

MANAWATŪ AGRIFOOD

SECTOR PROFILE //
PUBLISHED AUGUST 2026



EXECUTIVE SUMMARY

Manawatū is home to one of New Zealand's most complete and connected agrifood ecosystems. Nationally significant primary production and processing capability, a mature concentration of research, science, technology and education assets, and a comprehensive logistics and distribution network sit side by side within a compact geography. Together, these strengths create an integrated paddock to plate system that supports jobs, exports, innovation and long-term regional resilience.

Research, science and technology are a defining part of Manawatū's agrifood advantage. The region has built a critical mass of specialist institutions, facilities, scientists, educators and technology businesses with expertise spanning land and environmental science, primary production, animal health and welfare, food and nutrition, biosecurity, digital agriculture and product development. This capability supports the entire paddock to plate system and enables ideas to move from discovery through testing and pilot production to commercialisation and international scale.

The scale of this capability is reflected in Manawatū's concentration of expertise, institutions, specialist facilities and research programmes. Scientific research generates almost four times the share of regional GDP that it does nationally, while higher education generates more than three and a half times the national share. Around \$363.3 million of agrifood related MBIE research contracts commencing during the ten years to August 2026 has also been identified across organisations with a substantive regional presence. This strong flow of funding reflects the national significance of the capability based here. It builds on the region's existing critical mass, attracts further talent and collaboration, and strengthens Manawatū's capacity to generate knowledge, develop technology and commercialise innovation.

Primary production is the foundation of Manawatū's paddock to plate agrifood system. Manawatū District contains the majority of the region's productive farmland, supported by versatile soils, a favourable climate and long-established pastoral capability. Highly



**MANAWATŪ // COMPRISES
THE TWO COUNCILS OF
PALMERSTON NORTH CITY
AND MANAWATŪ DISTRICT**

productive soils and established farms are also present within Palmerston North, contributing to the region's land based economy and reinforcing the benefits of rural and urban production activity operating within a single functional region.

Processing is a central part of the agrifood system, converting raw production into higher value meat, dairy, food, fibre and wood products. This capability is strengthened by the close connection between processing facilities, rural production areas, professional and technical services, industrial land, research assets and distribution networks. Their proximity supports efficient supply chains, faster adoption of new technology and a strong response to domestic and international expectations for quality, reliability and traceability.

Logistics capability is another defining strength. The proximity of farms, processing facilities, cold chain infrastructure, freight operators and distribution hubs enables efficient movement of goods and reliable access to domestic and international markets. This connected system reduces distance between production, processing, research and distribution, supporting productivity and strengthening the region's competitiveness in export focused food and fibre industries.

Together, these strengths position Manawatū as one of New Zealand's leading agrifood hubs. The region is well placed to respond to climate pressures, rising costs and global market volatility, while capturing opportunities in higher value products, land use diversification, technology adoption, new intellectual property and international market growth.

Manawatū's point of difference is the scale, maturity and connection of capability across the entire paddock to plate system. The region does not simply produce and process food and fibre. It generates knowledge, develops technology, commercialises innovation and takes new products and ideas to the world.

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Manawatū is far more than a farming region - it is one of New Zealand's strongest agrifood innovation ecosystems, where world-class research, entrepreneurial talent, industry, and investors are closely connected. At Sprout Agritech, we see firsthand how these connections accelerate the commercialisation of breakthrough technologies and help startups scale solutions that strengthen New Zealand's food and fibre sector. The region's greatest competitive advantage is not any single organisation, but the collaboration across the entire ecosystem that enables innovation to move from the laboratory and paddock to global markets. This is one of the key reasons for Sprout to be headquartered in the region.

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Sprout Agritech, Sandhya Sriram, Chief Executive Officer

INTRODUCTION

Agrifood is a cornerstone of Manawatū's economy. It is built on a connected rural and urban system that brings together strong primary production, advanced processing, nationally significant logistics capability and world class research, science, technology and education assets. What distinguishes Manawatū is the scale and maturity of these capabilities and the way they work together across the entire paddock to plate system. This connection supports jobs, exports and regional resilience while creating new knowledge, technologies, products and commercial opportunities.

A connected food and fibre system

The agrifood sector is defined broadly to reflect the region's real economic base. It includes:

- **Primary production** – horticulture and fruit growing; sheep, beef cattle and grain farming; dairy cattle farming; poultry, deer and other livestock farming; forestry and logging; fishing and aquaculture; and agricultural support services. These industries form the region's production base. They include the farms, forests, growers and support services that supply raw products to processors, domestic markets and export channels.
- **Value-added manufacturing** – meat and meat product manufacturing; seafood processing; dairy product manufacturing; fruit, cereal and other food product manufacturing; beverage manufacturing; textile, leather, clothing and footwear manufacturing; wood product manufacturing; and pulp and paper product manufacturing. These industries turn primary products into higher value goods, support export earnings, and create demand for local labour, logistics, engineering, packaging, food safety, science and technical services.

The industries included in the Manawatū Agrifood Sector Profile follow the classification framework developed by the Agribusiness and Economics Research Unit at Lincoln University. This definition is broader than food alone. It reflects the way Manawatū operates as a connected food and fibre system, where pastoral farming, dairy, horticulture, forestry, food manufacturing, fibre processing, research, logistics and export activity are connected through shared land, supply chains, skills, infrastructure and markets.

The strength of this system also depends on a substantial enabling capability base. Research institutes, Massey University, specialist science facilities, veterinary and animal welfare expertise, technology businesses, testing services, commercialisation platforms and pilot facilities help the region generate knowledge and turn it into practical and commercial value. This capability supports productivity and resilience across the existing sector while creating new products, technologies, intellectual property, businesses and export opportunities.

How the report is structured

The report begins with an overview of the scale, structure and economic contribution of Manawatū's agrifood ecosystem.

The research, science and innovation chapter follows this regional overview. It is positioned near the front because this capability is not limited to one part of the supply chain. It supports productivity, problem solving, product development and commercialisation across the entire paddock to plate system. Introducing it early establishes one of Manawatū's most distinctive strengths before the report examines individual parts of the sector.

The report then follows the paddock to plate journey through primary production, value added manufacturing, logistics, distribution and connections to domestic and international markets.

The contribution of research, science, technology, higher education and professional services cannot be separated precisely from wider industry GDP and employment totals. The report therefore draws on industry concentration measures, input output analysis, research funding, the regional asset inventory and case studies to show the scale and influence of this capability without adding it to the direct value of the core agrifood sector.

Purpose of the profile

- To tell a clear story about Manawatū's agrifood strengths.
- To show how production, processing, research, technology, logistics and export activity work together across the paddock to plate system.
- To demonstrate how the region's concentration of expertise, specialist assets and commercial capability lifts productivity and creates new products, intellectual property, businesses and international opportunities.

Together, these strengths position Manawatū as one of NZ's most complete agrifood ecosystems. It is a place where land based production, advanced processing, research capability, commercial innovation and national distribution networks combine to create value for the region and take Manawatū ideas to the world.



AGRIFOOD // A HIGH VALUE, HIGH IMPACT REGIONAL ENGINE

Total Agrifood Economy (Year to March 2025)

DIRECT GDP

\$596.2m



GDP IMPACT

\$815.1m

TYPE I MULTIPLIER

DIRECT EMPLOYMENT

4,894



EMPLOYMENT IMPACT

7,183

TYPE I MULTIPLIER

DIRECT SHARE OF REGIONAL GDP

8.1%



ESTIMATED OUTPUT

\$1,746.8m

PRIMARY PRODUCTION
BUSINESSES

1,674

75%
Manawatū
District

25%
Palmerston
North



VALUE-ADDED PROCESSING
BUSINESSES

123

39
Manawatū
District

84
Palmerston
North

AN ESTIMATED **\$835 MILLION** IN REGIONAL AGRICULTURAL EXPORTS

SCIENCE & INNOVATION // MANAWATŪ'S Paddock TO PLATE ADVANTAGE

What sets Manawātū apart is the scale and maturity of the research, science and technology capability embedded across its agrifood system. The region has built a critical mass of specialist institutions, facilities, scientists, educators and technology businesses with expertise spanning pasture, livestock, veterinary and animal welfare science, food and nutrition, soil and water, biosecurity, seed technology, digital agriculture and product development. This capability supports every stage of the paddock to plate system and enables ideas to move from discovery through testing and pilot production to commercialisation and international scale.

In 2025, the selected science, research, veterinary and education capability base accounted for an indicative 5.4% of regional GDP and 4.8% of regional employment. These industry categories extend beyond agrifood, but the concentration of their institutions, facilities and specialist talent is a defining enabler of Manawātū's agrifood economy.

Its value extends well beyond today's production. It creates new products, technologies, intellectual property and businesses, while turning regional expertise into export opportunities. It helps producers and processors lift productivity, respond to environmental pressures, manage risk, develop higher value offerings, enter new international markets and capture more value from global supply chains.

A CONCENTRATION OF SKILLS, CAPABILITY AND ASSETS

3.9 x

SCIENTIFIC RESEARCH
GDP CONCENTRATION
RELATIVE TO NZ

3.0 x

SCIENTIFIC RESEARCH
EMPLOYMENT CONCENTRATION
RELATIVE TO NZ

3.6 x

HIGHER EDUCATION
GDP CONCENTRATION
RELATIVE TO NZ

2.6 x

HIGHER EDUCATION
EMPLOYMENT CONCENTRATION
RELATIVE TO NZ

1.8 x

VETERINARY SERVICES
GDP CONCENTRATION
RELATIVE TO NZ

1.3 x

VETERINARY
EMPLOYMENT CONCENTRATION
RELATIVE TO NZ

WHAT CONCENTRATION MEANS // A concentration of 3.9 means research generates almost four times the share of Manawātū's GDP that it generates across NZ. These figures show an exceptional regional concentration of specialist skills, capability and assets for regional agrifood businesses to draw on.

