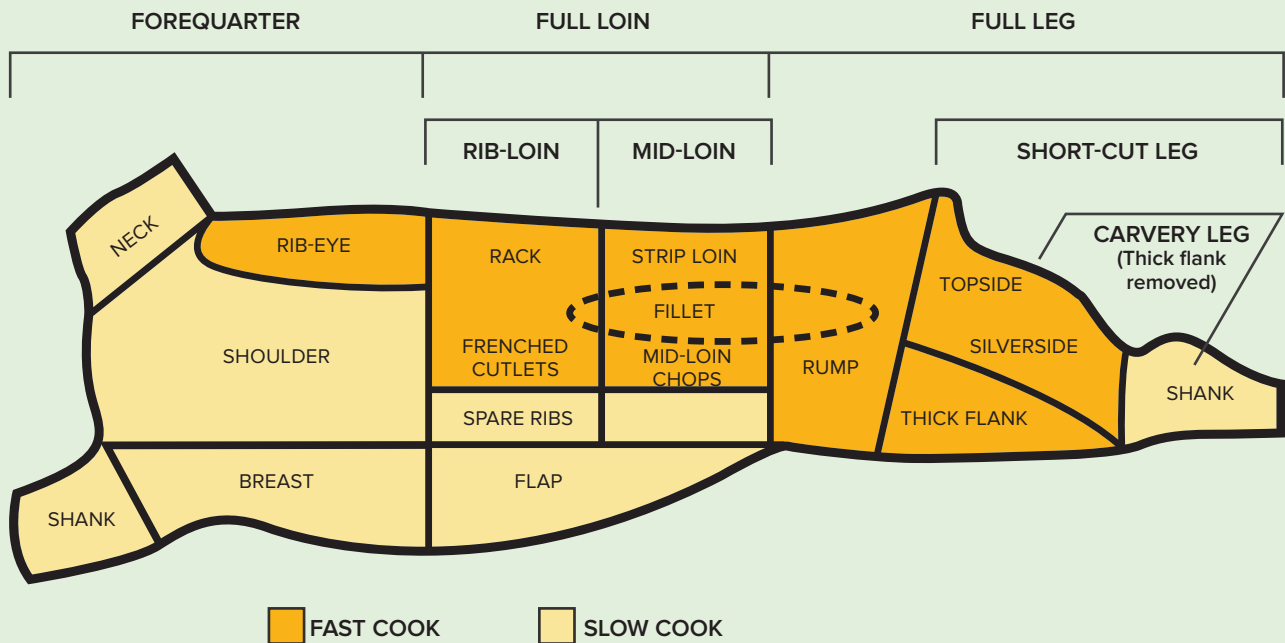
TOP 10 MARKETS 2022/23

Market	Value (NZ\$m)	Annual Change
China	\$1,574m	↓ -5%
United States	\$511m	↓ -15%
Netherlands	\$328m	↑ 24%
United Kingdom	\$263m	↓ -41%
Germany	\$235m	↓ -5%
France	\$131m	↑ 2%
Belgium	\$130m	↑ 42%
Canada	\$114m	↓ -17%
Taiwan	\$88m	↑ 17%
Japan	\$73m	↓ -27%



PRODUCT DIVERSIFICATION

The industry has made major improvements in adding value to our exports – cuts rather than carcasses and more chilled exports



In 1978, 83% of lamb exports were in carcass form.

NOW IT IS 2%



In 1978, high value chilled cuts accounted for less than 1% of lamb exports.

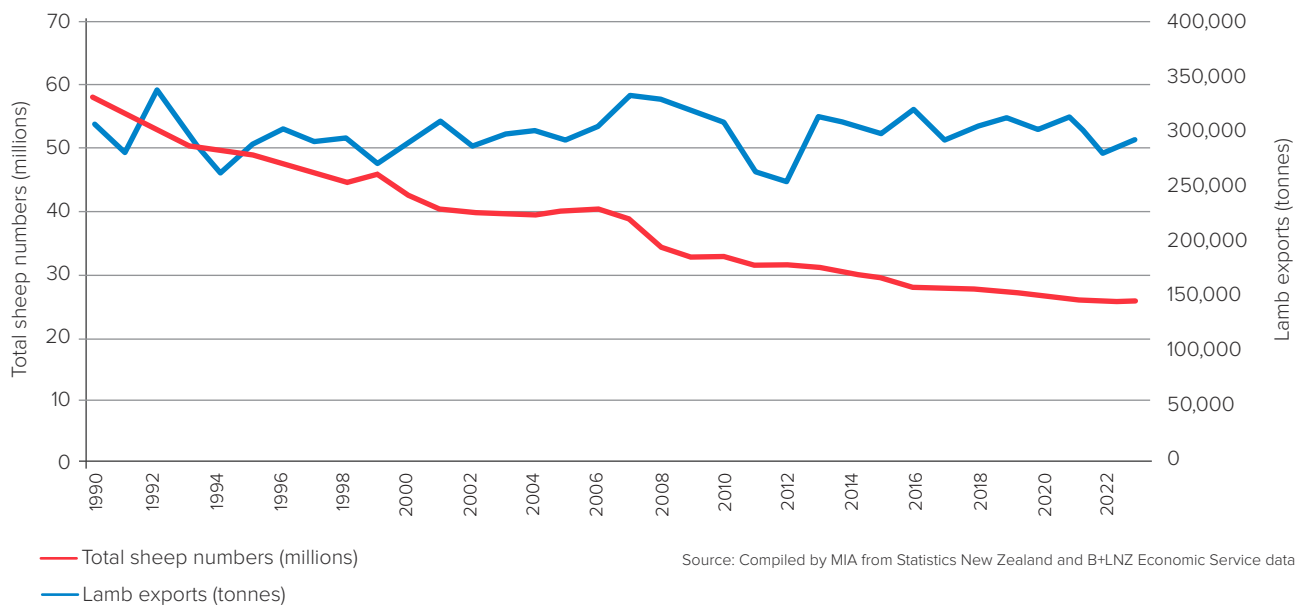
THEY NOW MAKE UP 19%

PRODUCTIVITY IMPROVEMENTS

Since 1990, the sheep and beef sector has made major productivity improvements on both sides of the farm gate.

- Sheep numbers have dropped by 54% but lamb export volumes have only dropped by 4%.

- Processors have achieved 88% productivity gains and associated improvements in product quality, shelf life and regulatory compliance.



TARIFFS AND QUOTAS

TARIFFS

While sheepmeat is generally not as heavily protected as beef, New Zealand sheepmeat exports still face tariffs of up to 50% in some markets and New Zealand sheepmeat exports incurred incurred tariff costs of around \$13 million in the 2022 calendar year.

QUOTAS

New Zealand has an annual sheepmeat quota of 114,184 tonnes into the European Union at zero duty.

Sheepmeat exported outside the quota is subject to a tariff rate of 12.8% + 90.2-311.8 Euro per 100kg/net.

New Zealand has an annual sheepmeat quota of 114,205 tonnes into the United Kingdom at zero duty.

