
Moving beyond farmers’ markets

a how to guide

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purpose of this document

Many smaller food and beverage companies get their start in the various Farmers Markets up and down the country. An issue for these companies is, what to do if they are successful in the Farmers Market and they have ambitions to grow further.

The skills required in running a small operation with maybe only family as staff, supplying a local market with seasonal product on a weekly basis, are quite different to running a business where larger volumes of product are required and may be required all year round. Selling in a Farmers Market is very much a personal business, with a high degree of interaction between the manufacturer and the buyer. In a larger business this personal touch may no longer be there.

The purpose of this document is to provide some guidance to those companies who are selling into Farmers Markets and who are considering moving beyond Farmers Markets.

This document is not intended to prepare companies for export. Within NZTE we receive many approaches for companies wishing to export. One of the first things that we look at when we receive such an approach is whether a company has the commitment and the capability to export. It does no one any good if a company seeks to export too soon, without the capability and the resources to export, and fails. The following link, to the NZTE operated MarketNewZealand.com website, is a self-assessment that we ask companies to complete when they are considering export. It shows the criteria we look for when we work with companies looking to export.

<http://www.marketnewzealand.com/MNZ/Export/Display.aspx?SectionID=EXPORTREADY>

starting a business

This section has links to websites, organisations and government agencies that can assist companies when they are starting, or when they are growing, or changing direction.

Basic business information

■ [business.govt.nz](http://www.business.govt.nz)

www.business.govt.nz

Business.govt.nz is a portal that pulls together the information required to set up and run a company in New Zealand. The various sections link to the websites of the organisations and agencies who have an affect on business. Tthis site is a fast way to find tools and information to help you start, manage or grow your business.

- **BIZ Advisor**

<http://www.business.govt.nz/biz>

BIZ is a business information and referral service that offers help to people in business. They can assist with information, contacts, training and advice. There are 32 BIZ centres around the country and they are listed in the above link. Alternatively they can be contacted on their 0800 424 926.

- **New Zealand Trade and Enterprise information**

Enterprise Training

<http://www.nzte.govt.nz/section/11733.aspx>

The New Zealand Trade and Enterprise's (NZTE) Enterprise Training Programme (ETP) is aimed at upskilling the owners and operators of small and medium enterprises to help them develop and grow their businesses. This link below is to the contact details for Enterprise Training providers in each region who can provide details of the courses they are running -

<http://www.nzte.govt.nz/section/12558.aspx>

E-Business Guide

<http://ebusinessguide.nzte.govt.nz/>

Today it is essential that companies have an on-line presence. The NZTE E-business Guide is an online, step-by-step guide that helps New Zealand organisations learn how to use the internet and online technologies to boost business.

Business mentoring

<http://www.nzte.govt.nz/section/13576.aspx>

There are a number of different business mentor programmes in New Zealand. These normally involve closely matching clients with mentors depending on the knowledge and skills required. NZTE recognises the value of using a mentor for your business. Enterprise Development Grants are available for businesses to employ mentors, get specialist advice and engage a small business advisory board.

Grants

<http://www.nzte.govt.nz/section/14185.aspx>

Enterprise Development Grants for Capability Building are to assist companies grow by co-funding on a 50/50 basis the cost of bringing outside skills and expertise to increase a company's capability and so lift a company to a new level. NZTE will contribute up to half of the total cost of the project with a maximum grant of \$20,000. It should be noted that this grant does not cover operational costs, it is for strategic capability development.

Grants from other Government agencies can be seen on

<http://www.business.govt.nz/Finances-and-cash-flow/Grants-and-other-financial-assistance.aspx>

Other government agencies

There are various legal and regulatory issues that you will need to investigate when setting up a business. These include selecting the right structure for your business, protecting any intellectual property you have and, of course, paying tax. In addition, there are specific regulatory requirements for food and beverage businesses.

■ Companies Office

www.companies.govt.nz

The Companies Office is the government agency responsible for the administration of corporate body registers, including the Companies Register. Its website has information about forming a company, and step by step instructions for registering a company in New Zealand. The site also provides information about choosing the appropriate business structure for your needs.

