

Opportunities for New Zealand sheep milk products: a study of 5 export markets

Sheep Milk New Zealand Conference 2020
31 March 2020



Presenters: Jan Hales & Shane Kells

Findings will be presented in two parts

- **Part 1 (Jan Hales)**

- Project background.
- Key findings on the global market opportunity.
- What this means for developing New Zealand's sheep milk industry.

- **Part 2 (Shane Kells)**

- Implications for processing.
- Implications for farming.



Fostering the growth of New Zealand's sheep and goat milk industry

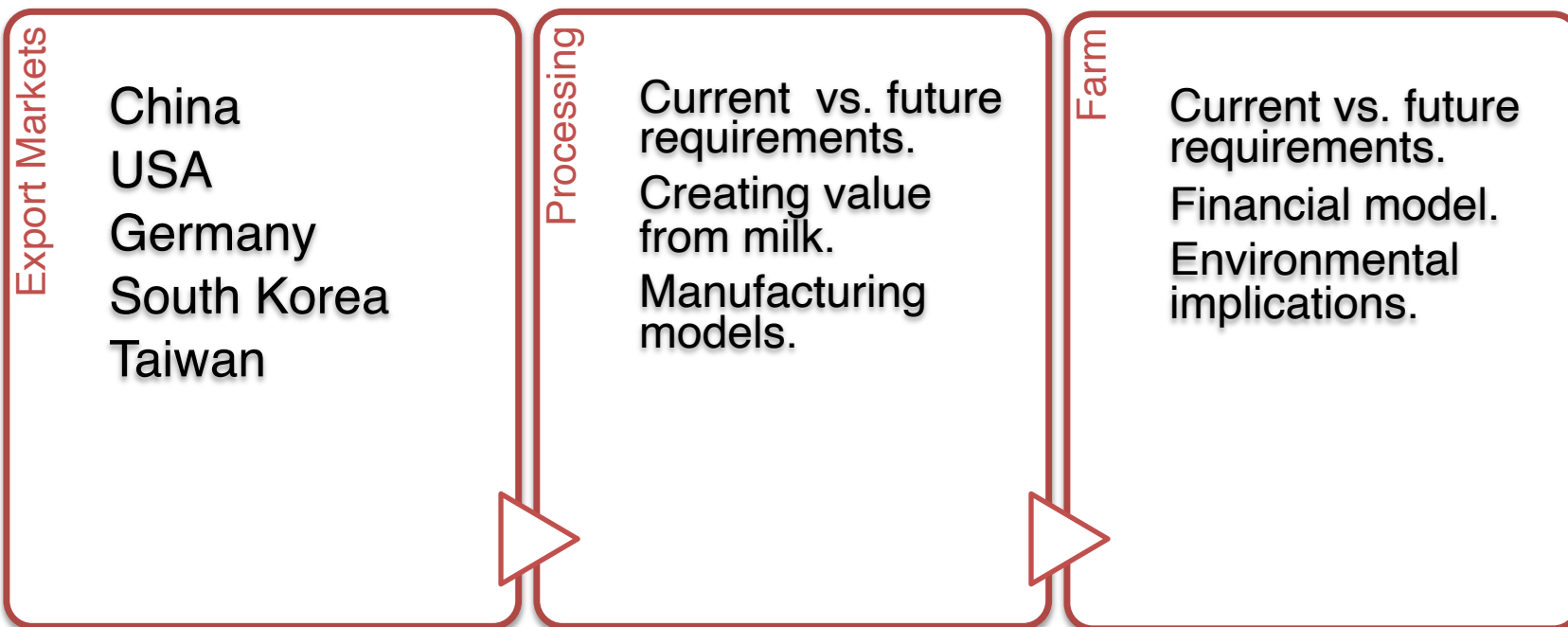
[Find Out More](#)

Welcome to The Sheep and Goat Dairy Project

- Undertaken by the New Zealand Food Innovation Network.
- Funding from the Provincial Growth Fund (PGF).
- Started January 2019.
- Focused on opportunities to grow the New Zealand sheep and goat dairy industries and stimulate regional economies.
- Concentrated on how to scale the sector to meet PGF goals.



