



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

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NZ-UK Free Trade Agreement: Primary Exports Update

MARKET INTELLIGENCE REPORT

Summary

- New Zealand primary industry exports to the United Kingdom have continued to grow, driven by high prices in the UK and the New Zealand-UK Free Trade Agreement. Over the second year of the FTA, the value of primary industry exports grew by 25% from \$1.06 billion to \$1.33 billion. Lamb, beef, and dairy delivered the majority of growth while returns on wine have dropped.

Report

The NZ-UK Free Trade Agreement has delivered growth in dairy exports

The New Zealand-UK Free Trade Agreement (FTA) has reduced dairy tariffs into the UK, opening the door for NZ export growth. This has led to a large increase in exports; Since entry into force of the FTA (31 May 2023), the value of dairy exports to the UK has grown from a modest base of NZ\$2 million (year ending June 2022) to NZ\$157 million (year ending June 2025; **increasing the value of exports by a factor of 78**), including growing 86% from NZ\$85 million since June 2024.

Dairy exports have consisted primarily of cheese and butter with a small amount of milk powder. New Zealand exporters are actively working to build long-term partnerships with importers, which is expected to stabilise trade flows over time. While the UK has a strong domestic dairy sector, it remains one of the world's largest importers of dairy products, with around 95% of these imports by volume coming from the EU.

Despite this growth, significant capacity remains within the 2025 NZ-UK FTA dairy quotas, with only 22% of the cheese quota and 49% of the butter quota utilised to date. These quotas will continue to expand incrementally each year until full liberalisation is achieved in 2028, five years after entry into force.

Growth in beef exports

Beef exports have also grown significantly from a modest base. Prior to the FTA, the UK market for New Zealand beef was constrained by a quota that challenged commercial viability and high out-of-quota tariffs. Since entry into force of the FTA, the value of New Zealand beef exports to the UK have increased from less than NZ\$15 million (year ending June 2023) to NZ\$120 million (year ending June 2025; **an 800% increase**), including growing 152% from NZ\$48 million since year ending 2024.

Currently food service channels (including restaurants and catering) drive demand for New Zealand beef. However, retail sales are gaining momentum, with growth evident across major UK supermarkets, including Sainsbury's which holds the second-largest grocery market share.

New Zealand is showing that its food products, including meat, meet international sustainability expectations. In July 2025, New Zealand Trade and Enterprise (NZTE) released a [report](#), highlighting that New Zealand's supply chains are grounded in care for the natural world.

As of 31 July, 53% of the 2025 NZ-UK FTA beef quota has been used. The beef quota will continue to expand incrementally until full liberalisation in 2033, 10 years after entry into force (noting a safeguard mechanism applies for a further five years).

Growth in other sectors

Smaller export sectors such as honey and apples have also delivered positive results. Honey exports to the UK have oscillated over the past decade, while apple exports had been declining year-on-year since 2017. Honey export value increased 50% from NZ\$38 million to NZ\$57 million, including a 17% rise in the year to June 2025. Apple export value to the UK has grown 69% from NZ\$32 million to NZ\$54 million (year ending 2025).

The growth in the wine sector has slipped

While the FTA has provided tariff benefits, the wine sector has faced some challenges, including higher excise taxes, evolving consumer preferences, and slower use of stockpiles built up during the COVID pandemic. Exporters are also increasingly opting to bottle bulk wine within the UK market. Although overall volumes have grown over the past year, this shift toward bulk formats has contributed to lower returns. However, these impacts may be partly or fully balanced by reduced production costs in New Zealand.

New Zealand wine continues to hold a premium position on shelves, ranking second only to France in price point. The country also retains a strong presence in the sauvignon blanc category, commanding 51% of the market share.

Outside of the Free Trade Agreement, the value of lamb exports has soared

Lamb exports over the last 10 years had been flat or declining, but last year the value of New Zealand sheep meat exports increased by 37% from NZ\$360 million to NZ\$492 million. This is highest since 2016 and makes sheep meat New Zealand's largest export to the UK. This increased export value has been driven almost entirely by price, as

volumes have remained stable. Increased prices are being driven by lower domestic and EU production along with rising global prices downward shifts in the New Zealand Dollar. New Zealand currently accounts for 60% of UK lamb imports by volume. New Zealand is a long-established source of lamb for the UK market, having had an export presence for over 140 years.

As of 3 November 2025 the effective sheep meat quota for the UK, across both WTO and FTA quotas, was 33% used. Like beef and dairy, sheep meat access into the UK will be completely liberalised in 2038.

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