



# **The New Zealand Kiwifruit Board**

## **Annual Report**

**1 April 2009 to 31 March 2010**

**The New Zealand Kiwifruit Board** was established by  
Regulation 32 of the Kiwifruit Export Regulations 1999  
and is known as **Kiwifruit New Zealand**



# Kiwifruit New Zealand's Annual Report

## Contents

### **Page**

3	Index
4	Kiwifruit New Zealand's Year
6	Kiwifruit New Zealand's Role
7	Chairman's Report
8	Kiwifruit New Zealand's Regulatory Performance 2009-10
9	Financial Summary for 2009-10
10	Chief Executive's Report
11	Kiwifruit Industry's Regulatory Structure
12	Collaborative marketing: Summary of Appeal Determinations
15	Directory

*References to "the Regulations" or "the Kiwifruit Export Regulations" in this report are references to the Kiwifruit Export Regulations 1999*

*References to "Zespri" in this report include Zespri Group Limited and Zespri International Limited*

*References to "Zespri's Export Authorisation" in this report are references to the Authorisation to export kiwifruit granted to Zespri Group Limited by Kiwifruit New Zealand*

*References to "the Single Desk" or the "Single Point of Entry" are referring to Zespri having the right to export kiwifruit to all countries except Australia.*

## Kiwifruit New Zealand's Year

During the year ended 31 March 2010 Kiwifruit New Zealand:

Kept in **contact with the Markets, Zespri Marketing Managers, Collaborative Marketers, Growers and Suppliers**

Monitored the **information flow** from Zespri

Monitored Zespri's **non core business assessments**, including for 12 month supply

Dealt with **complaints, enquiries and appeals**

Monitored **collaborative marketing returns** for acceptable returns

Monitored Zespri's compliance with the **Kiwifruit Export Regulations**

## Contact with Markets, Zespri Marketing Managers, Collaborative Marketers, Product Groups, Growers and Suppliers

- Market visits were made into the United Kingdom, Europe, Korea, Japan and the United States of America
- Meetings were held with the Zespri Collaborative Marketing Manager and Zespri Marketing Managers
- Meetings were held with Collaborative Marketers
- Meetings were held with Growers and Suppliers during the year
- Meetings were held with the Zespri Board and NZKGI Executive
- Presentations were made to NZ Kiwifruit Growers Incorporated, and NZ Kiwiberry Growers Incorporated

## Information Disclosure

- Zespri's disclosure of information was monitored to ensure compliance with the Kiwifruit Export Regulations
- Details of collaborative marketing for last season were published by the Board to industry groups, including financial information as to the performance of the collaborative marketers

## Non Diversification

- Zespri's assessment of its activities was monitored and then reviewed by Kiwifruit New Zealand's Board
- Zespri global supply activities were monitored regularly by Kiwifruit New Zealand, and additional information was requested and supplied

## Zespri Export Authorisation Re-issued

- Zespri's Export Authorisation was reviewed as to its effectiveness and confirmed

## Complaints and Inquiries

- A number of informal enquiries were received, and actioned

## Collaborative Marketing Results

- Increased selected country coordination by Zespri, and increased collaboration with Zespri in market and logistics by some collaborative marketers were a feature of the year
- Decreased collaborative marketing volumes in 2009 - 2010 season
- Kiwifruit collaborative marketing volumes and returns since 2000 are as follows:

Season	Volume (millions of trays)	Market Return* (NZD millions)	Fruit Return ** (NZD millions)
2000	1.1	7.2	5.8
2001	1.8	12.2	9.9
2002	1.6	14.5	10.8
2003	1.6	16.8	12.2
2004	1.7	14.1	9.7
2005	1.7	10.8	7.9
2006	1.4	12.0	9.8
2007	1.7	12.9	10.4
2008	1.9	16.3	13.4
2009 (2009-10 season)	1.7	14.2	11.6

\* "Market Return" is what is returned to the Grower Pools after all in market costs, including freight, insurance, promotions, in market commissions, and before service costs, service level agreement and onshore costs, service charges and fruit incentives.

