

ZESPRI's Value Chain

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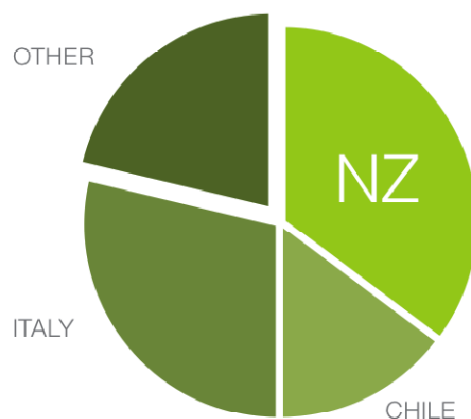




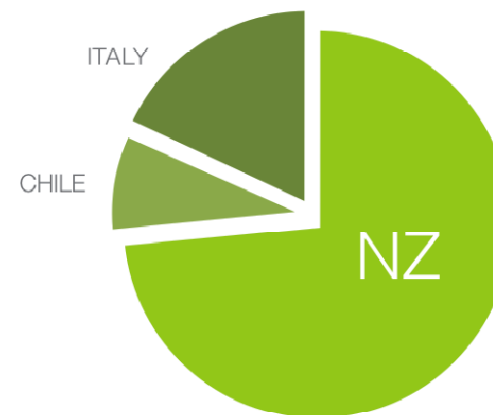
New Zealand has Built the Global Kiwifruit Category

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

Globally Traded Kiwifruit – Volume Share



Big 3 – Value Share

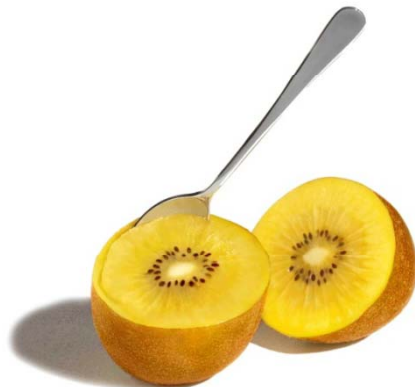


Source: World Kiwifruit Review 2010



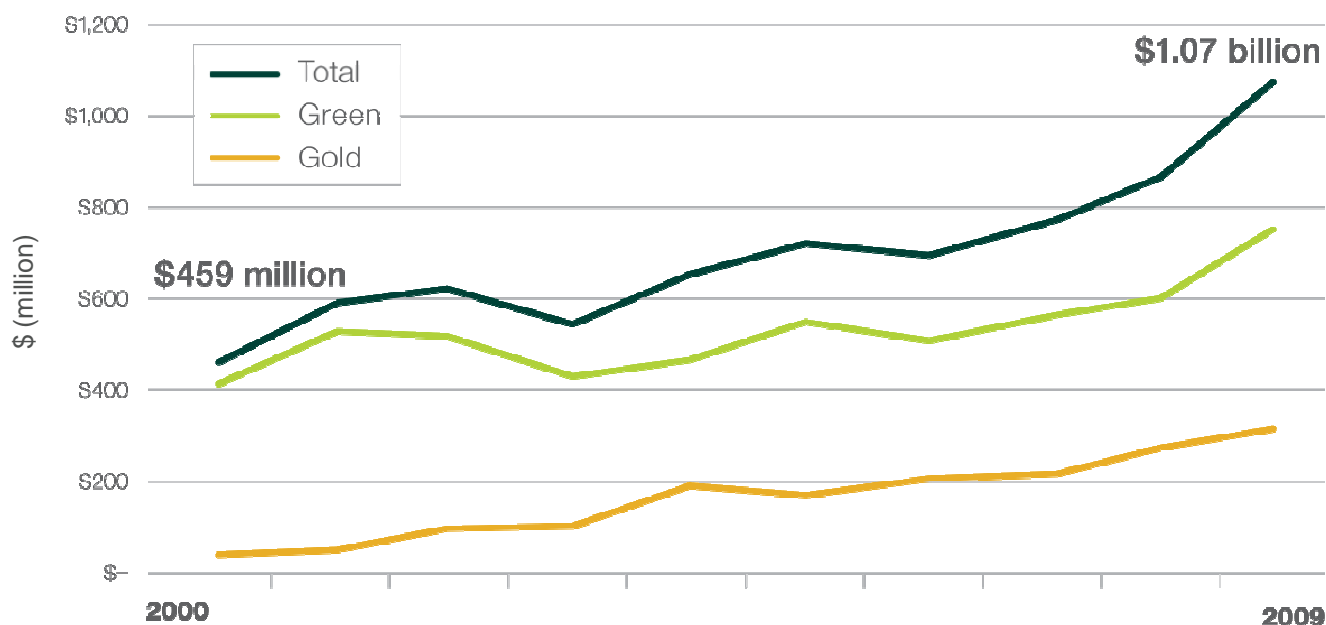
Unique Features of the NZ Kiwifruit Industry

