

INDUSTRY FACT SHEET – BEEF

2023/24 SUMMARY



New Zealand
exported beef to
80 COUNTRIES

AROUND 90%
of production
is exported

New Zealand
**EXPORTED 511,736
TONNES OF BEEF**
3% more than in
2022/23

Beef exports
VALUE \$4.4 BILLION
4% lower than in
2022/23



HIGHLIGHTS

The major theme for beef exports during the year was strong US demand counterbalancing the drop in demand in China.

Following a significant widespread drought in the US, which saw high levels of domestic beef production, the US beef herd dropped to 28.2 million head at the beginning of 2024, the lowest it has been since 1951. As the drought eases and farmers begin to rebuild, domestic supply is tightening even as consumer demand remains strong. Consequently, this has led to a growth in imports.

In 2023/24, New Zealand exported 187,470 tonnes of beef to the US worth \$1.74 billion, an increase of 26% and 30% respectively on last year.

While China was New Zealand's largest market last year, weak consumer demand combined with large imports from South America, particularly Brazil and Argentina, meant that the volume of New Zealand exports dropped

by 20% to 178,459 tonnes and the value dropped by 35% to \$1.27 billion in 2023/24.

Exports to New Zealand's third largest beef market, Japan, started to recover in the later part of 2023/24. Exports for the year increased 38% by volume to 34,999 tonnes and 27% by value to \$328 million.

The entry into force of the NZ-UK FTA at the beginning of June 2023 saw an immediate increase in beef exports to the UK. In 2023/2024, New Zealand exported 3,881 tonnes of beef to the UK worth \$48 million, making it the ninth largest market by volume and eight largest by value for the year. This was an increase of 174% by volume and 238% by value from last year, highlighting the value of the improved access for beef under the FTA.

TOP 10 BEEF MARKETS BY VALUE, 12 months ended 30 June 2024

Country	Value (NZ\$m)	Change from year ended June 2022
United States	\$1,742m	↗ 30%
China	\$1,271m	↘ -35%
Japan	\$328m	↗ 27%
Canada	\$209m	↗ 106%
Taiwan	\$170m	↘ -6%
Korea	\$123m	↘ -30%
Netherlands	\$51m	↗ 10%
United Kingdom	\$48m	↗ 238%
Philippines	\$41m	↗ 23%
French Polynesia	\$39m	↗ 1%

CHILLED EXPORTS



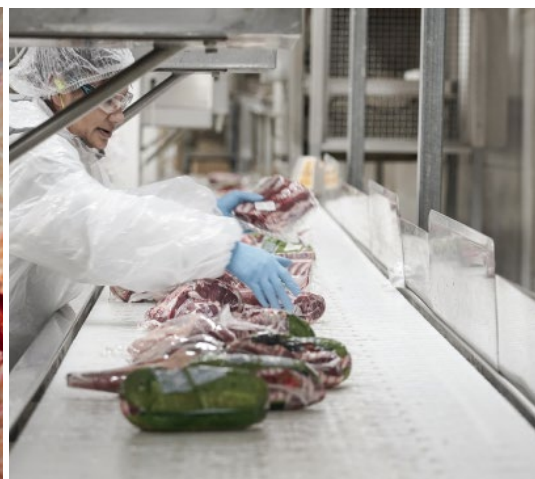
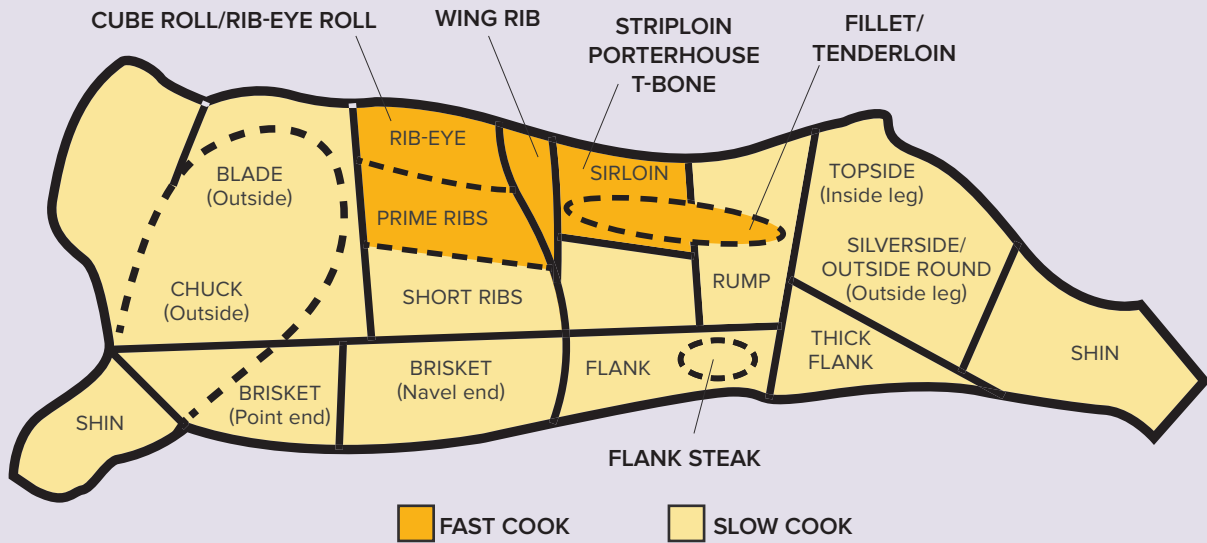
In 2023/24 there was some easing of the logistics disruptions of the previous year and a recovery in exports of chilled beef, with the volume up 13% to 36,360 tonnes and the value up 12% to \$595 million.