Project Scope



Cheese Yoghurt Butter UHT Milk Nutritional Powders Infant Formula

Key Points

The market for sheep milk products is small and undeveloped



High farm gate milk price expectation limits where we can compete



To win, we need to position New Zealand sheep milk products at the premium end of the market



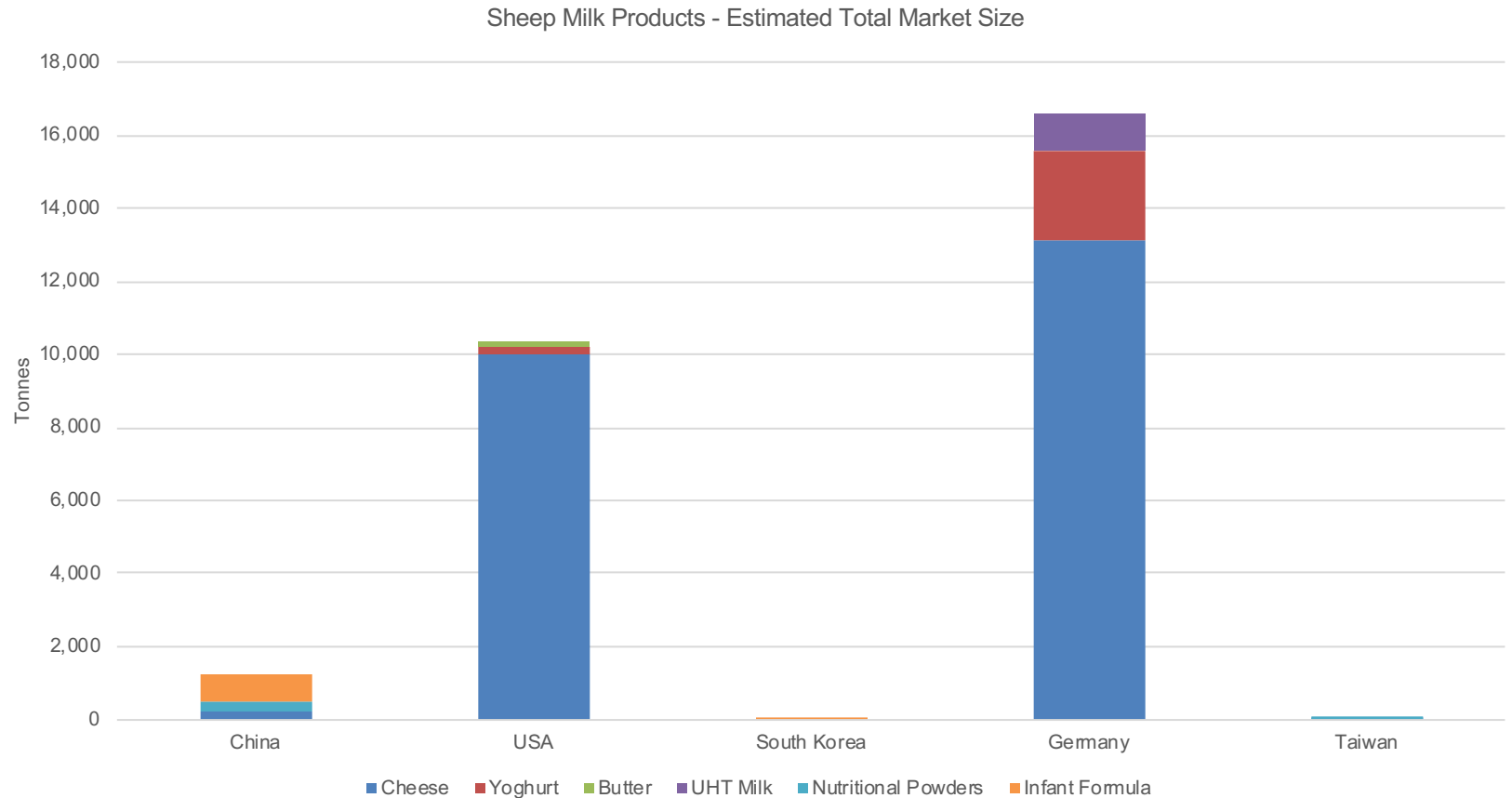
THE MARKET IS UNDEVELOPED

According to Julian Mellentin from New Nutrition Business, sheep and goat milks are fast growing, premium niches that are starting to challenge cow's milk ... in the West as well as Asia.

