

FINAL DECISION

Date: 18 September 2026

To: Riverlock Packhouse Limited, Zespri Group Limited

From: KNZ Board

INVESTIGATION INTO COMPLAINT BY RIVERLOCK PACKHOUSE LIMITED

Background to the complaint

Introduction

1. Following the receipt of a complaint by Riverlock Packhouse Limited (**Riverlock**) on 1 October 2025, an investigation was commenced by the Kiwifruit New Zealand (**KNZ**) Board. The investigation considered allegations by Riverlock of discrimination by Zespri Group Limited (**ZGL**) in respect of ZGL's actions towards Riverlock during the 2024 Season. The KNZ Board delegated the investigation to a Complaint Committee comprising Board Directors Jacqui Caine and Debbie Robinson, and independent Barrister Michael Hodge, who chaired the Committee (**Committee**).
2. In its complaint, Riverlock alleges:
 - 2.1. ZGL applied the incorrect clauses of the Supply Agreement in relation to several shipments at the beginning of the 2024 Season.
 - 2.2. ZGL refused to purchase fruit from week 45 whilst still purchasing fruit from other suppliers.

2024 Season

3. The 2024 kiwifruit season was a record volume year, with improved yields. The commercial incentives were uniquely high at the end of the season to incentivise late-season supply off the back of a short season in 2023. Both ZGL and Complainant noted that the time payments for fruit this season were much higher than in other years.
4. During this season, Riverlock had a good supply of early fruit available that met the necessary protocols, which may have been in part due to its growers being in favourable areas and therefore were Kiwistart growers.

This investigation

Receipt of complaint and commencement of investigation.

5. Riverlock's complaint was received by KNZ on 1 October 2025 with additional information provided on 18 December 2025. On 27 February 2026, the KNZ Board decided to investigate the complaint.

6. Because the complaint is an “enforcement event” under clause 6.1.1(a) of the Export Authorisation (**EA**) under Part 2 of the Kiwifruit Export Regulations 1999, the investigation was carried out in accordance with Part 6 of the EA.
7. Consistent with clause 6.3 of the EA, KNZ gave notice of the investigation (**NOI**) to ZGL (and Riverlock as the complainant) on 18 March 2026. The NOI specified that the investigation would consider:
 - 7.1. Whether Riverlock was discriminated against by Zespri’s application of the Supply Agreement terms in relation to the shipments alleged by Riverlock.
 - 7.2. Whether the decision by ZGL not to accept fruit from Riverlock was discriminatory and, if so, whether there were any commercial grounds for the discrimination.

Information obtained and process adopted.

8. As part of its investigation into this matter, the Committee has sought information from, and conducted interviews with, representatives of Riverlock and ZGL.
9. The Committee has taken steps to ensure that the natural justice rights of both ZGL and Riverlock have been met throughout the process of investigating this complaint.

Kiwifruit Export Regulations 1999

10. Regulation 9 of the Kiwifruit Export Regulations 1999 provides that ZGL “*must not unjustifiably discriminate among suppliers and potential supplies in respect of (a) a decision on whether to purchase kiwifruit, or (b) the terms of the purchase contract.*”
11. However, regulation 10 provides that discrimination is justifiable on commercial grounds, which includes, but is not limited to, “*matters relating to product features, quality, quantity, timing, location, risk, or potential returns.*”
12. For clarity, the Committee confirms that its role (and that of the Board) is limited to the question of whether ZGL failed to comply with the non-discrimination rule. That is, did ZGL unjustifiably discriminate against Riverlock as alleged. It is not within the statutory functions of the Board to consider any wider contractual or commercial issues or disputes between ZGL and Riverlock.

Matters under investigation

First ground of complaint: Whether Riverlock was discriminated against by ZGL’s application of the Supply Agreement terms in relation to the shipments alleged by Riverlock.

13. Riverlock alleges that it was “inundated” with requests from ZGL to supply additional fruit. Due to Riverlock having sufficient supply to fulfil its orders, it supplied ZGL additional fruit. Riverlock alleges that most of this was contracted over the phone and that it had advised ZGL that all orders should be with Opportunity to Ship included.

