



EMERGING GROWTH OPPORTUNITIES IN THE NEW ZEALAND FOOD INDUSTRY

August 2012

CORIOLIS 
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An Investors Guide to emerging growth opportunities in New Zealand food & beverage exports

Part of the Food & Beverage Information Project

August 2012; v1.02

www.foodandbeverage.govt.nz

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The objective of this report is to identify **emerging high potential** food & beverage export categories from New Zealand. We use a screening methodology to funnel these categories into a short list. The short list is then assessed to ascertain the best investment propositions, creating a common set of facts and figures on the current NZ situation. The report is designed for use by four audiences:

- **Investors** (domestic or international)
- **Industry** participants (firms & individuals)
- **Government** (across all roles and responsibilities)
- **Scientific researchers** (academic, government & corporate)

The report draws conclusions on potential industry **strategic directions**, highlights **opportunities** for further **investment** and identifies categories which have the potential to contribute to the goal of **tripling exports by 2025**.

It forms a part of – and builds on the information in - the wider Food & Beverage Information Project found at:

www.foodandbeverage.govt.nz



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METHODOLOGY & DATA SOURCES

Data was from a variety of sources, and has a number of identified limitations

- This report uses a range of information sources, both qualitative and quantitative.
- The numbers in this report come from multiple sources. While we believe the data are directionally correct, we recognise the limitations in what information is available.
 - In many cases different data sources disagree (e.g. Statistics New Zealand vs. FAO* vs. UN Comtrade).
 - Many data sources incorporate estimates of industry experts.
 - As one example, in many cases, the value and/or volume recorded as exported by one country does not match the amount recorded as being received as imports by the counterparty [for understood reasons].
- In addition, in some places, we have made our own clearly noted estimates.
- Coriolis has not been asked to independently verify or audit the information or material sourced.
 - The information contained in the report and any commentary has been compiled from information and material supplied by third party sources and publicly available information which may (in part) be inaccurate or incomplete.
 - Coriolis makes no representation, warranty or guarantee, whether express or implied, as to the quality, accuracy, reliability, currency or completeness of the information provided in the report.
- All trade data analysed in all sections of the F&B Information project are calculated and displayed in US\$. This is done for a range of reasons:
 1. It is the currency most used in international trade,
 2. It allows for cross country comparisons (e.g. vs. Denmark),
 3. It removes the impact of NZD exchange rate variability,
 4. It is more comprehensible to non-NZ audiences (e.g. foreign investors),
 5. It is the currency in which the United Nations collects and tabulates global trade data.
- The opinions expressed in this report represent those of the industry participants interviewed and the authors. These do not necessarily represent those of Coriolis Limited or the New Zealand Government.
- If you have any questions about the methodology, sources or accuracy of any part of this report, please contact Tim Morris, the report's lead author at Coriolis, on +64 9 623 1848.



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OBJECTIVES & LIMITATIONS

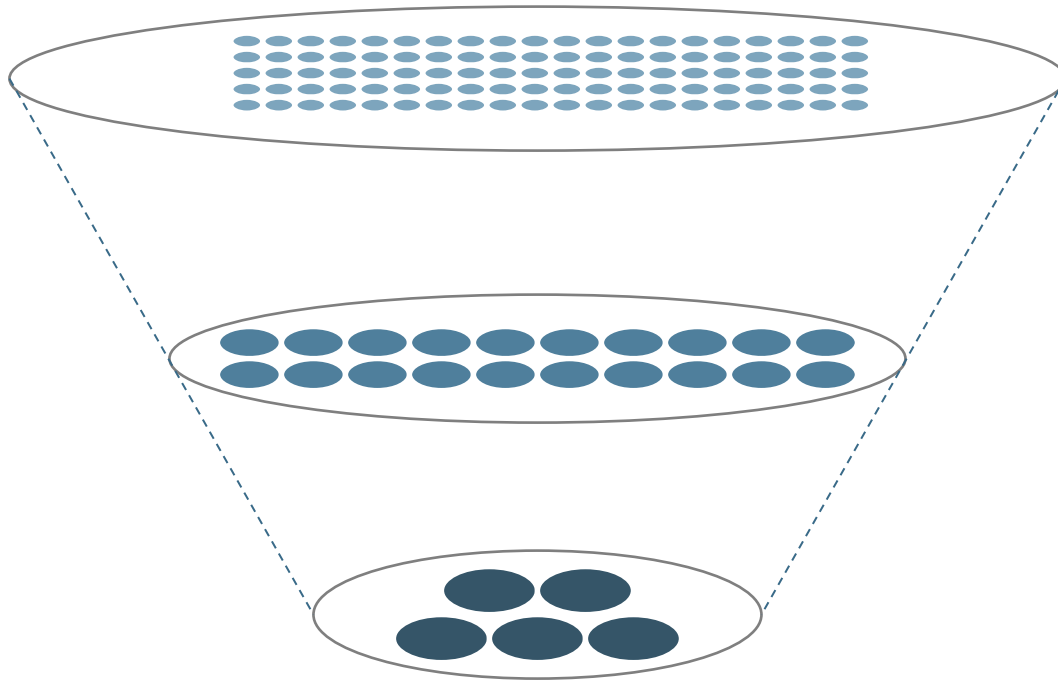
This project identifies emerging growth opportunities in New Zealand’s food and beverage exports

