



NEW ZEALAND FOOD AND AGRI TOURISM

INDUSTRY INSIGHTS
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This report was born from conversations between ANZ Bank New Zealand Limited (ANZ) and the Ministry for Primary Industries (MPI) about the benefits of leveraging the New Zealand tourism industry to showcase food and beverage experiences and its links right through to the primary and wider food and beverage sector.

As part of this research, we obtained a 2016 research document looking at food and beverage tourism by the World Food Travel Association (WFTA) www.WorldFoodTravel.org. In order to validate the findings of this work, as well as ask some further questions relating specifically to food and beverage tourism in New Zealand, ANZ and MPI commissioned an online survey of USA and Australian citizens in July 2018. One thousand survey responses from each country were collected from people who had visited another country in the past three years. The headline results of this survey were in line with the findings in the WFTA survey and are reported in the following pages.

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NEW ZEALAND FOOD AND AGRI TOURISM

FOREWORD

Working together to bring the world to New Zealand,
and take New Zealand to the world.

New Zealand's primary sectors are diverse, innovative and high performing, not only in the range of food and beverage products we produce, but also in the way we produce them.

New Zealand will attract 3.8 million tourists this year. These tourists will often come from the big export markets for our food and beverage products. When tourists have a positive food and beverage experience with us, they become the best influencers and advocates of the New Zealand brand around the world.

This report provides a timely reminder about the opportunity that we have to turn more of our tourists into brand ambassadors for our food and beverage products.

In this report we present our growing understanding of the types of tourists that value quality food and beverage experiences, and how to unlock the brand ambassador role they can play when they return home.



Penny Nelson

DEPUTY DIRECTOR GENERAL
POLICY AND TRADE

MINISTRY FOR PRIMARY INDUSTRIES

Food tourism is a growing trend, with new generations of travellers looking for unique and memorable food and beverage experiences.

New Zealand has a thriving food and beverage sector and a booming tourism industry and while we have much to be proud of, more can be done to connect the two and realise the opportunities this brings.

Our research reveals that over 60% of international travellers will seek out products from the country they visited when they return home. However, New Zealand's food and beverage experience currently ranks second lowest amongst all categories covered by visitor satisfaction surveys. With our three biggest tourism markets, Australia, China and the USA also being our three largest food and beverage export markets, this is an opportunity for our primary sectors that we can't ignore.

Whether you're farming in Southland, exporting beer from Wellington or providing unique dining experiences in Northland, this report uncovers opportunities both behind and beyond the farm gate to connect better with consumers and realise more value.

We hope this report will help challenge existing business practices and stimulate thought on collaboration between our two biggest export earners.



John Bennett

GENERAL MANAGER, CENTRAL REGION
COMMERCIAL & AGRI
ANZ

NEW ZEALAND FOOD AND AGRI TOURISM

TOURISTS INTO CUSTOMERS

Connecting our two biggest export earners, food and beverage and tourism, presents an opportunity for Aotearoa New Zealand businesses both here at home and in global export markets.

We often associate food and beverage with produce beyond the farm gate. But what happens behind the farm gate – the way we farm our food and craft our produce – is an equally important part of New Zealand's food and beverage story.

A great food experience is much more than just the eating.

FOOD TOURISM CONNECTS YOU TO THE CULTURE OF A REGION NOT ONLY THROUGH THE LOCALLY SOURCED FOOD YOU EAT, BUT ALSO THE LAND AND PEOPLE WHO CREATE OUR GREAT NEW ZEALAND PRODUCE.

Not only will travellers pay more for this kind of experience, our research shows they also seek it out when they return home.

In 2018, a record 3.8 million tourists will visit our shores. While most come for our beautiful natural landscapes and unique Māori culture, a growing number are also looking for authentic local food and beverage experiences.

This presents an opportunity for businesses in our primary sectors to get closer to the end consumer and help drive export opportunities.

Those looking to promote a 'value add' New Zealand food story to the world need to look at how they can connect directly with consumers behind the farm gate to give them a true 'foodie experience'.

In this report we set out to understand food tourism, and how we can turn tourists into customers. We look at the role for businesses and the opportunity for New Zealand if we get it right.

We focus on our three largest export markets for both the Tourism and Food and Beverage sectors – China, Australia and the USA.

There are plenty of great examples of New Zealand businesses that have recognised the opportunity food tourism offers and who are catering to the growing market. This could be through collaboration with other local businesses, incorporating agri-tourism in their farming operations or utilising Māori storytelling and indigenous food to enrich the tourist experience. It may also include fine dining and accommodation experiences or exploring new export opportunities.

We would like to thank those businesses who have shared their stories as part of this report.

We also acknowledge that a number of strong and well-respected voices across the food, beverage and tourism sectors have been making similar calls for more collaboration and focus. Our hope is that this report supports further discussion, analysis and delivery on this opportunity for all of New Zealand.

UNDERSTANDING THE VALUE

The benefits of attracting food and beverage focused tourists to Aotearoa New Zealand.

GREAT EXPERIENCES CREATE LASTING IMPRESSIONS

A 2016 study showed **83% of travellers surveyed agreed that seeing food, beverages or restaurants at home reminded them of trips they had previously taken¹**. The same percentage of respondents also believe that food and beverage experiences help to create a lasting impression of a destination¹.

Food and beverage experiences are also a great marketer for a country's tourism sector. Some 83% of all respondents agreed having a positive food and drink experience made them more likely to recommend the destination¹.

GREAT EXPERIENCES CAN BENEFIT THE PRIMARY SECTOR

Research showed over 60% of travellers purchase food and drinks at home they first encountered on a trip^{1,2}. This is important for New Zealand where the three largest tourism markets (Australia, China and the USA) are also our largest food and beverage export markets.

Processed food, wine and beer top the list of products travellers from Australia and USA seek out once they return home after their travels². Regardless of the product, global sales opportunities exist if meaningful experiences are provided in New Zealand and customer links are retained once travellers return home.