\*\* "Fruit Return" is the Market Return less all commissions, service level agreement and onshore costs, and before service charges and fruit incentives.

- Each year a benchmarking exercise is also carried out between the kiwifruit collaborative marketing programmes and similar Zespri programmes, including for region, country, and market. The results of the benchmarking averaged across all programmes for fruit return before incentives are:

Season	Collaborative Marketing Return per TE	Zespri Return per TE
2000	5.26	5.13
2001	5.32	6.06
2002	6.48	6.07
2003	7.56	7.10
2004	5.57	5.56
2005	4.79	4.82
2006	6.85	6.71
2007	6.27	5.90
2008	7.01	6.80
2009 (2009-10 season)	6.79	6.28

- Kiwifruit New Zealand is working with Zespri both to lift collaborative marketing's volume and performance to ensure that collaborative marketing contributes to the global marketing of NZ kiwifruit

## Monitoring

- Regular meetings held with Zespri at Board and Senior Executive level and Zespri's activities were monitored as required by the Kiwifruit Export Regulations
- Market visits were undertaken to provide the context for consideration of collaborative marketing applications and to monitor Zespri's and collaborative marketers' activities

## Kiwifruit New Zealand's Role

In 2000, the New Zealand kiwifruit industry was restructured through the Kiwifruit Industry Restructuring Act 1999 and Kiwifruit Export Regulations 1999.

The Act established Zespri, and provided for the making of Regulations providing for the establishment, funding, and other matters relating to Kiwifruit New Zealand. The Regulations established on 1 April 2000 a new regulatory board, Kiwifruit New Zealand and contain:

Export orientated provisions that:

- ban the export of NZ grown kiwifruit otherwise than for consumption in Australia, except as authorised or approved by KNZ.
- require KNZ to provide Zespri with an authorisation to export kiwifruit.
- allow KNZ to approve collaborative marketing arrangements, each of which is an arrangement by which a person may export NZ grown kiwifruit in collaboration with Zespri, and direct Zespri to make kiwifruit available for these arrangements.
- do not apply to the sale of kiwifruit in New Zealand, or its export for consumption in Australia (which from 2004 is regulated by the Horticultural Export Authority).

and provisions relating to monitoring and enforcement:

- the non-discrimination rule that limits Zespri from unjustifiably discriminating in the way it purchases kiwifruit and sets the point of purchase of NZ grown kiwifruit at not earlier than FOBS (free on board ship).
- the non-diversification rule that requires, unless the risks are minimal, that the providers of capital agree to the ways in which their capital is used outside that necessary for the purchase and export of NZ grown kiwifruit (other than for consumption in Australia and sale in New Zealand).
- the information disclosure requirements that require information disclosure by Zespri and KNZ.

The scope of the Regulations and the responsibility of KNZ is limited.

The Regulations deal with the export of NZ grown kiwifruit and mitigating the potential costs and risks of the export provisions. They do not provide for KNZ to have a general supervisory role in the industry or of Zespri. KNZ is prohibited from carrying out any commercial activity, including the purchase or sale of kiwifruit, or operating to make a profit.

## Chairman's Report

The global financial crisis and subsequent recession have highlighted how inter-dependent the world has become. While New Zealand banks have emerged relatively unscathed, the world wide recession that has extended for over a year, but which seemed to ease off in the latter part of 2009, has resurrected itself as the risk of sovereign default emerges in Europe. Relatively speaking, New Zealand Australia and the Asian countries seem well placed, certainly better than does Europe and the USA. As countries move to unwind their stimulus packages, an elongated recovery appears most likely.

