

Giving consumers reasons to buy NZ meats

No product sells itself in the marketplace. You can't just make something and then wait for people to line up at the door to buy it.

No matter how great the product is – be it a new burger, a fancy car or

an innovative service – the customers should know it exists and some good reasons why they ought to buy it.

The other part to all this, is the lurking presence of some competition. Nearly every product or service has many competitors selling something the same or slightly different.

Take our export beef and lamb

industry. The competition is at many levels. Our meat exporters compete with each other in export markets.

Usually it's on price, but other things come into it as well, such as reliability of supply and how much the exporter is willing to back up the product supply with promotion to go with it.

The next level of competition is beef and lamb from other countries. A variation on that is our grass-fed beef, versus the grain-fed beef from elsewhere.

On top of that, is the competition from the huge meat volumes of pork and chicken. The volumes of both on world markets are huge. Feed efficiency is high, as are reproduction rates.

Cellphone purchase

The competition doesn't stop there. In the markets New Zealand supplies, people are affluent enough for some of the food purchase to be discretionary.

They might want to buy a new cellphone instead of top of the range beef cuts for a few weeks.

So back in the context of our meat industry, we are not doing too well. Our meat exports are not well marketed.

That's traditional. Back in the day the meat industry was controlled by British companies, such as Borthwicks. Whole frozen carcasses were supplied to high street butchers through the Smithfield meat market in London. It was a true commodity trade.

Then the meat processors became New Zealand-based, cooperatives or private. The Meat Board introduced the rosette brand for New Zealand sheep meat and kept a fatherly eye on the industry.

The UK dominance in the export trade suddenly shifted to the Middle East and now China is our major sheep meat market. The US remains our dominant beef market.

Big question

So the dynamic has changed. Our exports need to leap out at the customers in the supermarket shelves of the world.

The big questions are what the selling point is and who pays?

If it is the exporter, then expect it to be sold on the company brand with some mention of New Zealand. If it's the broader industry, they expect to see New Zealand origin as the purchase incentive with some mention of the exporting company.

The current proposal is for a joint farmer and exporter-funded market promotion of somewhere between NZ\$7m and NZ\$8m.

It gives a kick-start to New Zealand identity promotion. Our attributes of a pristine environment and producers of safe, healthy food products are to the fore. (See story next page on Beef + Lamb promotion)

That's the strategy behind the Norwegian salmon industry, which is calculated a market leader to be emulated in the primary product industry for the returns it brings.

Norwegian salmon

Of course Norwegian salmon have it easy. Their government takes out an export levy dedicated to market research and promotion.

Here farmers contribute through the Beef + Lamb levy. There is perennial concern that while there is little doubt such marketing will be worthwhile in helping export sales, those returns may not finish up in the pockets of the farmers who contributed.

The alternative though is to relinquish the incredible selling points of our sheep meat and grass-fed beef in world markets and leave the opportunities and premium prices to the meat exports from other countries that, we can justifiably look down our noses at.

Rick Powdrell, Federated Farmers' Meat & Fibre chair, is a drystock farmer from Te Puke.



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