



2022-2023 Collaborative Marketing Disclosure

Regulation 15 of the Kiwifruit Export Regulations 1999

In accordance with regulation 15 of the Kiwifruit Export Regulations 1999, Kiwifruit New Zealand must, within three months after the end of each season, publicly disclose for that season -

- (a) the identity of each person approved by the Board to be a collaborative marketing approval holder; and
 - (b) the volume of kiwifruit marketed by each collaborative marketing approval holder; and
 - (c) financial information to enable an assessment to be made as to whether the net returns to suppliers in respect of each collaborative marketing arrangement were greater than would have been the case if the collaborative marketing arrangement had not been approved, including the methodology used by Zespri to allocate costs to the collaborative marketing approval holder.
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1. Kiwifruit

The results for each collaborative marketing arrangement are set out in Table 1 below.

Table 1: 2022-2023 collaborative marketing arrangement performance relative to Zespri

Collaborative Marketer 2021-22 Season <i>(note 1)</i>	Arrangement	Fruit type	Volume (trays) 2021-22 season	Net incremental OGR of Zespri/alternate market NZ \$ (note 2)	Weighted index to Zespri/ alternate market
VPC NZ Ltd	El Salvador	Class 2 SunGold	3,456	13,491	167%
VPC NZ Ltd	El Salvador	Class 2 Green	19,318	45,320	165%
VPC NZ Ltd	Costa Rica	Class 2 SunGold	18,032	62,395	159%
Southern Fresh Fruit Exports	Philippines	Class 1 Green Organic	488	2,244	153%
Isla Bonita	Portual Canary Islands	Class 1 SunGold	28,409	104,841	150%
VPC NZ Ltd	Panama	Class 1 SunGold	11,734	39,855	150%
VPC NZ Ltd	Costa Rica	Class 2 Green	17,432	22,322	135%
Fem Ridge Produce	Caribbean	Class 1 SunGold NSS	252	487	132%
Seeka Kiwifruit Industries	Malaysia	Class 1 Green	88,076	156,304	127%
Southern Produce Ltd	USA	Class 1 Green	692,075	958,749	126%
Isla Bonita	Portual Canary Islands	Class 1 Green	109,363	149,433	125%
Fem Ridge Produce	Reunion Island	Class 1 Green Organic	587	1,188	121%
Isla Bonita	Portual Canary Islands	Class 2 Green	66,594	44,392	118%
Fresha Exports Ltd	Pacific Islands	Class 1 Green	7,242	6,920	115%
VPC NZ Ltd	Guatemala	Class 2 SunGold	8,417	7,039	114%
Fem Ridge Produce	Caribbean	Class 1 Green	9,763	6,437	111%
Southern Fresh Fruit Exports	Philippines	Class 1 SunGold Organic	768	637	106%
Freshmax NZ Ltd	Indonesia	Class 1 Green	18,070	7,060	106%
Freshmax NZ Ltd	Indonesia	Class 1 SunGold	39,522	20,570	105%
Fresha Exports Ltd	Pacific Islands	Class 1 SunGold	4,385	1,369	105%
Southern Fresh Fruit Exports	Philippines	Class 1 Green	121,347	31,495	104%
Southern Produce Ltd	Austria	Class 1 SunGold	9,181	2,492	104%
Turners & Growers Ltd	Pacific Islands	Class 1 Green	27,513	3,343	102%
South Seas Exports Ltd	Pacific Islands	Class 1 SunGold	6,471	414	101%
Fem Ridge Produce	Caribbean	Class 1 SunGold NSS	275	16	101%
Baltic States Marketing Co.	Europe	Class 1 SunGold	8,522	629	101%
Fem Ridge Produce	Reunion Island	Class 1 Green	54,312	2,396	101%
Southern Fresh Fruit Exports	Philippines	Class 1 SunGold	100,131	2,219	100%
Southern Produce Ltd	Austria	Class 1 Green	23,480	(1,755)	99%
Turners & Growers Ltd	Pacific Islands	Class 1 SunGold	9,311	(1,783)	97%
Turners & Growers Ltd	Thailand	Class 1 SunGold	345,220	(86,426)	97%
Turners & Growers Ltd	Thailand	Class 1 Green	251,198	(46,363)	97%
Freshmax NZ Ltd	India	Class 1 Green	355,036	(60,705)	96%
Fem Ridge Produce	Reunion Island	Class 1 SunGold Organic	842	(348)	96%
South Seas Exports Ltd	Pacific Islands	Class 1 Green	27,101	(10,263)	94%
VPC NZ Ltd	Guatemala	Class 2 Green	8,850	(2,226)	93%
Southern Produce Ltd	USA	Class 1 Green Organic	27,226	(28,833)	92%
Fem Ridge Produce	Mauritius	Class 1 Green	61,095	(53,881)	85%
Baltic States Marketing Co.	Europe	Class 1 SunGold	8,933	(15,967)	82%
Fem Ridge Produce	Reunion Island	Class 1 SunGold NSS	27,076	(39,659)	78%
Fem Ridge Produce	Mauritius	Class 1 SunGold NSS	32,279	(52,068)	76%
Fem Ridge Produce	Reunion Island	Class 1 SunGold NSS	27,521	(46,916)	75%
Fem Ridge Produce	Mauritius	Class 1 SunGold NSS	9,689	(19,262)	71%
Evrosad	Europe	Class 2 SunGold	5,312	(10,237)	67%
Seeka Kiwifruit Industries	Malaysia	Class 1 Green Organic	564	(1,713)	65%
Bella Frutta Ltd	Europe	Class 2 SunGold	6,327	(15,983)	57%
Bella Frutta Ltd	Europe	Class 2 Green	59,987	(104,895)	52%
Evrosad	Europe	Class 1 Green	66,928	(14,056)	43%
TOTAL			2,825,710	1,080,718	