■ Intellectual Property Office

www.iponz.govt.nz

The Intellectual Property Office (IPONZ) website provides information on patents, trade marks and designs. On the website you can search the New Zealand patent, trade mark and design databases, pay renewal fees, file trade mark applications, and find forms and guides on intellectual property in New Zealand.

■ Inland Revenue

<http://www.ird.govt.nz/yoursituation-bus/>

The Inland Revenue (IRD) website has information for businesses, which outlines the responsibilities for income tax, Goods and Services and PAYE etc. It also provides information on other topics including payments to non-residents, the implications of e-commerce and provisional tax. There is also a section on starting a business.

■ New Zealand Food Safety Authority

www.nzfsa.govt.nz

The New Zealand Food Safety Authority (NZFSA) administers legislation covering:

- food for sale in New Zealand
- primary processing of animal products and official assurances related to their export
- controls surrounding registration and use of agricultural compounds and veterinary medicines
- the production and export of wine.

The NZFSA has responsibility for the Food Code, which sets out New Zealand's food standards which are promulgated by regulation and establish domestic food composition and labelling rules.

www.foodstandards.govt.nz/thecode/

Under the Animal Products Act, a Risk Management Programme (RMP) is required for a wide range of producers including eggs, honey, meat, dairy and

poultry.

www.nzfsa.govt.nz/animalproducts/subject/rmp/index.htm

- **Medsafe**

www.medsafe.govt.nz/Regulatory/CompMed/GuidanceTool.asp

Some products fall in the 'grey area' between food and medicines, and could potentially be regulated as a food, or as a therapeutic, product. Medsafe has a guidance tool for assessing the appropriate regulatory coverage for these products.

Other organisations

- **Economic Development Association of New Zealand (EDANZ)**

www.edanz.org.nz

The members of EDANZ are the regional and local Economic Development Agencies (EDAs) throughout New Zealand, and other stakeholders such as local government and Central government agencies. The EDANZ website has links to the EDAs in New Zealand.

- **New Zealand Chambers of Commerce**

www.nzchamber.co.nz

Chambers of Commerce provide services such as networking events, training and education, mentoring, and advocacy on behalf of business. The New Zealand Chambers of Commerce website has links to Chambers all around New Zealand.

- **business.govt.nz directory of business and industry contacts**

<http://www.business.govt.nz/Content/Published/Business-Tools/Business-and-industry-contacts.aspx>

information on the New Zealand food and beverage market

When developing a marketing strategy, it is important to learn as much as possible about the market, or potential market, for your product. This will involve both looking at the New Zealand market in general, as well as the sectors and the regions you intend to sell into.

Information from government agencies

- **Statistics New Zealand**

www.stats.govt.nz

Statistics New Zealand is New Zealand's national statistical office. It publishes a wide range of information, and the following are some of its reports that can help you learn more about potential customers and their spending patterns.

Household Economic Survey

www.stats.govt.nz/products-and-services/info-releases/hes-info-releases.htm

Retail Trade Survey

www.stats.govt.nz/products-and-services/info-releases/rts-info-releases.htm

Quarterly regional reviews

www.stats.govt.nz/statistics-by-area/regional-statistics/quarterly-reg-review/default.htm

Business Demographic Statistics

www.stats.govt.nz/products-and-services/table-builder/table-builder-business.htm

■ **United States Department of Agriculture Foreign Agriculture Service**

The United States Department of Agriculture's Foreign Agricultural Service (FAS) publishes a large number of reports on different markets around the world. The links below are for annual reports on the New Zealand retail and food service sectors. While these are aimed at US companies, and therefore some of the material may not be relevant, the reports contain useful information on the size of the New Zealand market and how it operates.

New Zealand Food Service Sector Annual Report, Feb 2008

www.fas.usda.gov/gainfiles/200802/146293792.pdf

New Zealand Retail Food Sector Annual Report, Nov 2007

www.fas.usda.gov/gainfiles/200711/146292989.pdf

Market research companies

While most of the work that market research companies produce is generally only available through subscription, or only available to the companies that commissioned it, they often do make some information freely available.

■ **Nielsen New Zealand**

<http://nz.nielsen.com/site/index.shtml>

Nielsen (formerly ACNielsen) is one of the world's largest marketing information companies, operating in more than 100 countries.

■ **Coriolis Research**

www.coriolisresearch.com

Coriolis is a market research and strategic management consulting firm providing research to clients in the food and fast moving consumer goods (FMCG) supply chain.

