

INDUSTRY FACT SHEET – SHEEPMEAT

2023/24 SUMMARY



New Zealand
exported
Sheepmeat to
98 COUNTRIES

OVER 95%
of production
is exported

New Zealand
exported
389,509 TONNES
of sheepmeat
3% more than in
2022/23

Value of exports
\$3.6 BILLION
9% lower than
in 2022/23



mia

Meat Industry Association
of New Zealand

HIGHLIGHTS

The decline in the value of overall sheepmeat exports during 2023/24 was largely due to the weak Chinese market. Despite the volume and value of exports to China declining, it was still the sector's largest sheepmeat market for the year. The volume of sheepmeat exports was down 14% to 187,970 tonnes; there was an even larger drop in the value, which was down 33% to \$1.05 billion.

The decline is due to a range of factors. As well as weak economic conditions impacting consumer demand, Australian sheepmeat exports to China increased substantially in the later part of 2023 following a period of flock rebuilding. Australian exports have been more subdued in 2024, but overall Australian exports to China in 2023/24 were up by six percent compared to the previous year.

In addition, some reports indicate an increase in China's domestic sheepmeat production during the year due to higher levels of commercial investment following good prices in recent years.

The sustained demand for meat in the US saw sheepmeat exports increasing 41% by volume to 34,092 tonnes and 22% by value to \$622 million. Although the average FoB value of exports to the US dropped from the record levels of last year, they were still worth \$18.24/kg, more than three times the average value of exports to China.

Exports to the UK recovered from the low levels of 2022/23, with the volume up 52% to 38,787 tonnes and the value up 37% to \$360 million. This was helped by a reduction of the high levels of food inflation that peaked at 19.2% in March 2023, the highest annual rate seen for over 45 years.

Other notable markets for the year were Canada, where the volume of exports grew by 38% to 13,320 tonnes and the value increased by 22% to \$139 million, and Saudi Arabia, where the volume of exports increased by 141% to 10,921 tonnes and the value increased by 124% to \$85 million.

