

12 NEWS

Affco's value-added foray into China

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MEAT COMPANY Affco has shipped 33,000 consumer packs of premium beef to China – its first

foray into the lucrative value-added market.

Beef packed in thermofomed vacuum cases, and 200g single steaks

wrapped by skin-pack technology are now available in Chinese supermarkets and restaurants, and online via Chinese e-commerce giant JD.com.

The meat packs displaying the Affco brand were packed at the processor's Horotiu site where the new skin pack

technology was installed earlier this year as part of its value added retail sales strategy and certified by Chinese authorities for export.

Affco general manager Andy Leonard says the company does a lot of business in China and its brand is well recognised. He says the company

will watch in the coming weeks how the Chinese market responds to the different product packaging and the pricing.

"Initial feedback is that our customers like the packaging and presentation; the New Zealand meat story is alive and well in China," he told *Rural News*.

"It's important for NZ farmers to realise we are reaching the value end of the market, adding value through smaller packages and branding."

NZ's reputation for farming meat in open green pastures is intact in the Chinese market, Affco says. NZ grass-raised meat is considered



Affco general manager
Andy Leonard

healthy, safe and natural, and consumers are willing to pay a premium for it.

Affco sold this first shipment to two Chinese customers; one had first bought NZ lamb flaps in 1993.

Flaps were then the most common meat export to China, fetching about 60c/kg; now they fetch about \$8.40/kg. Affco is shipping beef tenderloin at \$35.00 plus per kilo.

Despite NZ beef costing about twice as much

NZ compared with many other countries is considered an easy place to do business, with a reputation for honesty, high quality standards and robust certification processes.

"Our business is built on the strength of our relationships; we do what we say we're going to do, and we do it well."

With more Chinese moving to cities, and the expectation of the Chinese middle classes growing wealthier, the outlook

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