THE REGIONS CAN SHOWCASE GREAT FOOD AND BEVERAGE

Over 57% of all tourists surveyed specified 'Eating the local/regional food or drink' as a culinary motivator³ to travel, the largest of any other culinary motivator. **They also prefer an authentic dining experience** from a variety of locally owned and operated restaurants and bars¹.

These tourists would benefit from a regional New Zealand food experience where quality is high. However, with **32% of surveyed visitors to New Zealand scoring food and beverage experiences below 8/10 for satisfaction⁴**, consistency may be an issue.

FOOD AND BEVERAGE FOCUSED TOURISTS ARE VALUABLE

Holiday visitors who visited a vineyard or attended a wine event spent over 25% more on their trip than the average spend of \$3,900 for holiday visitors. They also stayed several days longer than the average holiday visitor⁵.

Some 80% of foodie tourists like to bring back food and beverages to enjoy at home, compared to 62% for non-foodie tourists. This is particularly true for Generation X and Millennial tourists¹.

These high-value tourists are the customers we want to explore New Zealand and be made aware of our great food and beverage products.

OPINION OF LOCAL FOOD AND BEVERAGE MATTERS

Combined tourism and food and beverage exports delivered 62% of New Zealand's export earnings in 2017⁶. This means the impact would be significant if any damage is caused to New Zealand's reputation around food and beverage, as a producer or a destination.

Sources & Notes: 1: Survey data obtained from The World Food Travel Association, Food Travel Monitor Survey (June 2016) www.WorldFoodTravel.org.

2: Data obtained from online survey by MPI and ANZ in July 2018. Total sample size was 1000 for both the USA and Australian surveys. Survey respondents were identified as either likely or very likely to purchase food from a destination country after visiting the country. 3 This was defined by the World Food Travel Association as motivators to take a trip or to visit a destination for this reason. 4: Data sourced from Ministry of Business, Innovation & Enterprise (MBIE) report on International Visitor Experience (August 2017). 5: Data from Tourism New Zealand Special Interest Sectors report (April 2018). 6: Data sourced from Statistics New Zealand, including Tourism Satellite Account and Exporting data, year ended March 2017.



THE WHOLE PACKAGE

Tourism, food and beverage and agriculture in the heart of Marlborough.

Two working sheep and beef farms are the heart of a thriving agri-tourism business in Marlborough.

"It's definitely not your average sheep and beef farm," laughs owner Darren Clifford.

"On any given day I will walk around and see 10 different groups going 10 different ways busy doing different activities."

Originally a beekeeper, Darren and his wife, Sarah, were already running the successful Taylor Pass Honey Company when they bought their first farm five years ago.

That quickly turned into a business offering a specialised tourism experience in the middle of their working farms.

Initially offering guided hunting with Avon Valley Safaris they then developed a corporate entertainment package, lodge accommodation and fine dining showcasing local produce to run alongside it.

"What we realised in the early stages was that our customers wanted to do a whole lot more and we needed to have something that kept our staff busy all year round. That's what took us into more of the agri-tourism-style offering."

The story of quality food and connection to the land is central to every part of Darren's and Sarah's business.

The working sheep and beef properties run 4000 breeding ewes and 500 beef cows. From their Headwaters breed they supply to Te Mana Lamb™ – a premium-quality red meat brand high in Omega 3 and polyunsaturated fats typically found in high-end local restaurants and export markets.

"We absolutely believe that New Zealand can't continue to sell meat as a commodity, there has got to be a story behind what we produce and without this we don't have a position on the world stage. So for us being part of Headwaters and supplying to Te Mana Lamb is all about that.

"We have got to do more about taking the New Zealand story to the world and this is one way of doing that."

Catering to overseas tourists is a large part of what they do, and Darren was quick to realise the opportunity

"Typically a visitor might go skydiving, go skiing and do a day's shopping in two or three different parts of the country before they leave. What we cater for is a whole new category of spend by providing a specialised agri-tourism experience, including locally sourced food and beverage, which provides an ongoing opportunity for New Zealand to sell product to the world."

Darren and Sarah recently added Premium Game Meats to the business, meaning they can serve visitors wild game meats and meat sourced from their property which has been through the correct certification process for food safety.

"From wild meat sausages on the barbeque to an executive dinner with venison back straps or lamb rack, we always showcase a number of our own products to the groups that visit. We also use other locally sourced produce like Marlborough Black Garlic and Cranky Goat Cheese."

Overseas visitors can seek out and buy Te Mana Lamb when they return home, and Darren is working on the wild food side, hoping to get Premium Game Meats registered for export in the next 12 months.

"Our long-term vision is that visitors can experience our wild game product over and over again when they travel the world.

"I believe that is what New Zealand needs to do."

**"WE NEED TO SHOWCASE OUR
BEAUTIFUL PRODUCE HERE AND
THEN MAKE SURE PEOPLE CAN BUY
IT WHEN THEY GET BACK HOME."**

Darren Clifford



On a local level, the breadth of their operation, with two working farms at its heart, gives consistency of revenue and provides year-round employment opportunities, making it easier to attract quality staff to the team.

A good example is specialised guide Fraser Cooper who, in the hunting off-season between July and February, is kept busy with winery tours, Christmas parties and corporate functions.

"He keeps our lodge running and hosts corporate entertainment groups, which means we can keep a great person like him on our team permanently."

While the logistics of running a multi-tiered business like theirs is a constant challenge, Darren and Sarah believe there is a huge opportunity for New Zealand if our agri-sector works together with our growing tourism sector.

"For every person that leaves this country happy, telling a great story, that is another 10 or 15 potential customers out there in the world who hear our story and buy our product."

