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Future of Food: A New Zealand perspective



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Capturing more value from what New Zealand does best

New Zealand has long built its food and fibre success on the quality of what we produce. The opportunity now is to turn those strengths into greater value, building on our quality, provenance, natural advantages, and expertise to compete in a changing global food system.

Significant shifts are reshaping where and how value is created across the global food ecosystem. Future of Food 2.0, developed by PwC's global strategy consulting business, Strategy&, identifies nine emerging growth areas that together could represent US$3.1 trillion by 2035. These span how we grow, produce, and consume food – from agricultural inputs and connected farming through to advanced processing, health and nutrition, convenience, and new shopper experiences.

For New Zealand, the global growth picture is only part of the story. Our scale, export orientation, natural production systems, and existing capabilities all shape what future success looks like here.

To explore what it will take for New Zealand to succeed in this evolving global food ecosystem, we brought together leaders from across the food and fibre sector to discuss the opportunities ahead, the barriers that could hold us back, and where New Zealand can compete.

A clear message emerged:

> New Zealand's opportunity is not simply to produce more food. It is to capture more value from what we produce.

That means making deliberate choices about where we can compete, moving further up the value chain, getting closer to the consumers who value what we offer, and strengthening our ability to prove what makes New Zealand food different.

Doing so will require confronting some familiar challenges, from our distance from markets and relatively small scale to investment and infrastructure constraints. It will also require us to think differently about technology and collaboration.

The opportunity is significant. Capturing it will require more than a good product.



01

Compete on value

> The opportunity is not premium for premium's sake. It is to create more value from every unit of production, and build an enduring advantage.

Our opportunity lies in capturing more from what we already produce.

New Zealand will rarely be the world's lowest-cost producer. We are geographically distant from many of our customers, operate at relatively small scale, and face higher costs than some international competitors. Trying to win primarily through volume therefore plays to the strengths of others.

The alternative is to build on the characteristics that already differentiate New Zealand – quality, trusted production, natural resources, specialist expertise, and provenance – and convert more of those advantages into economic value.

That view came through strongly in our conversations with food and fibre leaders. The opportunity is to move further from undifferentiated volume towards higher-value products, ingredients, and propositions that customers are prepared to pay more for.

The goal is to build value that can be sustained and repeated – underpinned by differentiation, capability, and a clear reason for customers to keep choosing New Zealand. This doesn't necessarily mean producing entirely different things. Often, it means extracting more value from what we already have.

New Zealand businesses are already demonstrating what this can look like. Fonterra is investing NZ$75 million at its Studholme site to expand production of advanced protein ingredients for applications including medical nutrition and high-protein sports nutrition. Sanford has developed marine bioactives from Greenshell mussels, while Silver Fern Farms has developed higher-value collagen and keratin ingredients from sheep skins and wool. Across meat processing, automation and precision technologies are also enabling businesses to produce more consistent, higher-specification products, and capture more value from each animal.

Health and nutrition may create further opportunities. Globally, Strategy& estimates this could become a US$800 billion growth area by 2035 as demand increases for functional foods, protein-rich products, and nutrition linked to specific health outcomes.

That plays to New Zealand's ability to produce high-quality, naturally nutritious foods. But capturing the opportunity requires more than attaching a premium label to a commodity. It requires investment in processing, formulation, science, brands, and routes to market, and a clear understanding of where New Zealand has a genuine right to win.

02

Prove what makes New Zealand different

In a world of competing claims, trust increasingly needs evidence.

New Zealand has a good story to tell. Our food is associated with quality, safety, natural production, and trusted provenance. Those characteristics have helped build New Zealand's reputation in markets around the world.

Part of that story is uniquely ours. Māori agribusiness brings deep connections to whenua, whakapapa, kaitiakitanga, and intergenerational stewardship. For some international customers and consumers, that cultural provenance can add another layer of differentiation to New Zealand food and fibre – one that cannot simply be replicated by producers elsewhere.

But having a distinctive story is only part of the equation. Increasingly, businesses also need to be able to substantiate the attributes and claims that sit behind it.

One of the strongest ideas to emerge from our conversations was that food markets are moving from a trust model to a proof model. Customers and consumers increasingly want to understand not simply where something comes from, but how it was produced, what it contains, and whether the claims made about it can be substantiated.





That creates an opportunity for New Zealand. Traceability, digital supply chain information, and verification can provide stronger evidence of provenance and production. Scientific substantiation can demonstrate nutritional and functional benefits. Sustainability data can provide evidence of environmental performance.

