Benje Patterson
People & Places

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The contribution of South Canterbury's primary industries and energy to New Zealand

Prepared for: Venture Timaru

Prepared by: Benje Patterson

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www.benjepatterson.co.nz

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2. Executive Summary

This report highlights the key contribution of food and fibre exports from South Canterbury to the New Zealand economy and South Canterbury's important role within the energy sector. The report also highlights the importance of transport infrastructure in supporting key industries, but shows that South Canterbury receives low levels of NZTA expenditure towards its roading network.

Figure 1 – Map of South Canterbury

Primary sector exports are consistent with the Ministry for Primary Industries' (MPI) definition of food and fibre exports[1]. The food and fibre sector captures not just value derived from primary production in agriculture, forestry, and fishing, but it also includes the value chain created by processing of these outputs into food or fibre products suitable for wholesaling or distribution to the final consumer[2].

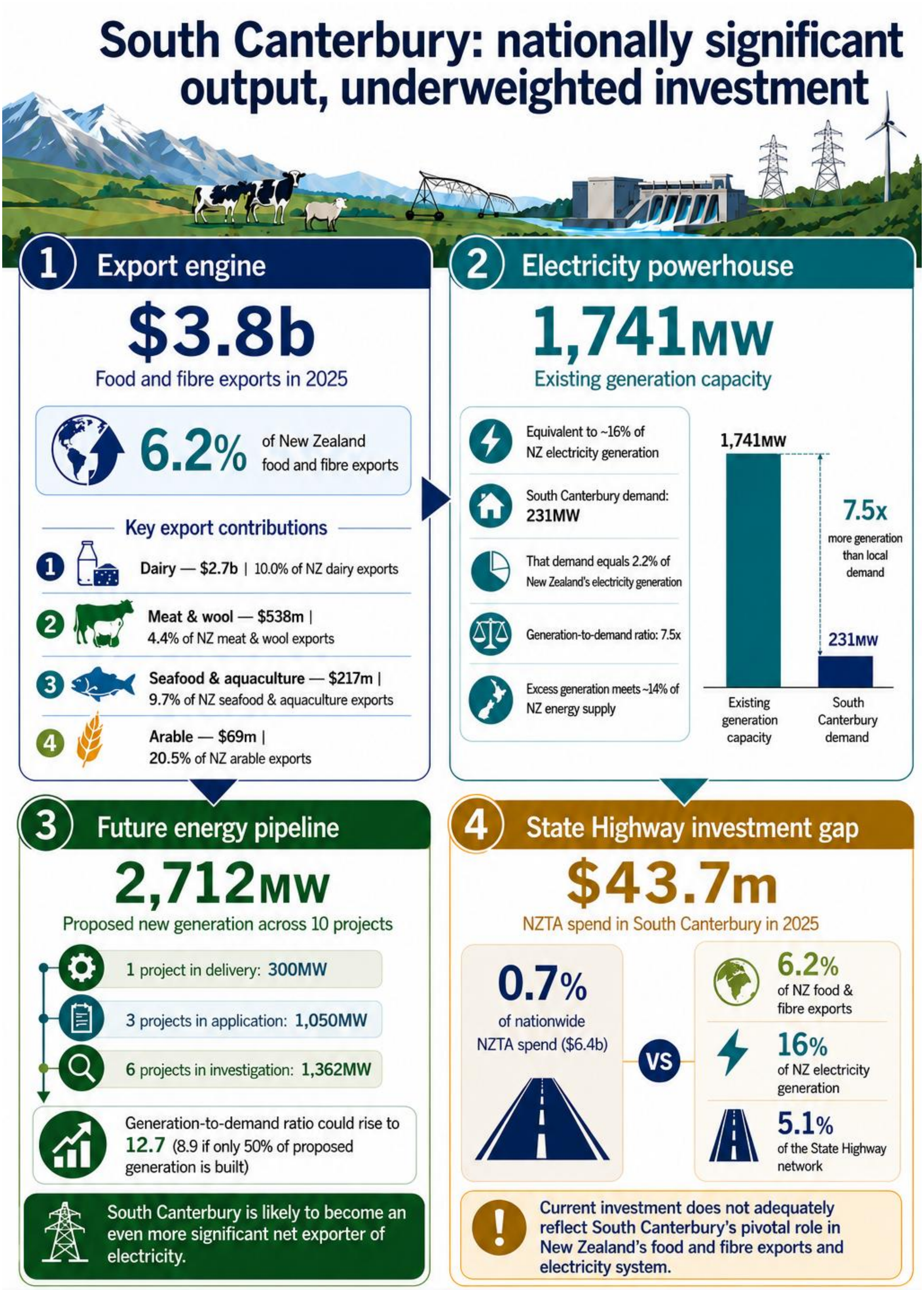
2.1. Key findings

- South Canterbury is a nationally significant food and fibre exporter, with estimated exports of $3.8 billion in 2025, representing 6.2% of New Zealand's total food and fibre exports.
- The region's key food and fibre exports include 10.0% of national dairy exports, 20.5% of arable exports, 9.7% of seafood and aquaculture exports, and 4.4% of meat and wool exports.
- Food and fibre exports dominate South Canterbury's goods export base, accounting for an estimated 97.0% of all goods exports from the region, underlining the importance of reliable infrastructure for primary sector supply chains.
- South Canterbury also plays a pivotal role in New Zealand's electricity system, with 1,741MW of generation capacity equivalent to around 16% of New Zealand's installed electricity generation capacity.
- The region generates far more electricity than it consumes, with a generation-to-demand ratio of 7.5, meaning South Canterbury is a major net supplier of electricity to the rest of New Zealand.
- South Canterbury's future role in the electricity system is set to grow, with 10 proposed generation projects in the Transpower pipeline totalling 2,712MW.
- Despite this national economic and energy significance, NZTA roading expenditure in South Canterbury was only $43.7 million in 2025, equivalent to just 0.7% of nationwide NZTA roading expenditure.
- This investment share appears low relative to South Canterbury's role in New Zealand's export and electricity systems, particularly given the region's 6.2% share of food and fibre exports, 16% share of installed electricity generation capacity, and 5.1% share of the State Highway network.