Anecdotal evidence points toward horticulture internationally having generally suffered significantly from the consequences of the recession in the 2009-10 season. Reportedly, most growers internationally faced difficulties because returns were insufficient to cover costs. Contrast that with New Zealand kiwifruit volumes and returns, which were both up on the previous year. Consciously and deliberately working together, kiwifruit growers have continued to invest in their industry, their orchards, pack houses, Zespri, its brand and marketing system. 2009-10 was a year in which the effectiveness of the industry structure was clearly illustrated. There were good returns in 2009-10, in the face of the world wide recession. As I have observed in the past, a set of Regulations that deters fractionation of international marketing to grower disadvantage in combination with the well recognized Zespri brand and marketing system appear to have served the industry well.

In last year's Annual Report, it was noted that three collaborative marketing applications declined in respect of the 2009-10 season were to be appealed. In all three cases the appeals, all from the same applicant, were not upheld. A summary of the KNZ Appeal Determinations is set out on pages 12, 13 and 14. A copy of the Determinations is available on request from Kiwifruit New Zealand's office.

Collaborative marketing is not just about getting authority to export New Zealand grown kiwifruit. It is about collaboration with Zespri with the purpose of increasing the overall wealth of New Zealand kiwifruit suppliers. Collaborative marketing represents an opportunity to further the interests of New Zealand kiwifruit suppliers. Applications that do not satisfy the Regulatory criteria cannot expect to be approved.

During the year, the Deputy Chairman, Hendrik Pieters was re-elected to the Board for a further three year term. Hendrik had served on the Board for nine years before his re-election, and his contribution is valued and welcomed.

Sir Brian Elwood

**Chairman**

## Kiwifruit New Zealand's Regulatory Performance 1 April 2009 to 31 March 2010

KNZ Function	Relevant Regulation	Performance
To authorise the export of kiwifruit by Zespri (except to Australia).	Regulations 4, 5, 6, 7, 33(1)(a) and 42(2)	Monitored during 2009/10, authorisation and the effectiveness of the enforcement regime reviewed. Authorisation continued unchanged.
To monitor and enforce the point of acquisition of title to kiwifruit which currently is at FOBS.	Regulations 5(c) and 33(1)(b)	Compliance monitored during 2009/10.
To monitor and enforce the terms and conditions of Zespri's export authorisation.	Regulation 33(1)(b)	Monthly reports from and meetings with Zespri Group Limited plus the provision of relevant information.
To monitor and enforce the non-discrimination rule	Regulations 9 and 33(1)(b)	Compliance monitored during 2009/10.
To monitor and enforce the non-diversification rule	Regulations 11 and 33(1)(b)	Chief Executive monitored Zespri making its assessments and Zespri presented its assessments to KNZ's Board.
To monitor and enforce the information disclosure requirements	Regulations 12 to 14 and 33(1)(b)	Monitored Zespri's compliance.
To consider requests for exemption from ZGL from the information disclosure requirements	Regulation 21	Considered Zespri requests and exempted some information.
To determine collaborative marketing applications	Regulations 24 to 31 and 33(1)(c)	For the year ended 31 March 2010, 16 kiwifruit collaborative marketing programmes operated into 11 countries, involving 12 collaborative marketers. 6 kiwiberry collaborative marketing programmes operated into more than 14 countries. For the year ended 31 March 2011 (2010/11 season), currently 22 kiwifruit collaborative marketing programmes are approved to operate into 17 countries, involving 13 collaborative marketers. In addition, 6 kiwiberry collaborative marketing programmes are approved.
KNZ will inquire into complaints about the application of the non-discrimination rule, the non-diversification rule, the information disclosure regime and collaborative marketing requirements	Regulation 33(1)(b)	A number of informal enquiries were received and actioned.

**Copies** of the Zespri Group Limited Export Authorisation and the Report on Collaborative Marketing Results for the 2009 - 2010 season are available from Kiwifruit New Zealand on request.