Depth behind the headline

The working inventory identifies at least 23 research, testing, education, commercialisation and technology organisations and assets with a substantive connection to Manawatū's agrifood ecosystem. These include three Bioeconomy Science Institute sites, the 1,000 square metre FoodPilot facility and Fonterra's Palmerston North research centre, which employs around 350 people. They are supported by major investment, including \$160 million in Massey's veterinary facilities and \$38.25 million in Centre of Research Excellence funding for the Riddet Institute.

SEE APPENDIX // The full inventory of Manawatū's research, science and innovation organisations and assets is provided on pages 38 to 40.

GLOBAL VETERINARY AND ANIMAL WELFARE STRENGTH // Massey's Tāwharau Ora School of Veterinary Science is ranked 14th in the world and first in Oceania and Asia in the 2026 QS subject rankings. It is also ranked first globally for employer reputation. The Manawatū campus is home to the internationally recognised Animal Welfare Science and Bioethics Centre, whose Five Domains Model is used in animal welfare systems internationally.

INNOVATION // FROM Paddock to Plate

The strength of this ecosystem lies in how its different parts work together. Needs and opportunities identified by producers and processors can be tested through specialist science, proven at pilot scale, developed with commercial partners and taken into national and international markets.

DISCOVER >>	TEST >>	PILOT >>	COMMERCIALISE	SCALE >>
Farms and processors Massey Bioeconomy Science Institute	Food safety Seed and veterinary laboratories Field trials	FoodPilot Company pilot plants Prototyping	Massey Ventures The Factory Sprout Agritech Industry partnerships	Fonterra Research and Development Centre New Zealand Pharmaceuticals Proliant Export markets

Source/s: Supplied technology sector analysis, 2025; regional asset inventory; Massey University Annual Report 2025; Massey University 2026 QS subject rankings; Massey Animal Welfare Science and Bioethics Centre; FoodPilot; Fonterra Research and Development; and Riddet Institute. Concentration compares each industry's share of regional GDP or employment with its share nationally. Infometrics GDP and Employment statistics have been used to derive regional concentration relative to the NZ economy.

EVIDENCE BOUNDARY // Available data cannot directly measure the share of Manawatū's science, research and education activity that is linked to agrifood. For this analysis, agrifood is estimated to account for 20% to 30% of research activity nationally. Manawatū's much stronger concentration of scientific expertise, specialist institutions and agrifood assets suggests that its regional share is higher, at an estimated 40% to 60%. These are reasoned estimates prepared for this analysis rather than published or directly measured statistics.

COMMERCIALISATION AND IMPACT // REGIONAL CAPABILITY WITH WIDER REACH

Manawatū's concentration of research expertise, specialist facilities and commercialisation capability creates value at regional, national and international levels. It helps region linked ventures attract investment, turn science into products and technologies, and scale into new markets. It also enables research and intellectual property connected to Manawatū to improve productivity, resilience and food safety across New Zealand. The examples below show this reach through capital attracted by emerging ventures and the estimated national value of established science.

CAPITAL ATTRACTED BY REGION LINKED VENTURES

BIOLUMIC // US\$8.3m

Series B extension announced in 2025 to accelerate light-activated seed traits. This shows regional plant science attracting international growth capital.

ANDFOODS // \$2.7m + \$1.05m

Seed investment in 2024 followed by a reported extension for fermented pulse-based dairy alternatives developed from Massey and Riddet science.

NATIONAL VALUE ASSOCIATED WITH REGION LINKED SCIENCE

GRASSLANZ AR37 // \$3.6 BILLION OF ESTIMATED NATIONAL VALUE

AR37 is estimated to have contributed \$3.6 billion to the NZ economy over the life of the intellectual property, demonstrating the value that can result from successfully commercialising science connected to Manawatū.

FOOD SAFETY SCIENCE // \$164 MILLION OF ESTIMATED NATIONAL BENEFIT EACH YEAR

Three assessed applications of food safety science are estimated to generate a conservative national benefit of \$164 million each year, demonstrating the reach of research capability hosted in Manawatū.

Source/s: BioLumic; Massey Ventures and Massey University; Grasslanz Technology; and the AERU assessment of the New Zealand Food Safety Science & Research Centre.

HOW TO READ THESE FIGURES // These examples show different ways that research and innovation connected to Manawatū create value. The BioLumic and ANDFOODS figures represent capital raised by ventures, while the Grasslanz and food safety figures estimate benefits to the New Zealand economy. They measure different outcomes and should not be added together. Their significance lies in showing how capability based or hosted in Manawatū attracts investment, supports commercialisation and creates benefits within and beyond the region.

ECONOMIC REACH // CAPABILITY THAT MULTIPLIES VALUE

Science and technology capability creates value far beyond laboratories, campuses and specialist businesses. It supports regional suppliers and household incomes, helps farms and processors lift productivity, and creates opportunities to commercialise local research and innovation through new products, technologies and businesses for markets around the world.

For every 100 jobs directly employed across the selected science, research, education and related technology industries, an estimated 124 jobs in total are supported across the region when supply chain effects are included. This rises to 153 jobs in total when household spending effects are also included.

TYPE I // Direct jobs plus jobs supported through purchases from regional suppliers. TYPE II // Type I plus jobs supported when workers and their households spend income in the regional economy.

A direct link into the agrifood production system

Manawatū's core farming and food processing industries are estimated to spend \$14.5 million a year with regional upstream businesses providing science, research, innovation, higher education, veterinary and other professional services. The estimate is expressed in 2025 dollars.

COMPONENTS OF ESTIMATED UPSTREAM PURCHASES

\$6.2m	\$5.0m	\$2.1m	\$1.3m
SCIENCE, ARCHITECTURE AND ENGINEERING	VETERINARY AND OTHER PROFESSIONAL SERVICES	COMPUTER SYSTEMS	EDUCATION AND TRAINING

Source/s: Supplied regional input output model and technology sector analysis.

The annual transaction estimate comes from the 2019 to 2020 regional input output model with feedback between agrifood subsectors removed. The original \$11.6 million was converted to 2025 dollars using a 1.251 GDP deflator factor. Components may not add to the \$14.5 million annual headline total because each figure is rounded to one decimal place. Multipliers are unchanged.

INVESTMENT IN CAPABILITY // BACKING THE REGION'S ADVANTAGE

The strong flow of public research funding into Manawatū is not by chance. It comes here because the region has already built a critical mass of agrifood expertise, specialist teams and research assets. Each new investment builds on this foundation, attracts more talent and collaboration, and further strengthens Manawatū's specialisation as a national centre for agrifood science and innovation. This concentration gives the region the capability to address national challenges and turn research into new products, technologies and commercial opportunities.

TEN YEAR MBIE FUNDING SNAPSHOT

\$363.3m	135	10
AGRIFOOD RESEARCH CONTRACTS IDENTIFIED	QUALIFYING PROJECTS AND CONTRACTS	RECIPIENT ORGANISATIONS WITH A REGIONAL PRESENCE

The largest identified portfolios are linked to AgResearch at \$171.3 million, the former Plant and Food Research portfolio within the Bioeconomy Science Institute at \$67.8 million, Manaaki Whenua at \$65.0 million and Massey University at \$43.0 million. Together they account for about 95.5% of the identified total.

The balance includes DairyNZ at \$9.2 million, LASRA at \$3.4 million, BioLumic at \$2.5 million, Tahuri Whenua Tapui at \$0.5 million, Tanenuiarangi Manawatū Charitable Trust at \$0.35 million and Tāhuri Whenua Incorporated Society at \$0.17 million.

Please note, organisation names reflect the recipients recorded in the original MBIE contracts. AgResearch, Manaaki Whenua and Plant & Food Research became part of the Bioeconomy Science Institute in July 2025.



THE MANAWATŪ ADVANTAGE

Manawatū has built one of NZ's most concentrated and mature agrifood research and innovation ecosystems. Its exceptional depth of expertise, specialist talent, world class institutions, research assets and commercial capability spans the entire paddock to plate system. Here, knowledge is generated, tested, applied and commercialised at scale, lifting productivity, creating higher value products and technologies, and taking innovation from the region to the world. This established critical mass is a defining regional advantage and gives Manawatū the capability to lead and shape the future of agrifood.

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For nearly 100 years, the Fonterra Research and Development Centre (FRDC) has been part of the innovation fabric of Palmerston North and the Manawatū. Generations of scientists, technologists and engineers have built deep expertise in dairy science and technology, helping transform New Zealand milk into ingredients, products and solutions valued by customers around the world.

As we approach our centenary, we're proud that the capability developed here continues to create value through Fonterra's Ingredients and Foodservice businesses, while remaining deeply connected to the region that has been our home for almost a century.

”

Fonterra Research & Development Centre, Sarah Glyn-Jones, Director, R&D

Source/s: MBIE Who Got Funded data current at 20 August 2026 and project classification prepared for this analysis.

The \$363.3 million is a conservative review of maximum MBIE contract values, excluding GST, for qualifying contracts commencing from 20 August 2016 to 20 August 2026. It is not expenditure to date or confirmed Manawatū spend. National organisations can deliver work elsewhere. Broad core, institutional and science platform contracts are excluded, as are grants from other funding agencies.