[1] A modelling approach has been taken to estimate South Canterbury's exports. The model has taken New Zealand food and fibre exports by sector from MPI's Situation and Outlook for Primary Industries dataset and apportioned these to South Canterbury using industry employment data for each territorial authority from Statistics NZ, as well as evidence from the agricultural census. The implicit assumption is that South Canterbury's food and fibre sector has a similar propensity to export their outputs as the national economy.

[2] See: Dalziel, Paul, Caroline Saunders and John Saunders (2018). The New Zealand Food and Fibre Sector: A Situational Analysis. Client report prepared for the Primary Sector Council. Lincoln University.

Figure 2



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3. Valuing South Canterbury's food and fibre exports

This section values exports of food and fibre products and other exports from South Canterbury.

3.1. Current value of food and fibre exports

The total value of food and fibre exports from South Canterbury was estimated to be $3.8 billion in 2025, with 77% ($2.9 billion) of these exports being from Timaru District where most of the sub-region's food and fibre processing capacity is located.

Figure 3 – Author estimates of food and fibre exports in South Canterbury, June 2025 year

$3.8 billion

South Canterbury's food and fibre exports (June 2025 year)

77%

Timaru's share of South Canterbury's food and fibre exports

These food and fibre exports are distributed between the following sub-parts of the sector:

- Most of South Canterbury's food and fibre exports are dairy ($2.7 billion), followed by meat and wool ($538 million), and seafood and aquaculture exports ($217 million).
- Horticulture and processed food exports contribute $99 million and $83 million respectively to the total. These categories include products that span the exports of major food brands such as Barkers, McCains, DB Heineken, and Juice Products.
- Exports of arable crops of grains, grass seeds, and vegetable seeds add a further $69 million to the South Canterbury total.

Table 1

Food and fibre sector export revenue for Timaru and South Canterbury
June 2025 year, $ million, author estimates from Statistics NZ and MPI data

	Timaru	South Canterbury
Dairy	$1,980m	$2,725m
Meat & wool	$512m	$538m
Seafood and aquaculture	$151m	$217m
Horticulture	$99m	$99m
Processed food and other	$73m	$83m
Arable	$46m	$69m
Forestry	$27m	$31m
Total food and fibre export value	**$2,888m**	**$3,762m**

Exports from South Canterbury are similar to their 2024 level ($3.9 billion), with a sharp increase in dairy (up from $2.6 billion in 2024) and seafood and aquaculture exports (up from $199 million in 2024), offsetting a decline in meat & wool exports (down from $762 million in 2024). The meat and wool export decline is largely due to reduced meat manufacturing capacity in South Canterbury due to meat exporters consolidating their processing footprints. Statistics New Zealand's Business Demography data shows that meat manufacturing employment in Timaru halved from 2020 to 2025 (down 52%).