## Financial Summary 1 April 2009 to 31 March 2010

	2009-10 \$NZ	2008-09 \$NZ <sup>(1)</sup>	2007-08 \$NZ
<b>Income</b>			
Regulation 39(a) from Zespri International Ltd	243,957	219,407	270,712
Regulation 39(b) from Collaborative Marketing	220,087	150,528	101,603
Interest and Miscellaneous Income	566 <sup>(2)</sup>	3,253 <sup>(2)</sup>	2,554 <sup>(2)</sup>
<b>Total Income</b>	<b>464,609</b>	<b>373,188</b>	<b>374,869</b>
<b>Expenditure</b>			
Kiwifruit New Zealand Board	133,559	117,455	155,024
Kiwifruit New Zealand Executive	88,666	71,937	124,904
Collaborative Marketing (excl overheads)	220,028	180,912	77,441
Operations	6,336	4,908	6,914
Administration and Overheads	17,536	13,580	28,296
<b>Total Expenses</b>	<b>466,125</b>	<b>388,791</b>	<b>392,579</b>
<b>Prior Period Adjustment</b>	<b>449<sup>(3)</sup></b>	<b>0</b>	<b>0</b>
<b>Net Surplus (deficit) to Accumulated Funds</b>	<b>(1,066)</b>	<b>(15,603)</b>	<b>(17,709)</b>
<b>Accumulated Funds</b>			
Opening Funds	21,622	37,225	54,934
Net Surplus for Year	(1,066)	(15,603)	(17,709)
<b>Total Funds as at Year End</b>	<b>20,557</b>	<b>21,622</b>	<b>37,225</b>

### Reconciliation of Zespri Funding with Zespri accounts and actual KNZ expenses:

	2009-10 NZ\$000	2008-09 NZ\$000	2007-08 NZ\$000
Funding as reported in Zespri Accounts	311	219	270
Refunded to Zespri after year end	67	0	0
Regulation 39(a) funding from Zespri as per KNZ accounts	244	219	270
Funding transferred from one year to another by KNZ (net (surplus)/deficit)	2	16	18
Actual funding by Zespri used each year	246	235	288
Collaborative marketing fees and interest	220	154 <sup>(2)</sup>	104 <sup>(2)</sup>
KNZ actual costs (including collaborative marketing)	466	389	392

Notes: (1) KNZ allocates expenses between collaborative marketing and general (other) expenses. In 2008-09, as a result of a reassessment of the time taken by each set of activities, the proportion of KNZ's expenses allocated to collaborative marketing was increased.

(2) Net of income tax.

(3) Tax overpaid in prior years.

***A copy of Kiwifruit New Zealand's audited accounts is available on request.***

## Chief Executive's Report

2009-10 was a different year, one in which the industry attracted more attention than usual. Kiwifruit New Zealand was not immune to the attention, with increased requirements on Directors, and staff and Kiwifruit New Zealand's costs have been affected accordingly. After a recent history of reducing costs, this financial year costs increased by \$77,000. Kiwifruit New Zealand is mindful that it is funded by the industry, and is focussed on quality delivery in a manner that is effective as possible. However, we must also respond to the demands placed on us, and those demands increased last year. As an example, during the year, Kiwifruit New Zealand participated in a series of seminars with growers at the invitation of New Zealand Kiwifruit Growers Incorporated.

The activities of Kiwifruit New Zealand are focussed in two areas, on the authorisation and approval of the export of kiwifruit, and monitoring and enforcement. Kiwifruit New Zealand has no general industry supervision role, is prohibited from carrying out any commercial role, or operating for profit, and does not purchase and sell kiwifruit.

### Export of Kiwifruit

Under the Regulations, Kiwifruit New Zealand must authorise Zespri to export New Zealand grown kiwifruit. Zespri's authorisation was reviewed during the year for its effectiveness, and confirmed. During the year, kiwifruit was exported further to 16 collaborative marketing arrangements. Three other applications in respect of the 2009-10 season were appealed. This year, to date, 24 collaborative marketing applications have been received (including performance reviews of multiple year approvals) for the 2010-11 season, 22 have been approved, one was withdrawn, and one has been deferred.

