

Industry Association Interview - EPFNZ

Interviewee: Helen Marsden - Spokesperson, Egg Producers Federation of New Zealand (EPFNZ)

Background: Industry association communications lead; 9 years at EPFNZ

Interviewer: Iris Beaumont (Halberd Capital Partners - Research)

Date: Wednesday, 7 May 2026

Duration: 51 minutes

Format: Video call (Wellington / New York); recording transcribed by I.B.

Anonymisation: None - interviewee consented to attributed transcript

Note (I.B.): Single-session interview with EPFNZ. Useful broad market context - Phase 1 and Phase 2 cage-ban regulatory framing, per-capita egg consumption, free-range premium history, channel structure as EPF reports it. EPFNZ is the main industry association (real organisation; spokesperson role here).

[00:00:12]

I.B.: Helen - thank you for making time. Just to set context, we're doing some industry research on the NZ shell egg market. No specific producer focus - we're trying to understand the market structure and the cage-free transition trajectory. Standard industry-association call. Sound good?

[00:00:48]

Marsden: Yes, that's fine. EPF speaks to investors and analysts a few times a quarter on the industry overall - happy to walk you through what we publish. Just a note - anything I say is consistent with our public stats page; nothing here is confidential.

[00:01:18]

I.B.: Understood, and I appreciate that. Can we start with the regulatory backbone? Phase 1 and Phase 2.

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Marsden: Sure. Phase 1 was the conventional cage ban - battery cages - under the Animal Welfare (Layer Hens) Code of Welfare 2012. The transition ran from 2012 to end-2022. By end-December 2022 conventional cage production was prohibited in New Zealand. Producers moved their birds out of battery cages into one of three permitted housing systems - colony, barn, or free-range. Phase 1 is complete and has been since end-2022.

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I.B.: And Phase 2?

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Marsden: Phase 2 is what we call the cage-free transition. It's not a regulatory ban - colony cages remain legal under the current Code of Welfare. What's driving Phase 2 is retailer-led voluntary commitments. Foodstuffs North Island and Foodstuffs South Island have both publicly committed to being entirely cage-free, including phasing out colony-cage product, by end-2027. Woolworths NZ has the same end-2027 commitment under their parent group sustainability framework. Together those retailers represent the substantial majority of shell-egg retail volume in NZ. So end-2027 is effectively a retailer-driven hard deadline for any producer that wants continued retail-channel access.

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I.B.: Hard deadline, soft mechanism.

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Marsden: That's a fair way to put it. The mechanism is the supermarket's procurement decision - they will stop listing colony eggs in their assortment from end-2027 - rather than a regulatory prohibition. Producers who don't transition can in theory continue to sell colony eggs into other channels - foodservice, industrial, direct-to-consumer - but the vast majority of producer volume goes through retail, so for a meaningful producer the deadline is binding.

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I.B.: Per-capita egg consumption - what's the figure?

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Marsden: 229 eggs per person per year is the most recent EPFNZ figure. That's been trending up modestly over the last decade - somewhere around 220 in 2015 to 229 today. We publish that on our stats page and it comes from a combination of MPI production data and retail point-of-sale data.

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I.B.: And per-bird egg output?

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Marsden: Industry rule of thumb is 290-305 eggs per layer per year averaged across the housing systems. Free-range is at the lower end - birds have more activity, slightly lower lay rate, around 285-295. Colony is at the upper end, 295-310. Barn sits in between. We tend to use 295-300 in our public modelling as a midpoint. That's productive lay days across a 52-week production cycle.

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I.B.: And the national flock size?

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Marsden: MPI's most recent published figure is 3.4 to 3.5 million layer hens. That's our anchor - we don't independently verify producer flocks, we cite the MPI number. Some industry insiders will tell you the actual flock is somewhat higher - there's always a long tail of small producers that don't register, plus some growth since the 2022 census - but officially we use MPI.

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I.B.: Production system mix - colony / barn / free-range.