3.2. Comparisons against New Zealand

The following table highlights how food and fibre exports from Timaru and South Canterbury sit against total food and fibre exports from New Zealand[3].

Table 2

Food and fibre sector export revenue for Timaru and South Canterbury against New Zealand
June 2025 year, $ million, author estimates from Statistics NZ and MPI data

	Timaru	South Canterbury	New Zealand
Dairy	$1,980m	$2,725m	$27,151m
Meat & wool	$512m	$538m	$12,360m
Seafood and aquaculture	$151m	$217m	$2,224m
Horticulture	$99m	$99m	$8,802m
Processed food and other	$73m	$83m	$3,338m
Arable	$46m	$69m	$338m
Forestry	$27m	$31m	$6,170m
Total food and fibre export value	**$2,888m**	**$3,762m**	**$60,383m**

As a proportion of New Zealand's total food and fibre exports, South Canterbury accounts for 6.2% of all food and fibre exports.

South Canterbury's exports have the heaviest representation in the following sub-parts of the sector:

- Arable exports (20% of NZ total)
- Dairy (10%)
- Seafood and aquaculture (9.7%)
- Meat and wool (4.4%).

Table 3

Timaru and South Canterbury's share of New Zealand food and fibre exports
June 2025 year, exports as % of NZ total, author estimates from Statistics NZ and MPI data

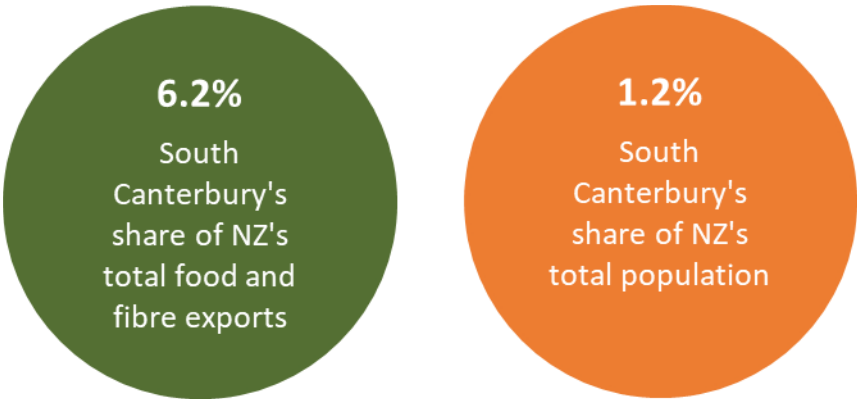
	Timaru	South Canterbury
Dairy	7.3%	10.0%
Meat & wool	4.1%	4.4%
Seafood and aquaculture	6.8%	9.7%
Horticulture	1.1%	1.1%
Processed food and other	2.2%	2.5%
Arable	13.7%	20.5%
Forestry	0.4%	0.5%
Total food and fibre export value	**4.8%**	**6.2%**

South Canterbury's share of New Zealand's food and fibre exports is slightly below the 7.3% estimate from 2024. The decline is primarily due to reduced meat manufacturing capacity, as well as the region not having such extensive horticultural crops as some places, such as kiwifruit and pipfruit which have recently experienced sharp growth.

[3] New Zealand food and fibre export values contained in the table match those published by MPI in its Situation and Outlook for Primary Industries (2025) report.

South Canterbury's food and fibre sector makes a disproportionately large contribution to New Zealand's total food and fibre exports, particularly when one considers the region's relatively small population. Of New Zealand's population of 5.3 million (2025 estimate), just 0.9% (49,500 people) lived in Timaru, with 1.2% (63,500 people) of New Zealand's population residing across all of South Canterbury.

Figure 4 – Author estimates of South Canterbury's food and fibre exports & population as % of NZ (2025)



3.3. Comparing food and fibre exports against other exports

Food and fibre exports comprise the majority of all goods exports from South Canterbury. It is estimated that other goods exports, including machinery, equipment and other manufactured exports, totalled about $118 million in 2025, which was equivalent to just 3.0% of all exports from South Canterbury.