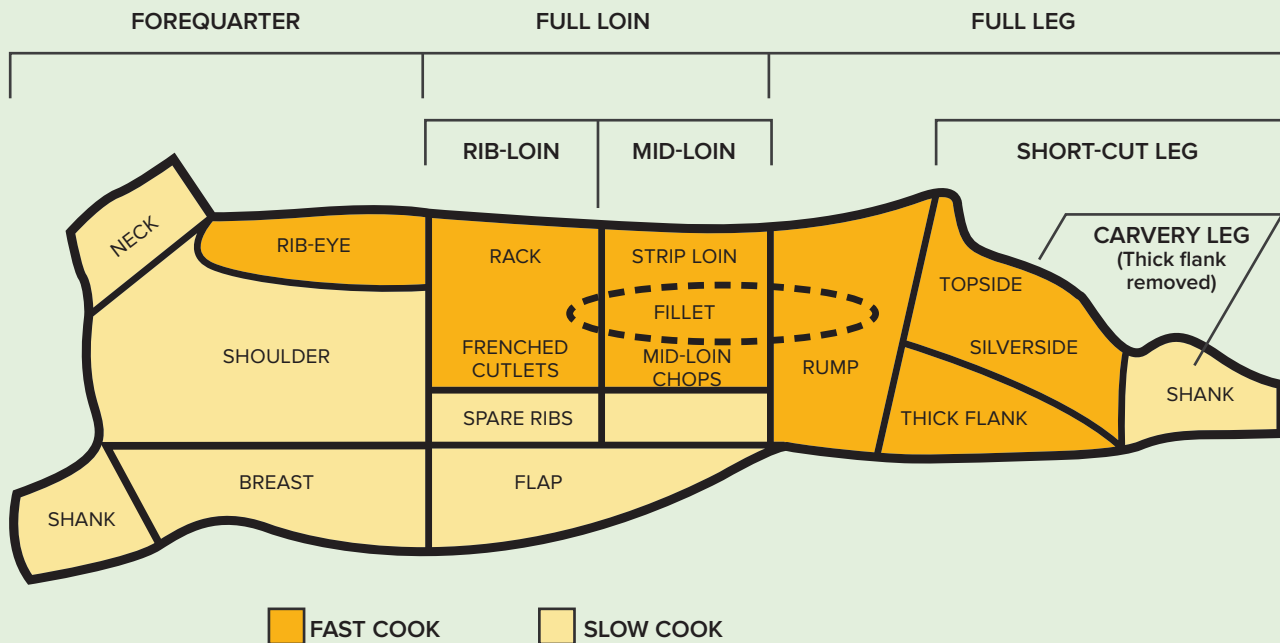
TOP 10 MARKETS 2023/24

Market	Value (NZ\$m)	Annual Change
China	\$1,052m	↘ -33%
United States	\$622m	↗ 22%
United Kingdom	\$360m	↗ 37%
Netherlands	\$282m	↘ -13%
Germany	\$187m	↘ -20%
Canada	\$139m	↗ 22%
Belgium	\$136m	↗ 5%
France	\$111m	↘ -16%
Saudi Arabia	\$85m	↗ 124%
Taiwan	\$80m	↘ -9%



PRODUCT DIVERSIFICATION

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



In 1989, nearly 60% of lamb exports were in carcass form.

NOW IT IS 1%



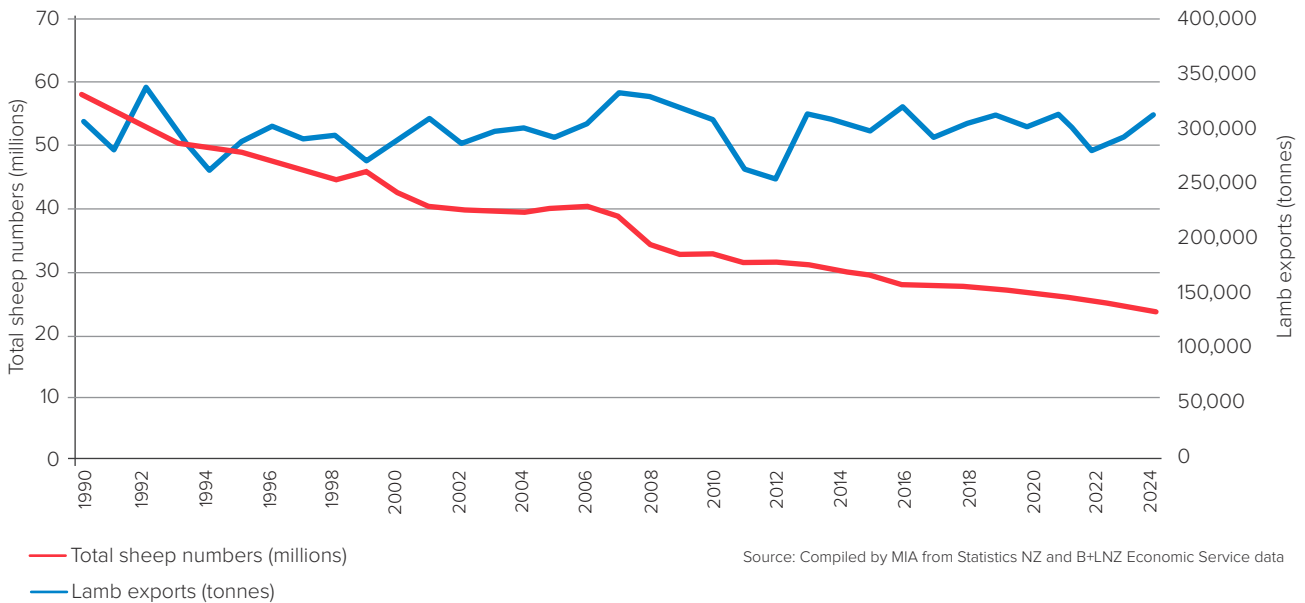
In 1989, high value chilled cuts accounted for 6% of lamb exports.

THEY NOW MAKE UP 20%

PRODUCTIVITY IMPROVEMENTS

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

- Sheep numbers have dropped by 58% but lamb export volumes have remained the same.
- 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 tariff costs of around \$12 million in 2023/24.

QUOTAS

New Zealand has an annual WTO sheepmeat quota of 125,769 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. Under

the NZ-EU FTA, New Zealand has gained an additional sheepmeat quota that starts at just over 12,000 tonnes and increases to 38,000 tonnes after six years.

New Zealand has an annual WTO sheepmeat quota of 102,620 tonnes into the United Kingdom at zero duty. Under the NZ-UK FTA, New Zealand has gained an additional sheepmeat quota and all sheepmeat exports will be fully liberalised from 2038 onwards with no quotas or tariffs.