### Monitoring and Enforcement

During the year, Kiwifruit New Zealand monitored Zespri's compliance with the non discrimination, the non diversification and information disclosure rules. All potential diversification activities were evaluated and reviewed by the Kiwifruit New Zealand Board. Monitoring of Zespri's twelve month supply activities has again been increased.

### Complaints

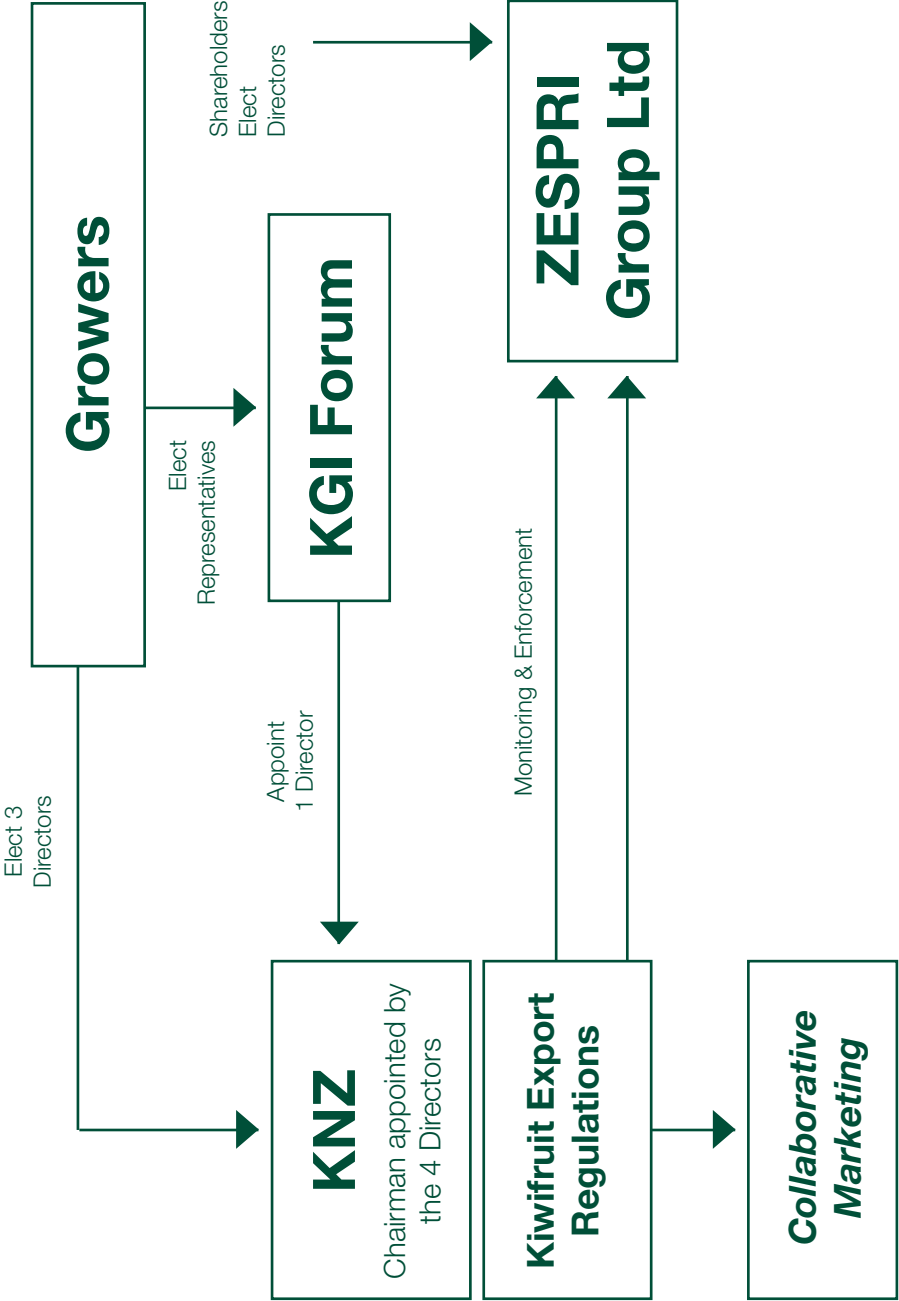
One formal complaint, received last year from a grower, was withdrawn this financial year. KNZ were approached on an informal basis on a number of issues. During the year, a number of requests were received under the Official Information Act for the release of information, and a complaint made to the Ombudsmen's Office that on two occasions, the release of information was refused. The Ombudsmen's investigations were in progress at year end.