Table 4

Food and fibre sector export revenue against other exports for Timaru and South Canterbury
June 2025 year, $ million, author estimates from Statistics NZ and MPI data

	Timaru	South Canterbury
Food and fibre sector exports	$2,888m	$3,762m
Other exports	$108m	$118m
Total exports	**$2,996m**	**$3,880m**
Food and fibre exports as % of total	*96.4%*	*97.0%*

3.4. Food and fibre growth trends

Food and fibre exports have grown rapidly over recent years. Over the five years to 2025, the value of food and fibre exports from South Canterbury climbed 18% from an estimated $3.2 billion in 2020 to $3.8 billion in 2025.

By comparison, other exports from South Canterbury (which include machinery, equipment and other manufactured goods) grew by 14% from $103 million to $118 million over the same period.

Table 5

Growth in food and fibre sector export revenue for Timaru and South Canterbury
June 2025 compared to June 2020 year, $ million, author estimates from Statistics NZ and MPI data

	Timaru			South Canterbury		
	2020	**2025**	***% change***	**2020**	**2025**	***% change***
Total food and fibre exports	$2,599m	$2,888m	*11.1%*	$3,199m	$3,762m	*17.6%*
Other	$98m	$108m	*10.7%*	$103m	$118m	*14.5%*
Total exports	**$2,697m**	**$2,996m**	***11.1%***	**$3,302m**	**$3,880m**	***17.5%***

4. South Canterbury's contribution to energy generation

This section outlines the pivotal role played by South Canterbury in electricity generation in New Zealand.

4.1. Overview of energy generation in South Canterbury

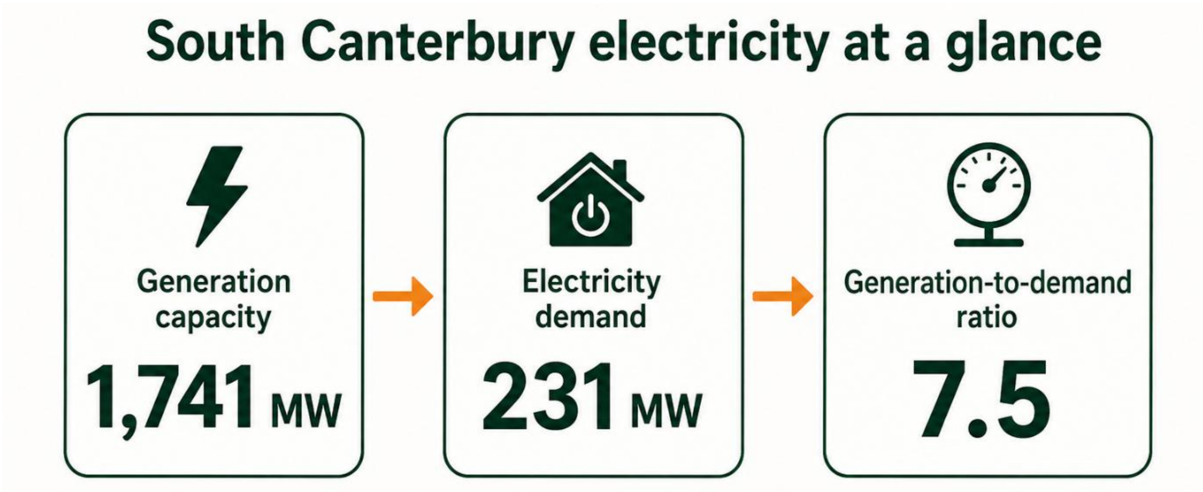
The Canterbury Energy Inventory 2025[4] identified 1,741MW of installed generation capacity in South Canterbury. The energy generated in South Canterbury is equivalent to about 16% of New Zealand's installed energy generation capacity[5].

Much of the South Canterbury energy generation falls in Mackenzie District, or on hydro schemes along the Waitaki River which forms the border between Waitaki District and Mackenzie and Waimate Districts.

South Canterbury is a relatively small user of electricity, with demand across South Canterbury estimated to be 231MW. This means that electricity demand in South Canterbury is equivalent to just 2.2% of New Zealand's installed energy generation capacity.

South Canterbury's generation-to-demand ratio is 7.5, which means that South Canterbury has 7.5 times more installed generation capacity than its estimated electricity demand – with the remaining generation capacity available to the rest of New Zealand to support economic activity elsewhere.

