New Zealand shell-egg market structure map

FY26 outside-in view: national flock ∼3.75M hens; Aurora is additive to public producer roster and appears #2 by volume (∼18%) but carries a mid-stack operating model and ∼40% colony exposure.

1. Upstream inputs & bottlenecks

Day-old chicks / pullets
Northern Hylines; AU rearing spot supply. **4–9 month** waitlist in conversion waves; Mainland has captive rearing.

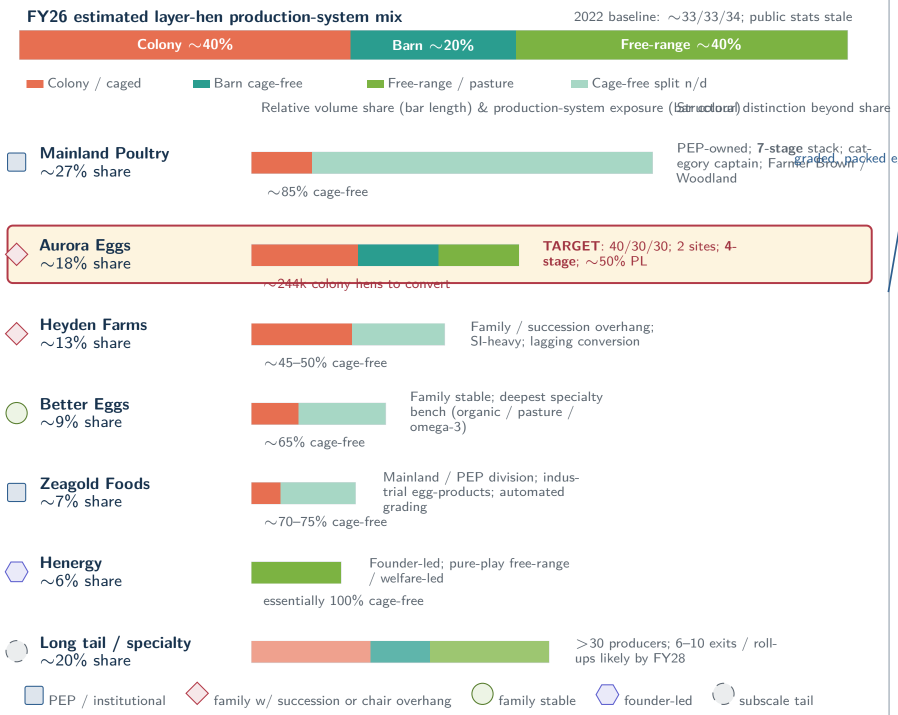
Feed grain / milling
PGW, Farmlands, NRM/Ridley, Reliance. Feed is **55–65%** of variable cost; Aurora lacks MainFeeds-style captive hedge.

Housing equipment & consents
Big Dutchman / Vencomatic / Salmet; RMA + building consents. Equipment **9–14 months**; build **12–18 months**.

Packaging, labour, biosecurity
Huhtamaki Otahuhu is sole large fibre-carton plant. Skilled labour tight; H7N6 contained but biosecurity cost overlay persists.

Aurora exposure
Two sites; no captive feed mill or breeder; conversion is constrained more by *time / permits / supply chain* than by headline capital availability.

2. Producers by production system, scale & structure



FY26 estimated layer-hen production-system mix

2022 baseline: ∼33/33/34; public stats stale

🟥 Colony / caged 🟩 Barn cage-free 🟩 Free-range / pasture 🟩 Cage-free split n/d

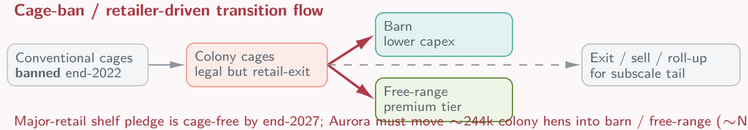
Relative volume share (bar length) & production-system exposure (bar colour)