While the China remained the largest market by volume, taking 7,281 tonnes, this was down on last year as was the value, which was down 36% to \$72 million.

The volume of chilled beef exports to the next two largest markets, US and Japan, was slightly less than to China, but the value of exports to these two markets was higher, \$154 million to the US and \$108 million to Japan.



PRODUCT AND MARKET DIVERSIFICATION



Less than 1% of beef exports are in carcass form – and 99% of beef exports are in the form of value add cuts.



The United States has traditionally been New Zealand's largest market, where lean 'manufacturing' beef from New Zealand is mixed with trimmings from US cattle to produce hamburger patties.



New Zealand has developed important markets for chilled beef in North Asia, such as Japan and Taiwan. Other significant chilled beef markets are the UAE, French Polynesia and Singapore.



China's demand for beef has grown rapidly – and while exports were down in 2023/24 it still took 35% of New Zealand's beef exports for the year.



TARIFFS AND QUOTAS

TARIFFS

In 2023/24, New Zealand's beef exports incurred tariff costs of around \$128 million. Most of these tariffs were on exports to Japan (\$75 million), the European Union (EU) (\$18 million) and Korea (\$18 million).

Despite these high tariff costs, New Zealand is benefiting from decreasing beef tariff rates under the FTAs with Japan and Korea, and has started to benefit from the EU FTA.

Under the Korea FTA, the tariff rate has steadily been reducing from 40% and is now 13.3%.

This has helped to minimise the competitive disadvantage for New Zealand exporters compared to the United States and Australia, who both signed FTAs with Korea before New Zealand.

Following the entry into force of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) at the beginning of 2019, tariffs on New Zealand's beef exports to Japan have also been decreasing steadily. They are now at 22.5%, compared to 38.5% prior to the CPTPP.

The EU and UK FTAs are covered below.

QUOTAS

United States

New Zealand has an annual WTO quota of 213,402 tonnes into the United States. The in-quota tariff rate is US4.4c/kg. Exports outside the quota incur a tariff of 26.4%.

This is a valuable quota for New Zealand, and if beef exports had been subject to the full out-of-quota tariff rate in 2023/24, the additional tariff cost would have been around \$442 million.

Europe

New Zealand has an annual WTO quota of 1,102 tonnes into the EU. When the NZ-EU FTA commenced at the beginning of May 2024, the tariff rate for this quota fell from 20% to 7.5%. Under the FTA, New Zealand also has a new quota of 3,333 tonnes on commencement of the FTA, growing to 10,000 tonnes after seven years, also with an in-quota tariff of 7.5%.

The EU imposes high out-of-quota tariffs and the new access under the FTA is welcome. However, the size of the quota in the FTA is disappointing, representing only around 0.2% of European beef production and consumption.

United Kingdom

The UK FTA commenced at the beginning of June 2023, and has provided immediate benefits with the UK becoming one of New Zealand's top 10 beef markets in 2023/24. Under FTA, New Zealand has annual beef quota of 14,980 tonnes in 2024. This increases steadily until 2033, when New Zealand will have quota free access. A safeguard measure may be applied for the following five years if export volumes exceed a certain level, but beef exports to the UK will be fully liberalised from 1 Jan 2038.