- ⦿ 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







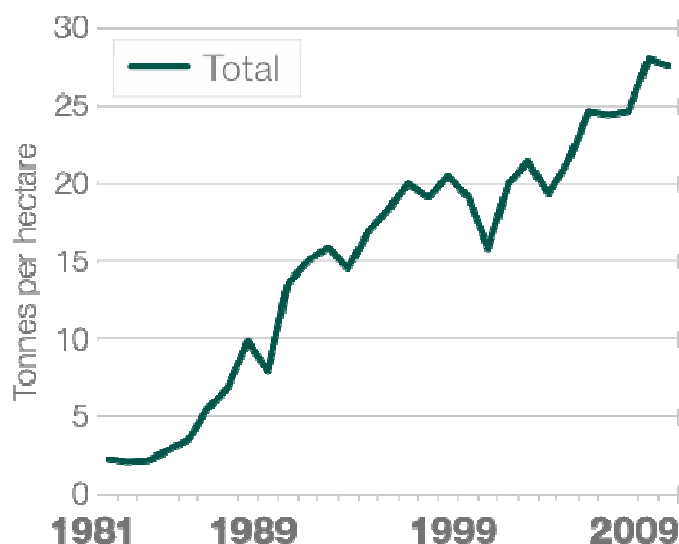
Supply Chain Design – the Integrated ZESPRI® System

- ⦿ Translating customer and consumer drivers into on-orchard improvements
- ⦿ Traceability – from consumer to orchard
- ⦿ Global supply base
- ⦿ Working with customers to reach consumers



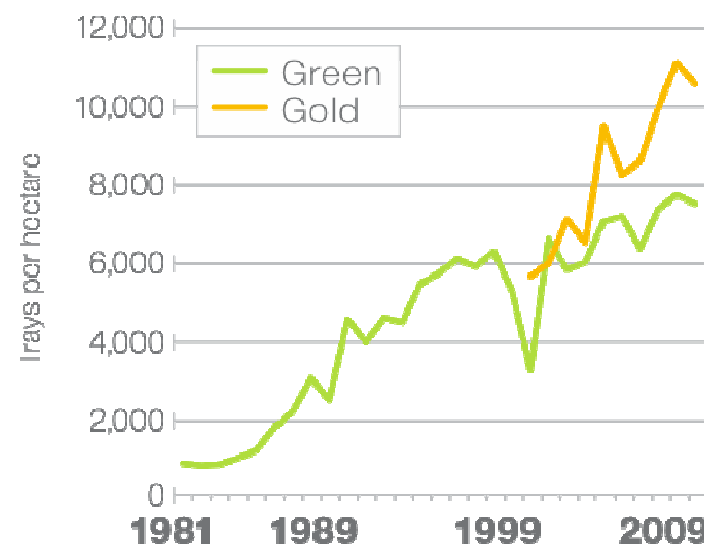
Reasons for Growth Increased Productivity