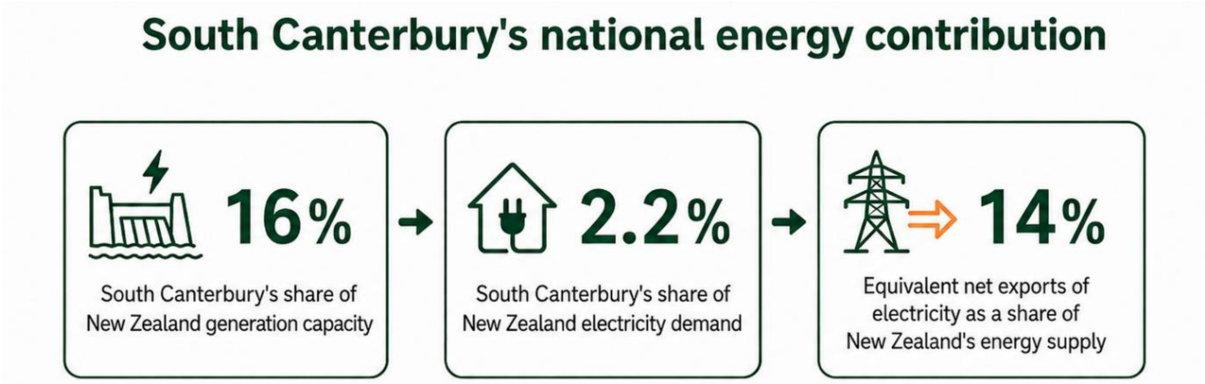
Figure 5



In net capacity terms, South Canterbury's generation capacity exceeds local demand by an amount equivalent to around 14% of New Zealand's installed electricity generation capacity.

[4] Available here: https://canterburymayors.org.nz/wp-content/uploads/COR12169-Canterbury-Energy-Inventory-Report-A4-Sept25-web.pdf
[5] Source: MBIE's Electricity data tables 2025, installed generation capacity to 2024, https://www.mbie.govt.nz/assets/Data-Files/Energy/nz-energy-quarterly-and-energy-in-nz/electricity-dec-2025-q4.xlsx

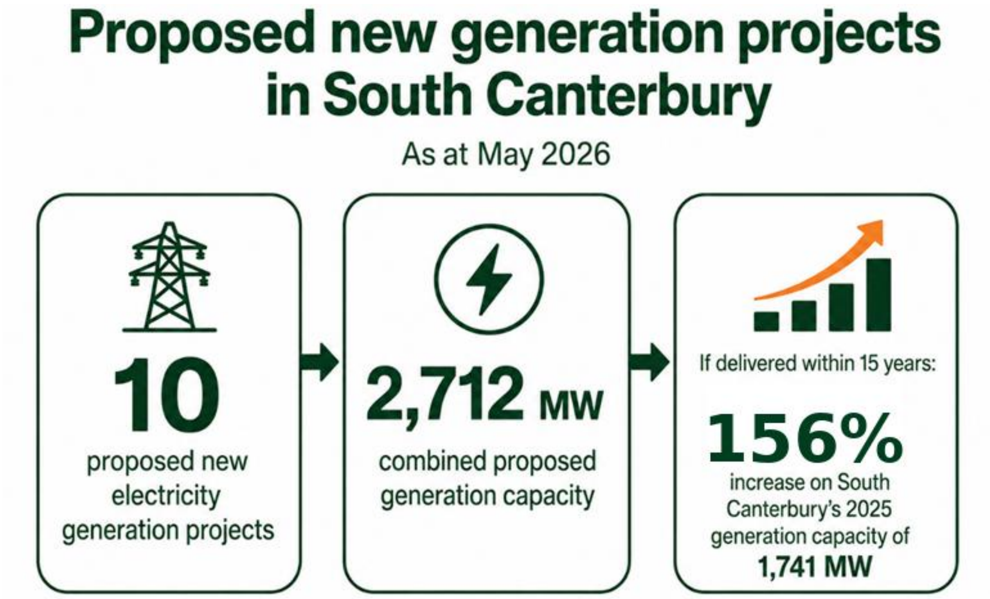
Figure 6



4.2. New generation pipeline

As at May 2026, there were 10 proposed new electricity generation projects in South Canterbury in the Transpower project list[6], with a combined additional generation capacity of 2,712MW. If all this generation capacity were delivered within the next 15 years, it would increase South Canterbury's generation capacity by around 156%, taking total capacity to about 4,453MW.