PADDOCK // MANAWATŪ'S AGRIFOOD ECONOMY FOUNDATION

Where land based activity generates the raw products that flow into processing, logistics, research and export, dairy, sheep and beef, grain, horticulture, livestock, forestry, fishing and agricultural support services. The strength of this base gives the region scale, resilience and an important role in New Zealand's food and fibre economy.

HEADLINE NUMBERS (2025)

\$422m

Direct GDP

\$956m

Output

2,932

Direct Jobs

1,674

Businesses

WHERE ACTIVITY SITS

Manawatū
District

75%

Of businesses.

Palmerston
North

25%

A connected
rural-urban
production system.

LARGEST ACTIVITIES

Dairy

Sheep, beef
& grain

Horticulture

Agricultural
support services

ECONOMIC IMPACT

Type I Supply-Chain Effects

Activity supported through purchases from suppliers and service providers.

Type II Induced Effects

Additional activity generated when workers and households spend income locally.

\$555m

GDP

4,114

Jobs supported

\$637m

GDP

4,744

Jobs supported

Primary production

Primary production is the foundation of the region's agrifood economy. It provides the land-based output that flows into processing, food manufacturing, research, logistics, export channels and wider regional services. The strength of this base gives the region scale, resilience and an important role in New Zealand's food and fibre system.

Type I effects support suppliers such as contractors, machinery businesses, transport operators and technical service providers. Type II effects support local services such as retail, hospitality, housing, health and education through household spending.

In 2025, primary production in the region generated an estimated \$422.1 million in direct GDP, supported 2,932 direct jobs, and produced around \$956.2 million in direct output. Including supply chain effects, primary production supports an estimated \$555.0 million in GDP under the Type I measure. When household spending effects are also included, the total rises to \$637.0 million under the Type II measure. Employment supported by the sector rises from 2,932 direct jobs to around 4,114 jobs under Type I multipliers and 4,744 jobs under Type II multipliers.

These wider impacts show how strongly primary production is connected to the rest of the regional economy. Farms and rural businesses buy goods and services from machinery suppliers, contractors, transport firms, feed and fertiliser providers, professional services, finance, science and advisory networks. The wages and business income generated by the sector also support spending across local communities. These multiplier impacts are best understood as the wider economic activity supported by primary production, not as additional value to be added again through separately counted support industries.

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At McIntosh, around 90% of what we design and manufacture is built for the dairy industry, supporting farmers across New Zealand, with our machinery also exported to international markets. **A strong agricultural sector directly supports skilled manufacturing, engineering, transport, and investment in Manawātū**, and our central location keeps us close to customers while providing efficient access to transport networks across the country. Over the years, we've seen farms become larger, and the demand for larger, more productive machinery has continued to grow, reinforcing the importance of working closely with farmers to keep improving our products for New Zealand conditions.

”

McIntosh Farm Machinery, Scott McIntosh, Group General Manager



A rural production base connected to an urban service and innovation centre

The Manawātū District is the region's main primary production base. In 2025, it contained 1,254 of the region's 1,674 primary production business units, or 74.9% of the regional total. Palmerston North contained 420 primary production business units, or 25.1%. This concentration has been consistent over time: the Manawātū District has held around three-quarters of the region's primary production business units for much of the past two decades.

Employment follows the same pattern, though Palmerston North has a slightly larger employment share than its business-count share. In 2025, agriculture, forestry and fishing employment was approximately 2,036 jobs in the Manawātū District and 894 jobs in Palmerston North. This gives a split of around 69.5% in the District and 30.5% in Palmerston North.

This is an important regional strength. The District provides the land, production systems and rural business base. Palmerston North adds labour, services, research, education, logistics, professional support and access to larger markets. Together, they operate as a compact rural-urban agrifood system rather than two separate economies.

A large and specialised business base

Primary production remains one of the region's most visible business strengths. In 2025, the region had 1,674 primary production business units, equal to 13.3% of all business units in the regional economy. While this share has declined from 24.3% in 2000, the change reflects a broader and more diversified regional economy, as well as consolidation within farming, rather than a loss of importance.

The business base is strongly pastoral. The largest primary production group is sheep, beef cattle and grain farming, with 873 business units in 2025. This is followed by dairy cattle farming with 324 business units, and agricultural support services and hunting with 243 business units. Together, these three groups account for 1,440 business units, or around 86% of all primary production businesses in the region.

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On a national and global level, resilience in our agrifood sector is crucial. I am optimistic about the future largely owing to farmer adaptability. There is no such thing as a regular year in farming, and producers are constantly responding to changing climatic conditions. At the same time, global demand for high quality food and protein continues to grow, creating significant opportunities for New Zealand. I am confident that our farmers will continue to adapt and innovate as they navigate challenges such as emissions reduction, climate change and evolving consumer expectations.

Farmers and growers have always understood the interconnected nature of the sector and the many businesses that support it, from insurers and accountants to consultants, councils and technology providers. There is also increasing recognition, from both rural and urban communities, of the vital role agriculture plays in supporting our economy, our food systems and our collective prosperity; and this backbone of support is great.

Manawātū has a strong technology and innovation base, supported by a leading university and research precinct. **The work being done within the region is helping strengthen New Zealand's position as a global leader in the agrifood sector and ensuring we are well placed to capture the opportunities ahead.**

”

Westpac NZ, Jo Faber, Head of Insights and Research - Agribusiness Institutional & Business Banking

Primary production subsector 2025	Regional business units	Manawatū District	Palmerston North	Main pattern
Sheep, beef cattle and grain farming	873	696	177	Strongly District-led
Dairy cattle farming	324	261	63	Strongly District-led
Agricultural support services and hunting	243	162	81	District-led, with a sizeable city presence
Poultry, deer and other livestock	111	69	42	District-led
Horticulture and fruit growing	57	27	30	Smaller base, more evenly split
Forestry and logging	54	36	18	District-led
Fishing and aquaculture	12	3	9	Small base

Source: Infometrics REP, 2025.

At a more detailed level, the five largest primary activities in 2025 were beef cattle farming, dairy cattle farming, sheep-beef cattle farming, other agriculture and fishing support services, and specialised sheep farming. Together, these accounted for 1,320 business units, or nearly four-fifths of all primary production businesses in the region.

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As veterinary clinics with a large production animal team, Totally Vets supports the core of the agrifood sector. Our vets, vet technicians and wider team support farmers to maintain herd health and productivity – which underpins the performance of every dairy, sheep, beef, and deer operation.

Totally Vets started in the Manawatū, our team live and work here. We’ve seen a huge amount of change in the sector over the years – especially dairy – driven by technology adoption. We’re excited to contribute to this through our specialised animal reproduction team, and new animal health analysis systems using wearable technology.

The farmers we work with are the engine of the regional economy and keeping their animals healthy and productive is a direct contribution to that \$960 million ecosystem.

”

Totally Vets, Cavan Palmer, Northern Regional Director

Production value is growing

The region's primary production sector has been consolidating, but its economic value has continued to grow. Between 2020 and 2025, direct primary production GDP increased from \$378.4 million to \$422.1 million, an increase of 11.5%. Over the same period, direct employment eased slightly from 2,990 to 2,932 jobs, while primary production business units declined from 1,749 to 1,674.

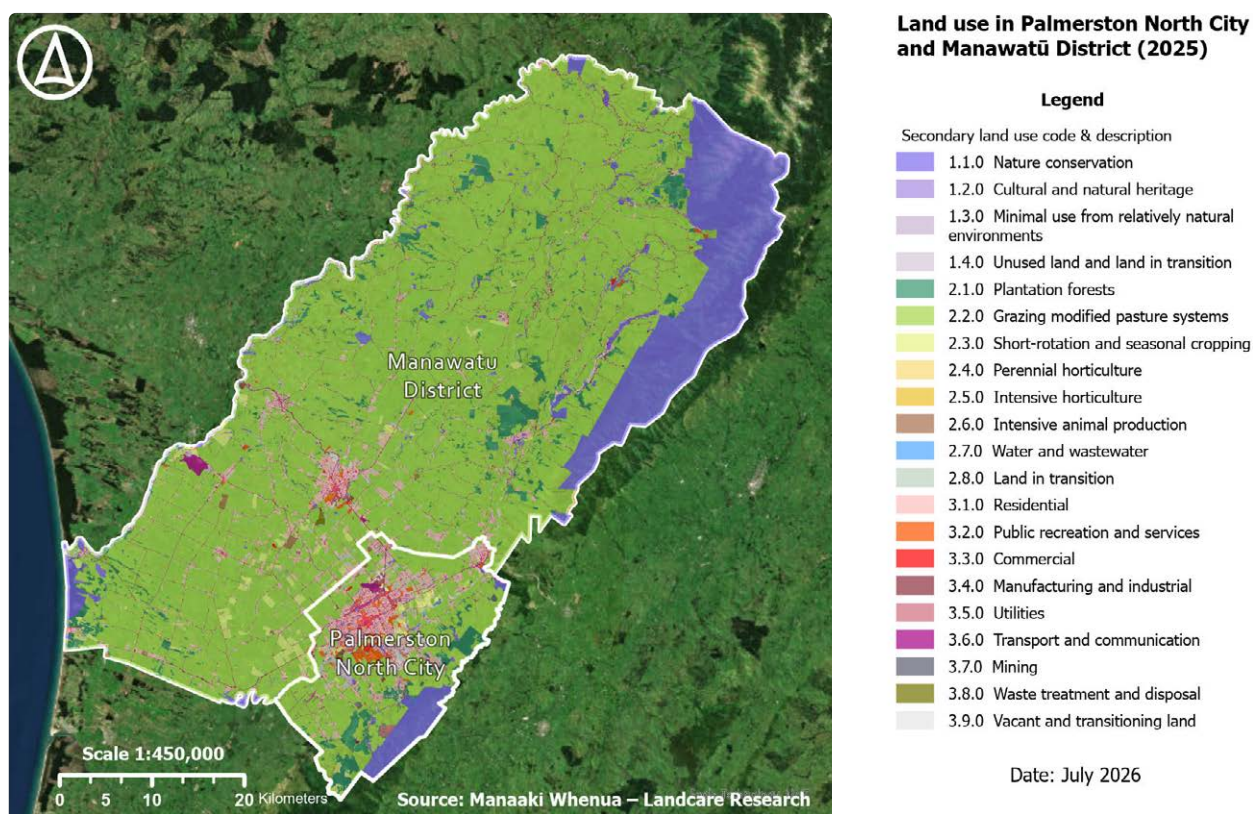
This points to a sector that is producing more value with fewer businesses and a relatively stable workforce. It reflects long-running changes in farm scale, technology adoption, contracting models, land use, productivity and business structure.