Kid's Nutrition Report, 2019



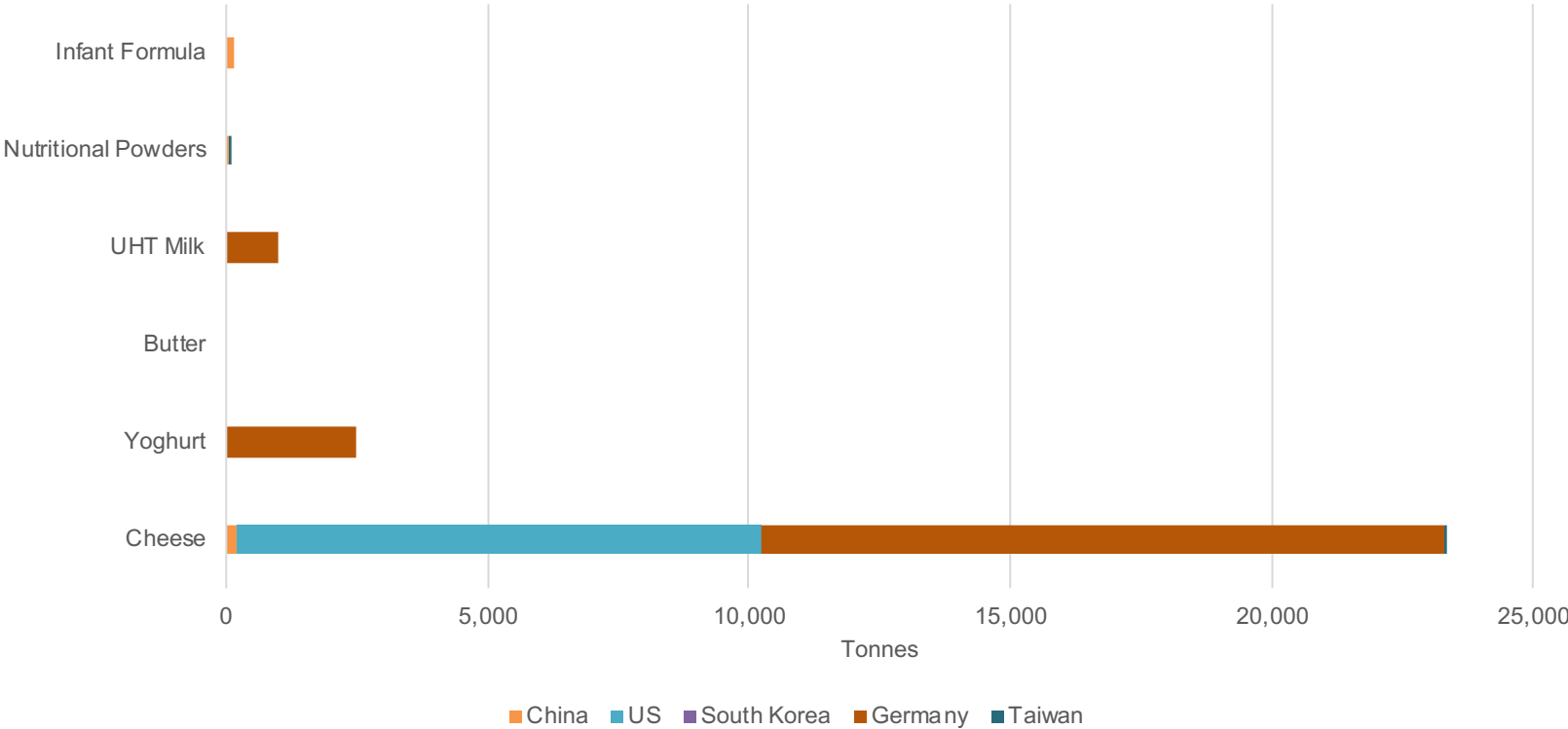
Germany is the most developed market for Sheep Milk products