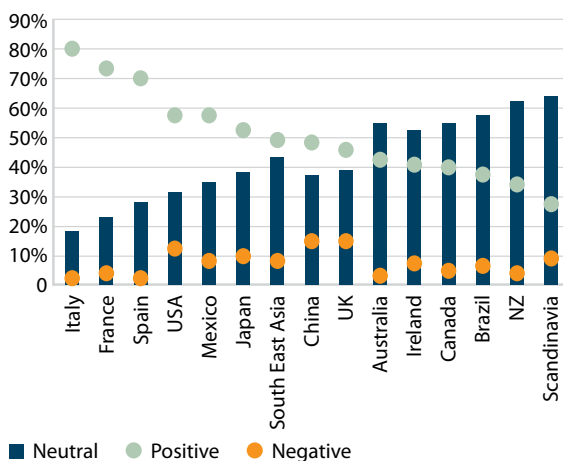
UNDERSTANDING THE POSSIBILITY

International visitors offer food and beverage producers a prime opportunity to better understand what customers want.

Global perceptions

In 2016, the World Food Travel Association (WFTA) surveyed over 2500 international travellers from around the globe. One of the questions asked was respondents' overall impressions of different countries as food and beverage destinations.

IMPRESSION OF A GIVEN COUNTRY AS A FOOD AND BEVERAGE DESTINATION¹



Source: WFTA, MPI, ANZ

New Zealand is not well recognised for its food and beverage scene

New Zealand appears to be well down the pecking order when it comes to attracting tourists on the strength of food and beverage offerings. Unsurprisingly, Italy, France and Spain top the list of destinations.

Yet to discover

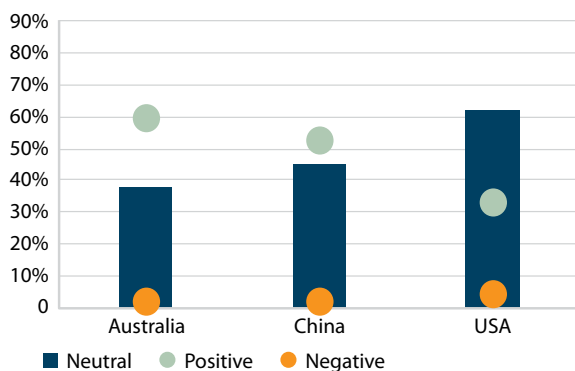
A closer look at the data reveals a promising tale. The low recognition rates are not the result of negative experiences. Rather, they come from a genuine lack of experience.

New Zealand has received one of the largest proportions of neutral opinions as a food and beverage destination. We are starting from a good platform¹.

Spotlight on New Zealand — three key markets

If we isolate responses from New Zealand's three key markets, we see that Australian travellers have a very positive impression of New Zealand as a food and beverage destination. Followed by Chinese and USA travellers.

IMPRESSION OF NEW ZEALAND AS A FOOD AND BEVERAGE DESTINATION¹



Source: WFTA, MPI, ANZ

Spotlight on New Zealand – word association

When we asked Australian and USA based travellers about the words that most align with their impressions of the New Zealand food and beverage scene, the top three words were – quality, natural and innovative².

A 2015 study commissioned by the Ministry of Business, Innovation & Enterprise (MBIE) into Chinese (unguided) travellers revealed similar, but not identical themes: quality, natural and provenance story³.

The impression from Australian and USA travellers of an innovative Kiwi food scene will undoubtedly be welcomed by the food producing and hospitality industry in New Zealand.

Sources & Notes: 1: Survey data obtained from The World Food Travel Association, Food Travel Monitor Survey (June 2016) www.WorldFoodTravel.org. 2: Data obtained from online survey by MPI and ANZ in July 2018. Total sample size was 1000 for both the USA and Australian surveys. 3: Data sourced from MBIE – China FIT Visitor Market research report (October 2015).

FOOD AND BEVERAGE PROGRESS AND POSSIBILITIES

The food and beverage sector story

The New Zealand Government established the Food & Beverage Information (iFAB) Project¹ in 2011. This project set out to analyse the sectors that make up New Zealand food and beverage exports. These include (in order of total export value)²:

Dairy	(\$15.0b)
Meat	(\$7.4b)
Processed Food	(\$5.1b)
Produce	(\$3.3b)
Beverages	(\$2.0b)
Seafood	(\$1.7b)

The Processed Food category generally covers food made from a combination of ingredients, such as infant formula and chocolate. It also covers a handful of single-ingredient products such as honey, sugar and eggs that are not included in other sectors.

The Produce category covers fruit, vegetables and nuts.

The food and beverage export growth story

All sectors achieved growth over the last five years, ranging from 3% to 11% compound annual growth rates (CAGR). Produce and Processed Food sectors led the growth into combined total export markets, followed by the Meat and Beverages sectors.

This suggests progress is being made in terms of adding value to production volumes.

Export Market	Food & Beverage Exports (2018) ²	International Tourism (2018) ³	Connecting Considerations
Australia	Total Export Earnings \$3.89b Top 3 Growth Sectors (over last 5 years): 1 – Meat 2 – Processed Food 3 – Dairy Total F&B Exports 2013-2018 CAGR ~8%	Tourist Spend: ~\$2.6b Visitor Arrivals: ~1.5m Average Tourist Spend per Day: ~\$209 Visitor Length of stay: ~10 days Tourist Spend 2013-18 CAGR: ~3%	– Biggest source of tourists by far. – Can Kiwi businesses with new and premium offerings do more to leverage the strong foothold into this market?
China	Total Export Earnings \$7.94b Top 3 Growth Sectors (over last 5 years): 1 – Produce 2 – Meat 3 – Beverage Total F&B Exports 2013-2018 CAGR ~11%	Tourist Spend: ~\$1.7b Visitor Arrivals: ~450k Average Tourist Spend per Day: ~\$338 Visitor Length of stay: ~18 days Tourist Spend 2013-18 CAGR: ~20%	– Biggest F&B market by far. – High visitor spend per day yet relatively low spend on F&B experiences. Will Chinese tourists spend more on quality F&B experiences if these are better tailored to their needs?
United States	Total Export Earnings \$3.67b Top 3 Growth Sectors (over last 5 years): 1 – Beverages 2 – Meat 3 – Processed Food Total F&B Exports 2013-2018 CAGR ~6%	Tourist Spend: ~\$1.5b Visitor Arrivals: ~337k Average Tourist Spend per day: ~\$277 Visitor Length of stay: ~15 days Tourist Spend 2013-18 CAGR: ~21%	– Very high growth in tourism spend. – USA customers tick the boxes in terms of tourism spend, but can Kiwi F&B exporters do more to connect?
Total (global) exports	Total Export Earnings \$34.72b Top 3 Growth Sectors (over last 5 years): 1 – Produce 2 – Processed Food 3 – Meat Total F&B Exports 2013-2018 CAGR ~9%	Tourist Spend: ~\$11b Visitor Arrivals: ~3.8m Average Tourist Spend per Day: ~\$198 Visitor Length of stay: ~18 days Tourist Spend 2013-18 CAGR: ~12%	– Within the broader global market, opportunities exist for tourism and food and beverage businesses alike to target discerning customers with specialist offerings