Indicator	2020	2025	Change
Direct primary production GDP	\$378.4m	\$422.1m	+11.5%
Direct primary production employment	2,990 jobs	2,932 jobs	-1.9%
Primary production business units	1,749	1,674	-4.3%

Source: Infometrics REP, 2025.

The map below illustrates how pastoral farming, horticulture, forestry, residential areas and commercial and industrial activity are distributed across Manawātū, highlighting the rural-urban structure that underpins the wider agrifood system. With 71% of the region's land use concentrated in grazing modified pasture systems, the landscape is shaped primarily by pastoral farming. The map also shows how horticulture, forestry, residential areas and commercial and industrial activity sit alongside concentrated urban services, together forming the connected rural-urban system that supports the region's paddock-to-plate economy.

Figure 1: Land use management Palmerston North and Manawātū



Source: NZLUM v0.3 (Manaaki Whenua – Landcare Research, LRIS Portal), licensed under the Creative Commons Attribution 4.0 International licence.

The strongest GDP growth between 2020 and 2025 came from dairy, sheep and beef, horticulture, poultry, deer and other livestock, and agricultural support services. Dairy remains the largest contributor, while sheep and beef provide the strongest concentration of business activity.

Primary subsector	GDP 2020	GDP 2025	Change
Dairy cattle farming	\$143.1m	\$168.4m	+17.7%
Sheep, beef cattle and grain farming	\$102.4m	\$115.4m	+12.7%
Horticulture and fruit growing	\$27.8m	\$34.5m	+24.1%
Poultry, deer and other livestock	\$13.9m	\$17.7m	+27.3%
Agricultural support services and hunting	\$46.7m	\$49.3m	+5.6%

Source: Infometrics REP, 2025.

Evolving skills in primary production

Primary production in Manawatū supports a broad mix of occupations, ranging from traditional farm roles to increasingly specialised technical and professional positions. Over time, the sector has experienced a gradual decline in many labour intensive on farm roles as farms have consolidated, adopted more efficient systems and invested in modern equipment.

At the same time, the sector has seen strong growth in skilled technical roles that support more capital intensive and technology driven farming systems. Agricultural engineers, technicians, animal health specialists, veterinarians, environmental advisors and precision farming specialists now play a larger role in day to day operations. These occupations reflect rising investment in advanced machinery, automation, emissions efficient production and data driven farm management.

This shift signals a sector that is becoming more technologically sophisticated. As farms invest in modern systems and adopt new tools, the workforce supporting them is becoming more specialised, strengthening productivity, resilience and long term competitiveness even as traditional labour demand declines.

Clear areas of comparative advantage

The region's strongest primary production advantage is in sheep, beef cattle and grain farming. This activity has both a large business base and a higher concentration in the regional economy than the national average. It generated \$115.4 million in direct GDP, \$268.5 million in output, and supported 863 direct jobs in 2025.

Dairy is the largest single primary production contributor, generating \$168.4 million in direct GDP, an estimated \$333.7 million in output, and supporting 873 direct jobs. Its concentration is close to the national average, but its scale makes it central to the region's production economy.

Poultry, deer and other livestock also show an above-average regional specialisation, while agricultural support services are important because they keep the wider production system operating. These services include contractors, shearing, forestry support, and other specialist farm and fishing support activities.

Primary subsector	Direct GDP 2025	Estimated Direct output 2025	Direct employment 2025	Strategic role
Dairy cattle farming	\$168.4m	\$333.7m	873	Largest primary GDP contributor
Sheep, beef cattle and grain farming	\$115.4m	\$268.5m	863	Strongest pastoral concentration
Agricultural support services and hunting	\$49.3m	\$105.7m	582	Core production support base
Horticulture and fruit growing	\$34.5m	\$79.8m	348	Smaller but growing production base
Forestry and logging	\$34.9m	\$110.8m	66	Smaller employment base, high output per worker
Poultry, deer and other livestock	\$17.7m	\$52.4m	187	Niche strength with high regional concentration

Source: Infometrics REP, 2025.



Why this matters

Manawatū's primary production base gives the wider agrifood sector scale and credibility. The District provides a large rural production platform in dairy, sheep and beef, livestock, cropping, forestry and support services. Palmerston North strengthens that platform through labour, education, research, professional services, logistics and links into national and international markets.

This combination creates a strong platform for future growth. The region is well placed to lift value from its production base through higher-productivity farming systems, precision agriculture, animal health, emissions-efficient production, land-use diversification, high-value crops, water resilience, and stronger links between farms, processors, researchers and exporters.

The key message is that Manawatū is not only a place where food and fibre are produced. It is a connected production system with the scale, skills, services and institutions needed to support the next stage of agrifood growth.

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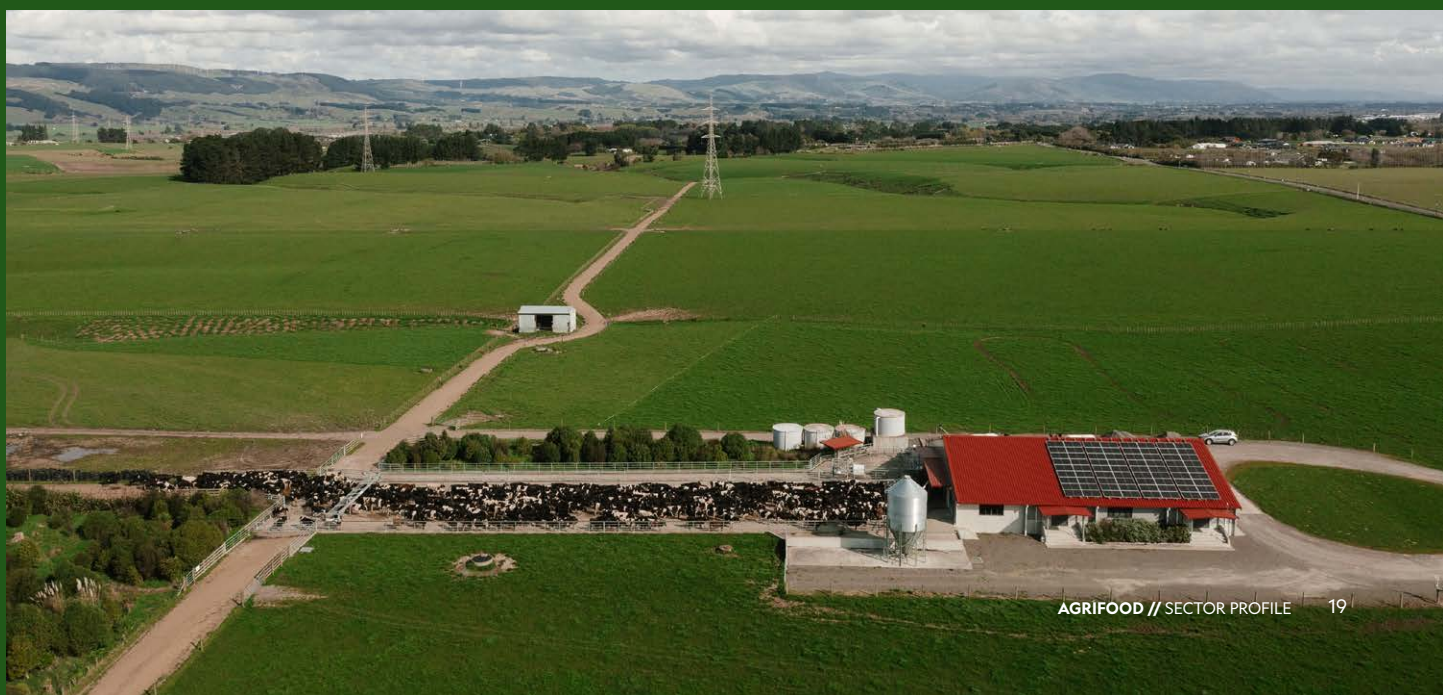
Levno is an agritech business with headquarters in Manawatū. We have 30 staff based in Palmerston North and another 20 throughout the country giving us direct access to our customers. **The real beauty of having an agritech business in the Manawatū is the connection to the actual people out there on farm, doing the doing.**

We work closely with around 20 farmers from a research and development point of view and within 10-15 minutes' drive of the office our hardware and development team can be out on farm testing solutions and talking to farmers getting real-time feedback.