Kiwifruit Export Yield – per hectare



Source: Statistics NZ, NZIER

Kiwifruit Trays – per hectare



Source: ZESPRI

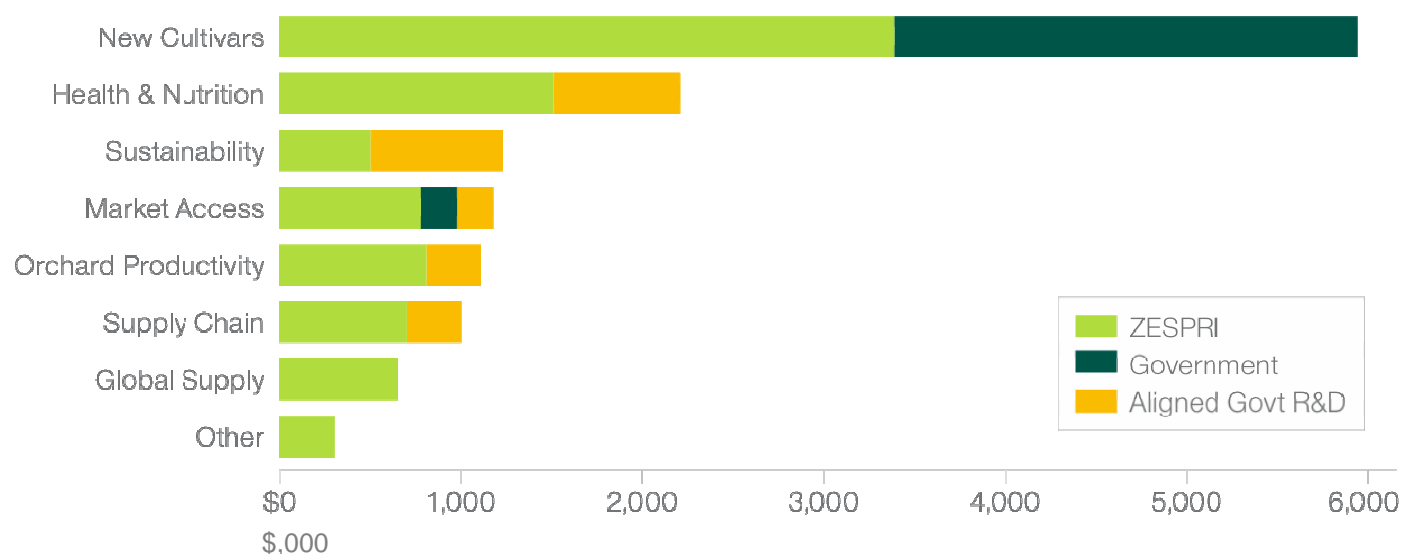
NB. New orchard plantings contribute to productivity increases in the early 1980s and 1990s (GREEN) and 2000s (GOLD)



Reasons for Growth

Innovation Focus: From Soil to Spoon

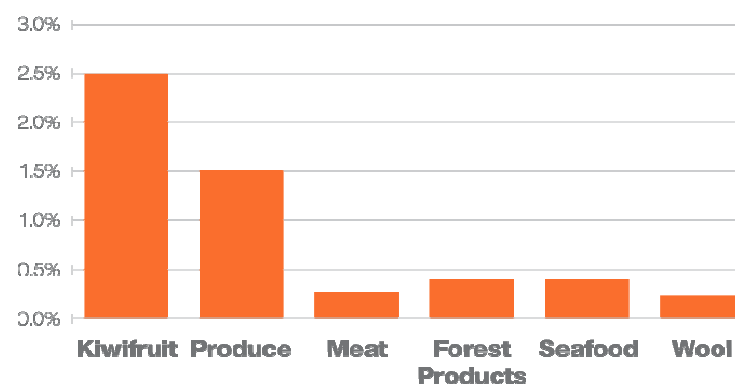
Innovation Investment 2010



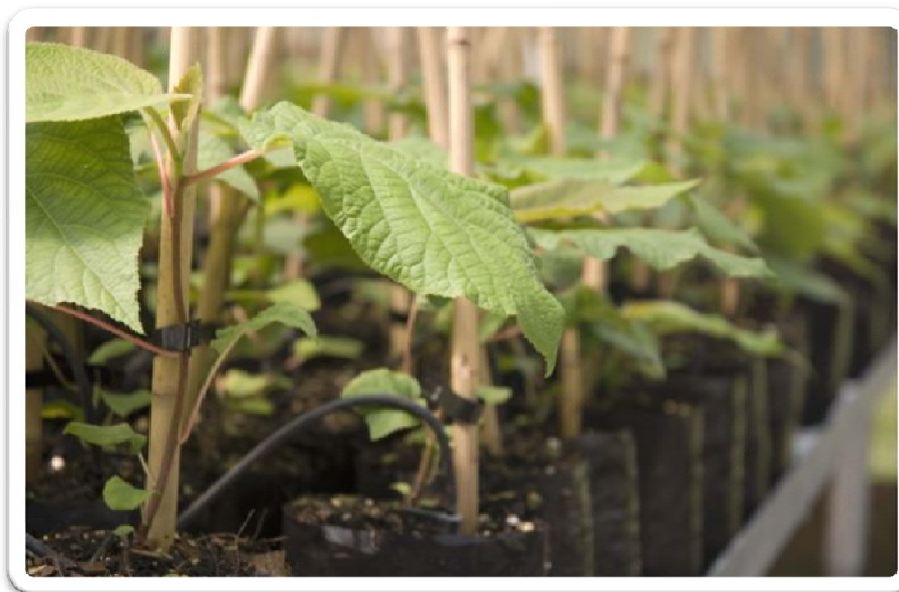
Innovation Strategy

- Optimise core performance
- Build competitive advantage
- Pursue growth horizons