I would like to thank the Board, and industry for the help and cooperation that I have received over the last year.

Richard Procter

**Chief Executive**

**Regulatory Structure**



# Collaborative Marketing Appeal Determinations Issued by Kiwifruit New Zealand<sup>1</sup>

## Summary

*What is required of the applicant for a collaborative marketing approval is sufficient evidence that the proposal will increase the overall wealth of New Zealand kiwifruit suppliers and that the arrangement will be implemented in collaboration with Zespri.*

## Synopsis of Appeal Committees' Decisions

For the 2009-10 season Kiwifruit New Zealand received 5 applications for collaborative marketing arrangements from Turners & Growers. One was approved, one (involving one of Turners & Growers own varieties) was withdrawn and three, for collaborative marketing applications into Japan, Mexico and USA were declined. The declined applications were appealed by Turners & Growers.

### Japan

This proposed collaborative marketing arrangement was for 40,000 trays of class one green Wilkins variety kiwifruit using the ENZA King Kiwi Brand into the high end gift or gourmet market niche through a series of Japanese retail outlets. Unsubstantiated claims made for this proposed programme included that there was an unsatisfied gourmet or gift market niche that would yield significant market premiums, that the proposed programme would not substitute for Zespri sales although the proposed retailers were already Zespri customers including for high end gift packages, and based on taste tests undertaken 20 years ago that Wilkins fruit "may appeal more to the Japanese palette than standard Hayward". The Collaborative Marketing Committee considering the proposed programme was not able to satisfy itself that it would achieve the purpose of increasing the overall wealth of New Zealand kiwifruit suppliers, nor was it satisfied that the spirit or intent of collaboration envisaged by the Regulations had been achieved. There was no evidence of the appellant and Zespri working together on the proposal. The application was declined.

Turners & Growers appealed the decision to decline their application on the grounds that the findings of the Collaborative Marketing Committee were not reasonably supported by the evidence, that the Committee had failed to take into account that the Wilkins variety was a different and superior variety with characteristics to support a differentiated market strategy giving growers a niche variety that may add value to their orchard business, had mistakenly preferred Zespri's assertion that there was a risk of substitution for Zespri fruit from the programme, and mistakenly found that there was no collaboration with Zespri.

The Appeal Committee found that it was for the Collaborative Marketing Committee to judge the merits of the proposition on the basis of what was available to it and it had fairly done so, and had given consideration to the matters to which consideration should have been given, in reaching its conclusion there was substantial uncertainty as to whether the proposed program would achieve what was claimed for it. The appeal was not upheld.

### Mexico

This proposed collaborative marketing arrangement was for 135,000 trays (including 10,000 trays of class 2) Hayward kiwifruit into Mexico, packed and labelled with the ENZA brand, to be sold to a mixture of direct supply wholesalers and retailers in Mexico.

In making its decision, the Collaborative Marketing Committee found there was divergence between

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<sup>1</sup> This is a brief summary. For full details refer to the Determinations by the Appeal Committees.