Broadly speaking, the adoption of technologies on farm is really starting to pick up pace. Farmers are measuring more through connected hardware and making more informed decisions with that. We are seeing huge innovation with wearable tech on farm animals such as with collars, etc. providing more data and insights than ever before. We are now at a point where this kind of technology on farm is common practice.

”

Levno, Oscar Ellison, Chief Executive Officer



PROCESSING // ADDING VALUE TO REGIONAL PRODUCTION

Where raw production becomes higher value goods – meat, dairy, prepared foods, wood products, textiles, leather, clothing, footwear, beverages, and seafood.

HEADLINE NUMBERS (2025)

\$174m

Direct GDP

\$790m

Output

1,962

Direct Jobs

123

Businesses

WHERE ACTIVITY SITS

A balanced processing base

Manawatū
District

39

Businesses

Palmerston
North

84

Businesses

LARGEST ACTIVITIES

Meat
processing

Dairy
manufacturing

Fruit, cereal
& other food
products

Wood
products

ECONOMIC IMPACT

Type I Supply-Chain Effects

Activity supported through purchases from suppliers and service providers.

\$260m

GDP

3,069

Jobs supported

Type II Induced Effects

Additional activity generated when workers and households spend income locally.

\$324m

GDP

3,720

Jobs supported

Value-added manufacturing

Value-added manufacturing is where Manawatū turns primary production into higher-value goods for domestic and export markets. It includes meat and meat product manufacturing, seafood processing, dairy product manufacturing, fruit, cereal and other food products, beverages, textiles and leather, clothing and footwear, wood products, and pulp and paper products. These activities are included because they process the region's food and fibre base into products with greater market value.

In 2025, value-added manufacturing generated \$174.1 million in direct GDP, supported 1,962 jobs, and produced around \$790.5 million in direct output. The sector has a smaller business base than primary production, with 123 business units, but each business carries significant economic weight through plant, equipment, skilled labour, supply contracts, logistics and export activity.

Measure	Value-added manufacturing 2025
Direct GDP	\$174.1m
Direct output	\$790.5m
Direct employment	1,962 jobs
Business units	123

Source/s: Infometrics REP, 2025; Manawatū Region IO tables, PNCC.

The subregional data shows a stronger combined regional story than business counts alone suggest. Palmerston North has the larger number of processing businesses, with 84 business units, while the Manawatū District has 39. However, GDP and employment are much more evenly shared: Palmerston North contributes \$95.1 million in value-added manufacturing GDP and 1,008 jobs, while the District contributes \$79.0 million and 954 jobs.

This matters because the two parts of the region bring different strengths to the same system. The District provides the land-based production base and major meat processing activity. Palmerston North adds dairy processing, prepared food manufacturing, wood and fibre-related manufacturing, workforce depth, research connections, logistics and business services. Together, they create a compact production and processing economy where raw product, processing capability, skills, freight connections and innovation assets sit close together.

Between 2020 and 2025, value-added manufacturing GDP increased from \$170.9 million to \$174.1 million, while employment increased from 1,880 to 1,962 jobs. The District's processing GDP grew from \$69.2 million to \$79.0 million, and its processing employment increased from 857 to 954 jobs. Palmerston North remains the larger processing centre overall, but the District's growth shows how important large-scale rural-linked processing is to the regional story.

The largest processing activity is meat and meat product manufacturing, generating \$60.0 million in GDP and supporting 730 jobs in 2025. Most of this activity is in the Manawatū District. Dairy product manufacturing is the next major contributor, with \$41.7 million in GDP and 339 jobs, largely in Palmerston North. Fruit, cereal and other food product manufacturing is also important, with \$38.1 million in GDP and 507 jobs, and is spread across both parts of the region.

Subsector	GDP 2025	Employment 2025	Regional role
Meat and meat product manufacturing	\$60.0m	730	Large-scale processing linked to the rural production base
Dairy product manufacturing	\$41.7m	339	Major high-output processing activity
Fruit, cereal and other food products	\$38.1m	507	Broad food manufacturing base and strong growth area
Wood product manufacturing	\$19.4m	193	Fibre-linked manufacturing capability
Textile, leather, clothing and footwear	\$9.4m	139	Specialist fibre and manufacturing activity
Seafood processing	\$4.6m	50	Smaller but export-connected processing activity
Beverage manufacturing	\$0.9m	4	Small niche manufacturing base

Source: Infometrics REP, 2025.

Manawatū is not only a strong production region. It has the processing capacity to turn primary products into higher-value goods, and that capacity is strengthened by the way the District and City work together. The District brings production scale and major processing sites. Palmerston North brings processing diversity, people, logistics, research and technical capability. This combined strength is what gives the region its position in food and fibre production.





Overall contribution

In 2025, value-added manufacturing generated \$174.1 million in direct GDP, supported 1,962 direct jobs, and produced around \$790.5 million in direct output. This means processing accounted for about 29% of core agrifood GDP, 40% of direct agrifood employment, and 45% of direct agrifood output.

Measure	Value-added manufacturing contribution 2025
Direct GDP	\$174.1m
Type I GDP impact	\$260.1m
Type II GDP impact	\$323.6m
Direct output / production value	\$790.5m
Direct employment	1,962 jobs
Type I employment impact	3,069 jobs
Type II employment impact	3,720 jobs
Business units	123

Source/s: Infometrics REP, 2025; Manawātū Region IO tables, PNCC.

The multiplier results show the wider role that processing plays in the regional economy. Manufacturing plants buy inputs from farmers, packaging suppliers, engineers, transport operators, cold stores, testing services, maintenance contractors and professional services, generating strong Type I supply-chain effects. Type II effects arise when wages and business income are spent on local goods and services. This is why processing has a larger flow-on effect than a simple count of factories would suggest.

An urban-centred processing base connected to rural production

The location pattern for processing is different from primary production. Primary production is strongly concentrated in the Manawatū District, while value-added manufacturing is more concentrated in Palmerston North and Feilding.

In 2025, the region had 123 value-added manufacturing business units. Of these, 84 were in Palmerston North and 39 were in the Manawatū District. This gives Palmerston North 68.3% of value-added manufacturing business units, compared with 31.7% in the District. This city concentration has been consistent over time, with Palmerston North holding around two-thirds of the region's processing business units in recent years.

Indicator 2025	Manawatū District	Palmerston North	Regional total
Value-added manufacturing business units	39	84	123
Share of value-added manufacturing business units	31.7%	68.3%	100%

Source: Infometrics REP, 2025.

This pattern is a regional strength. The District supplies a large rural production base alongside meat processing and a professional service base, while Palmerston North provides the industrial land, workforce, logistics, research links, food capability and business services that support processing. The result is a compact production-and-processing system: raw product can move from farms and rural suppliers into nearby processors, then onward through the region's logistics network to customers and export channels.

“

Manawatū is an agri powerhouse. If you look around there's dairy farming, intensive finishing, arable, spuds, hill country farming not that far away, this is a good place to be a farmer in my view, so being close to that is important for us. The relationships we have with our clients is critical and being able to get front and centre with them is a key part of our service proposition.

The primary sector is not just the farmers, it's all the businesses that keep farmers farming, providing support before the farmgate, inside the farmgate, and after the farmgate. It is easy for us to underestimate the number of businesses that provide that support, particularly in Manawatū, there are meat companies here, car yards selling utes, Farmlands in Palmerston North and Feilding, they all employ people. I always look at the Central Districts Field Days as a great display of the primary sector – more than 30 hectares of businesses and jobs on show – people selling silage wagons, trailers, technology, farm maps, cattle collars, genetics, the list just goes on, and on.

The beauty of operating from Palmerston North and Feilding is that we get a lot of people affiliated with the rural sector apply for jobs. That innate understanding of the sector is just critical for us, and there is a significantly higher chance that applicants will know more about the sector than if we were relying on a talent pool in larger cities like Auckland or Wellington.

”

FMG, Blair Shortall, Head of Sales, Advice and Service

A concentrated but important business base

Value-added manufacturing has a much smaller business base than primary production, but those businesses have a large economic role. In 2025, agrifood manufacturing accounted for around 1.0% of all business units in the regional economy, compared with 13.3% for agriculture, forestry and fishing.

The largest processing business group is fruit, cereal and other food product manufacturing, with 45 business units in 2025. This includes activities such as bakery product manufacturing, grain mill products, prepared animal and bird feed, and other food product manufacturing. The next largest groups are wood product manufacturing with 30 business units, textile, leather, clothing and footwear manufacturing with 24 business units, and meat and meat product manufacturing with 15 business units.

Value-added manufacturing subsector 2025	Regional business units	Manawatū District	Palmerston North	Main location pattern
Fruit, cereal and other food product manufacturing	45	6	39	Strongly Palmerston North-led
Wood product manufacturing	30	15	15	Evenly split
Textile, leather, clothing and footwear manufacturing	24	3	21	Strongly Palmerston North-led
Meat and meat product manufacturing	15	15	0	District-led
Dairy product manufacturing	3	0	3	Small business count, Palmerston North-based
Seafood processing	3	0	3	Small business count, Palmerston North-based
Beverage manufacturing	3	0	3	Small business count, Palmerston North-based

Source: Infometrics REP, 2025.

The business-count pattern highlights the different roles within the region. The Manawatū District has the strongest presence in meat processing and part of the wood-product manufacturing base. Palmerston North has the broader concentration of smaller food, fibre, beverage, dairy and seafood processing businesses, supported by its workforce, logistics and service base.

Production value is growing

Between 2020 and 2025, value-added manufacturing GDP increased from \$170.8 million to \$174.1 million, a modest increase of 1.9%. Employment increased from 1,880 to 1,962 jobs, a rise of 4.4%. Over the same period, business units declined from 135 to 123, showing a more concentrated sector with fewer firms but a slightly larger workforce and higher overall GDP.