14. Riverlock alleges that Zespri should have transacted the 17 shipments through D12 of the Supply Agreement and treated these orders as an increase to existing orders instead of D11, which covers a shortage or a surplus.
15. ZGL treated the shipments in question as shortages pursuant to D11, which states that "The Registered Supplier may seek to increase an order by posting a surplus or picking up a shortage on the ZGL ordering System. . . When the FPP Supply Cap is open the Registered Supplier may request in writing for the increase in order to be included in the Opportunity to Ship calculation."
16. For the shipments in question, ZGL stated that Riverlock did not provide written notice, and there are no terms in the Supply Agreement that allow for ZGL to apply the Opportunity to Ship without a written request.
17. Riverlock argues that evidence of the incorrect clause of the Supply Agreement being applied were the circumstances of the requests by ZGL and the fact that ZGL staff were involved in most of the transactions in the WOCA system. ZGL contends that it is unsurprising that ZGL staff were involved in WOCA transactions, given their active role in the system to ensure orders were confirmed, and shipments were prepared and dispatched on time.
18. The Committee notes that the data showed that both Riverlock and ZGL staff were involved in the shipments in question. The evidence indicated to the Committee that Riverlock staff were aware that they were transacting pursuant to clause D11, and it would have been reasonable for those staff to raise concerns about these transactions immediately if the transactions in WOCA were incorrect. Instead, Riverlock raised its concerns later in the season, after management reviewed its order progress, and time payments then became relevant.
19. Riverlock estimated the volume of the shipments in question to be 109,599 TEs. Riverlock submitted that its loss to its grower pool amounted to \$[REDACTED] of lost time payments. The Committee was told the calculation included fruit loss, drawn down rates and the average time payments.
20. Having heard from both ZGL and Riverlock, the Committee accepts that picking up shortages, or posting a surplus, is a commercial decision for the Registered Supplier whether or not it has been asked to by ZGL. There is a commercial incentive provided by the option of confirming Opportunity to Ship during this period, and it is only for the Registered Supplier to determine if this fits within its business strategy for its supply under the Supply Agreement.
21. The Committee notes that the Supply Agreement is a complex set of documents for both ZGL and all industry participants to understand, interpret and apply. Registered Suppliers are responsible for ensuring their staff are adequately resourced and trained on the requirements and intricacies of the Supply Agreement. ZGL also has an important role in educating Registered Suppliers on the practical application of the Agreement, particularly those who are responsible for processing and managing supply orders.
22. The Committee acknowledges that ZGL undertook efforts to educate Registered Suppliers during the following season and considers that such efforts should continue to ensure Registered Suppliers fully understand the opportunities to benefit from the terms and conditions of the Supply Agreement.

23. There were instances in which ZGL staff offered to transact Opportunity to Ship after the supply cap closure. The Supply Agreement is silent on the availability of Opportunity to Ship beyond the supply cap closure and, accordingly, should be interpreted as not permitting such transactions. These instances demonstrate that ZGL staff did not correctly apply the terms and conditions of the Supply Agreement, irrespective of whether Suppliers identified the issue and utilised Opportunity to Ship after the supply cap closure. However, as reflected in the NOI, this issue is outside the scope of the investigation. The Committee's investigation is concerned with ZGL's approach to the availability of Opportunity to Ship before the closure of the supply cap as provided for in the Supply Agreement.
24. ZGL confirmed on 28 May 2026 that these instances arose as a result of human error and were not representative of its standard practice. Notwithstanding this explanation, the Committee considered that ZGL should improve staff knowledge and practices to ensure the terms and conditions of the Supply Agreement are applied correctly, consistently, and reliably.

Decision of first ground of complaint

25. The Committee is satisfied that:

- 25.1. ZGL correctly applied clause D11 of the Supply Agreement.
- 25.2. That D11 is an optional clause for Suppliers to use to move additional fruit during the supply cap whether or not ZGL has asked them to do so. Registered Suppliers can either post a surplus to be matched with an existing shorted order or handed back order, or they can pick up a shortage directly when a shortage is advised by ZGL staff.
- 25.3. Registered Suppliers are required to confirm in writing if they wish to have Opportunity to Ship included. If there is no written confirmation, then Opportunity to Ship will not be included.

26. Even if the Committee's conclusion that ZGL correctly applied clause D11 is wrong, that does not mean that ZGL discriminated against Riverlock in terms of regulation 9. The Committee found no evidence that ZGL applied clause D11 differently or inconsistently as between Riverlock and others in relation to the Opportunity to Ship before the closure of the supply cap as provided for in the Supply Agreement.
27. Because the Committee has reached the view that no discrimination arose in respect of the ZGL's application of the Supply Agreement to the shipments in question, the Committee has not needed to consider whether discrimination was justifiable for the purposes of regulation 10. Because of this finding, the Committee did not review the validity of Riverlock's calculation of loss.

Second ground of complaint: Whether the decision by ZGL not to accept fruit from Riverlock after week 45 was discriminatory and if so whether there were any commercial grounds for the discrimination.

28. Riverlock's second ground of complaint alleges that ZGL discriminated against Riverlock by concluding its programme orders for Riverlock in week 45 but continued to draw down from

other suppliers until week 47. This meant other suppliers received high time payments for their grower pools.