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Marsden: The official figure that's most often cited is from the December 2022 MPI / EPF data - approximately 33% colony, 33% barn, 34% free-range. That was the snapshot just after Phase 1 completion. I'll note though - Phase 2 has shifted things since 2022. We haven't published an updated split because we're waiting on a refresh of the underlying data, but anyone working with current numbers should understand the 33/33/34 figure is a baseline from 2022 and the current mix has moved on. I'd say informally that free-range has expanded and colony has contracted in the years since.

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I.B.: By how much?

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Marsden: I don't have a published figure. Producers are making conversion decisions plant by plant and we don't poll them in real time. But the direction of travel since 2022 has clearly been into cage-free - barn and free-range both up, colony down. We'll be updating our public stats next year once a fresh census round completes. If you're modelling forward, I'd suggest treating the 33/33/34 figure as a 2022 baseline only and consulting current commentary from producers and analysts for

the FY26 read.

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I.B.: Helpful caveat. Free-range premium - historical and current.

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Marsden: Historically the free-range premium over barn at the wholesale gate ran around 30%. That was through the late 2010s and into the early 2020s, when free-range supply was relatively scarce and the consumer-facing premium positioning was strong. Since Phase 1 completion that premium has been compressing. As more barn capacity has come online - barn being more capital-efficient than free-range to convert into from colony - the relative scarcity of free-range has eased and the premium has trended down.

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I.B.: Where is it now?

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Marsden: I won't put an exact number on it because EPF's role isn't to set transaction prices - that's a producer-and-buyer negotiation. But the directional answer is meaningfully below the 30% historical level. Producers will tell you actual transaction prices in 2026 are lower than the 30%-historical anchor and will likely continue to compress through the end of the Phase 2 transition period. The premium remains positive - free-range is still a premium product - but the magnitude is well off the peak.

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I.B.: OK. Channel structure - how does EPF cut the market?

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Marsden: EPF's public reporting groups the egg market into three channels broadly. Retail grocery is the largest by volume - around 70 to 75% of national volume goes through retail. Then we group foodservice and industrial together as a single 'commercial' or 'non-retail' category - that's another 22-25% of volume. And finally direct-to-consumer and farmgate sales, which is a small residual, 2-3% of volume.

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I.B.: Foodservice and industrial together?

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Marsden: Yes - for our reporting purposes we treat them as one category. The reason is data availability - retailers report their volumes through standard grocery data; the non-retail channels are heterogeneous and we'd need bespoke surveys to break out foodservice from industrial cleanly. So we lump them. I'll note that producers will tell you they're different sales motions - foodservice is hospitality and restaurant accounts, industrial is bakeries and food manufacturers - different customers, different contracts, different price discipline. From a producer-operations perspective it's perfectly reasonable to split them. EPF treats them together for reporting purposes; producers internally absolutely don't.

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I.B.: Useful distinction. Industry structure - concentration of production.

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Marsden: The industry is moderately concentrated. Mainland Poultry is the largest producer nationally and has been for at least the last decade. There's a tier of mid-sized family- and trade-owned producers - names like Heyden Farms, Better Eggs, Zeagold, Henergy - and a long tail

of smaller operators. We don't publish company-level volume data - that's not what EPF does - but the rough shape is a top six or seven producers accounting for most national volume and a long tail of smaller specialty and farmgate operators. Many of the named producers are family-owned, multi-generational businesses.

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I.B.: And the colony-to-cage-free conversion challenge - what are you hearing on capex and timeline?

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Marsden: Capex per bird varies by site. We've heard ranges from the low-NZ\$40s up to the high-NZ\$60s per bird depending on existing infrastructure. Build cycles are running 12 to 18 months once consents are granted. Day-old chick supply is tight - both NZ-based and Australian breeders are running near capacity. Producers planning conversion need to factor in 6 to 9 months of lead time on bird supply alone.

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I.B.: Are all colony producers on track for end-2027?

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Marsden: No. We've talked publicly about this - some smaller colony producers are expected to exit the market rather than convert, simply because the per-bird capex doesn't pencil at sub-50,000-bird scale. We're aware of perhaps 25 to 30 long-tail operators in that category. Whether they exit, consolidate with neighbours, or sell out to larger operators - that'll play out over the next 24 months. The mid-sized producers - the named family operators - are mostly expected to convert through, though the precise timing varies by company and by site.