Sources & Notes: 1: MBIE Food & Beverage Information Project (iFAB) <https://www.mbie.govt.nz/info-services/sectors-industries/food-beverage/information-project>. 2: Statistics New Zealand Export Data YE June 2018 and ANZ Analysis using sector grouping as defined by iFAB. 3: 2018 Visitor numbers and length of stay based on International Travel and Migration statistics (ITMS) for travellers staying under one year (total nights – all types), year end June. 2018 spend per day based on MBIE: New Tourism Forecast (2018 – 2024) released May 2018.

UNDERSTANDING THE CHALLENGE

Adding value to volume of tourist food and beverage experiences.

Tourism in New Zealand is a growth story

Annual visitor arrivals have increased by 44% over the last five years, with current numbers at 3.8 million¹. Over the same period, annual spending has lifted 73% to \$11 billion².

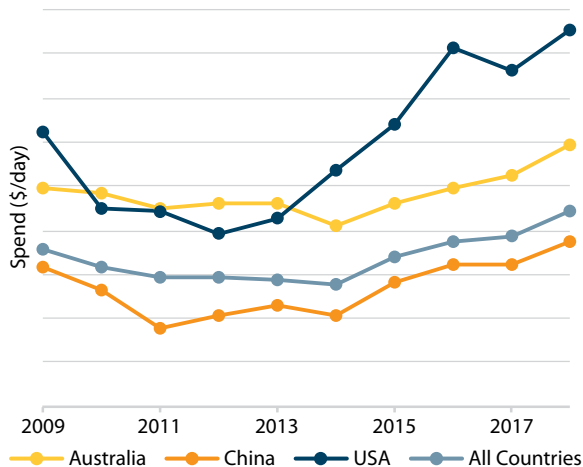
MBIE is forecasting continued growth with an anticipated 5.1 million visitors in 2024 spending \$14.8 billion. Australia, USA and China are expected to continue to dominate visitor numbers and spend³.

How New Zealand resources and accommodates such growth in visitor numbers is the topic of much concern and discussion. While we acknowledge these are very real challenges, we do not seek to address them in this particular report.

Natural environment inspires the majority of visitors

Tourists come to New Zealand for a range of reasons. But the majority come for our natural environment⁴. Yet when they leave they do so with impressions of the entire New Zealand experience, including food and beverage.

RELATIVE ESTIMATED SPENDING ON FOOD AND BEVERAGE SERVING SERVICES PER DAY⁵



Source: MBIE, MPI, ANZ, (Year end June)¹

Food and beverage experiences are important and account for a significant portion of visitor spending

Experiencing local cuisine consistently features amongst the top 10 activities of interest to visitors from all countries⁴. Spending on food and beverage experiences, as a percentage of total daily spend, is also increasing across all markets.



REASONS FOR GIVING A SCORE OF 7 OR LESS FOR FOOD AND BEVERAGE OUTLETS⁶

Too expensive	24%
Limited choices	16%
Poor food quality	15%
Not as good as you get overseas	12%
Alcohol too expensive	8%
No reason	6%
Supermarkets lack variety	6%
Another reason	6%
Poor service	5%
Not sure	2%

The challenge

These visitor satisfaction levels are an indication of how tourists might view the entire Kiwi food and beverage experience. In other words, this is a challenge for the entire value chain.

The perceived lack of variety and quality combines to result in an overall perception that New Zealand offerings are too expensive. The challenge is to lift quality and variety to the extent that high-price experiences are seen as high value, rather than simply overpriced.

Sources & Notes: 1: Visitor arrival data from International Travel and Migration statistics (ITMS) for travellers staying under one year (total nights – all types), year end June 2018. 2: Visitor spend data from MBIE via the International Visitor Survey (IVS), year end June 2018. 3: Forecast tourism visitor and spend estimates based on MBIE New Zealand Tourism Forecast (2018-2024) report using year end March values. 4: Tourism New Zealand Active Considerer Monitor (data from June-December 2017). 5: Food and beverage spending data is obtained from MBIE's Monthly Regional Tourism Estimates (YE June) data. This is then divided by the total days stayed in the international travel and migration data. Only relative performance is shown due to the quality of the datasets. For more information on the data, please refer to the Monthly Regional Tourism Estimates User Guide (April 2018). 6: Data sourced from MBIE report on International Visitor Experience (August 2017).



SHOWCASING LOCAL NATURE AND FOOD

Nature and Nosh offers the ultimate experience for the adventure and food-loving tourist with their ingenious fusion of tramping some of the most scenic and diverse day tracks the North Island has to offer, matched with an array of local food and wine.

Their tours are truly unique in the diversity of food that's offered. They include a marae visit to sample traditional Māori delicacies, wine tasting at an award-winning Waikato winery and tasting gelato in Waharoa made from full-cream, grass-fed jersey cow milk. Visitors can also learn about honey manufacturing in Katikati and indulge in paddock-to-plate experiences with local chefs in Waihi.

With backgrounds in marketing and accountancy, Kylie and Steve Rae came up with the idea while hiking on a small island in Chile. "We had a delicious chorillana which was recommended to us by locals, and we had a light bulb moment that by offering a local food experience on unique guided hiking tours, we could really differentiate ourselves from an already saturated guided hiking market in New Zealand," says Kylie.