Notes:

- 1 Season is defined in the Kiwifruit Export Regulations 1999 as a period of 12 months commencing on 1 April in any year and ending with 31 March the following year.
- 2 A comparative assessment has been undertaken in relation to the actual growing/export year which largely overlaps with "season." This assessment therefore uses the volumes marketed under the collaborative marketing arrangement in the 2022-23 growing/export year

Financial analysis methodology

To enable an assessment to be made of the net returns to suppliers from each collaborative marketing arrangement, and whether the returns were greater than would have been the case if the collaborative marketing arrangement had not been approved, KNZ applies the following methodology;

- The net return of each collaborative marketing arrangement is calculated back to orchard gate return (OGR) in NZ dollars. The following financial information, where applicable, is included:
 - The collaborative marketer's revenues and costs (for example, net sales, freight and insurance, direct costs, market selling costs, commission rates and exchange rates) as advised by the collaborative marketer.
 - Where kiwifruit is supplied by Zespri, the costs of supplying each arrangement are as advised by Zespri to KNZ and the Collaborative Marketer. The costs allocated by Zespri are in accordance with the annual Supply Agreement and any specific Service Level Agreements applicable to the individual collaborative marketing arrangement.
 - Where kiwifruit is not from Zespri supply, onshore supply costs are as advised by the collaborative marketer.
- Where financial information is available, and KNZ is of the view it is appropriate, the benchmark returns (OGR) may be adjusted by KNZ to take other relevant factors into account, such as fruit sizes and timing of sales.
- A purposive approach is taken to the assessment recognising that information relating to the actual growing/export year (rather than a strict application of "season" which is 1 April to 31 March) allows for a more useful and reliable comparative assessment.

Net Return Indexed to Benchmark Return

The net return to New Zealand suppliers is indexed against a benchmark OGR return - calculated using the methodology outlined above.

