

Co-ops' meat market share cut

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AFFCO has again been the main sheep meat market share mover, according to latest European

Chopping it up

EU Sheep Meat Quota (tonnes)

	2017	2016	2013
Affco	34,409	32,138	27,508
Alliance	62,175	63,440	67,001
Blue Sky	6283	6307	6870
CMP	21,888	21,572	20,205
Crusader	5285	5008	4922
Davnet	3328	3018	2606
Integrated	2217	2193	1991
Lean Meats	4681	5225	5452
Ovation	15,784	15,080	14,671
Prime Range	2052	2117	2405
Silver Fern	48,236	50,779	53,176
Taylor Preston	12,820	12,759	12,123
Te Kuiti	4291	4292	3675
Wilson Hellaby	4941	4661	5135

Total quota is 227,914 tonnes. Individual tallies are rounded, so will not match that exact figure.



Union quota figures. It has a 15.09% share of the EU sheep meat quota for this year, up from 14.1% last year and a tick over 12% in 2013.

Its own share of the quota has jumped 25% over the past four years, to 34,409 tonnes from 27,508t in 2013.

"The latest share is about what we expected from what we saw in the market last year and we're happy with that," Affco general manager Andy Leonard said.

"We're solidifying our position in lamb and also in beef."

The Talley's-owned meat processor and exporter would continue its business plan, based on sustainable and profitable growth. Affco was comfortably the third biggest lamb exporter, though still a way behind the biggest exporters, Alliance and Silver Fern Farms.

However, its gains were largely responsible for the two farmer-owned co-operatives slipping below a combined market share of 50% for the first time.

Silver Fern is now half-owned by Chinese interests but the quota is based on a rolling three-year market share tally, when it has been mainly owned by its livestock-supplier farmers.

Together, the co-ops slipped to a combined share of 48.44% from 50.1% last year and 52.7% in 2013. In 2006 they had just over 60% of the sheep meat market.

In the last four years, the Alliance share has fallen from 29.4% to 27.28%, with its quota now at 62,175/t, down 7% on the 67,001 level in 2013. Silver Fern's quota has fallen by 9.2% over the same period, to 48,236/t from 53,176t.

A feature of the reducing market share of the co-operatives over the last few years was that it was happening at the same time as the farmer-led Meat Industry Excellence campaign to increase farmer-ownership to a strong, controlling level.

Clearly, actual farmer decisions on who processed their livestock were moving in the other direction.

Several of the smaller meat companies were partially owned by farmer investors.

The EU quota was not an exact measure of world market share, though it was approximate.

New Zealand meat exporters did not get close to filling their EU quota these days, because that market was challenged by others in the Middle East and Asia, notably China.

The latter was now the biggest individual market, though more was sold into the EU countries, including Britain, as a group.

Anzco subsidiary Canterbury Meat Packers (CMP) was the fourth biggest lamb exporter, with market share just edging over 10% this year, extending a series of gradual gains leading to an 8.3% gain in annual quota volumes over the last four years, to 21,888/t from 20,205/t.

Together, the various Craig Hickson entities were slightly ahead of CMP, though smaller individually.

Ovation NZ had a 6.92% quota share, Lean Meats 1.72%, and Te Kuiti Meat Processors 1.88%. Hickson owns 51% of Lean Meats, and has effective 49.7% stakes in each of the other two.

China-owned Binx Foods NZ appears in the EU quota list for the first time, with a 0.11% share. It has a takeover offer in for Blue Sky Meats, which, if accepted, would see its share reach nearly 3%.

In that case, the sheep meat processing sector would remain largely NZ-owned, at about 64% of the total, allowing for the about 80% Japanese ownership of Anzco and the Chinese half-share in Silver Fern.

In that figure, they are counted fully as overseas-owned.