Supplier Guidelines

Both of the major supermarket chains have a set of guidelines that their suppliers must comply with.

■ **Foodstuffs NZ**

www.foodstuffs.co.nz/SupplierGuidelines/

Each of the three regional co-operatives has a slightly different system for approving a new product listing, however these are the common pre-requisites.

■ **Progressive Enterprises**

www.progressive.co.nz/suppliers/index.asp

Trade shows

Trade shows provide a good opportunity for promoting new products and making contacts within the industry, and are also a good place to find out information about competitors and their products.

While the link below, from the MarketNewZealand.com website, is aimed at companies looking at exhibiting at international trade fairs. Much of the information can be applied to exhibiting at fairs in New Zealand.

<http://www.marketnewzealand.com/Common/Files/external-trade-event-htg.pdf>

■ **The Food Show**

www.foodshow.co.nz

The Food Show is held annually in Auckland, Wellington and Christchurch. It is New Zealand's most popular food and beverage exhibition. Total visitor numbers topped 65,000 across the three shows.

■ **South Island Hospitality Show**

www.sih.co.nz

The inaugural South Island Hospitality Show will take place in Christchurch, at the Westpac Arena on June 18 and 19, 2008. It will bring together more than 100 exhibitors and around 2000 key hospitality professionals from the South Island and beyond.

■ **HospitalityNZ**

www.hospitalitynz.co.nz

HospitalityNZ combines five events in one show (Hospitality Show, Wine New Zealand, Coffee and Beverage, New Zealand Culinary Fare and Telecom Hospitality Business Seminars). It will be held at the ASB Showgrounds in Auckland from 31 August – 2 September 2008.

trade publications and other sources of information

Trade publications are sources of useful information ranging from market trends and new products entering the market, to information about competitors, and potential distributors or outlets for your product.

Trade publications

- **FMGC**
<http://www.4rpl.com/>
A monthly food and beverage manufacturing and supermarket magazine.
- **Foodservice**
<http://www.4rpl.com/>
Covers the hospitality trade, across the restaurant, cafe, catering, bar and wider food service industries.
- **BWS (Beer, Wine, Spirits)**
<http://www.4rpl.com/>
Articles cover the liquor business as a whole, including beer, wines and spirits.
- **Catering Plus**
<http://www.cateringplus.co.nz/AboutUs/tabid/161/Default.aspx>
Published bi-monthly, Catering Plus is distributed to contract caterers, hospitals, rest homes, tertiary educational organizations, boarding schools, staff cafeterias, prisons, and conference venues. It provides coverage of industry events and new product developments.
- **food2Go**
<http://www.food-to-go.co.nz/AboutUs/tabid/183/Default.aspx>
food2Go is targeted at bakeries, cafes, lunch bars, fast-food outlets, food courts, ethnic food bars, hot bread shops, services stations and supermarkets.
- **Hospitality**
<http://www.hospitalitymag.co.nz/AboutUs/tabid/76/Default.aspx>
Hospitality covers New Zealand hospitality news and views, international news, product information, and articles on the business aspects of running a hospitality operation.

Other information sources

- **NZS (New Zealand Search Engine) directory of food and beverage businesses**
<http://www.nzs.com/business/services/food/>
- **Foodworks Directory**
www.foodworks.co.nz
A Directory of food & beverage related products, services, companies and websites from New Zealand.

Industry contacts and other groups

Industry groups can offer contacts and support, and provide useful information.

Industry contacts

- **New Zealand Food and Grocery Council**

www.fgc.org.nz

The New Zealand Food & Grocery Council (FGC) represents the manufacturers and suppliers of some of New Zealand's major food, beverage and grocery brands.

- **Restaurant Association of New Zealand**

www.restaurantnz.co.nz

- **Farmers Market New Zealand Association**

www.farmersmarket.org.nz

- **Food Hawkes Bay**

www.foodhawkesbay.co.nz

FHB is a membership organisation representing the food industry in Hawke's Bay. The organisation started in 2002 and has acted as a source of information for the wider NZ food industry. The organisation welcomes the chance to share its experience with any region so encourages like-minded organisations and/or companies, to contact them

- **Food Bay of Plenty**

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