Figure 7



Of these projects, 1,050 MW (across 3 projects) was in the application phase, 1,362 MW (6 projects) was in the investigation phase, while 300 MW (1 project) was in the delivery phase.

If forecast growth trends in energy demand in South Canterbury over the next 15 years (2.8%pa growth[7]) were to occur then that would mean that South Canterbury's generation-to-demand ratio would rise to 12.7, while even if only 50% of new generation capacity were built the ratio would climb to 8.9. These compare against South Canterbury's current generation-to-demand ratio of 7.5, which means that the region is likely to become an even more significant net exporter of electricity to the rest of New Zealand in future.

[6] Available here: https://static.transpower.co.nz/public/uncontrolled_docs/Generation%20and%20energy%20storage%20connection%20pipeline.xlsx?VersionId=af4CGyZlKXfw.kcxm71I5wDJ2JKl8pDf

[7] Source: Canterbury Energy Inventory 2025

5. Role of transport infrastructure in supporting industry

Transport infrastructure provides a critical enablement role to South Canterbury's key primary sector exports and its energy sector. Not only is reliable transportation necessary for farmers to access key inputs into their farming systems and to facilitate the flow of export goods to market, but energy infrastructure development also relies on the safe delivery of heavy and specialist energy componentry.

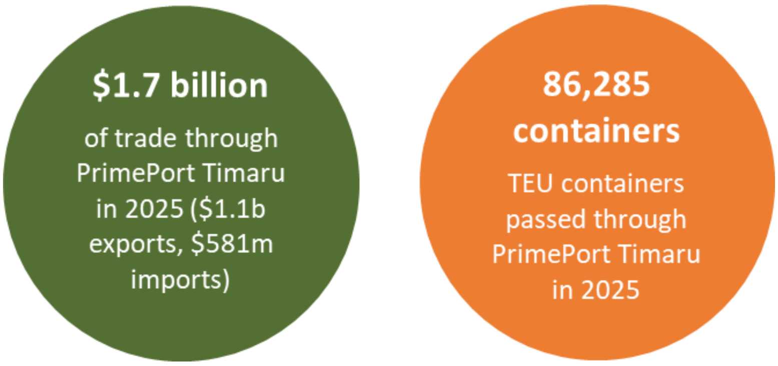
5.1. Role of PrimePort Timaru in supporting industry

PrimePort Timaru plays an important role in supporting trade in South Canterbury and other parts of the South Island. Given large projected growth in freight demand across the South Island, further increases in the port's capacity can help support the resilience and efficiency of the freight system.

Statistics New Zealand data shows that $1.7 billion of traded goods passed through PrimePort Timaru in the June 2025 year. PrimePort Timaru data highlights that trade through the port was responsible for 86,285 shipping container movements in 2025.

Of goods traded through the port in 2025, $1.1 billion were exports listing PrimePort Timaru as their final New Zealand port before shipment overseas, with a further $581 million of imports passing through the Port. On top of this estimate, there are some goods which are moved from Timaru to other New Zealand ports using road, rail, and coastal shipping, and so are ultimately listed under another port for export.

Figure 8 – Value of trade through PrimePort Timaru, source: Statistics New Zealand & PrimePort Timaru



The capacity provided by PrimePort Timaru ensures there is resilience to the Canterbury freight system. There is only one other export port in Canterbury, Lyttelton, which handled approximately $7.6 billion of exports (and $6.3 billion of imports) in the June 2025 year.

5.2. Role of the State Highway network in supporting industry

South Canterbury's roading network also plays an important enabling role to the region's key primary sector exports and its energy sector.

The South Canterbury state highway maintenance contract area, which also includes Ashburton District, covers about 570km of State Highways. There are 11,201km of State Highways across New Zealand[8], meaning that the South Canterbury contract area has a 5.1% share of the network.

[8] Source: Government Policy Statement on land transport 2024-34, https://www.nzta.govt.nz/assets/resources/state-highway-investment-proposal-2024-34/state-highway-investment-proposal-2024-34.pdf

South Canterbury's key export industries are heavy users of roads. Information provided by Fonterra to Venture Timaru shows that Fonterra's trucks drove 15.6 million vehicle kilometres in the year ended July 2025 across both State Highways and local roads, up from 15.4 million kilometres five years earlier in the July 2020 year, across both State Highway.