- The average Zespri return for the closest comparable market or geographical area is calculated as a benchmark. The benchmark is used to assess what the return to suppliers would have been if the collaborative marketing arrangement had not been approved.
 - If there is no comparable market, the collaborative marketing returns are benchmarked against a likely alternative market that the fruit could have been exported to, if the collaborative marketing arrangement had not been approved.
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- Where there is no alternative market, the most relevant market returns are used as the benchmark.
- The return under each collaborative marketing arrangement is therefore indexed against the comparable Zespri, alternate market, or comparable market, return to suppliers.
- An index figure of **100.0** means that the net return to suppliers from the collaborative marketing arrangement was **the same as** benchmarked returns. Similarly, where the figure is less than 100, the return was less than the comparable benchmarked return. Where the figure is more than 100, the return was more than the comparable benchmarked return.
- **Table 2: Total fruit and service payment returns to suppliers per tray since 2000 to 2022 inclusive**

Year	Compared to Zespri	CM per TE TFSP	Zespri per TE TFSP
2000	\$142,464	\$5.26	\$5.13
2001	-\$1,371,226	\$5.32	\$6.06
2002	\$684,615	\$6.48	\$6.07
2003	\$738,349	\$7.56	\$7.10
2004	\$19,297	\$5.57	\$5.56
2005	-\$55,660	\$4.79	\$4.82
2006	\$202,485	\$6.85	\$6.71
2007	\$607,907	\$6.27	\$5.90
2008	\$392,174	\$7.01	\$6.80
2009	\$682,789	\$6.79	\$6.39
2010	\$858,560	\$6.82	\$6.48
2011	-\$597,545	\$6.21	\$6.38
2012	-\$547,850	\$6.71	\$6.94
2013	\$285,891	\$7.78	\$7.62
2014	\$808,983	\$8.76	\$8.26
2015	\$505,308	\$9.22	\$8.88
2016	\$2,364,727	\$7.86	\$7.00
2017	-\$841,097	8.34	8.71
2018	\$1,244,644	7.70	7.30
2019	\$237,579	9.65	9.56
2020	-\$227,897	9.99	10.05
2021	-3,148,618	9.45	10.25
2022-23	2,075,309	10.20	9.47
Total:	\$5,061,188	-	-

Table 3: Estimated Orchard Gate Return for 2014 to 2022 inclusive

Year	Compared to Zespri	CM per TE OGR	Zespri per TE OGR
2014	\$548,220	\$5.70	\$5.36
2015	\$457,629	\$5.73	\$5.42
2016	\$1,007,127	\$4.26	\$3.89
2017	-\$591,537	\$5.58	\$5.86
2018	\$732,719	\$4.35	\$4.15
2019	\$443,270	\$6.86	\$6.73
2020	\$324,565	\$7.23	\$7.14
2021	\$-45,406	6.63	6.64
2022-23	1,080,718	6.28	5.89
Total:	\$4,237,139	-	-

Tables 2 & 3 show:

1. By year, the total amount by which the collaborative marketing programmes were greater or were less than the comparative returns to suppliers (measured at OGR).
 2. For 2022-23, the average OGR per tray (orchard gate return) for all collaborative marketing arrangements was NZ\$6.28 per tray, and the average equivalent Zespri OGR return was NZ\$5.89 per tray;
 3. The total amount by which collaborative marketing programmes have exceeded comparative Zespri TFSP (Total Fruit and Service Payments) for the 23 years up to and including 2022-23 is NZ\$5,061,188.
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2. Kiwiberry

The kiwiberry collaborative marketing programmes operate from February to Early April in each year. The below results are for February to April 2023, and appear in alphabetical order. The assessment does not include Zespri, as it did not export kiwiberry in 2023.

Table 4: Approval holder and tray volumes for KiwiBerry (*Actinidia arguta*) for all export markets excluding Australia.

Collaborative marketing arrangements 2023 Season	Volume marketed t/e³	Net Return Per Tray
Delica Limited	1,213	\$23.23
Fresh Produce Group NZ Limited	6,991	\$28.83
Fresh Solutions Group NZ Limited	1,497	\$27.55
Freshmax (<i>div. VFDirect NZ Limited</i>)	58,138	\$29.56
New Zealand Gourmet Holdings Limited	5,389	\$27.35
Seeka Kiwifruit Industries Ltd	108	\$36.01
Southern Produce Limited	5,004	\$30.17
Total (average)	78,340	\$29.25

Kiwifruit New Zealand
20 June 2023
