

# The journey

FROM VOLUME TO VALUE

THE SHIFT FROM VOLUME TO VALUE-ADDED PREMIUM FOOD OFFERINGS HAS BEEN A STRATEGIC GOAL FOR QUITE SOME TIME IN NEW ZEALAND, ULTIMATELY EMBEDDING GREATER RETURNS FOR FARMERS AND GROWERS.

AS CONSUMERS HAVE BECOME MORE aware and demanding about where their food has come from, the urgency to make the change from volume to value has never been greater.

Add in compliance on food's carbon footprint, and the need to meet consumers' expectations is unlikely to fade any time soon.

The latest report from New Zealand Trade and Enterprise's (NZTE) *Made with Care* survey on overseas consumers gives a good insight into what they are expecting in the world of tomorrow.

The survey of 2,500 consumers across Japan, China, the United States, Australia, and the United Kingdom highlights how awareness of New Zealand's role as a high-quality premium food producer is increasing.

Overall awareness of New Zealand's premium food offerings has risen by 17

percent in the past year, with 48 percent of the consumers surveyed associating New Zealand with the production of food and beverage products.

But the competition from other high-quality, premium providers of food and beverages is intense.

New Zealand is up against Northern Hemisphere heavyweights like Italy and France which have had 1,000 years and multiple generations to hone their artisan reputations and hold over 80-percent consumer recognition as premium suppliers.

In all our export markets, it is the traditional products of red meat, dairy and wine that are recognised for their premium status, and New Zealand also scores highly for sustainability and food safety.

The market where New Zealand has made the most gains in establishing its

reputation as a premium supplier is China, where almost 80 percent of consumers recognise New Zealand food produce in the "premium" bracket. Given China is New Zealand's largest food market that is no small achievement, and it is also the one market New Zealand ranks higher than its competitors.

On its heels comes Australia, where 60 percent of consumers consider New Zealand as a premium brand.

Consumers in the remaining three countries surveyed do not yet recognise New Zealand's premium status to the same degree, given only a quarter of US consumers, 45 percent of UK and a third of Japanese consumers recognise New Zealand's "premium" status.

This suggests there is a significant opportunity and upside for exporters who are prepared to commit to building their brand and increasing knowledge of their



Richard and Suze Redmayne, Coastal Lamb Ltd



product in these relatively wealthy, well-developed countries where high value is placed on quality food and fibre products.

NZTE CEO Peter Chrisp says New Zealand is witnessing two tiers of value-added food production evolving.

"The big food companies like Silver Fern and Fonterra are doing value add as part of their larger business, and you also have these smaller companies starting up aiming specifically at the value-add market from their inception."

He says at their core, value-added food products are not competing on price, unlike commodity-sourced food items.

"Price of course is still important, but you are competing far more on non-price factors. That includes the long-term relationships with your customer, your company's values and of course the quality of your product."

Coastal Lamb Ltd is a good example of a company having "value add" in its DNA from its creation.

Started by Turakina farmers Richard and Suze Redmayne, Coastal Lamb was established in 2010 with the express purpose of providing a lamb grown on salt-dusted pasture to high-value restaurant and hotel customers.

As effective marketers as they are

proven farmers, the couple has grown the business to now include 17 family farmer suppliers.

Richard says the Coastal Lamb story is one where farming reality meets a strong provenance story.

"We are all coastal farms and there is a provenance story we share, of raising those lambs on salt-dusted pastures."

In France, Agneau de pré-salé or "salt meadow lamb" is regarded as a delicacy and refers in particular to the lambs raised on the salt marshes of Normandy.

"A lot of the chefs we connect with in Europe are from Michelin backgrounds and are familiar with this, and we present ourselves as a South Pacific version of that."

The concept is appealing and resonates well with chefs. It is also backed by proven taste quality, with Japanese tests showing the lamb has a clean taste and clean aftertaste preferred by Asian customers.

After over a decade of laying down many air miles and multiple presentations to potential clients, the couple can be justifiably proud of the inroads they have made.

In many cases, distributors have made Coastal Lamb their exclusive lamb supply usurping the likes of USA or

Welsh lamb supply.

Back home the farming families supplying Coastal Lamb are reinforcing the natural, low-impact farming practices behind the high-quality product with their own environmental initiative called Coastal Care.

Coastal Care focuses on biodiversity as being an effective measure of their on-farm practices.

The Redmaynes received the Horizons Ballance Farm Environment Award in 2022 in recognition of their own lengthy efforts to fence off their coastal sand dunes and plant almost a quarter of the Tunnel Hill farm area in plantation forestry. Their farm is carbon negative, thanks to their extensive planting efforts.

The Coastal Lamb families all have a Coastal Care plan that not only includes plans for future environmental improvements but also recognises what has already been achieved.

"Often as farmers we don't appreciate just how much we have already done, and many are already 90 percent towards where we need to be," says Richard.

Just as Coastal Lamb has worked hard to build a paddock-to-plate link with its customers and its brand proposition, Waikato-based tea company Zealong has achieved the same with its tea range.

When it was founded in 1996 by Vincent Chen his commitment was to create a sustainable, high-quality tea plantation that remains the only one in New Zealand today.

A "leaf to cup" control over every aspect of the delicate tea production process has culminated in its Oolong tea in particular receiving international recognition for its quality, including the US-based Global Tea Championships and the AVPA Teas of the World competition.

The company's status among discerning tea drinkers in Europe has the teas sold in outlets including Harrods and Fortnum & Mason in the United Kingdom.

Leveraging its success with traditional teas, Zealong has diversified its product range to include unique New Zealand-grown blends including aromatic herbal infusions to broaden its consumer base while retaining the high-quality integrity of its brand.

Peter Chrisp says as Chinese consumers become more discerning, their demands are switching from "we" to "me", becoming more individualised. It means the opportunities to continue to develop value-added products like Coastal Lamb and Zealong Tea will only grow with these markets.

"But if we do want to sell more value add to these markets, we do have to build awareness of New Zealand as a whole, of our food and beverage category and of individual companies' brands," he says.