Together, these capabilities can turn attributes that are difficult to see into something customers can understand and value – making distinctive provenance commercially meaningful.

There are already good New Zealand examples. Comvita uses a government-recognised accredited laboratory to verify bee-product ingredient quality and continues to invest in research into areas including gut health, immunity, and cardiometabolic health. Its approach illustrates how value can be created not simply from the underlying product, but from the science and assurance surrounding it.

But proof needs to be connected to the market. Participants in our conversations repeatedly returned to the difficulty of getting New Zealand's story all the way to the end consumer. Traceability technology may tell someone exactly where a product came from, but that only creates commercial value if the information matters to the person making the purchasing decision.

> The challenge is therefore bigger than traceability. It is about connecting provenance, evidence, and storytelling in a way that gives customers a reason to choose New Zealand – and, importantly, a reason to pay for the difference.

That may also require greater collective effort. Individual New Zealand businesses can build strong brands, but there is an opportunity to consider how our national reputation and individual product stories can reinforce each other more effectively.

New Zealand already has many of the attributes global consumers are looking for. Our next advantage may come from becoming much better at proving them.

03

Get closer to the consumer

Creating a premium starts with understanding who values it.

New Zealand may be a food-producing nation, but ultimately value is determined by the customer. And that customer is changing.

Strategy&'s global research points to increasingly fragmented consumer expectations. Price and taste remain fundamental, but health, convenience, and sustainability are influencing different consumers and occasions in different ways. Consumers increasingly want food that does more for them while remaining accessible, convenient, and enjoyable.

For New Zealand exporters, understanding these differences matters. Our conversations highlighted how quickly behaviours can differ between generations, markets, and consumer segments. Convenience and digitally enabled purchasing are already deeply embedded in parts of Asia. Health and protein are becoming increasingly prominent in other segments. Premium consumption can grow even as overall category volumes decline.

The implication is that there is no single future consumer. And that makes broad assumptions about what consumers want increasingly risky.

One New Zealand business participating in our discussion described targeting consumers in China not simply by age, gender, or location, but by detailed lifestyle characteristics and interests. That degree of segmentation enabled the business to identify a relatively narrow audience with a strong propensity to buy rather than attempting to appeal to an entire market.

The global research reaches a similar conclusion about emerging markets. Markets such as China and India may offer substantial long-term opportunity, but preferences, infrastructure, channels, and regulatory environments vary considerably. Winning increasingly requires localisation rather than a one-size-fits-all export model.

There is another consideration. What consumers say matters to them, and what ultimately drives a purchase, will not always be identical. Price pressure, convenience, availability, and the purchasing environment can change behaviour. For businesses, that reinforces the value of combining traditional consumer research with actual purchasing, behavioural, and market data wherever possible.

> If New Zealand wants to capture greater value, we need to get closer to the people ultimately creating that value.

The question isn't simply what can New Zealand produce. It is who will value it, why, and how do we reach them?

04

Make technology solve an economic problem

Technology is an enabler – not the destination.

AI, robotics, automation, biotechnology, and data are transforming food production globally. The opportunity for New Zealand is significant. But our conversations suggested a pragmatic view of technology:

> Adoption needs to solve a real problem, and the economics need to work.

For growers and producers, that might mean using automation to reduce labour requirements or improve productivity. For processors, it could improve yield, consistency, and throughput. Data can improve decision-making, while digital traceability can help substantiate provenance and sustainability claims.

Technology can also strengthen business continuity, adaptability, and resilience – helping businesses respond more quickly to labour constraints, supply disruptions, changing production conditions, or shifts in customer requirements.

The potential is already visible. Connected growing technologies are being used across New Zealand agriculture and horticulture to improve decision-making and automate tasks. Hectre provides growers and packhouses with real-time harvest and traceability information, while Robotics Plus has developed autonomous technology for orchard and vineyard operations.

Connected technologies are also demonstrating potential productivity gains in dairy farming.

Yet the barriers are equally real. Our discussions highlighted examples of agricultural robotics costing around NZ$1 million for relatively specialised applications. The technology may work, but the investment can be difficult to justify at New Zealand scale.

The global research identifies the same challenge. High upfront investment, uncertain returns, and adoption risk can prevent potentially valuable technologies from scaling, particularly on farms.