Values derived from data provided by Gira (2019) and MPI & Euromonitor (2020)

Cheese dominates the market

Sheep Milk Imports – Estimated Market Size

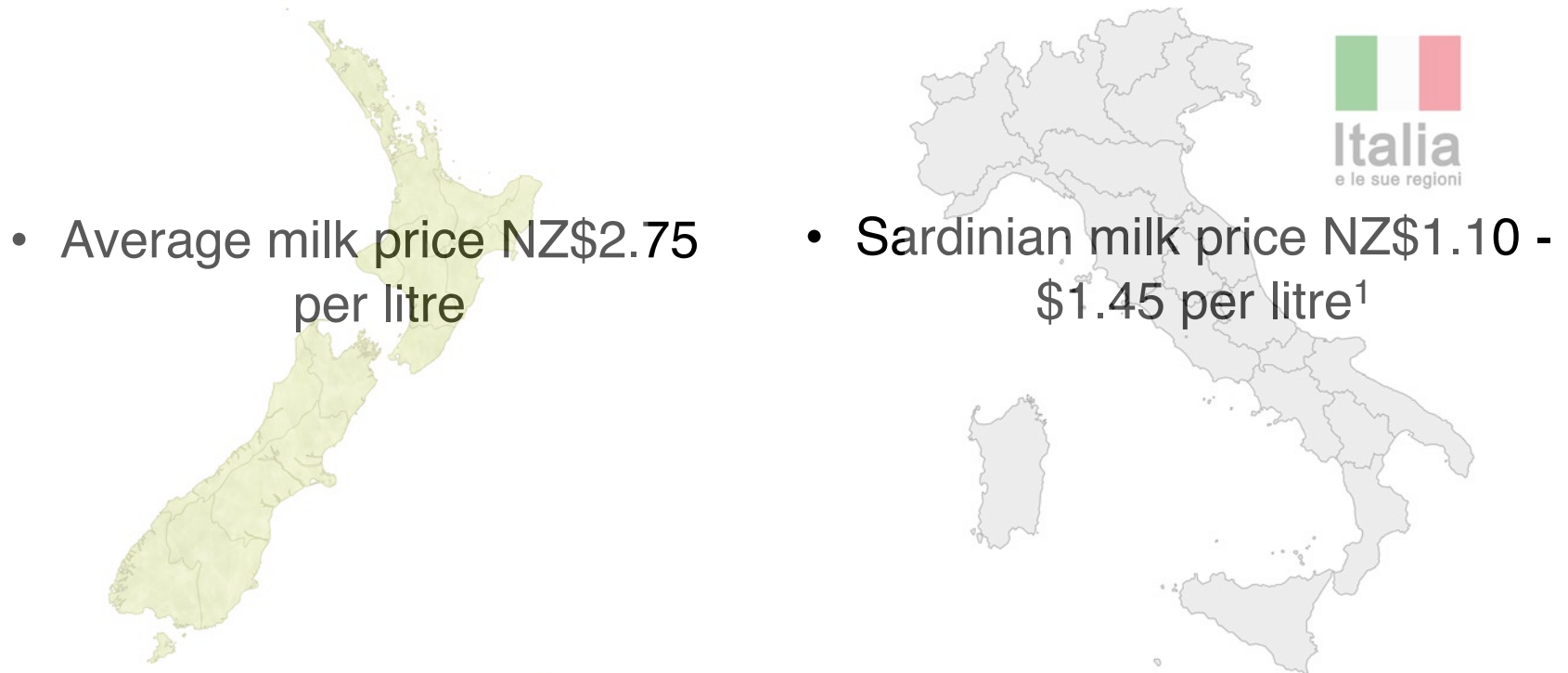


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HIGH FARM GATE MILK PRICE EXPECTATIONS LIMIT WHERE WE CAN COMPETE



