

MEDIA RELEASE

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Alliance Group acquires stake in India partner

Alliance Group has acquired a stake in its India partner QualityNZ as it looks to capture more value from the world's second most populous nation.

The 100 per cent farmer-owned co-operative has purchased 10.4 per cent of QualityNZ, which supplies New Zealand's products such as red meat, seafood and wine to India. QualityNZ's other shareholders include New Zealand cricketing legends Sir Richard Hadlee, Stephen Fleming, Daniel Vettori and Brendon McCullum.

"This investment in QualityNZ is consistent with the co-operative's strategy of moving up the value chain and having an in-market presence in key regions," said Alliance Group chief executive David Surveyor.

"India's fast-growing middle and upper classes have a real appetite for New Zealand lamb and value the Pure South story of grass-fed red meat produced naturally.

"We are targeting the higher socio-economic category, which is represented by more than 200 million people. It is estimated this number is expected to grow strongly within the next decade and India is forecast to soon exceed China's GDP."

The investment in QualityNZ will ensure Alliance Group is closer to its customers and can better understand their needs and expectations, said Mr Surveyor.

"This will provide us with deeper connections to this important market and lift Alliance's visibility and engagement across all steps of the supply chain.

"It will also enable Alliance to effectively get in on the 'ground floor' of a country which one day will be the next China. For us, this is an investment for the long-term. As a co-operative, we can take an inter-generational view of investments for the benefit of our farmers.

"We are looking forward to bringing our capabilities in sales and marketing and food processing to support the growth of QualityNZ.

"Alliance's world-class reputation for producing the highest quality red meat, combined with QualityNZ's expertise and experience in India and its leading customer network distribution model, means collectively we have a powerful partnership for today and the future."

Alliance Group has been the exclusive supplier of New Zealand red meat to QualityNZ since the company's inception seven years ago with the co-operative's Pure South lamb on the menu at more than 340 five-star hotels and restaurants across 25 cities in India.

Alliance has a history of investing with in-market presence in the United Kingdom and North America. In 2018, the co-operative strengthened its position by acquiring its Asia-based sales and distribution agent, which is now known as Alliance Asia.

Geoff Allott, chief executive officer of QualityNZ, said: "Alliance Group and QualityNZ have formed a proven partnership over the past seven years. This investment is a natural next step to drive further growth in India and will improve the returns and add value to both businesses.

"QualityNZ has been focused on introducing Pure South lamb into the five-star hotel market, but is also making strong inroads into the restaurant, catering, organised retail and e-commerce channels."

The value of the investment is commercially sensitive and has not been disclosed.

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NOTES TO EDITOR

Alliance is a co-operative owned by more than 4,000 farmer shareholders and exports lamb, beef, venison and co-products to customers in more than 65 countries.

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