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I.B.: Anyone publicly behind on Phase 2?

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Marsden: EPF doesn't comment on individual member progress - that's a competitive matter. I can say generally that some mid-sized producers have larger colony exposures than others and the conversion is more demanding for them. The retailer commitments to end-2027 are the operative deadline, and we're working with our members through the Federation to support sector-wide readiness.

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I.B.: Got it. Avian flu - the H7N6 incident in Otago late last year. How does EPF frame it?

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Marsden: WOA self-declaration is the relevant framing. The outbreak was confined to a single property in Otago, that property was depopulated and stamped out, and NZ formally resumed HPAI-free status by mid-2025. From an industry-supply perspective there was no national supply shock - the affected property was a small fraction of national flock. From an industry-cost perspective there was a meaningful increase in biosecurity, cleaning, repopulation, and movement-control overhead - most of that concentrated in FY25 but with some carryover. Producers are essentially treating it as a one-off cost overlay, not a structural cost increase.

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I.B.: Anything you're hearing about future risk?

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Marsden: We monitor through our biosecurity working group - the H5 strains circulating globally are the obvious watch-out. But the WOA self-declaration framework, MPI's response protocols, and the geographical isolation of NZ all give us a structurally lower risk profile than continental-scale industries. We're not complacent but we're also not expecting a national crisis. I'd discount any commentary that frames NZ as 'next' on an HPAI outbreak - it's not consistent with the data or the policy framework.

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I.B.: Industry health - broadly?

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Marsden: Mature, fragmented, family-dominated. Volume is essentially flat to slightly declining over the last few years - down 0.7% annualised through 2025 and into 2026 in production-volume terms, mostly tracking population growth versus per-capita consumption. Revenue has been growing modestly because of premium-tier mix shift. The key story is the Phase 2 transition and the capital intensity of getting through it. Beyond that, the industry is stable. There's no demand crisis, no consumer rejection, no major substitute pressure. Eggs remain a staple.

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I.B.: Plant-based egg substitutes?

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Marsden: We've watched this carefully. In NZ, plant-based egg substitutes are a tiny fraction of category sales - well under 1% of dollar value at retail. Some growth on a small base. Not a meaningful threat to category volume in any forecast horizon I'd consider. Categories adjacent to eggs in foodservice - egg replacers in baking - have somewhat more traction but again small absolute volumes.

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I.B.: Imports?

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Marsden: Modest. Some Australian product hits NZ retail at the value end - primarily barn-tier and colony-tier when those tiers are short. The freshness premium for domestic supply and the consumer preference for local sourcing keep import competition limited to the commodity end of the market. Free-range and pasture-raised tiers are essentially all domestic. As long as that consumer preference holds, import competition is a margin pressure on the value end but not a structural threat to the producer base.

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I.B.: And consumer trends?

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Marsden: Premiumisation continues - consumers trading up from cage and colony into free-range and pasture-raised. Health-and-protein narrative supports egg consumption. Cooking-from-home tailwinds from the post-COVID era have largely normalised but eggs benefited during that period and the absolute level is sustained. Nothing dramatic in the consumer data but nothing concerning either.

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I.B.: Public policy outlook beyond Phase 2 - anything on the horizon?

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Marsden: MPI's Code of Welfare review process is ongoing - there's discussion in the working group about whether colony will eventually be banned outright in regulation, which would harden the

retailer-driven Phase 2 deadline into a regulatory deadline. No timeline yet. Stocking density rules are also under periodic review. Both are areas to watch but nothing in the next 12-24 months that would shift the operating environment beyond what Phase 2 has already set in motion.

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I.B.: Carbon and sustainability?

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Marsden: Egg production has a relatively favourable carbon footprint compared to other animal proteins - that's well-documented. Industry is engaged in emissions reporting alongside the broader agricultural sector via He Waka Eke Noa and successor frameworks. Nothing imminent that would force step-change capex but ongoing incremental investment in feed efficiency and energy systems. Most of our members are engaged constructively.