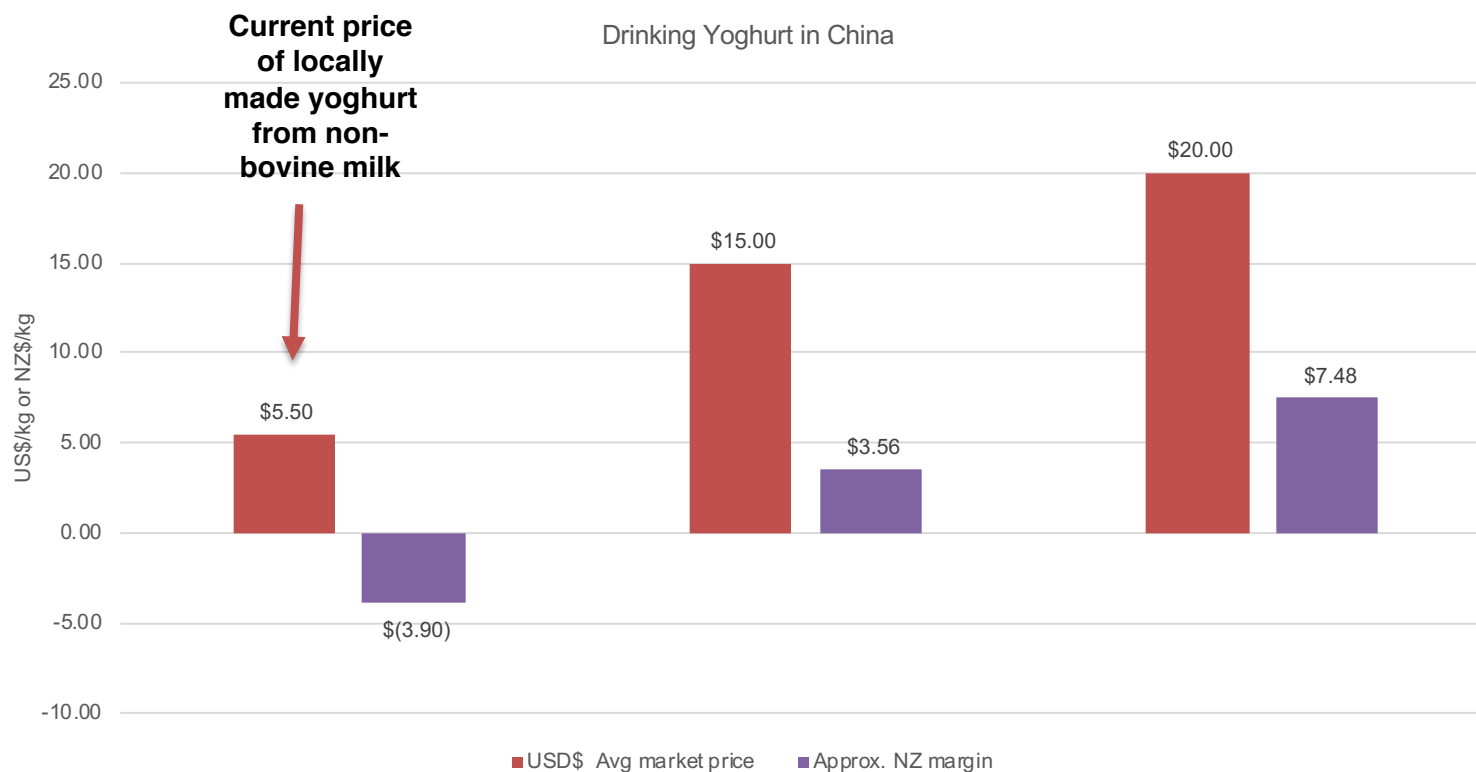
Our sheep milk costs 2-3 times more than our competitors



This forces us into premium categories
OR
the premium end of every category.

¹Source: <https://www.forbes.com/sites/annalisagirardi/2019/02/19/why-shepherds-are-pouring-milk-on-highways-in-the-italian-island-of-sardinia/>

