



Foreign Agricultural Service

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New Zealand

KIWIFRUIT REPORT

Zespri To Market Non-New Zealand Fruit

1999

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Report Highlights:

- 12 Month Marketing Planned for 1999.
- Zespri Signs Co-Marketing Agreement with Meijer Inc.
- 1998 Grower Returns Increase.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Wellington [NZ1], NZ

12 MONTH MARKETING REALITY IN 1999

Kiwifruit New Zealand plans to realize 12 month supply and marketing in the 1999 season. KNZ believes that 12 month marketing is an appropriate response to major European supermarkets signalling they would prefer to deal with one supplier for a product all year round. Initially only the Hayward variety of kiwifruit will be sourced off-shore but in time Zespri Gold is expected to be grown by franchised off-shore producers as well.

An investment company, Kiwifruit International Ltd, is to be established for the purpose of procuring non-New Zealand origin kiwifruit and other products. This procurement company would be managed by Zespri International which would also carry out the marketing functions. Shares will be offered to growers first through a rights issue. Kiwifruit New Zealand plans to issue a prospectus and have the offer taken up in time for procurement to occur in the Northern Hemisphere autumn.

ZESPRI SIGNS CO-MARKETING AGREEMENT WITH MEIJER INC

Zespri International has signed a co-marketing agreement with U.S. grocery retailer Meijer Incorporated guaranteeing Zespri kiwifruit shelf space and consumer focussed promotions at store level. The chain consists of 112 stores in Indiana, Michigan and Ohio. Zespri kiwifruit will be the only kiwifruit sold by Meijer stores while it is in season. Meijer will run advertisements in its own consumer circular as well as in daily and weekly newspapers throughout the mid-west. Marketing plans for 1999 also include radio and television advertising, advertising on the Meijer website and events-based consumer promotions.

1998 GROWER RETURNS INCREASE

End of season adjustments have further increased the net distributable return up another N.Z.\$2.4 million to N.Z.\$407 million (U.S.\$212.8 million), 26 percent higher than the final 1997 season return. Kiwifruit New Zealand attributes the late increase to a reduction in onshore costs and year end operational cost finalizations. The average return per tray has increased four cents over the month of March 1999 from N.Z.\$6.41 to N.Z.\$6.45 (U.S.\$3.35 to U.S.\$3.37) per tray, based on 63.1 million trays submitted. *Note: one tray = 3.6 kilograms = 7.9 pounds.*

1998 SEASON KIWIFRUIT GROWER EXPORT RETURNS as at March 30, 1999.		
POOL	NZ\$ per 3.6 kg tray	U.S.\$ per 3.6 kg tray
Class I	6.42	3.36
Organic	9.22	4.82
Transitional Organic	6.80	3.56
Gold	21.50	11.24
K1W1	4.53	2.37
Organic Class II	6.21	3.25
Gold Class II	5.28	2.76
AVERAGE	6.45	3.37

Source: Kiwifruit New Zealand.