



# MARKET RESEARCH

## BAKING INDUSTRY

ARMILLARY LIMITED



## Table of Contents

1. Executive Summary .....	2
2. Market Dynamics & Trends .....	3
3. Competitive Landscape .....	3
4. Regulatory & Policy Environment .....	6
5. Financial Analysis & Key Metrics .....	7
6. Outlook.....	7
7. References.....	8



## 1. Executive Summary

The baking production and manufacturing industry in New Zealand and Australia is a dynamic and integral part of the food sector, encompassing a diverse range of businesses from large-scale commercial bakeries to small artisanal producers. Shaped by shifting consumer preferences, rising health consciousness, and a demand for convenience, the industry continues to evolve through innovation in ingredients, product offerings, and production techniques. While traditional staples such as bread, pastries, and cakes remain central, there is a growing emphasis on gluten-free, organic, and plant-based alternatives. The market size in:

- ◆ **New Zealand** is at NZ\$3.65 bn in 2025<sup>1</sup>. The market is expected to grow annually by **3.56% (CAGR 2025-2030)**<sup>1</sup>.
- ◆ **Australia** is at AU\$15.2 bn in 2025<sup>2</sup>. The market is expected to grow annually by **3.67% (CAGR 2025-2030)**<sup>1</sup>.

The industry is poised for steady growth, driven by increasing health consciousness, growing popularity of artisanal and organic products, and demand for premium bakery products.

The bakery production and manufacturing industry in New Zealand and Australia has a rich history rooted in traditional European styles baking practices. Over the years, the industry has evolved significantly, influenced by changing consumer preferences, technological advancements, and regulatory frameworks.

- ◆ **Consumer Trends:** <sup>3,4,5</sup>
  - Increasing demand for healthy and organic and free-form bakery products.
  - Growing preference for artisanal bread and pastries.
  - Emphasis on high-quality, locally sourced ingredients.
- ◆ **Technological Advancements:**
  - Robotic Automation: (e.g. Automated Dough Handling System)
  - AI used for quality control and predictive maintenance.
  - IoT Sensors to monitor various parameters like temperature, humidity, and dough consistency in real-time, allowing for precise control over the baking process.
  - Energy-Efficient Ovens
  - Blockchain for Traceability, to track ingredients and products throughout the supply chain
- ◆ The industry is regulated by Food Standards Australia New Zealand (FSANZ) which:
  - Ensures compliance with food safety regulations.
  - Influences the industry's operating environment.
- ◆ Despite the growth prospects, the industry faces several challenges.
  - Cost-of-living concerns limiting revenue growth in certain market segments.
  - Higher-income consumers driving demand for premium products



## Economic significance

### New Zealand:

- ◆ Annual consumption per person: 82.7 kg <sup>1</sup>
- ◆ Number of bakery businesses: 1,286 <sup>3</sup>
- ◆ Total employment in the industry: 6,895 <sup>3</sup>

### Australia:

- ◆ Annual bread consumption per person: 75 kg <sup>2</sup>
- ◆ Number of bakery businesses: 5,105 <sup>4</sup>
- ◆ Total employment in the industry: 46,816 <sup>4</sup>

## 2. Market Dynamics & Trends

The Bakery Production & Manufacturing market in both New Zealand and Australia is experiencing a significant shift towards healthier options alongside bringing innovation in on-the-go portable options:

- ◆ Driven by a growing health-conscious consumer base. This trend is reflected in the increasing availability of gluten-free, organic, vegan, product with a longer shelf life and par-baked goods, whole grain products and artisanal and sourdough breads.
- ◆ Rising demand for convenience, leading to the introduction of portable and on-the-go breakfast options <sup>3,4</sup>.

These trends are significant as they align with evolving consumer preferences and have the potential to boost sales and drive further innovation in the industry.

## 3. Competitive Landscape

### Key Players

Major players in the industry include established brands and emerging artisanal bakeries. The competitive landscape is characterized by a mix of local and international players, each leveraging unique strengths to capture market share.