Indicator	2020	2025	Change
Direct value-added manufacturing GDP	\$170.8m	\$174.1m	+1.9%
Direct value-added manufacturing employment	1,880 jobs	1,962 jobs	+4.4%
Value-added manufacturing business units	135	123	-8.9%
Selected manufacturing exports by industry	\$692.5m	\$759.3m	+9.6%

Source/s: Infometrics REP, 2025; Manawātū Region IO tables, PNCC.

The strongest GDP growth was in fruit, cereal and other food product manufacturing, which increased from \$28.2 million in 2020 to \$38.1 million in 2025. Meat and meat product manufacturing also grew, from \$54.6 million to \$60.0 million, while wood product manufacturing increased from \$17.7 million to \$19.4 million.

Subsector	GDP 2020	GDP 2025	Change
Meat and meat product manufacturing	\$54.6m	\$60.0m	+9.9%
Dairy product manufacturing	\$53.6m	\$41.7m	-22.2%
Fruit, cereal and other food product manufacturing	\$28.2m	\$38.1m	+35.1%
Wood product manufacturing	\$17.7m	\$19.4m	+9.6%
Clothing, knitted products and footwear manufacturing	\$4.6m	\$4.7m	+2.2%

Source: Infometrics REP, 2025.

The export story is stronger than the GDP movement alone suggests. Selected manufacturing exports increased from \$692.5 million in 2020 to \$759.3 million in 2025. Dairy product manufacturing and meat and meat product manufacturing remain the region's export anchors, together generating about \$673.6 million of selected industry-based exports in 2025. Fruit, cereal and other food product manufacturing also grew strongly, increasing from \$44.5 million in 2020 to \$62.5 million in 2025. The region's export profile is examined in detail in the next section of the report.

Clear areas of comparative advantage

The strongest processing advantage is in meat and meat product manufacturing. It is the largest value-added manufacturing contributor by GDP, generating \$60.0 million in direct GDP, \$313.2 million in output, and supporting 730 direct jobs in 2025. Its GDP concentration is slightly above the national average, showing that meat processing is more prominent in the regional economy than it is nationally.

Dairy product manufacturing is also central to the region's processing story. It generated \$41.7 million in direct GDP, \$256.2 million in output, and 339 direct jobs in 2025. Its concentration measure is below the national average, but that should be interpreted carefully. New Zealand as a whole is highly specialised in dairy processing, so a regional concentration score below one does not mean dairy is unimportant locally. In Manawātū, dairy processing remains one of the major export-earning parts of the agrifood system.

Fruit, cereal and other food product manufacturing is the broadest processing business base and one of the clearest growth areas. It generated \$38.1 million in GDP, supported 507 direct jobs, and accounted for 45 business units in 2025. This group is important because it shows the region's potential beyond traditional commodity processing: prepared foods, grain-related products, bakery products, animal feed, niche food manufacturing and other value-added food products.

Subsector	Direct GDP 2025	Est. Direct output 2025	Direct employment 2025	Strategic role
Meat and meat product manufacturing	\$60.0m	\$313.2m	730	Largest processing GDP contributor; strong export role
Dairy product manufacturing	\$41.7m	\$256.2m	339	Major export earner and high-output processing base
Fruit, cereal and other food product manufacturing	\$38.1m	\$114.9m	507	Broadest business base and strongest recent GDP growth
Wood product manufacturing	\$19.4m	\$64.3m	193	Fibre-linked processing and construction-related output
Textile and leather manufacturing	\$4.7m	\$14.7m	57	Natural fibre and specialist manufacturing capability
Clothing, knitted products and footwear manufacturing	\$4.7m	\$11.0m	82	Small but above-average employment specialisation
Beverage manufacturing	\$0.9m	\$3.0m	4	Small niche manufacturing base

Source/s: Infometrics REP, 2025; Manawātū Region IO tables, PNCC.



Why this matters

Value-added manufacturing is where the region turns production strength into higher-value economic activity. Manawatū provides the core rural production base, with some primary production also occurring within Palmerston North. Both areas contribute significant value-added processing capability, supported by the city's wider workforce, logistics, research and food expertise, and business services. Together, they form a connected agrifood system that innovates, produces, processes and efficiently moves goods to market from within the region

The sector's importance is not fully captured by the number of businesses. With only 123 business units, value-added manufacturing generates \$174.1 million in direct GDP, nearly 2,000 direct jobs, and around \$790.5 million in direct output. It is also the main export-facing part of the agrifood value chain, led by dairy, meat and increasingly prepared food products.

The future opportunity is to lift more value from the region's production base. This includes growing higher-value food manufacturing, supporting investment in processing technology, expanding prepared and specialty food products, strengthening cold-chain and export logistics, and linking processors more closely with the region's food science, testing, education and research capability.

The key message is that Manawatū is not only a strong production region. It is also a processing region with the scale, workforce, logistics and innovation assets needed to convert primary production into higher-value food and fibre products.

Technical capability in processing and manufacturing

Value added manufacturing supports a diverse and evolving workforce across production, engineering, logistics, quality assurance, food safety and technical services. Traditional processing roles remain important, but many lower skilled, labour intensive positions have declined over time as plants have modernised, automated and adopted more efficient workflow designs.

In contrast, skilled technical and supervisory roles have expanded. Process engineers, automation technicians, maintenance specialists, food technologists, laboratory staff and specialised machine operators now form a growing share of the processing workforce. These roles reflect investment in advanced processing equipment, robotics, digital monitoring systems and export focused quality assurance.

The result is a sector that produces more value with fewer traditional roles, supported by a workforce increasingly connected to engineering services, research institutions and agritech innovation. This shift strengthens the region's ability to meet global expectations for quality, traceability and reliability while supporting higher value employment opportunities.



PLATE // LOCAL INGREDIENT PRODUCTION ELEVATES DINING ACROSS THE REGION

A tangible impact of the industry's capacity and connectivity is that high-quality produce can be enjoyed and consumed by locals. Manawatū based restaurants and hospitality businesses enjoy premium access to products grown, processed and supplied within the region.

“

In hospitality working with fresh, quality produce is key and operating from Manawatū makes that easy. It's easy to get around so we don't have difficulties or delays with deliveries. Something I've always thought was lucky is that suppliers deliver every single day, sometimes even twice a day. So, to only have to think and plan one day in advance is amazing, especially for a product that is disposable.

We have direct relationships with our suppliers. You're talking to them every day. When you pick up the phone and place your order, you are often talking to the owner and the grower. Plus, if we miss an opportunity with a cut off time, it's so easy to get around town, we can go and get it ourselves.

Everyone is more than happy to have their product displayed in your restaurant. The beef and lamb produced locally is second to none, the vegetables, everything is great – a local supplier drops off our Brussels sprouts directly. We have always stayed loyal to our local suppliers and it's been reciprocal, so why change?

”

Nero Restaurant, Yvette Kennedy, Owner

“

Using local produce is front of mind for us. We try as much as we can to use local producers and suppliers before using elsewhere.

I think we're quite lucky here in Manawatū in the sense that there is a lot of food production around us, we are centrally located. We get eggs from Scott and Emma at Local Food NZ, and Pine Park Produce are at the Farmers Market every Friday in Feilding, so we get deliveries directly each week.

Our customers have certain expectations that we use local produce, especially in a rural service town like Feilding. Using fresh, local produce has always been a priority for our business but supporting local and using local is something I have seen become more important to our clientele in the last five to eight years as well.

”

The Strong Room, Charlotte Clarke, Owner

EXPORT // A MAJOR REGIONAL STRENGTH

Manawatū's agrifood sector is a major contributor to New Zealand's export economy, consistently delivering strong returns across dairy, meat, prepared foods, and fibre related products.

2025 EXPORT VALUE

\$832m

in agrifood exports

Export performance has grown from \$712m in 2015 to \$832m in 2025, underscoring long-term strength and expanding opportunities.

KEY EXPORT STREAMS (2025)

Dairy products

\$373.5m

Beef

\$128.5m

Meat (incl. offal)

\$122.6m

Prepared foods,
oils, confectionary

\$46.3m

Other food &
beverage products

\$57.2m

Wood products

\$26.3m

WHAT THIS MEANS FOR THE REGION

Dairy and meat account for over 78% of total goods export values, anchoring the region's role in national food production.

Growth in prepared foods and specialty products shows increasing diversification and value added potential.