A challenge lay in convincing some businesses that they could play in the tourism market. "It wasn't easy to choose which businesses to partner with or to get involved," says Kylie. "We had to be very persuasive to convince (the businesses) that we would eventually bring them revenue." Now, businesses often go that extra mile to cater for Nature and Nosh travellers, with one of the wineries extending its cellar door hours for a tour.

Kylie and Steve had a clear target market in mind when they set up the business, aiming for overseas customers

who are hikers and who fall into the 40+ category with a disposable income to spend on highly curated activities such as this. "Thousands of travellers flock to New Zealand every year for hiking, and we want to show them another part of the New Zealand experience, bringing food to the forefront."

Storytelling is also a part of the food experience and engenders an interest and an appreciation for small, family-run businesses amongst travellers, making people really think about where their food is coming from.

Having been in operation for almost a year, they have garnered excellent reviews on Trip Advisor and have achieved a 5-star rating:

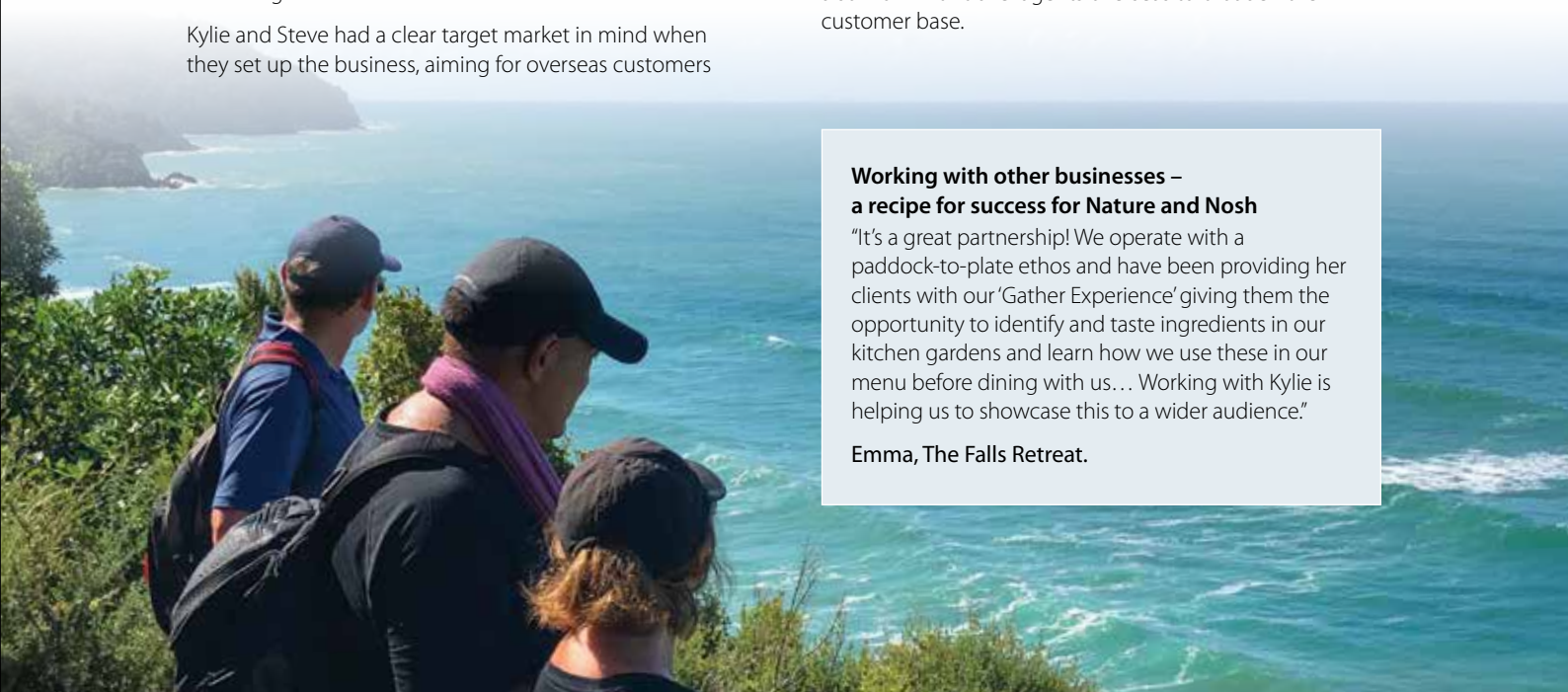
"Loved the tramping, food, wine, cheese and singalongs," posted a traveller from Australia, illustrating the all-encompassing tours Nature and Nosh provides.

Existing customers learn about Nature and Nosh through direct marketing and internet searches. With her background and natural creativity, Kylie has an eye and understanding for branding and marketing, and maintains an enviable Instagram presence. She and Steve also work with travel agents overseas to broaden their customer base.

Working with other businesses – a recipe for success for Nature and Nosh

"It's a great partnership! We operate with a paddock-to-plate ethos and have been providing her clients with our 'Gather Experience' giving them the opportunity to identify and taste ingredients in our kitchen gardens and learn how we use these in our menu before dining with us. . . Working with Kylie is helping us to showcase this to a wider audience."

Emma, The Falls Retreat.



UNDERSTANDING THE CUSTOMER

In order to create compelling products and services, we need to understand our ideal customer – a high-value traveller who seeks unique food experiences.

THE FOODIE TOURIST DEFINITION¹:

"Travellers who have participated in an intentional food or drink activity on a trip in the past two years and for whom food or drink related activities are a prime motivating factor in selecting travel destinations."

(WFTA, 2016)

50%

The amount extra that a foodie tourist spends on food and beverage per day when travelling compared with other leisure tourists¹.