Structural distinction beyond share

☐	**Mainland Poultry** ∼27% share	∼85% cage-free	PEP-owned; **7-stage** stack; category captain; Farmer Brown / Woodland
◇	**Aurora Eggs** ∼18% share	∼244k colony hens to convert	**TARGET**: 40/30/30; 2 sites; **4-stage**; ∼50% PL
◇	**Heyden Farms** ∼13% share	∼45–50% cage-free	Family / succession overhang; SI-heavy; lagging conversion
○	**Better Eggs** ∼9% share	∼65% cage-free	Family stable; deepest specialty bench (organic / pasture / omega-3)
☐	**Zeagold Foods** ∼7% share	∼70–75% cage-free	Mainland / PEP division; industrial egg-products; automated grading
⬡	**Henergy** ∼6% share	essentially 100% cage-free	Founder-led; pure-play free-range / welfare-led
◌	**Long tail / specialty** ∼20% share		>30 producers; 6–10 exits / roll-ups likely by FY28

☐ PEP / institutional ◇ family w/ succession or chair overhang ○ family stable ⬡ founder-led ◌ subscale tail

Cage-ban / retailer-driven transition flow



Major-retail shelf pledge is cage-free by end-2027; Aurora must move ∼244k colony hens into barn / free-range (∼NZ$11–16M capex) with limited consent / DOC / equipment slack.

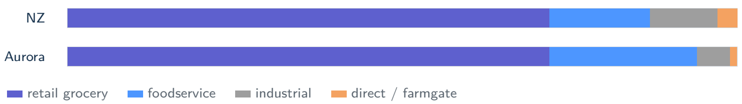
3. Grading / packing, intermediaries & market channels

graded, packed eggs / gate contracts

Grading / packing / brands
Scale producers grade/pack in-house; small producers may pay third-party graders ∼8–12% of gate. Aurora packs own Sunbright / secondary labels *and* Pams, Macro, Woolworths house private label.

Channel mix by volume

Retail dominates; Aurora is retail-heavy



Retail grocery ∼70–75% NZ volume; Aurora ∼72%
Foodstuffs (Pak'nSave, New World, Pams) + Woolworths NZ / Countdown dominate grocery; Costco / independents residual. Retailer captures largest value pool (∼35–50%).

Foodservice ∼12–15% NZ volume; Aurora ∼22%
Bidfood, Gilmours, Service Foods / Toops aggregate cafes, restaurants, hotels, QSR. Distributor margin layer ∼12–18% on producer gate price.

Industrial ∼8–10% NZ volume; Aurora ∼5%
Bakeries, mayo and food processors; breakers / liquid-egg lines. Often clears Grade B, cracked or off-spec eggs; producer EBITDA/dozen is thinnest.

Direct / specialty / by-products ∼2–3% NZ volume
Farmgate / DTC / premium grocers; by-products flow to fertiliser co-ops (manure), pet food / rendering (spent hens), and breakers for seconds.

1. Retail / private-label squeeze
Foodstuffs + Woolworths set shelf access; retailer value capture is structurally highest. Aurora has no category-captain status and ∼50% retail private-label exposure; top-3 retail accounts likely ∼60–70% of revenue to confirm.

2. Colony transition is deal-defining
Aurora's ∼40% colony cohort must retain major-retail access by converting to barn / free-range. Slippage beyond end-2027 strands volume into lower-margin non-retail outlets; capex buys market access more than incremental margin.

3. Free-range premium is compressing
Historical ∼30% wholesale premium over barn is not the current buyer view. Working trajectory: **18% FY26 → 14% FY27 → 12% FY28** as barn supply scales into the colony-exit gap.

4. Integration gap vs. Mainland
Aurora is a four-stage mid-stack producer (grow-out, grading, packing, brand). It lacks captive feed, captive breeder, industrial adjacency, and category-captain power; Mainland's seven-stage stack is the structural benchmark.

5. Supplier & common-mode risk
Feed volatility passes through with a lag; DOC / equipment lead times constrain conversion; Huhtamaki packaging is a single domestic fibre-carton node. H7N6 was contained, but biosecurity cost disciplines remain.

Source anchors: Calthorpe expert interviews Parts 1–7; NZ Egg Association transcript; Hartley Pearce competitor overview; Aurora IM / website snapshot; supermarket cage-free commitment summary. Shares and Aurora exposure are outside-in estimates for preliminary DD; confirm consent status, customer split and contract clauses in confirmatory.