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I.B.: If I'm building a 5-year forecast for egg volume in NZ - what's the central case?

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Marsden: Population growth is the demand engine. NZ population grows roughly 0.9% annually. Per-capita consumption is roughly flat. So volume grows around 1% per year as a central case. That puts you at maybe 4-5% cumulative volume growth over five years. Revenue grows slightly faster because of mix shift into free-range and premium tiers. Pricing tracks input costs - feed grain pricing and energy - which are externally driven.

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I.B.: Any volatility risk on that central case?

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Marsden: Phase 2 transition risk is the headline. If the transition goes smoothly, supply tracks demand and prices stay rational. If colony producers exit faster than barn capacity comes on, you get a short-run supply tightness and a price spike on the cage-free tiers - say 12 to 18 months of elevated wholesale pricing. If conversion overshoots and barn capacity exceeds demand uptake, you get the inverse - premium compression, barn-tier oversupply, margin pressure. Both scenarios are real possibilities. The base case is somewhere in between.

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I.B.: And from a producer side, is there an argument for some not converting?

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Marsden: For sub-scale operators, yes - as I mentioned, capex doesn't pencil and exit is the rational outcome. For mid-sized and larger operators, conversion is the path forward - the economics of staying in colony beyond 2027 are unworkable when the major retail channels are closed. Some producers might pivot toward foodservice and industrial, which don't have the same end-2027 cage-free commitment, but those channels can't absorb a fraction of the displaced colony volume so it's not a strategic option for anyone of meaningful scale.

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I.B.: Industry consolidation - do you expect transactions in the next 24 months?

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Marsden: We've seen Navis Capital exit Mainland Poultry through Zeagold-related transactions a few years ago. There's been a pattern of trade and private-equity interest in the sector intermittently - buyers attracted by the cage-free transition story and the generational exit opportunities at family-owned producers. I'd expect 1-2 mid-market transactions in the sector over the next 18-24

months, predominantly family-owned producers where the principals are at retirement age. Beyond that I don't have visibility.

[00:43:48]

I.B.: Helpful general framing. A specific question - when you mention 'family-owned producers' with retirement-aged principals, how many are in that category roughly?

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Marsden: Across the named mid-sized producers, probably three or four where the founding generation or their immediate successor is over sixty and either has no clear succession or has been signalling exit. I won't name them - that's confidential to our members - but as a category it's a meaningful share of mid-sized industry capacity.

[00:45:18]

I.B.: OK. Last few questions then I'll let you go. Industry's relationship with Foodstuffs and Woolworths NZ - collaborative or strained on the cage-free piece?

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Marsden: Mostly collaborative. Both retailers have engaged constructively with EPF members on transition planning, supply continuity, and pricing through the transition. There's been the occasional difficult conversation on barn versus free-range volume allocation, and on the firmness of the end-2027 deadline for individual producers. But it's a working relationship - the retailers need supply continuity, the producers need committed volume off-take, and both sides have a strong economic incentive to manage the transition without disrupting consumer pricing.

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I.B.: Pasture-raised tier - economics meaningfully different?

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Marsden: Yes, materially. Pasture-raised is a step up from standard free-range - lower stocking density, more outdoor area per bird, often older more traditional bird breeds. Capex per bird is meaningfully higher, lay rates are lower, but the wholesale and retail premiums are significantly higher - well in excess of the standard free-range premium. Volumes are small in absolute terms - well under 5% of national flock - but the category is growing.

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I.B.: And colony producers exiting - what do they typically do with the assets?

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Marsden: A range of outcomes. Some sell the colony shed shells to neighbouring producers who convert them. Some convert themselves into broiler operations or into other rural land uses. Some simply close and the land returns to general agriculture. There's no mandated wind-down protocol - it's a private decision by the operator.

[00:50:18]

I.B.: Helen, this has been incredibly helpful. Let me leave it there. Thanks for your time.

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Marsden: Pleasure. If you want to come back with specifics once you've done your producer-level research, do reach out - we publish our member directory on the website if you need to verify any individual producer claims to membership.

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I.B.: Will do, thank you.

[End of interview - 51:02 elapsed]