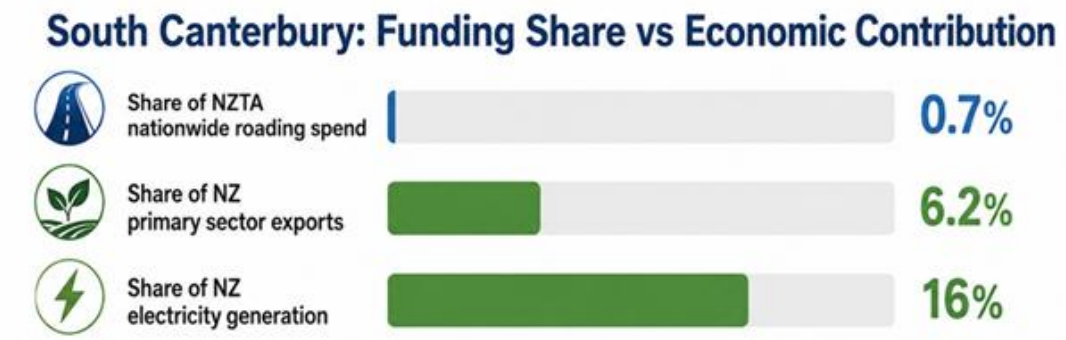
The South Canterbury State Highway maintenance contract area has the equivalent to about 5.7 metres of State Highway for each resident[9], compared to a nationwide average of 2.1 metres per capita.

Information provided to Timaru District Council by NZTA showed that approximately $43.7 million was spent by NZTA across South Canterbury in the June 2025 year. Although spending has risen significantly over recent years, up from just $17.2 million in 2022, it remains substantially below both South Canterbury's share of the State Highway network and the region's contribution to New Zealand's economic activity.

The Government Policy Statement on land transport 2024-34 highlighted the government's intended spending by NZTA in the June 2025 year was $6.4 billion. This means that NZTA's spending of $43.7 million on roading in South Canterbury represented just 0.7% of nationwide expenditure.

South Canterburys' 0.7% share of NZTA nationwide spending is extremely low when you consider this report's estimate that the region contributes to 6.2% of New Zealand's primary sector exports and 16% of the country's electricity generation.

Figure 9



Underinvestment in South Canterbury's State Highways matters because transport infrastructure underpins economic resilience, productivity, and regional equity. Canterbury's businesses, farmers, and communities need reliable transport networks to prosper now and into the future. Without proportional investment, South Canterbury is delivering nationally significant economic output with second-tier infrastructure support. Funding must reflect economic contribution and transport demand. Equitable transport planning will lift productivity and support stronger economic growth for New Zealand.

[9] South Canterbury State Highway maintenance contract technically includes both South Canterbury (as defined in this report) and Ashburton District as it spans from the Rakaia River and SH77 at Rakaia Gorge in the north to the Waitaki River in the south, including inland alpine routes to Twizel and Aoraki/Mt Cook. South Canterbury and Ashburton has a combined 100,900 residents, while South Canterbury alone has 63,500.

6. Concluding remarks

South Canterbury makes a nationally significant contribution to New Zealand's food and fibre export economy and electricity system. The region's food and fibre exports were estimated at $3.8 billion in 2025, representing 6.2% of New Zealand's total food and fibre exports, with particularly strong contributions across dairy, arable, seafood and aquaculture, and meat and wool. These exports are supported by a network of farms, processors, freight operators, and port infrastructure that connect South Canterbury's productive base to national and international markets.

The region is also pivotal to New Zealand's electricity system. South Canterbury has 1,741MW of existing generation capacity, equivalent to around 16% of national electricity generation capacity, while local demand is only 231MW. This means the region generates far more electricity than it consumes and is a major net supplier of electricity to the rest of the country. With a further 2,712MW of proposed new generation in the Transpower pipeline, South Canterbury's role in supporting national energy resilience and future electricity demand is likely to become even more important.

South Canterbury's roads are not just local infrastructure; they are part of the backbone that enables nationally significant exports and electricity generation. Current funding levels for the region's roads, which account for 5.1% of New Zealand's State Highway network but just 0.7% of NZTA's annual spend, do not adequately reflect the scale of South Canterbury's contribution to New Zealand's economy and energy system. If the region is expected to keep delivering for the country, then roading investment needs to be more closely aligned with its economic role, transport demands, and future growth potential. A better aligned approach to transport funding would not only support South Canterbury, but also strengthen productivity, resilience, and growth for New Zealand as a whole.

Benje
Patterson
People & Places