Zespri's and the applicants proposed approach to the market, and while it was open to Zespri to adopt the strategy proposed by the appellant, it had chosen not to do so, instead managing supply. There was risk that this programme if approved could undermine Zespri's development of the market, create market instability, undermine returns and adversely affect its development. There was no evidence of collaboration. Turners & Growers appealed the decision of the Collaborative Marketing Committee to decline their application on the grounds that the Collaborative Marketing Committee had not properly considered the attributes of the proposed programme and marketing environment in Mexico, that its findings were not supported by the evidence before it, that it had failed to consider whether the programme could maintain value for growers in light of surplus fruit and had mistakenly found there was no collaboration with Zespri. The Appeal Committee acknowledged that the appellant saw benefit in a second source of supply of NZ kiwifruit into Mexico and an opportunity for placing increased volumes into the market, but that Zespri was differently developing the Mexico market through a strategy of managed supply of a high quality product through tightly controlled and limited distribution channels in association with its brand and investment in advertising and promotion. Had there been effective collaboration between the appellant and Zespri, it is unlikely that the application would have been presented in the form it was. The Collaborative Marketing Committee had been presented with an application that contained insufficient information to give it confidence that the purpose of a collaborative marketing approval could or would be achieved by the proposed programme, and that the conclusion it reached was reasonable based on the information put before it. The responsibility rests with the applicant to demonstrate how the proposed programme will increase the overall wealth of NZ kiwifruit suppliers. The appeal was not upheld.

## USA

This proposed collaborative marketing arrangement was for the supply of 150,000 trays of Hayward kiwifruit into the USA market, packed and labeled with the ENZA brand. The principal customers were effectively two distributors.

The Collaborative Marketing Committee declined the application, mainly because there was a risk that the fruit from this programme would substitute for other NZ grown kiwifruit already in market, that alternative supply channels would not necessarily be of benefit as additional distributors could compromise Zespri's strategy, that this could result in decreased returns to New Zealand kiwifruit suppliers, and the proposal as presented had not been developed in collaboration with Zespri.

Turners & Growers appealed the decision of the Collaborative Marketing Committee on the grounds that the proposal did not create a risk of substitution, that the Committee should have refused to consider Zespri's comments in respect of its application, there had been collaboration with Zespri, and the findings were not supported by the evidence.

The Appeal Committee acknowledged that the applicant rightly identified a possible contradiction between the USA anti trust legislation and the Regulatory requirement for collaboration with Zespri, however the applicant must establish that its collaborative marketing arrangement was to be undertaken "in collaboration with" Zespri. The Appeal Committee was of the view that a fair process was followed, that it was satisfied that the Committee gave consideration to the information available to it and to the matters to which consideration should have been given, that the appellant had not established that the Collaborative Marketing Committee was wrong in coming to a view that there was risk of substitution of Zespri fruit from the proposed programme, and that it would not increase the overall wealth of New Zealand kiwifruit suppliers. The appeal was not upheld.

The Appeal Committee identified a number of general observations relating to the collaborative marketing regime, which may be of assistance to future applicants for collaborative marketing approvals, as follows:

1. The Regulations require Zespri to enter into a contract with a collaborative marketing approval holder consistent with a collaborative marketing approval issued by the Board.
2. The Boards powers in that regard are limited by the provisions of the Regulations identifying the purpose of Part 4, of increasing the overall wealth of New Zealand kiwifruit suppliers.
3. Whilst each application for a collaborative marketing approval is considered on its own merits, there are two requirements that are constant. The first requirement is that the proposed collaborative marketing arrangement will achieve the purpose of increasing the overall wealth of New Zealand kiwifruit suppliers. A supplier is the person from whom Zespri acquires the property in kiwifruit grown in New Zealand. The second requirement is that the collaborative marketing arrangement meet the Regulatory interpretation of such an arrangement, meaning a person may export New Zealand grown kiwifruit in collaboration with Zespri.
4. Those two requirements suggest a broadly based consideration of the interests generally of New Zealand kiwifruit suppliers and their industry which has been developed to its current level on the basis that the export crop other than to Australia for consumption in that country is to be consolidated and marketed through or in collaboration with a single desk marketer Zespri. Although there is no Regulatory requirement to pool market returns from Zespri, it is the current practice of the kiwifruit industry. In other words, individual New Zealand kiwifruit suppliers or groups of suppliers do not become fruit traders in international markets in competition with each other, but share in the pooled returns achieved through the single desk marketing regime.
5. An applicant for a collaborative marketing approval must therefore have regard to the provisions of the Regulations and the purpose of collaborative marketing as prescribed by the Regulations and demonstrate how its proposal will increase the overall wealth of New Zealand kiwifruit suppliers.
6. Zespri can and do approach collaborative marketing as a possible marketing tool from which it and New Zealand kiwifruit suppliers may benefit. It has dedicated staff to consider collaborative marketing proposals because the Regulations interpret a collaborative marketing arrangement as an arrangement by which a person may export New Zealand grown kiwifruit in collaboration with Zespri. In other words Zespri and a collaborative marketer will work together to achieve the purpose of collaborative marketing, increasing the overall wealth of New Zealand kiwifruit suppliers.

