



MEDIA RELEASE
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DIVERSIFICATION AND GOVERNMENT ACTION NEEDED TO HELP DAIRIES

Dairies provide an essential service in many communities, but their ongoing viability is under threat, according to a report by Retail NZ.

"Local dairies sit at the heart of communities, providing convenient shopping options, especially for the less mobile", Greg Harford, Retail NZ's General Manager for Public Affairs said today.

"Dairies also offer an important opportunity for social interaction for more isolated members of the community. However, the corner dairy as we know it is under threat from declining sales, crime, changing consumer preferences, and regulatory red tape around the sale of smokefree tobacco products.

"Dairies are often very small, family-run businesses, and their location at the heart of communities often gives them a competitive advantage. In order to make the most of that competitive advantage, dairy owners need to review their businesses and consider how to maximise their opportunities, taking account of local customer demand. As with other retailers, dairies need to review their security arrangements, update their in-store experience to meet customer expectations, provide great customer service, and potentially diversify beyond traditional dairy offerings into selling a broader range of products.

"The Government has a role to play too, and the sector needs an integrated approach to improving community safety and stopping retail crime. Retail NZ is continuing to call for the Government to introduce instant fines for petty shoplifting to help break the cycle of retail crime, set targets for retail crime reduction; and deliver a social education programme that helps Kiwis understand the importance of not getting involved in crime.

"Tobacco is typically a substantial part of a dairy's business, and dairies are therefore well placed to support the Government's goal of achieving a Smokefree Aotearoa by 2025. Smokefree tobacco products, such as heated tobacco and vaping products are now available that are significantly less harmful than traditional smoked cigarettes, but the Government needs to move quickly to enact risk-proportionate regulations that will enable these new products to be sold in a way that complies with the law.

"As dairies seek to diversify, they are reliant on customer demand for healthy food-to-go and similar products. The Government can usefully play a role here by working through the education system to ensure that Kiwis know about healthy eating and how to treat occasional snack foods. This will ultimately drive demand for healthier food-to-go options and support diversification of product lines in dairies."

A copy of the Retail NZ report, released today, is attached.

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