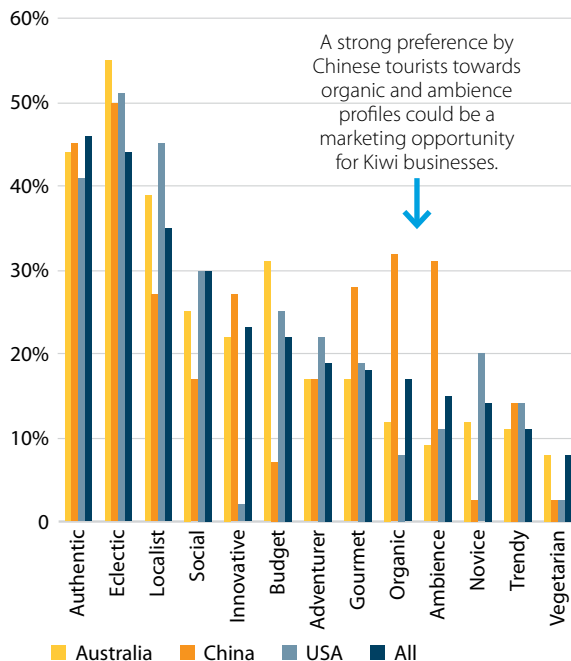
1.9

International trips per year by foodie tourists compared to 1.5 for non-foodie tourists¹.

52%

Percentage of Generation X and Millennial respondents who are foodie tourists¹.

FOODIE SUB-PROFILE BY KEY COUNTRY¹



Source: WFTA, MPI, ANZ

Profile	Definition
Authentic	Prepared according to the recipes and traditions of the region.
Eclectic	Seek a wide variety of experiences.
Localist	Seek locally owned and operated restaurants and bars (budget and high end).
Social	Talking and meeting with family and friends while eating is important.
Innovative	Often trying innovative things and seldom returning to the same places.
Budget	No particular food in mind as budget is the most important.
Adventurer	Adventurous eaters who may be willing to try anything.
Gourmet	Seek fine dining and gourmet dining.
Organic	Seek restaurants with organic or naturally grown ingredients. The items in the recipes may be as important as the menu.
Ambience	Ambience may take precedence over food.
Novice	Seek the usual or the ordinary. They want to avoid surprises.
Trendy	Seek trendy, hip and cool experiences. Being at the forefront of cool is important.
Vegetarian	Seek vegetarian or vegan restaurants and foods.

Sources & Notes: 1: Survey data obtained from The World Food Travel Association, Food Travel Monitor Survey (June 2016) www.WorldFoodTravel.org. For the purposes of this report, the 'Foodie Tourist' definition = the WFTA's 'Culinary Traveller' definition.

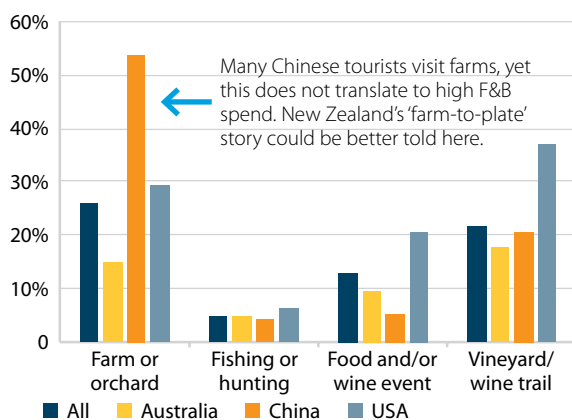
TARGETING CUSTOMERS IN REGIONAL NEW ZEALAND

Foodie tourists seek experiences close to home

Research suggests foodie tourists tend to prefer domestic destinations or countries that are geographically close. This may be about convenience but it may also be about a preference to engage with similar cultures¹.

This is important to note. Our largest tourism and food and beverage export markets are within an overnight flight to New Zealand. Targeting these specific locations, potentially from specific regions, could be a successful strategy to effectively promote New Zealand as a food and beverage destination.

PERCENTAGE OF TOURISTS FROM A COUNTRY PARTICIPATING IN A FOOD-RELATED ACTIVITY²



Source: Statistics New Zealand, MPI, ANZ

Chinese travellers' preferred activities

Chinese respondents to the WFTA Survey showed a strong preference towards experiences that were eclectic and authentic¹. In New Zealand, the high proportion of Chinese tourists visiting farms suggests we have a greater opportunity to back up the on-farm experience with authentic food experiences.

Opportunity for regional New Zealand

Opportunities exist for each New Zealand region to target foodie tourists in a way that leverages the unique characteristics and history of their area to appeal to differing foodie sub-profiles.

Understanding and promoting regional specialties, is one way to achieve this. The Bluff Oyster Festival³, for example, has been a great success in promoting a genuine local delicacy.

Fishing and hunting experiences are a distinct opportunity for regional New Zealand. While the proportion of total visitors participating in these experiences seems comparatively light, research indicates strong growth in this lucrative market.

A 2016 study by the New Zealand Marine Research Foundation⁴ found that over 100,000 international visitors fish in the sea every year and spend \$89 million. This research only related to saltwater fishing, therefore the opportunity for regions to pitch to visiting hunters and freshwater and saltwater fishers is potentially significant.

TOP ACTIVITIES BY HIGH VALUE TOURISTS FROM USA AND AUSTRALIA⁵

LOCAL INGREDIENTS, TRADITIONAL COOKING

Creating environments where this can occur has the added benefit of educating travellers with potential spinoff benefits for ongoing exports to these key markets of USA and Australia.

STREET FOOD

Despite its popular appeal, New Zealand is not renowned for a diverse offering of street food. Entrepreneurial exceptions like the Marlborough-based Manaaki⁵ food caravan serving rongoā Māori-inspired condiments might be on to a good thing.

FARMERS' MARKETS

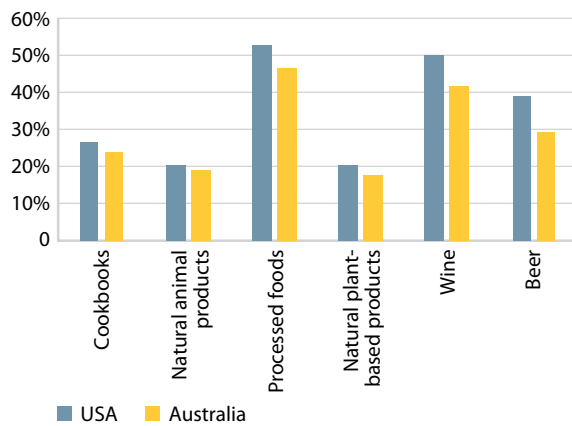
Farmers' markets are popular for consumers seeking to interact directly with producers. Such markets also enable travellers to prepare food themselves.