The Board is mindful that a lack of agreement from Zespri to a collaborative marketing proposal is not necessarily evidence of a failure to collaborate. There may be genuine instances where an applicant has endeavoured to work with Zespri in the formulation of its proposed arrangement, yet Zespri and the applicant do not agree. The Board will consider such applications on their merit, including efforts made toward collaboration. Where an applicant has information which is material to its application, but is unwilling to disclose initially to Zespri because of commercial sensitivity then the Board will accept such information in confidence.

7. As the Regulations stipulate that the powers and functions of the Board under Part 4, the power to enable the Board to require Zespri to enter into collaborative marketing arrangements are to be exercised in a manner that seeks to best achieve the purpose of increasing the overall wealth of New Zealand kiwifruit suppliers, the Board has established administrative arrangements to help it in this endeavour. Applicants for collaborative marketing approvals can refer their proposals to the Collaborative Marketing Advisory Working Group for consideration and discussion before the Board considers whether or not to approve the application.
8. What is required of the applicant for a collaborative marketing approval is sufficient engagement with Zespri to give confidence that the benefits of the single desk structure of the industry for exporting most of the kiwifruit crop will not be put at risk, that the proposal will increase the overall wealth of New Zealand kiwifruit suppliers and that the arrangement will be implemented in collaboration with Zespri.
9. It is a principal obligation on any applicant for a collaborative marketing approval to provide sufficient information about its proposal to satisfy the Board that it will achieve the Regulatory requirement of increasing the overall wealth of New Zealand kiwifruit suppliers.

## List of Members and Staff

Kiwifruit New Zealand is comprised of the Chairman and four members who serve for three year terms. Growers elect three of the members, and the fourth member is appointed by the New Zealand Kiwifruit Growers Incorporated. The four members appoint the Chairman. The Kiwifruit Export Regulations 1999 require the Chairman to be fully independent of the kiwifruit industry. Hendrik Pieters was re-appointed as director for a further 3 years. Ian Greaves position as a director is up for election this year.

### Kiwifruit New Zealand:

Chairperson	Sir Brian Elwood	(Term expires in July 2010)
Deputy Chairperson	Hendrik Pieters	(Term as member expires in September 2012)
Members	John Allen	(Term expires in September 2011)
	Ian Greaves	(Term expires in September 2010)
NZKGI Appointed Member	Ruth Lee	(Term expires in July 2011)

### Kiwifruit New Zealand Executive:

Chief Executive	Richard Procter
Administration Assistant	Jo Cunningham

### Kiwifruit New Zealand offices are at:

Zespri Building  
400 Maunganui Road, Mount Maunganui, 3116  
**Phone** 07 572 3685  
**Fax** 07 572 5934  
**Postal Address:** PO Box 4683  
Mount Maunganui South, 3149

## Procedures Manual

A procedures manual is available on request. The procedures manual is designed to provide general advice and guidance on the role and function of Kiwifruit New Zealand Board and its application of the Kiwifruit Export Regulations 1999. It will be updated and revised from time to time. The procedures manual includes KNZ's Code of Conduct for the Conflicts of Interest, and Code of Conduct for trades in Kiwifruit Company Securities.