AI adds another layer, but it shouldn't distract from the fundamentals. For many businesses, the first priority will still be reliable digital infrastructure, usable data, and automation. Technology adoption is often a progression – from mechanical and electronic systems through digital tools and automation – with AI becoming more valuable once those foundations are in place.

That suggests the most useful question for business leaders isn't "How do we use AI?", it's "Where are the constraints or vulnerabilities in our business, and which technologies could help us respond?"

05

Scale differently

Collaboration could turn a New Zealand constraint into an advantage.

Scale runs through many of the challenges facing New Zealand's food and fibre sector. Our businesses and farms are relatively small by international standards. The domestic market provides a limited base from which to fund investment. Building brands offshore is expensive. New technology can require significant capital. And developing deep capability in every market, technology, and part of the value chain is unrealistic for many organisations.

> Consolidation is one response – but it isn't the only one. A strong theme from our conversations was the potential to create scale through collaboration.

That collaboration can take many forms – from businesses working together to develop markets or invest in shared capability, to partnerships that bring together capital, expertise, technology, and access to customers. Māori agribusiness provides another important lens, with collective ownership structures and long-term partnerships offering different models for bringing together capability and investment while maintaining connection to the underlying assets and long-term purpose.

There are already examples of collaboration creating value across New Zealand's food and fibre sector. Participants pointed to examples from the wine industry where producers have combined marketing and storytelling efforts to build recognition for a region or category, while continuing to compete individually.

For New Zealand's family-owned farms and businesses, collaboration could also provide a route to some of the benefits of scale without necessarily sacrificing independence.

Producer groups, shared investment, partnerships, and other collaborative models could help organisations access capabilities that would otherwise be beyond their reach.

This is not simply a New Zealand challenge. Strategy&'s global research found broad consensus that no single player can unlock emerging growth opportunities alone. Partnerships are increasingly being used to share risk, and gain access to technology, research, skills, and other capabilities that companies cannot economically build themselves.

The opportunity is therefore to think differently about scale. New Zealand may never match the production scale or capital base of the world's largest food-producing nations. But scale doesn't have to mean size.

It can mean shared capability, collective investment, stronger ecosystems, and a more coordinated approach to taking New Zealand's food to the world.

06

Create the conditions to compete

Ambition alone won't capture the opportunity.

There was no shortage of ambition in our conversations with food and fibre leaders. But a recurring concern was whether the wider environment enables businesses to act on it. Creating the conditions for growth is about building resilience – ensuring the sector has the capital, infrastructure, energy security, policy settings, and access to natural resources it needs to adapt and remain competitive over the long term.

Capital. Moving further up the value chain requires investment – in processing, technology, brands, science, and market development. For privately owned and family businesses, committing significant capital with uncertain or long-term returns can be particularly challenging.

Given their unique collective ownership and land structure, Māori agribusinesses require more innovative investment and partnership models that can work across different forms of ownership.

Infrastructure. Advanced agriculture increasingly depends on reliable digital connectivity, energy, and physical infrastructure. Yet participants described basic mobile connectivity gaps in rural areas while simultaneously discussing autonomous machinery and digitally connected production.





Energy. Cost matters, but so does resilience. Participants questioned the sector's exposure to imported fossil fuels and discussed the potential for greater electrification and secure domestic energy to support both productivity and New Zealand's wider value proposition.

Regulation and policy. Good regulation can enable innovation; poorly aligned systems can add cost without adding value. One example raised during our discussions involved incompatible certification systems requiring additional recertification for exports – a relatively small technical issue creating a direct cost in the supply chain.

Water and long-term regional planning. Access to natural resources and decisions about how land, water, infrastructure, and production develop over decades will fundamentally affect what different regions can produce. Participants saw an opportunity for the sector to engage more collectively in those longer-term conversations.

Added to these challenges is a tougher and more fragmented global trading environment. As an export-led sector, New Zealand food and fibre is particularly exposed to shifting trade relationships, geopolitical uncertainty, and changing market requirements. Maintaining access to diverse markets – and the ability to adapt as trading conditions change – will be an increasingly important part of building resilience.

There won't be a single answer to these issues. Nor should the responsibility sit with government or industry alone. Many involve decisions across businesses, investors, infrastructure providers, central and local government, researchers, and communities.

Together, these conditions will influence not only New Zealand's ability to capture new opportunities, but how well the sector can withstand disruption, adapt to change, and sustain its competitive position over time. In that sense, resilience is not simply about managing risk – it can be a source of competitive advantage.

