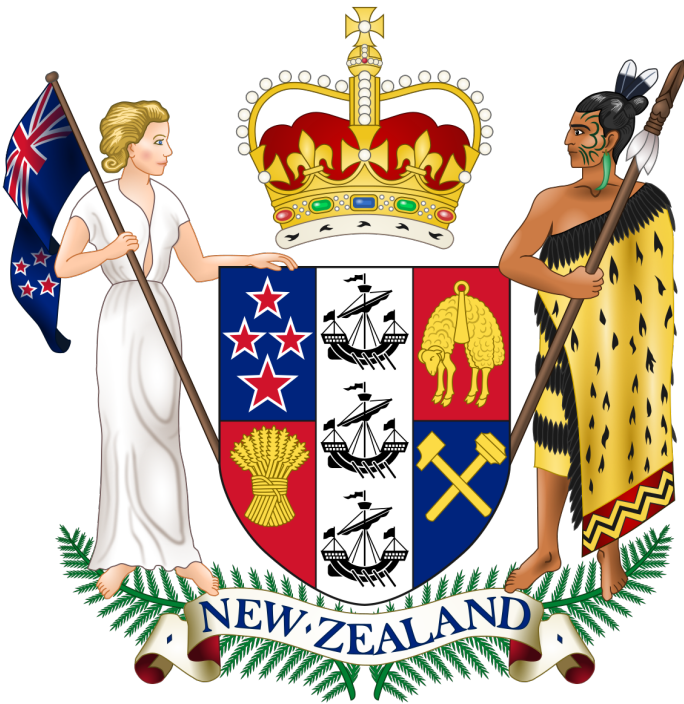


New Zealand's Primary industry exports hit record high

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New Zealand's Primary industry exports are forecast to grow 6 per cent to a record \$56.2 billion this year, exceeding previous estimates.

The latest forecast for the year to June 30, released by the Ministry for Primary Industries (MPI) is \$1.2 billion higher than the December estimate of \$55 billion.

Chris Hipkins, Prime Minister says New Zealand's food and fibre sector is on track to set a new record high, with export earnings to hit \$56.2 billion by 30 June 2023.

The Prime Minister joined Trade and Agriculture Minister Damien O'Connor to release the new Situation and Outlook for Primary Industries (SOPI) in Hamilton at the Mystery Creek Fieldays.

“The economy is through the worst with inflation having peaked and returning to the target range next year, tourism bouncing back and record numbers of workers arriving to plug skills shortages,” Chris Hipkins said.

“The focus on trade and export growth remains a major cornerstone in our economic recovery plan, with the securing of new FTAs like the UK & EU and an upgrade to the China FTA. These are resulting in more exports and more value being derived.

“Primary industry exports are expected to hit a record \$56.2 billion by June 2023, 2.3 per cent higher than projected. Our job now is to continue supporting our producers by opening doors for exporters wherever we can and build on the seven new or upgraded free trade agreements secured since we’ve been in office.

“We need to maintain our international competitive edge to ensure New Zealand’s economy remains better positioned than many others against global headwinds,” Chris Hipkins said.

“This Government has always backed our farmers, growers, fishers, and foresters to achieve success – investing significantly to support the sector lift its sustainability credentials to maintain our competitive edge,” Damien O’Connor said.

“I want to thank our food and fibre sector for this outstanding result. These record results show that the future is bright as the worst of the economic headwinds look to be behind us and we look to climb to \$62 billion by 2027.

“We also acknowledge the extremely challenging start to the year for our primary sector and the impact of the North Island weather events on our rural communities. High input costs, also experienced internationally, have affected farmers and growers, and it’s encouraging to see those pressures easing.

“To still achieve a record forecast after Cyclone Gabrielle is a testament to the resilience and hard work we see each and every day from farmers and growers.

“Major growth is projected in several parts of the sector in the year to 30 June 2023, including dairy export revenue to reach \$25.1 billion, a 14 per cent increase on the previous year. Horticulture export revenue is expected to rise 2 per cent to \$6.9 billion.

“Exports of processed foods and other products is expected to jump to more than \$3.4 billion in the year to 30 June 2023, up 6 per cent on the previous year. Driven by demand for food ingredients and products like chocolate.

“Seafood is also one of the major drivers of this positive outlook and is helping to drive record earnings with a forecast increase of 8 per cent to achieve a record \$2.1 billion in the year ending 30 June 2023.

“The effects of Cyclone Gabrielle have obviously affected our forestry exports in the short term. However, they are expected to pick back up as forestry operations recover from the adverse weather and international demand increases.

Our strategy to position our food and fibre sectors for future export growth dovetails with our trade agenda and is reflected in our investment decisions through consecutive Budgets. By working together our plan is delivering,” Damien O’Connor said.