



2021-2022 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: 2021-2022 collaborative marketing arrangement performance relative to Zespri

Collaborative Marketer 2021-22 Season (note 1)	Arrangement	Fruit type	Volume (trays) 2021-22 season	Net incremental OGR of Zespri/alternate market NZ \$ (note 2)	Weighted index to Zespri/ alternate market
Vida Produce Company	El Salvador	Green Class 2	14,392	33,977	161%
Evrosad	Croatia & Slovenia	Green Class 1	57,910	104,747	153%
Vida Produce Company	Guatemala	Gold Class 2	8,469	21,389	145%
Vida Produce Company	Guatemala	Green Class 2	14,382	23,953	143%
Bella Frutta	Bulgaria, Romania, Cyprus & Nth Macedonia	Gold Class 2	5,109	11,627	142%
Vida Produce Company	Costa Rica	Green Class 2	23,783	37,681	141%
Isla Bonita	Portugal & Canary Islands	Green Class 2	68,061	110,455	138%
Isla Bonita	Portugal & Canary Islands	Green Class 1	127,481	256,391	137%
Vida Produce Company	Costa Rica	Gold Class 2	11,998	23,541	133%
Isla Bonita	Portugal & Canary Islands	Gold Class 1	5,838	17,981	132%
Southern Fresh Fruit Exports	Philippines	Green Organic Class 1	512	1,548	131%
Fern Ridge	Reunion Island	Gold Organic Class 1	1,151	3,224	128%
Mr Apple	Russia	Green Class 1	119,177	193,599	128%
Seeka	Malaysia	Green Class 1	119,935	249,338	127%
Fern Ridge	Reunion Island	Green Organic Class 1	585	1,441	126%
Bella Frutta	Bulgaria, Romania, Cyprus & Nth Macedonia	Green Class 2	55,750	51,613	124%
Southern Fresh Fruit Exports	Philippines	Green Class 1	126,361	106,976	112%
Fresha Exports	Pacific Islands	Green Class 1	13,153	6,139	108%
Fern Ridge	Reunion Island	Green Class 1	75,067	15,673	104%
Fresha Exports	Pacific Islands	Gold Class 1	9,875	1,553	102%
Turners & Growers Fresh	Pacific Islands	Green Class 1	32,361	3,425	102%
Vida Produce Company	Panama	Gold Class 1	9,387	1,330	102%
Baltic States Marketing	Baltic States	Gold Class 1	24,000	3,473	101%
Freshmax (a div. of VF)	Indonesia	Gold Class 1	52,771	5,442	101%
Southern Produce Ltd	Austria	Green Class 1	28,166	789	100%
Turners & Growers Fresh	Pacific Islands	Green Organic Class 1	289	-	100%
Turners & Growers Fresh	Pacific Islands	Gold Class 1	9,870	250	100%
Turners & Growers Fresh	Pacific Islands	Gold Organic Class 1	293	-	100%
Evrosad	Croatia & Slovenia	Gold Class 2	7,776	536	99%
Turners & Growers Global	Thailand	Gold Class 1	316,077	51,132	98%
Fern Ridge	Miami	Gold Class 1	785	125	97%
Freshmax (a div. of VF)	India	Green Class 1	751,286	117,955	97%
Southern Fresh Fruit Exports	Philippines	Gold Class 1	105,860	33,710	97%
Southern Fresh Fruit Exports	Philippines	Gold Organic Class 1	512	210	97%
South Seas Exports	Pacific Islands	Gold Class 1	8,311	1,803	97%
Freshmax (a div. of VF)	Indonesia	Green Class 1	32,455	10,759	96%
Southern Produce Ltd	USA	Green Class 1	968,388	223,150	96%
Vida Produce Company	El Salvador	Gold Class 2	2,592	558	96%
South Seas Exports	Pacific Islands	Green Class 1	28,194	9,564	94%
Fern Ridge	Mauritius	Green Class 1	60,713	32,629	91%
Southern Produce Ltd	USA	Green Organic Class 1	34,391	33,995	91%
Fern Ridge	Miami	Green Class 1	11,864	8,314	89%
Southern Produce Ltd	Austria	Gold Class 1	6,484	7,467	89%
Fern Ridge	Mauritius	Gold Class 1	38,511	39,699	87%
Fern Ridge	Reunion Island	Gold Class 1	58,478	61,728	87%
Mr Apple	Russia	Gold Class 1	284,343	374,800	87%
Turners & Growers Global	Thailand	Green Class 1	384,086	324,827	86%
TOTAL			4,117,232	45,406	

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 2021-22 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 2021 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
2021-22	-\$3,148,618	\$9.45	\$10.25
Total:	\$2,985,879	-	-

Table 3: Estimated Orchard Gate Return for 2014 to 2021 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
2021-22	\$-45,406	\$6.63	\$6.64
Total:	\$3,156,421	-	-

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 2021-22, the average OGR per tray (orchard gate return) for all collaborative marketing arrangements was NZ\$6.63 per tray, and the average equivalent Zespri OGR return was NZ\$6.64 per tray;
 3. The total amount by which collaborative marketing programmes have exceeded comparative Zespri TFSP (Total Fruit and Service Payments) for the 22 years up to and including 2021-22 is NZ\$2,985,879.
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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 2022, and appear in alphabetical order. The assessment does not include Zespri, as it did not export kiwiberry in 2022.

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

Collaborative marketing arrangements 2022 Season	Volume marketed t/e³	Net Return Per Tray
Delica Limited	1,531	\$24.32
Fresh Produce Group NZ Limited	9,623	\$26.32
Fresh Solutions Group NZ Limited	979	\$27.88
Freshmax (<i>div. VFDirect NZ Limited</i>)	60,697	\$26.46
New Zealand Gourmet Holdings Limited	7,941	\$26.70
Produce Partners NZ Limited	667	\$29.55
Seeka Kiwifruit Industries Ltd*	0	\$0.00
Southern Produce Limited	8,497	\$24.30
Total (average)	89,935	\$26.27

*Seeka exported kiwiberry to Australia only.

Kiwifruit New Zealand
21 June 2022