But it raises an important question.

> If New Zealand knows where we have the potential to win, are we creating the conditions that allow businesses to capture and sustain that advantage?

That question may become increasingly important as technology, trade, and global markets move faster.

Building the capability to capture the opportunity

Capturing greater value will require new capabilities, confident leadership, and a long-term view of ownership and succession.

The future of New Zealand's food and fibre sector will depend as much on people as it does on technology, capital, or natural resources.

Moving further up the value chain will require new combinations of capability. Deep production and sector expertise will remain fundamental, but increasingly it will need to sit alongside skills in data, engineering, food science, consumer insight, technology, and international markets.

Leadership matters. Many of the choices explored in this report involve investing before the outcome is certain – whether that means entering new markets, adopting technology, developing higher-value products, or collaborating in new ways. Leaders will need to make deliberate choices about where their businesses can genuinely compete, while having the confidence to invest and adapt as conditions change.

Ownership and succession add another dimension. As farms and businesses move between generations, succession can be more than a transfer of ownership. It can create an opportunity to reconsider governance, capital, technology, partnerships, land use, and the long-term direction of the business.

Succession can look different in Māori agribusiness. Where assets are held for future generations, succession is less about transferring or realising ownership and more about renewing the mandate to steward those assets. That longer ownership horizon can influence governance, investment, land use, partnership decisions, and how returns are assessed over time.

Ultimately, New Zealand's competitive advantage will depend not only on the assets we have, but on whether we have the people, leadership, and ownership models to use them differently.



Turning advantage into value

New Zealand starts from a position many countries would envy. We have strong natural resources, high-quality production, trusted systems, deep food and farming expertise, and an international reputation built over generations. But those advantages don't guarantee future success.

Global food markets are changing, driven by increasingly fragmented consumer preferences, growing climate and environmental pressures, and technological advances that are transforming how food is produced. These shifts are placing greater importance on evidence and traceability, while competitors are investing rapidly to strengthen their position.

New Zealand does not need to pursue every emerging opportunity. Instead, the conversations we've had with food and fibre leaders point towards a clear strategic direction: create more value from the things New Zealand already does exceptionally well.



That means moving further up the value chain rather than relying on volume alone.



It means turning provenance into proof, and proof into value.



It means adopting technology where it genuinely improves productivity and competitiveness.



It means understanding the consumers and markets most likely to reward our strengths.



And it means collaborating where our individual scale makes going it alone difficult.

Underpinning all of this is a broader challenge: ensuring that our capital, infrastructure, energy, policy settings, and long-term planning enable the sector to move.

Strategy&'s global research describes a food ecosystem in which value is increasingly in motion. For New Zealand, the opportunity may be less about following where that value moves, and more about making deliberate choices about where we have the right to win.

We already have many of the ingredients. The next step is connecting them – and capturing the value.

Global growth through a New Zealand lens

Future of Food 2.0, developed by Strategy&, PwC's global strategy consulting business, identifies nine emerging growth areas across how we grow, produce, and consume food, together representing an estimated US$3.1 trillion opportunity by 2035.

Our New Zealand perspective builds on that global research by asking what those shifts could mean here – and what it will take for New Zealand's food and fibre sector to capture the opportunity.

The nine growth areas below provide the global context for the opportunities, choices, and constraints explored throughout this report.

Nine emerging growth areas across the global food ecosystem

How we grow	How we produce	How we consume
Next-gen agricultural inputs • CRISPR-edited crops • Biological inputs • Methane-reducing feed additives	**Advanced food processing** • Automated food processing systems • High-pressure processing (HPP) • 3D food printing	**Health and nutrition** • Functional foods and beverages • Supplements • Personalised nutrition and diagnostics
Connected growing systems • Precision equipment and automation • Digital sensing and data platforms • Farm management software • Regenerative agriculture	**Alternative ingredients and proteins** • Plant-based proteins • Fermentation-based products • Cultivated meat • Insect proteins	**Convenience** • Food delivery • Quick commerce • Meal kits • Major smart kitchen appliances
Agri infrastructure • Agrivoltaics • Solar-powered cold storage • Controlled-environment agriculture	**Sustainable packaging** • Recyclable packaging • Biodegradable packaging • Compostable packaging	**Shopper experience** • Retail media • Advanced automated checkouts • Agentic food commerce

Source: Strategy&, Future of Food 2.0.



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