29. Riverlock told the Committee that its good operational practice ensured the fruit towards the end of season had good market access, and it was proactively seeking options for shared containers with other nearby Registered Suppliers. Riverlock allege that the loss associated with this ground of the complaint is \$[REDACTED] being approximately 1187 TEs of fruit.
30. Riverlock argue that a phone discussion took place in regard to the end of programme and Riverlock offered to pay for the associated costs of doing shared containers, to which ZGL refused this offer and Riverlock's fruit was ordered in completion in week 45.
31. ZGL shared its commercial decision-making considerations with the Committee, which included:
 - 31.1. Market access of the fruit
 - 31.2. Cost of shared containers to the pools (\$565.75 paid to the lead supplier)
 - 31.3. Administrative burden on a lead supplier of shared containers
 - 31.4. Volume of fruit
32. ZGL confirmed that end of programme is a constantly changing environment due to fruit loss. Due to Riverlock having a small volume of fruit with good market access, ZGL considered the best commercial outcome for the pool was to move Riverlock's fruit by week 45.
33. ZGL shared with the Committee and Riverlock the orders for weeks 46 and 47 - there were multiple shared containers in those weeks with small volumes. All orders were for the Hong Kong market.
34. ZGL contend it was unaware of Riverlock's plans to share containers with another Registered Supplier apart from it being mentioned during the course of the dispute raised following the completion of the season.

Decision on second ground of complaint

35. The Committee determined that ZGL treated Riverlock differently from some other Registered Suppliers by concluding Riverlock's end of programme in week 45 and that this constituted differential treatment for the purposes of Regulation 9. However, the Committee further determined that the differential treatment was justified on commercial grounds. In reaching this conclusion, the Committee accepted ZGL's evidence that the decision was based on factors including the cost to the pools, the volume of fruit involved and market access.
36. The Committee notes that ZGL is obligated to maximise return to growers through the grower pools and base its commercial decisions on this premise. It is not obligated to maximise payments to Registered Suppliers or their grower pools, provided it does not unjustifiably discriminate between them.
37. Due to the finding noted above in para 35, the Committee did not validate the calculation of loss put forward by Riverlock.

Summary

38. In the 2024 season, the commercial incentives for late-season supply characterised by time payments were disproportionately high compared to previous seasons. Riverlock had early-season fruit that was available in addition to fulfilling its orders. Riverlock chose to supply additional fruit when requested by ZGL, either by posting a surplus or by picking up a shortage, in accordance with Clause D11 of the Supply Agreement. Riverlock did not confirm in writing that it wished for Opportunity to Ship calculation to be included with the transaction and therefore this additional movement was not taken into account in its future ordering for that season.
39. At the end of the programme, Riverlock sought to maximise the volume of its end-of-season fruit in order to obtain the applicable high time payments however, ZGL concluded Riverlock's supply in Week 45. Other Registered Suppliers were ordered from in Weeks 46 and 47, including the use of shared containers involving two or three Registered Suppliers. To the extent that ZGL's treatment of Riverlock differed from that of other Registered Suppliers, the Committee determined that this constituted justifiable discrimination for the purposes of Regulation 9 taking into account the commercial grounds provided for in Regulation 10.
40. It is the Committee's view that the Supply Agreement is a complex set of documents that is not well understood by Registered Suppliers or some ZGL staff. It is recommended that ZGL take steps to ensure consistent, accurate and reliable application of the terms and conditions of the Supply Agreement and undertake opportunities to educate Registered Suppliers on the key terms. Registered Suppliers should ensure they are as well resourced and knowledgeable as possible in relation to their obligations and the opportunities outlined in the Supply Agreement.

Result of investigation

41. The Committee confirms the results of its investigation are:
- 41.1. That in applying the Supply Agreement to the shipments in question, ZGL did not discriminate against Riverlock for the purposes of regulation 9.
 - 41.2. That in ending Riverlock's programme in week 45 ZGL did treat Riverlock differently than other suppliers, but this was not unjustifiable discrimination taking into account the commercial grounds provided for in Regulation 10.
42. On 20 August 2026, the KNZ Board provisionally affirmed the findings of the Committee as set out above.

Responses by ZGL and Riverlock to the Provisional Decision

43. In accordance with the EA, the Provisional Decision was provided to ZGL and Riverlock for comment. Both ZGL and Riverlock responded and the Board has now considered those responses in full.
44. The Board does not intend to comment on all aspects of the responses received. However, it has made minor amendments to the decision to reflect Riverlock's responses regarding its allegations.

45. The Board is satisfied that when the Committee investigated the complaint, it considered all points raised by ZGL and Riverlock and no further information provided by ZGL or Riverlock warrants further investigation.

Final Decision

46. On 18 September 2026, the Board reaffirmed the findings of the Committee, and this is the final decision in relation to this investigation.

Orders and Costs

47. The Board determined that no orders or costs will be made pursuant to the Export Authorisation 2025.

A handwritten signature in blue ink, consisting of a stylized 'G' followed by a horizontal line and a small dot.

Geoff Morgan
Chief Executive