Sources & Notes: 1: Survey data obtained from The World Food Travel Association, Food Travel Monitor Survey (June 2016) www.WorldFoodTravel.org. 2: Data obtained from online survey by MPI and ANZ in July 2018. Total sample size was 1000 for both the USA and Australian surveys. 3: For more information please see <http://www.bluffoysterfest.co.nz/>. 4: New Zealand Marine Research Foundation "Recreational Fishing in New Zealand – A Billion Dollar Industry" – March 2016. 5: For more information please see www.TasteManaaki.com.

UNDERSTANDING THE CUSTOMER (continued)

CONNECTING CUSTOMERS FOR FOOD AND BEVERAGE SALES

PRODUCTS FROM DESTINATION COUNTRY MOST LIKELY TO PURCHASE WHEN RETURNING HOME¹



Quick wins

Respondents from both Australia and the USA delivered good news to the food manufacturing, wine and brewing sectors.

Given these are products that can all be consumed with little or no preparation, this buying preference may be about convenience, or it may be due to a lack of education on how to prepare natural products.

Regardless of sector, the opportunity exists for businesses to provide memorable and educational experiences to visitors. If this can be matched with an ability to stay connected after visitors return home, then the chances of repeat sales greatly increase.

Culinary credentials and product promotion

New Zealand cookbooks can tick all the boxes.

The relatively high percentage of respondents who selected cookbooks is interesting and promising. From a consumer perspective it indicates a desire to learn more about cuisine from other countries. From a New Zealand perspective, sending cookbooks home with departing visitors offers an opportunity to promote Kiwi cuisine and products, and demonstrate our culinary credentials to the world.

The research also suggests that cookbooks are marketable products themselves, therefore they could receive more prominent placement at tourist venues.

USING DATA TO CAPTURE ENGAGED TOURISTS WHEN THEY LEAVE

Companies such as Facebook now offer tools that allow businesses to promote themselves to customers who have visited brick and mortar stores.

Businesses could expand this further, advertising processed products that may not be available on location (such as the farm or orchard) and associating the product with the visit.

Sources & Notes: 1: Data obtained from online survey by MPI and ANZ in July 2018. Total sample size was 1000 for both the USA and Australian surveys. High-value tourists are defined as survey respondents who were identified as either likely or very likely to purchase food from a destination country after visiting the country.

ROOTS



Roots Restaurant resides in the port town of Lyttelton, a short 15 minute drive from Christchurch City Centre. Serving just 32 people on a fully booked night, the restaurant offers fresh, locally sourced produce served in innovative dishes on a tasting menu.

If success is measured by accolades, Roots is doing very well indeed, winning Cuisine Magazine Restaurant of the Year 2015.

Chef and owner Giulio Sturla is emphatic about the value to be added to life and the local economy by bringing the freshest quality New Zealand foods to discerning diners.

**“THE REASON WE DO WHAT WE DO
IS BECAUSE WE WANT TO CREATE
A MEMORY OF TASTE.”**

Giulio Sturla

“People will keep that memory, and then ask for that taste.” In that way, Roots creates markets for the producers, for the types of foods and the freshness that the restaurant demands.

And the benefits extend beyond the restaurant and the farmer or fisher. Typically, 60% to 80% of patrons are from overseas. And yet the restaurant is not that well-known locally, with only about one in 10 diners local to Christchurch. Roots shuns advertising because of the expense and relies on word of mouth, which has led to a two-month wait for a booking in the busy peak season from October to April.

But success has not been easy, and certainly not instant. The story is of a compelling rise from the rubble. Giulio and his wife, Christy, lost their jobs after the Christchurch earthquake and began selling their creations in the local market. Eventually they leased a site in Lyttelton and furnished the dining room and kitchen with second-hand wares from damaged and closed restaurants.

There were two main challenges. First, sourcing quality and fresh food. While fish and lobster land at the dock only a five minute walk from the restaurant, Giulio initially had trouble finding fish that was not two-to-three days old or frozen. Now he serves line-caught fish, as fresh as you can get in New Zealand – and you can taste it.

Each supply relationship was hard fought, and by sourcing seasonal food, much of Giulio’s time is spent cultivating these all-important relationships. But it is worth it: “Every season brings something special” and “we are introducing people to tastes they have never experienced.”

When Giulio needed local, fresh white asparagus, he leveraged one of his existing supplier relationships. “It was not easy. I started a year in advance... I had to offer to buy all the produce so there was no risk,” he recalls.

The other challenge was winning over customers to the new format. When they opened, the tasting menu did not catch on at first. “Some people asked for fish and chips.” This is perhaps another reason why word of mouth worked for Roots better than paid advertising – the customers were selling the restaurant to others they knew would appreciate the quality and sustainability.

Now firmly established, Roots is a celebration of local taste. Some 90% of its wines are from New Zealand and 80% of these are from Canterbury. Remaining challenges include the cost of inputs which keeps the restaurants prices in the premium category.

Giulio aspires that in 10 years, New Zealanders won’t have to fight so hard for fresh, local, sustainable foods. “My daughter will be able to buy a fresh fish, with the head on, and cook it in her own kitchen.” “He” wants to make New Zealand the best food destination.”

As he sees it, we need to up our game and serve fresher food to meet the high expectations of visitors who contribute as much to the New Zealand economy as the agricultural sector.





In 2015, award-winning Roots Restaurant owner and chef, Giulio Sturla, created a day of talks about New Zealand food. Three years later, Eat New Zealand has become a New Zealand food movement.

Eat New Zealand is a not for profit collective involving some of the country's leading chefs, event organisers, food producers, tourism operators and media. They are all inspired to create a national platform to promote and champion the best of New Zealand food drink and culinary tourism opportunities.