Growing international demand for quality agrifood products is strengthening the region's export outlook

\$832m

exports

78%

Dairy + meat =
78% of export value

For every 3 people directly employed in the agrifood sector, an additional job is created across the wider economy (Type I multiplier)

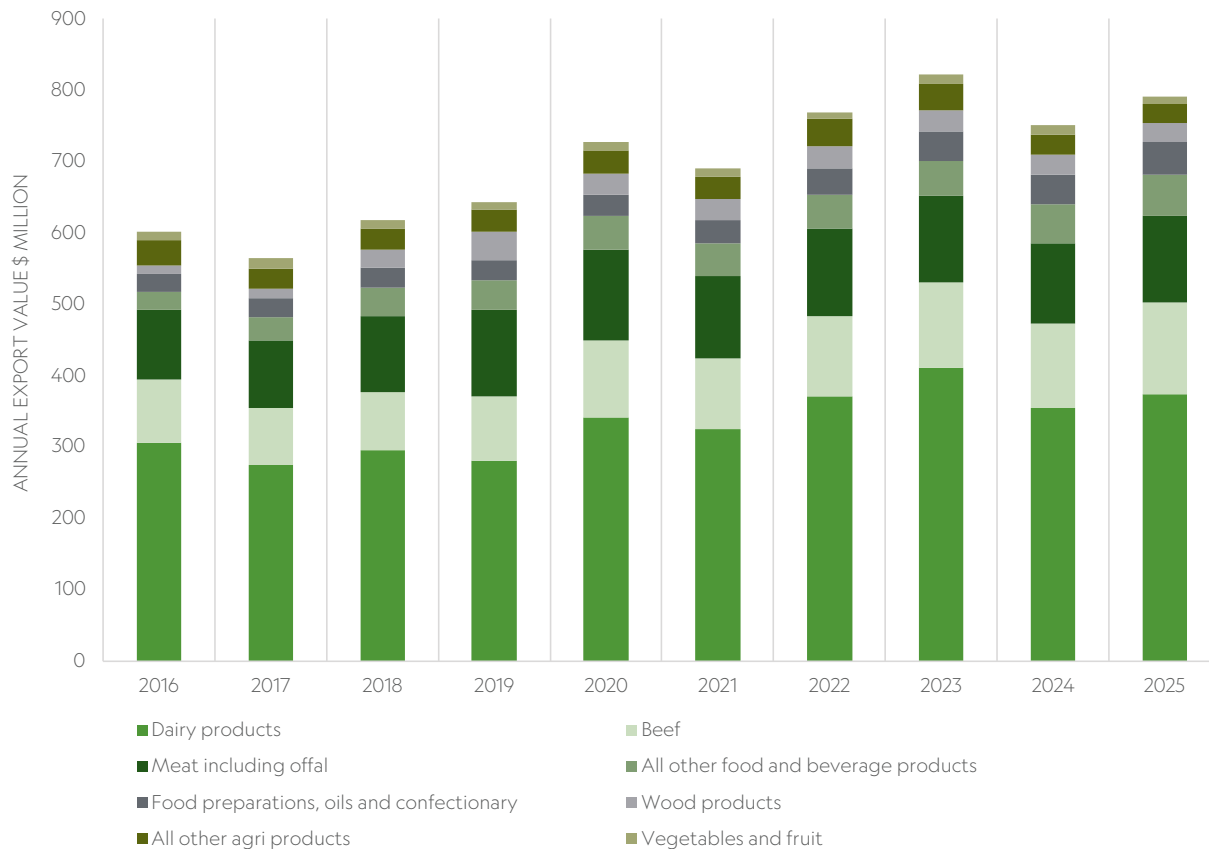
Manawatū regional exports

Over 2020–2025, Manawatū’s agrifood sector benefited from a convergence of supportive demand and supply conditions. International demand for high-quality protein remained strong, especially for dairy products, beef and red meat. Consumers in key markets continued to seek safe, nutritious and trusted food products, while newer trends including GLP-1-related demand for protein-rich, nutrient-dense foods, reinforced the value of dairy, red meat and prepared food products. Recent research indicates that GLP-1 use is reshaping protein demand and increasing willingness to pay for a range of protein products, while dairy market commentary points to stronger interest in protein-rich, nutrient-dense foods such as whey, yoghurt and milk.

A key strength for Manawatū is that its export base is broad, not single-product dependent. Dairy is the largest export earner, but the region also has significant exposure to beef, meat and offal, other food and beverage products, prepared foods, wood products, vegetables and fruit, and natural fibres including wool, hides and leather. This diversity helps spread market risk. When one product group softens, others can help maintain overall export returns. It also gives the region several pathways for future growth: high-value dairy ingredients, premium meat, prepared foods, niche food manufacturing, fibre products and value-added processing.

The graph below shows the selected product-based merchandise export returns increasing from around \$727 million in 2020 to \$792 million in 2025, after peaking at around \$822 million in 2023. It also shows the strength of our dairy, beef and red meat exports, with prepared foods, wood products, fruit and vegetables and natural fibres all contributing to our export strength.

Figure 2: Selected Manawatū agrifood and fibre merchandise export returns, 2015–2025



Source: Infometrics REP, 2025.

Global supply conditions have supported prices for several of the region's key products. The United States cattle herd has been at historically low levels, tightening beef supply and supporting import demand. This has been favourable for New Zealand beef exporters, with the United States becoming New Zealand's largest red meat market in 2025. New Zealand red meat exports reached a record \$11.7 billion in 2025, up 19% on 2024, with the increase attributed to strong global demand and tight supply.

Demand from Asia has also remained important. China continued to be New Zealand's second-largest red meat market in 2025, while broader Asian demand supports the region's position in premium protein and trusted food products. Although demand conditions across Asia have been uneven, the long-term trend remains favourable for safe, high-quality and nutritious food products, particularly where supply is traceable and reliable.

The wool outlook adds another positive dimension to the sheep and beef story. Wool returns were weak for many years, but strong wool prices have moved back toward more attractive territory as global supply has tightened and demand has improved. Recent commentary points to strong wool prices rising sharply since 2022, supported by reduced supply and renewed interest in natural fibres as an alternative to petrochemical-based products.

Overall, the 2020-2025 period shows why Manawātū's agrifood sector is resilient. The region has a strong primary production base, export-facing processing capacity, and a product mix that aligns with long-term global demand for protein, nutrition, quality, traceability and trusted supply. Its strength is not just in one commodity, but in a connected portfolio of dairy, meat, prepared foods, fibre and other food-related products supported by local production, processing, logistics and research capability. The current market environment has reinforced the value of that mix.

“

What makes Manawātū special is the diversity of people and expertise we have in one place – from primary producers, food manufacturers, and logistics providers, through to researchers, educators, and industry leaders. The more we connect, learn from one another, and work together, the greater our ability to turn good ideas into real outcomes that benefit the region and help shape the future of New Zealand's food and fibre sector. Continuing to support businesses to access the expertise, partnerships and investment they need to innovate will be key to unlocking even more value-added food products for the region.

”

FoodPilot, Nikki Middleditch, General Manager





Export enabler: logistics and distribution

Manawatū's agrifood export strength is supported by one of the region's most important enabling sectors: logistics and distribution. Production and processing create the product, but logistics connects that product to customers. For dairy, meat, prepared foods, ingredients, fibre products and chilled goods, the ability to move freight quickly, reliably and at the right temperature is central to export performance.

The region's advantage is its location and its freight infrastructure. Manawatū sits at the centre of the lower North Island freight network, with road, rail and air links that connect producers and processors to domestic markets, ports, airports and international supply chains. Te Utanganui, the Central New Zealand Distribution Hub, brings this together as a nationally significant freight and distribution system linking road, rail, air and sea-connected networks.

A 24-hour freight proposition

A major strength of the region is its ability to support 24-hour freight movement across air, road and rail-connected logistics. Palmerston North Airport and Ruapehu Aeropark provide 24/7 airfreight capability, with no curfew on flights including airfreight and associated logistics operations. Ruapehu Aeropark is promoted as New Zealand's only regional business park offering seamless 24/7 freight access by air, road and rail.

This matters for agrifood exporters because many products are time-sensitive. Chilled meat, dairy ingredients, high-value food products, samples, urgent freight, packaging, replacement parts and export documentation all rely on dependable freight windows. A 24-hour freight environment gives firms more flexibility to meet production schedules, shipping cut-offs, airfreight connections and customer deadlines.

Road, rail and air working together

The strength of Manawātū's logistics system is that it is multi-modal. Exporters are not dependent on one freight option. They can use road for flexibility, rail for scale and lower-emissions freight movement, and air for high-value or time-sensitive goods.

Road freight provides the first-mile and last-mile connections between farms, processors, cool stores, distribution centres, freight forwarders and ports. It gives firms flexibility to move products quickly across the lower North Island and into the wider national freight network.

Rail freight adds scale and resilience. KiwiRail describes Palmerston North as a nationally strategic freight location, with domestic and export goods moving to the city from Auckland and the upper North Island, Taranaki, Hawke's Bay and Wellington. The planned Regional Freight Hub near Bunnythorpe is intended to strengthen Palmerston North's role as a critical freight distribution centre for the lower North Island.

Airfreight supports speed and reliability for time-sensitive movements. Palmerston North Airport's 24/7 freight capability gives the region an advantage for products and services where timing matters, including chilled and high-value goods, urgent samples, export documentation and specialist freight movements.



OUTLOOK

A future built on strengths, shaped by challenges and driven by opportunity

The outlook for Manawātū's agrifood sector is broadly positive. The region enters the next decade with a strong production base, nationally significant processing capability, a mature concentration of research, science and technology expertise, and a logistics network that provides reliable access to domestic and international markets. Together, these strengths position Manawātū to navigate global uncertainty while creating new sources of value across the paddock to plate system.

Global demand for high quality protein remains elevated, supported by population growth in Asia, expanding food service channels and continued preference for safe and trusted nutritional products. Dairy is expected to remain one of NZ's most resilient export earners, with Manawātū well placed through its efficient farm systems, strong processing capacity, dairy research expertise and reliable distribution links. While global prices will continue to respond to supply conditions, geopolitical shifts and input costs, the region's connected production and processing system provides a strong foundation for long term performance.

Red meat demand is evolving rather than weakening. Grass fed beef and lamb continue to attract interest in North America, Europe and parts of Asia, particularly among consumers who value origin, animal welfare and lower emissions production. The sector faces pressures from competing proteins, regulatory requirements and the need to maintain market access. However, Manawātū's pastoral expertise, processing scale, internationally recognised veterinary and animal welfare capability, and research strengths create opportunities to lift value through product differentiation, improved production systems and deeper partnerships with key export markets.