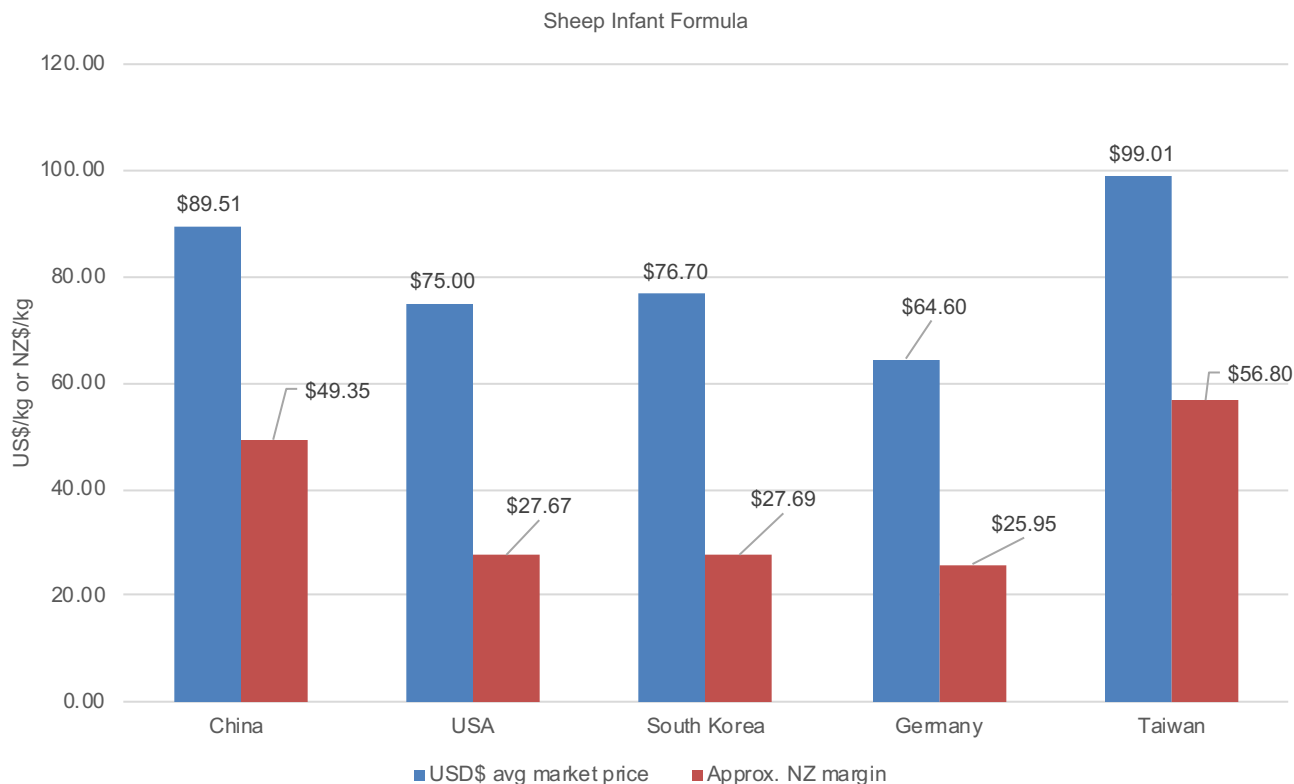
Yoghurt is a large, fast growing category in China - we would have to develop the premium end of the market to be profitable



NZ margin is the value of the product when it leaves New Zealand, minus manufacturing/transport/storage costs.

Note: Calculations include manufacturing and supply chain costs; excludes R & D and market development costs. Derived from retail pricing provided by Gira (2019).

Infant Formula is an easier win



Note: Calculations include manufacturing and supply chain costs; excludes R & D and market development costs. Retail prices from Gira research (2019).

TO WIN, WE NEED TO POSITION NEW
ZEALAND SHEEP MILK AT THE
PREMIUM END OF THE MARKET



Who are our consumers? What do they value? What are they willing to pay for?

Leverage our strengths/
address our weaknesses



Adapt and innovate without
compromising our resources

Acknowledgements

Project Lead, CEO FoodSouth

John Morgan

Steering Group

Daniel Phillips, Ministry for Primary Industries

Mackenzie Nicol, Ministry for Business Innovation and Employment

Nick Dobson, New Zealand Trade and Enterprise

Stuart Gordon, Waikato Innovation Park

Warwick Tauwhare-George, Parininihi ki Waitotara

Craig Prichard, Massey University

Peter Hobman, Working Foods International

And everyone else who has been generous with their time and shared their expertise with us throughout the project.