Innovation Investment (as a percentage of revenue) (2008)

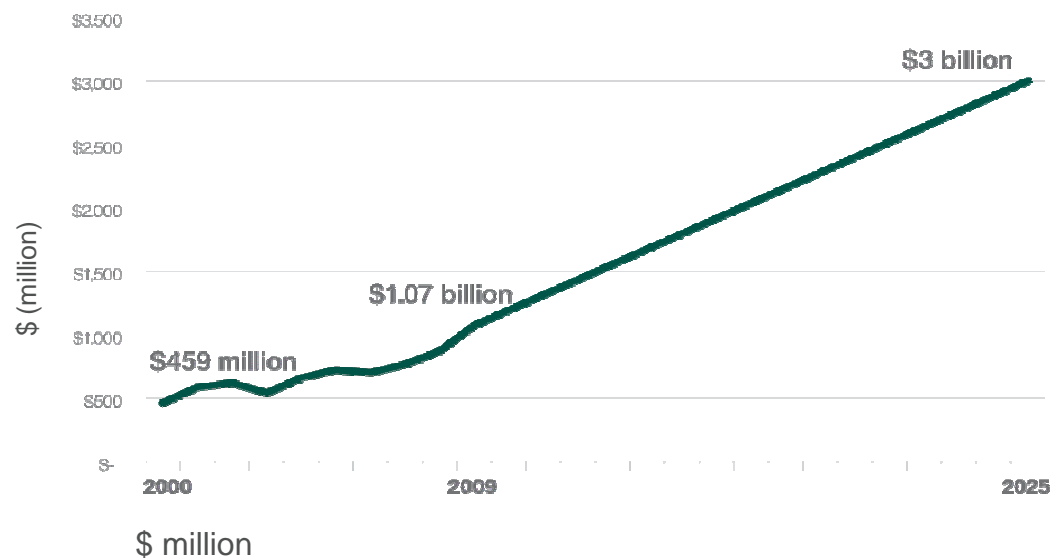


World's largest kiwifruit breeding programme



Where We're Going

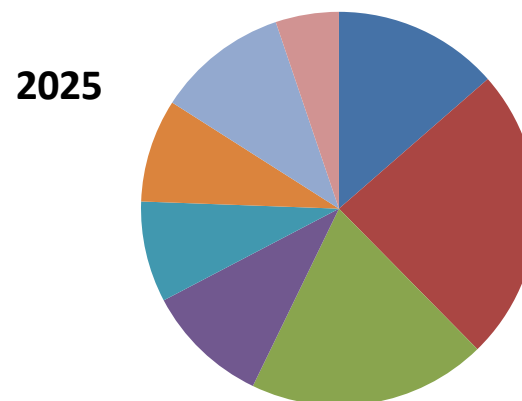
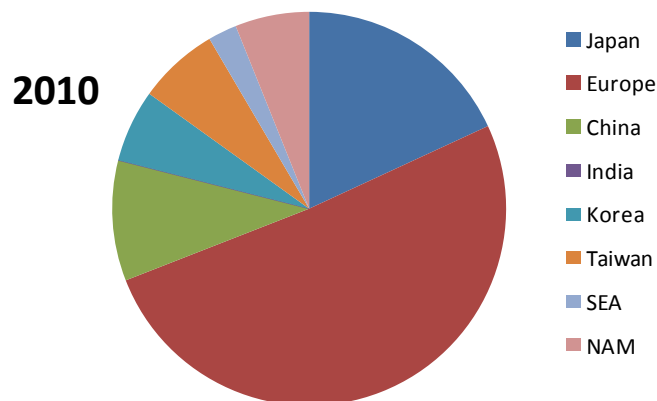
Triple Export Earnings by 2025



Requires 9.8% annual growth (achieved 2000 to 2009)

Source: Statistics NZ, ZESPRI

Market Mix 2010 versus 2025





Thank you