Company	Regions Available	Type of product	Parent Company	Individual Owners
Vogels	New Zealand	Breads & Cereals	Goodman Fielder	
Country Split - Buttercup	Australia	Breads	Goodman Fielder	
French Bakery Ltd	New Zealand	Pies, Frozen buns - Lunch for Schools (LFS)		Gary Stephen Barber
Baker Boys Ltd	New Zealand	All Products including Crumb		Martin Welsford Sara Philip Patricia Moon Andrew Moon
Cookie Time Ltd	New Zealand	Biscuits & Crumb	Mayell Trustees Limited	John Scott Fairclough Timothy James Keenan



Rangiora Bakery	New Zealand	All Products including Crumb (LFS)		Ronald Christian Van Til
Kayes Bakery Ltd	New Zealand	All Products including Crumb	Bell Family Trust L E Penniall Family Trust	
George Weston Foods	New Zealand	Bread Bun/ Rolls- Vendor supplier	Allied Foods (N.Z.) Limited	
Good Honest Products Ltd	New Zealand	Frozen buns & muffins (LFS)		Stephen Andrew Spencer Reeves
Original Foods	New Zealand	All products - Frozen	OF Holdings NZ Limited	
Original Bread	New Zealand	800g Frozen Bread & bun/rolls		
Yarrows	New Zealand	Bread & Buns	Five K Investments Limited	
Rustica	New Zealand	Frozen 700g bread plain wrap & unwrapped boxed	Bowenvale Investments Limited Adams Heritage Limited NZ Breads Company Limited	
Mrs Higgins	New Zealand	Cookies slice Slabs (LFS)	Cookie Time Limited	
Florentines Foodservice	New Zealand Australia	Cake Slabs- single portions	Florentines Patisserie Co Limited	
Mrs Macs	New Zealand Australia	Pies- snacks donuts muffins (LFS)	Aus Pie Co	
Emma Jane	New Zealand	Mini cake/ donut range		Brent Hall Caleb Hall Jared Hall
Westie Food	New Zealand	Pies		Stefan Blair Crooks
The Good Time Pies Co	New Zealand	Pies	N/A	N/A
Kai Pai	New Zealand	Pies	N/A	N/A
Oxford Pies	New Zealand	Pies	N/A	N/A
Dads Pies	New Zealand	Pies	Allied Foods (N.Z.) Limited	
Big Ben	New Zealand	Pies	N/A	N/A
The Cheesecake Shop	New Zealand Australia	Cheesecakes	R & W Traders Pty Ltd	
Bakers Delight	New Zealand Australia	Breads	Davenports Harbour Trustee (2012) Limited	Lucinda Jane Frewin Bentyn James Frewin Craig Stuart Richardson Notman
Coupland's Bakeries	New Zealand	Full range of bakery products	Domyar Trustee Limited Larac Trustee Limited Coup Family Trustees Limited Coupland Trustee Services Limited	Raymond Arthur Coupland
Bakeworks	New Zealand	Gluten Free Products		David Morgan Harris Kirsten Alexandra Unger
Venerdi	New Zealand	Gluten Free Breads		Timothy Charles Grainger Philip Barry Grainger Jennifer Susan Grainger
Freya	New Zealand	Breads	Goodman Fielder	
Tip top	New Zealand Australia	Breads	Associated British Foods	
Nature's Fresh	New Zealand	Breads	Goodman Fielder	
Burgen	New Zealand	Gluten Free Breads	N/A	N/A
Molenberg	New Zealand	Breads	Goodman Fielder	
Purebread	New Zealand	Organic and gluten free breads and buns		Richard Parry



## New Zealand and Australia Baking Industry SWOT:

### ◆ Strengths

- **Strong Retail Channels:** Supermarkets dominate, providing extensive reach.
- **Sustainability Focus:** Strong preference for locally sourced and environmentally friendly options.
- **Fragmented Market:** Increases competition and innovation.
- **Rising Demand for Specialty Products:** Growing interest in free-from products and specialty breads.

### ◆ Weaknesses

- **Minimal Market Growth:** Slow growth due to market saturation and competition.
- **Dependence on Imports:** Reliance on imported ingredients makes the market vulnerable to currency fluctuations.
- **High Fixed Costs and Entry Barriers:** Intensely rivalrous, making it difficult for companies to enter the market.
- **Dependence on Quality Suppliers:** Competitors rely heavily on the quality and efficiency of their suppliers.
- **Moderate Buyer and Supplier Power:** Both buyers and suppliers exert moderate power, affecting pricing and supply stability.