Wool is showing its first sustained signs of recovery in more than a decade. Prices have strengthened, supported by renewed interest in natural fibres, insulation products, interior design applications and more sustainable textiles. Opportunities are emerging in product innovation, advanced materials, design led manufacturing and stronger connections between growers, processors, researchers, designers and international buyers. The region's fibre processing capability and research connections provide a foundation for capturing more of this value.

Across dairy, red meat, wool and horticulture, future performance will depend on the region's ability to manage climate exposure, compliance costs, labour availability and global market volatility. These pressures also create demand for new solutions. Manawātū can draw on an established concentration of scientists, educators, specialist facilities, technology businesses and commercialisation expertise to identify opportunities, test ideas, prove them at pilot scale and take successful innovations into domestic and international markets.

This capability can support more productive and resilient farm systems, precision agriculture, improved animal health and welfare, lower emissions production and the development of higher value foods, ingredients and materials. The strong flow of research investment into Manawātū further reinforces this critical mass, supporting long term programmes, attracting specialist talent and creating opportunities for new intellectual property, businesses and exports.

A defining strength of the Manawatū economy is the stabilising role agrifood plays during periods of weak economic activity. When household spending slows or other industries soften, the region's pastoral base, processing activity and export connected logistics continue to generate employment, business income and demand for regional suppliers. This support helps sustain economic activity through downturns and contributes to long term regional resilience.

Overall, Manawatū's agrifood outlook is one of opportunity built on strong foundations. Its connected paddock to plate system combines productive land, proven farming capability, advanced processing, world class research and reliable logistics. It enables the region not only to produce and move food and fibre efficiently, but also to generate knowledge, commercialise innovation and create new sources of value for markets around the world.

Conclusion

Manawatū's agrifood strength comes from the scale, maturity and connection of capability across the entire paddock to plate system. Productive land, proven farming systems, advanced processing, world class research and innovation assets, and nationally significant logistics infrastructure work together within a compact and highly connected region.

Primary production provides scale, reliability and deep expertise across dairy, red meat, horticulture, forestry and agricultural support services. Processing transforms this production into higher value meat, dairy, food, fibre and wood products. Logistics and distribution connect farms and processors with domestic and international markets, supporting reliable supply and strong export performance.

Research, science and technology provide a further point of difference. Manawatū has built a critical mass of specialist institutions, facilities, scientists, educators and commercial businesses with capability across the agrifood system. This enables the region not only to adopt innovation, but to generate knowledge, test ideas, develop new products and technologies, create intellectual property and take successful innovations to the world.

This capability expands the region's future opportunities beyond growth in production alone. It creates pathways to lift productivity, improve environmental performance, strengthen animal health and welfare, diversify land use, develop higher value products and build businesses based on exportable knowledge and technology.

The connection between production, processing, research, commercialisation and distribution also strengthens regional resilience. It gives Manawatū the capability to respond to climate pressures, labour constraints, rising costs and changing market expectations while continuing to meet demand for safe, trusted and high quality food and fibre.

Manawatū's advantage is not defined by any single industry, institution or asset. It lies in the combined strength of the whole system, from paddock to plate and from discovery to global market. This gives the region a strong foundation to create value today, capture new opportunities and help shape the future of agrifood.

APPENDIX // INVENTORY OF REGIONAL RESEARCH, SCIENCE AND INNOVATION ORGANISATIONS AND ASSETS

Research, education and shared facilities

ORGANISATION OR ASSET	REGIONAL FOCUS
Massey University, Manawātū campus	Agricultural and environmental science, veterinary and biomedical research, food technology and nutrition, engineering, digital agriculture and commercialisation.
<u>Animal Welfare Science and Bioethics Centre</u>	Internationally recognised research in animal welfare assessment, behaviour, pain, ethics and policy across production, companion, laboratory and wild animals. The centre developed the Five Domains Model used in animal welfare systems internationally.
Bioeconomy Science Institute, Grasslands Research Centre	Pasture and forage science, endophytes and genomics, livestock systems, animal health, food safety and agricultural greenhouse gas research.
<u>Bioeconomy Science Institute, Batchelar Road site</u>	Crop and food science, ingredients and processing, plant health, biosecurity, horticultural systems and development of higher value foods.
<u>Bioeconomy Science Institute, Riddet Road site</u>	Soil, land and water science, biodiversity, ecosystem and pest management, land resource information and tools such as S map.
Riddet Institute	Massey hosted Centre of Research Excellence specialising in food materials science, digestion, nutrition and health, alternative proteins and sustainable food systems.
DairyNZ	Farmer funded dairy sector organisation with a Palmerston North office at Massey University. It connects farmers and researchers with farm systems research, animal health and genetics, environmental performance, practical tools and support for technology adoption.
FoodPilot	A 1,000m ² food safe, open access pilot plant for food and beverage formulation, process development, sensory evaluation, shelf-life work and commercial scale up.
<u>Hopkirk Research Institute</u>	Joint Massey and Bioeconomy Science Institute capability in animal infectious diseases, vaccines, methane reduction, parasitology, diagnostics, food safety and One Health, including PC2 and PC3 laboratories.
New Zealand Food Safety Science & Research Centre	National food safety research network hosted by Massey, connecting government, science providers and food companies.
AgriFood Digital Lab	Precision agriculture, sensors, robotics, machine learning, IoT, data platforms and testing of digital tools in farming and food systems.

Māori research and innovation partners

ORGANISATION OR ASSET	REGIONAL FOCUS
Tāhuri Whenua Incorporated Society and Tahuri Whenua Tapui Limited	Māori horticulture, māra kai and agricultural research, including the preservation of heritage crops and mātauranga Māori, participation in crop protection research, and assessment of nematode risk and diversity in kūmara.
Tanenuiārangi Manawatū Charitable Trust	Mandated iwi authority for Rangitāne o Manawatū and a partner in agrifood research and innovation. Current activity includes developing high value, zero waste food products from karaka by combining mātauranga Māori with food science, processing and commercial development.

Commercialisation, convening, testing and private research

ORGANISATION OR ASSET	REGIONAL FOCUS
<u>New Zealand Product Accelerator, Agritech Hub</u>	Materials science, prototyping, 3D printing, product engineering and industrial design for agritech businesses.
Massey Ventures	Research commercialisation, intellectual property development, licensing and creation of spinout companies in food, agriculture, animal health and life sciences.
<u>AsureQuality Palmerston North Seed Laboratory</u>	Seed sampling and testing, varietal certification, import and export testing and endophyte analysis.
<u>Fonterra Research and Development Centre</u>	Dairy science, ingredient and product design, nutrition, analytical chemistry, microbiology and manufacturing process development. Fonterra reports approximately 350 people at the Palmerston North centre, including around 90 staff with PhDs.
Grasslanz Technology	Commercialises pasture cultivars, forage genetics, microbial technologies and novel endophytes developed through NZ science.
BioLumic	Uses ultraviolet light to activate seed traits without genetic modification in crops including maize, rice, soybeans and forage species.
The Factory	Palmerston North startup incubator and investment connector supporting founders to validate ideas, build capability, prepare for investment and scale. It provides tailored coaching, incubation, investor connections and access to wider startup networks, and helped establish Sprout Agritech.
Sprout Agritech	Palmerston North based agrifood technology accelerator, investor and company builder, supporting product validation, investment and international market access.
<u>H&T Agronomics and H&T Seed Technology, Feilding</u>	Seed coating and enhancement, genetics, agronomy and crop and pasture establishment systems.
<u>Estendart Research</u>	Palmerston North contract research organisation undertaking preclinical, clinical and regulatory studies for animal health products, feed and food additives, pharmaceuticals and pesticides.

Specialist processing, agritech and spinout businesses

ORGANISATION OR ASSET	REGIONAL FOCUS
<u>Awanui Veterinary, Palmerston North laboratory</u>	Veterinary pathology, microbiology, molecular testing and diagnostics for livestock and companion animals.
<u>LASRA</u>	Applied research, pilot processing, testing and technology transfer for hides, skins, leather and footwear.
<u>New Zealand Pharmaceuticals and ICE Pharma</u>	Research, pilot processing and manufacture of pharmaceutical, nutraceutical and diagnostic ingredients from animal, plant and marine biomass.
<u>Proliant Health & Biologicals, Feilding</u>	Production and development of bovine plasma, serum proteins and related biological ingredients for diagnostics, cell culture and human and animal nutrition.
ANDFOODS	Massey and Riddet Institute spinout developing fermented pulse-based dairy alternatives and food ingredients.
NovoLabs	Massey spinout commercialising ultraviolet treatment systems for turbid liquids, industrial water and food processing wastewater.
MI8 Optics	Massey Ventures and Grasslanz joint venture applying hyperspectral imaging to rapid seed and endophyte quality assurance without damaging samples.
Hyperceptions	Aerial hyperspectral sensing for soil fertility mapping and more precisely targeted fertiliser applications.
Levno	Manawatū founded agritech company providing remote monitoring of milk, fuel, water and feed on dairy farms.
Lindsay Corporation, New Zealand engineering capability	Irrigation sensing, control software and smart pivot technology.

Source/s: Organisation descriptions and linked public information supplied for the sector profile.

INVENTORY NOTE // This is a regional ecosystem inventory rather than an official statistical business count. It supports a headline of at least 23 currently identifiable organisations and assets. Some sites and specialist facilities are listed separately in the appendix, while the headline count consolidates related assets under their parent organisations.



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