Eat New Zealand's vision is for the country to become the world's premium destination for food.

While this can be a place to visit to taste the world's best food, a great New Zealand food experience can also become a driver for purchasing Kiwi products once a traveller has returned home.

Earlier this year, the organisation set up the eatnewzealand.nz website that includes regional food stories collected in one place for the first time. Locals and visitors to New Zealand can create their own food itinerary to follow as they move through the country.

Eat New Zealand believes that if we don't preserve and promote our ingredients and experiences within New Zealand, visitors will leave without discovering the 'New Zealand food story' they had been sold overseas. As a nation, we will lack the 'culinary credentials' necessary to sell our food at the highest price points in the best markets.

This is the space Eat New Zealand occupies; a national platform designed to bring together all aspects of New Zealand food, from South Canterbury lamb farmers to a food tourism experience in Parihaka. From three-hatted Auckland restaurants to Otago bakers using locally grown wheat.

This is the place to Eat New Zealand.



THIS IS THE
PLACE TO EAT
NEW ZEALAND

REALISING THE OPPORTUNITY

Customer Focus — Consistent Quality — Collaborative Mindset

The goal of this report was to raise the profile of the food tourism opportunity for Aotearoa New Zealand.

Think of our temperate climate, fresh air, unique indigenous culture, relatively well-managed fisheries and low population density. The country is well setup to provide world-class food experiences to our overseas visitors.

Millions of tourists are already aware of this and are travelling across the world to sample our products and cuisine.

But, if our food and beverage sector is to make the transition from a bulk commodity feeder to a boutique experience provider, we need to provide a consistently world-class experience to our visitors.

**FROM INGREDIENTS TO FINISHED
PRODUCTS AND HOSPITALITY, WE
CAN DELIVER PREMIUM-QUALITY
EXPERIENCES WITH THE WOW-FACTOR.**

But consistency requires a concerted effort and an unrelenting focus on quality across the entire value chain.

Iwi and Māori have a key role to play. Many tourists come to Aotearoa New Zealand to experience Māori culture. Food is an integral part of that culture and Māori are large stakeholders in the New Zealand primary sector. Add to this the growing investment by Māori organisations in tourism and there is a real opportunity to be unlocked.

Sustained success will also require breaking out from our respective business, industry and regional silos to identify and collaborate on the diverse array of opportunities.

This is particularly true for regional New Zealand, where opportunities abound. Through collaboration with other businesses, we can start to build a coordinated food tourism offering across the country.

While this is not a simple proposition, there are already numerous passionate New Zealand businesses leading the way and getting this right. Some have provided their case studies for this paper, for which we are thankful.

Stories like that of Roots restaurant in Lyttelton highlight some of the challenges in securing a consistent supply of locally sourced fresh ingredients.

Both the Roots and Nature & Nosh examples support a theme of success for quality-focused businesses able to collaborate and build close relationships with other local suppliers.

For those in the primary and wider food and beverage sectors the opportunity to connect travellers to a true food tourism experience behind the farm gate is equally important.

Avon Valley Safaris in Blenheim is a great example of how both tourism and farming can work together to create a unique experience for travellers. At the same time, it showcases high-value New Zealand food and beverage products which tourists can seek out and buy when they return home.

If we nail this, tourists become ambassadors.

Ambassadors open up our borders. They extend demand beyond our visitors to the world.

Thank you for reading this report.

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The Economic Intelligence Unit develops market information for the primary industries. Use our reports and data to understand how the primary industries work from farm to plate. These insights can be found at mpi.govt.nz/eiu

EXPORT ASSISTANCE

A collection of services offered by Government organisations to help facilitate food and beverage exporters or tourism providers. Please contact each organisation directly.

Provider	Services	Description
Ministry for Primary Industries	Provides consumer and market insights, export standards, market access support, and a range of measures to ensure our primary products are safe, high quality and trusted when they are consumed both here and overseas.	Market insights and advice to help your business thrive. mpi.govt.nz/eiu Exporting assistance: mpi.govt.nz/exporting/overview/get-help-with-exporting/
Ministry of Foreign Affairs & Trade	Develop trade agreements and facilitate trade access and support for a wide range of exporters.	mfat.govt.nz/en/trade/how-we-help-exporters/services-for-exporters/
New Zealand Trade & Enterprise	Market research, business planning, international compliance and funding options among other services aimed to help your business thrive as an exporter.	Export assistance: nzte.govt.nz/export-assistance Full list of services: nzte.govt.nz/our-services
New Zealand Customs Service	Provide market access and customs advice to make sure that lawful travellers and items can move across our border as smoothly and efficiently as possible.	Businesses can ensure they can easily move their products over our border by contacting: customs.govt.nz/contact-us/
Ministry of Business, Innovation & Enterprise	Offer a range of services to small businesses as well as leading insights into the New Zealand tourism industry.	Tourism services: mbie.govt.nz/info-services/sectors-industries/tourism Supporting business growth: mbie.govt.nz/info-services/business
Tourism New Zealand	Responsible for marketing New Zealand to the world as a tourist destination. Offer a variety of tools for businesses that can be used to help market their products abroad to key tourism markets.	Tools to help businesses thrive in the tourism market: tourismnewzealand.com/tools-for-your-business/
New Zealand Story Group	Offer support and resources to help New Zealand businesses share their story with the world. These include workshops, market insights, images, videos and the FernMark Licence Programme.	Resources designed to help Kiwi export businesses develop, promote and protect their unique stories: nzstory.govt.nz/resource/ fernmark.nzstory.govt.nz/



IMAGE CREDITS:

Cover image: Kieran Scott

Inside cover image: Cheese Board with Wine: New Zealand Story

Page 4-5: Case Study 1 – The Whole Package: Avon Valley Safaris Limited

Page 9: Case Study 2 – Showcasing Local Nature and Food: Nature & Nosh Tours NZ Limited

Page 13: Case Study 3 – Roots Restaurant

Page 14: Case Study 4 – Eat New Zealand

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