### ◆ Opportunities

- **Innovation in Product Offerings:** Health and nutrition trends drive innovation in baked goods.
- **Growth in E-commerce:** The rise of online grocery shopping provides convenience and variety to consumers.
- **Demand for Convenient Products:** Increasing demand for on-the-go cereals and breakfast bars.
- **Growth in Free-From Products:** Increasing awareness of dietary preferences boosts demand for gluten-free and dairy-free products.
- **Small-Scale Entry:** Market can be entered successfully on a small scale, especially by artisanal manufacturers.
- **Growing Health Consciousness:** Increasing consumer demand for gluten-free, organic, and whole-grain products.

### ◆ Threats

- **Substitutes:** Savory snacks and fruit pose a moderate threat as alternatives.
- **Regulatory Barriers:** Strict regulations by Food Standards Australia New Zealand can discourage new entrants.
- **Economic Pressures:** Inflation and rising interest rates are reducing discretionary spending.
- **Private Label Competition:** In-store bakeries and private label products from supermarkets pose a serious threat to traditional market players.



## Recent major transactions:

Bread and Bakery Products - Past Transactions - NZ & Australia							
	Company	Description	Geographic Locations [Target]	Date	Transaction value (\$m)	EV/ Revenue	EV/ EBITDA
Target	Tasmanian Bakeries Pty. Ltd.	Produces and sells bakery products	Australia	9 Jan'25	N/A	N/A	N/A
Buyer	Patties Foods Australasia Pty Ltd	Food manufacturing company that produces meat pies, baked goods, frozen fruits, and pre-made desserts					
Target	The Cake Syndicate Pty Ltd	Produces flavoured cakes	Australia	27 May'24	N/A	N/A	N/A
Buyer	Kinrise Pty Ltd	Food & Beverage Company					
Target	Beefy's Pies	Manufactures and sells pies and bakery goods	Australia	30 Nov'23	\$11	N/A	N/A
Buyer	Retail Food Group Limited (ASX: RFG)	Multi-brand food and beverage franchise and oversees product development and supply.					
Target	Van Dyck Fine Foods Limited	The company's products include pancakes, crepes, and blinis. Distributes products in NZ, Australia, and Singapore	New Zealand	5 Sept'22	N/A	N/A	N/A
Buyer	Oriens Capital Investment Management	PE Fund					
Target	MaxFoods (Aust) Pty Ltd.	Operates through Café, Coffee & Bakery; and Quick Service Restaurants (QSR) segments.	Australia	11 Jan'22	\$61	N/A	N/A
Buyer	N/A	N/A					
Target	Goodman Fielder Pty Limited	Flour, Frozen Pastry, Dessert distributor	Australia	11 Mar'19	\$476	N/A	0.3x
Buyer	Wilmar International Limited (SGX: F34)	Food product distributor (bakery, ready to eat products)					
Target	Allied Pinnacle Pty Limited	Produces specialty baked goods (croissants, pastries, cake, donuts,)	Australia	27 Feb'19	\$991	N/A	N/A
Buyer	Nisshin Seifun Group Inc. (TSE:2002); Nisshin Flour Milling Inc.	Produces specialty baked goods (croissants, pastries, cake, donuts,)					
Target	Allied Pinnacle Australia Pty Limited	Produces specialty baked goods (croissants, pastries, cake, donuts,)	Australia	30 May'19	\$475	10.0x	0.9x
Buyer	Pacific Equity Partners	PE Fund					
Target	Griffin's Foods Limited	Produces and markets biscuits, nut bars, snacks, chips, and crackers	New Zealand	20 Jul'14	\$1,142	24.3x	3.9x
Buyer	URC International Co. Ltd.	Manufactures, markets, and distributes consumer food					

## 4. Regulatory & Policy Environment

The Bakery Production & Manufacturing industry in Australia and New Zealand is governed by stringent regulations to ensure food safety and quality. Food Standards Australia New Zealand ([FSANZ](#))<sup>6</sup>, plays a crucial role in developing and enforcing these standards. FSANZ operates under the Food Standards Australia New Zealand Act 1991<sup>7</sup>, which outlines its functions, including the development of food standards that are adopted uniformly across both countries.



