ZESPRI’s Value Chain

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New Zealand has Built the Global Kiwifruit Category

- Growth in the global category through:
  - Category and brand marketing
  - Innovation
  - Pricing and promotion umbrella

Source: World Kiwifruit Review 2010
Unique Features of the NZ Kiwifruit Industry

- Kiwifruit is a small category – less than 0.5% of the global fruitbowl
- The only way to compete is through a differentiated market position based on a high quality branded product due to:
  - NZ’s high cost of production (land, labour, freight);
  - Seasonal product with limited shelf life and a narrow selling window.
- Some of the best growing conditions in the world
- Unified
Growth Through the Decade (Export Sales)

- 9.8% compound average growth rate (CAGR)

*Source: Statistics NZ, ZESPRI*
The Four Pillars

- Brand
- In-Market Distribution
- Integrated Supply/SPE
- Innovation/New Products
Supply Chain Design – the Integrated ZESPRI® System

- Translating customer and consumer drivers into on-orchard improvements
- Traceability – from consumer to orchard
- Global supply base
- Working with customers to reach consumers
Reasons for Growth
Increased Productivity

Kiwifruit Export Yield – per hectare

Kiwifruit Trays – per hectare

Source: Statistics NZ, NZIER

Source: ZESPRI

NB. New orchard plantings contribute to productivity increases in the early 1980s and 1990s (GREEN) and 2000s (GOLD)
Reasons for Growth
Innovation Focus: From Soil to Spoon

Innovation Investment 2010

- New Cultivars
- Health & Nutrition
- Sustainability
- Market Access
- Orchard Productivity
- Supply Chain
- Global Supply
- Other

Innovation Strategy
- Optimise core performance
- Build competitive advantage
- Pursue growth horizons
World’s largest kiwifruit breeding programme
Where We’re Going

Triple Export Earnings by 2025

- Requires 9.8% annual growth (achieved 2000 to 2009)

Source: Statistics NZ, ZESPRI

Market Mix 2010 versus 2025

- Japan
- Europe
- China
- India
- Korea
- Taiwan
- SEA
- NAM

2010

2025
Thank you