- ◆ The Australia New Zealand Food Standards Code is a comprehensive set of regulations that cover food labelling, composition, and safety, ensuring that all food products, including bakery items, meet high standards of quality and safety.
- ◆ The Ministry for Primary Industries (MPI) in New Zealand oversees the implementation of these regulations, ensuring that food products are safe for consumption<sup>8</sup>. The Code includes specific requirements for labelling and packaging to prevent contamination and maintain quality, with additional regulations enforced by fair trading laws to prohibit false or misleading representations about food products.
- ◆ In Australia, the Occupational Safety and Health Regulations 1996<sup>13</sup> include specific requirements for bakeries to ensure worker safety, such as the use of protective equipment.
- ◆ Industry associations like the Baking Industry Association of New Zealand ([BIANZ](#))<sup>10</sup> and the New Zealand Association of Bakers ([NZAB](#))<sup>11</sup> support the growth of the baking industry and influence legislative regulations to protect bakers' interests.

## 5. Financial Analysis & Key Metrics

Bakery Production & Manufacturing (\$bn)		
	Revenue FY25	Projected CAGR (5y)
New Zealand	NZ\$3.65	3.56%
Australia	AU\$15.2	3.67%

Focus on Bread Production - Historical and Forecasted Metrics												
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
New Zealand	Revenue (NZ\$m)	1,449	1,652	1,642	1,712	1,777	1,851	1,919	1,994	2,084	2,083	2,196
	Volume (Mkg)	235	235	221	222	225	230	233	237	242	244	246
	Price per unit (NZ\$)	6	7	7	8	8	8	8	8	9	9	9
Australia	Revenue (AU\$m)	5,806	6,699	6,915	7,099	7,284	7,469	7,669	7,885	8,100	8,331	8,686
	Volume (Mkg)	1,012	1,017	1,009	1,009	1,010	1,011	1,013	1,015	1,021	1,022	1,024
	Price per unit (AU\$)	6	7	7	7	7	7	8	8	8	8	8

The financial analysis reveals constant growth in both New Zealand and Australia.

New Zealand achieved a revenue of NZ\$3.65bn by FY25 with a projected Compound Annual Growth Rate (CAGR) of 3.56% between 2025-2030, while Australia reached AU\$15.2bn with a projected CAGR of 3.67% between 2025-2030.

The focus on bread production shows consistent historical performance and optimistic forecasts, with both countries exhibiting gradual increases in revenue, volume, and price per unit from 2020 through to the forecasted period up to 2030. Australia demonstrates stronger growth metrics compared to New Zealand, reflecting a more robust market expansion in the bakery sector.

## 6. Outlook

The bakery industry in New Zealand and Australia presents a compelling landscape for investment, driven by robust market growth and evolving consumer preferences. With market size of \$3.65bn in New Zealand, the industry is well-established and follows global market trends. The sector is stable and has a strong market share in both countries, showing its strength and potential for growth.

Consumer demand for high-quality, artisanal baked goods is a significant driver. Consumers are increasingly seeking healthier options, aligning with broader health and wellness trends.





Recent mergers and acquisitions (M&A) activity, such as the acquisition of Tasmanian Bakeries Pty. Ltd. by Patties Foods Australasia Pty Ltd in Australia, highlights the industry's attractiveness for strategic investments. The acquisition of Van Dyck Fine Foods Limited by Oriens Capital Investment Management Limited in New Zealand demonstrates the sector's potential for private equity investments.

In summary, the bakery industry in New Zealand offers a stable and promising investment landscape. The combination of growing consumer demand, technological advancements, and strategic market activity positions the sector favourably for future growth and innovation.

## **7. References**

[1] – [Bakery Market Size NZ](#)

[2] – [Bakery Market Size Australia](#)

[3] – [Bakery Stats-NZ](#)

[4] – [Bakery Stats-Australia](#)

[5] – [Bakery Products Market Size, Share & Trends | Analysis \[2032\]](#)

[6] – [Homepage | Food Standards Australia New Zealand](#)

[7] – [Food Standards Australia New Zealand Act 1991](#)

[8] – [Legal framework for food safety in New Zealand | NZ Government](#)

[9] – [WALW - Occupational Safety and Health Regulations 1996 - Home Page](#)

[10] – [Baking Industry Association of New Zealand - BIANZ](#)

[11] – [NZAB -bake info - Baking Industry Research Trust New Zealand](#)

[12] – [Food manufacturing, processing, storage, and marketing using artificial intelligence - ScienceDirect](#)

---