Background	Objectives
<ul style="list-style-type: none">- New Zealand has a clear comparative advantage in food & beverage (and the wider agricultural value chain)- Food & beverages account for 54% of New Zealand’s total exports- New Zealand has a long history in producing and exporting food & beverages- New Zealand has a limited number of large export categories, including dairy, beef, lamb, seafood, apples and kiwifruit- Wine has emerged in the last 20 years to become a billion dollar export	<ul style="list-style-type: none">- Screen all New Zealand food and beverage export categories with an export value of less than US\$100m but more than US\$2m- Highlight categories with the <u>potential</u> to “become the next wine industry”- Evaluate F&B export categories using fair, objective criteria- Approach the categories from an external “investor” point-of-view- Develop and highlight a short list of high growth potential opportunities
<ul style="list-style-type: none">- Past research has identified that a wide range of smaller F&B categories are achieving strong growth<ul style="list-style-type: none">- “Smart Food, Cool Beverage” report on the New Zealand Government’s Food & Beverage Taskforce- Ministry of Economic Development’s “Moving to the Centre” report- High growth industries typically need new capital and new capabilities to continue to grow and develop	<h3 data-bbox="1044 775 1893 839">Limitations</h3> <ul style="list-style-type: none">- Budget constraints- Uses primarily past performance to predict future performance- Large existing F&B export categories (US\$100m+) are outside scope (e.g. infant formula)- Categories with theoretical potential (e.g. maple syrup, water buffalo mozzarella) but low/no current exports are outside scope- Non-commercialised scientific research and/or pre-market innovation is outside scope

SCREENING PROCESS

The project uses a three stage screening process

Diagram of screening process
(model)



Stage I – Preliminary Screen

Assemble a pool of small/mid-size F&B exports

- *Using export trade data*
- *Purely quantitative*

Stage II – Secondary Screen

Screen to a short list based on potential/payoff

- *Common criteria*
- *Mixture of relevant variables*
- *Quantitative/qualitative*

Stage III – Detail/Develop Opportunities

Analyse in detail, three high potential opportunities

- *Evaluate NZ situation in category*
- *Analysis of global market potential and competitive situation*

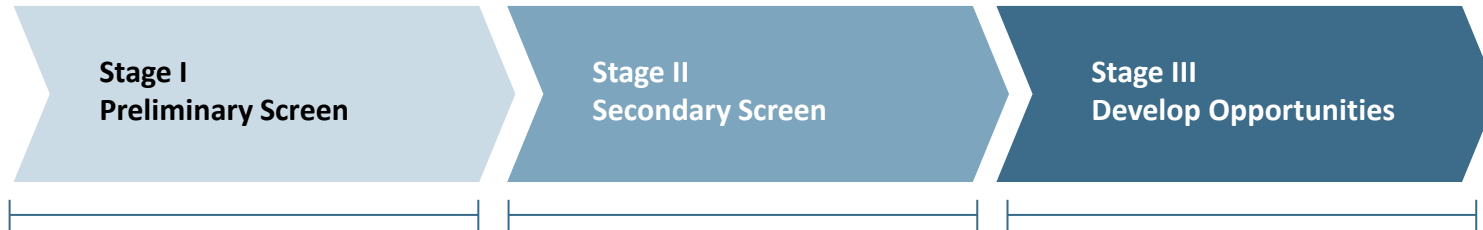


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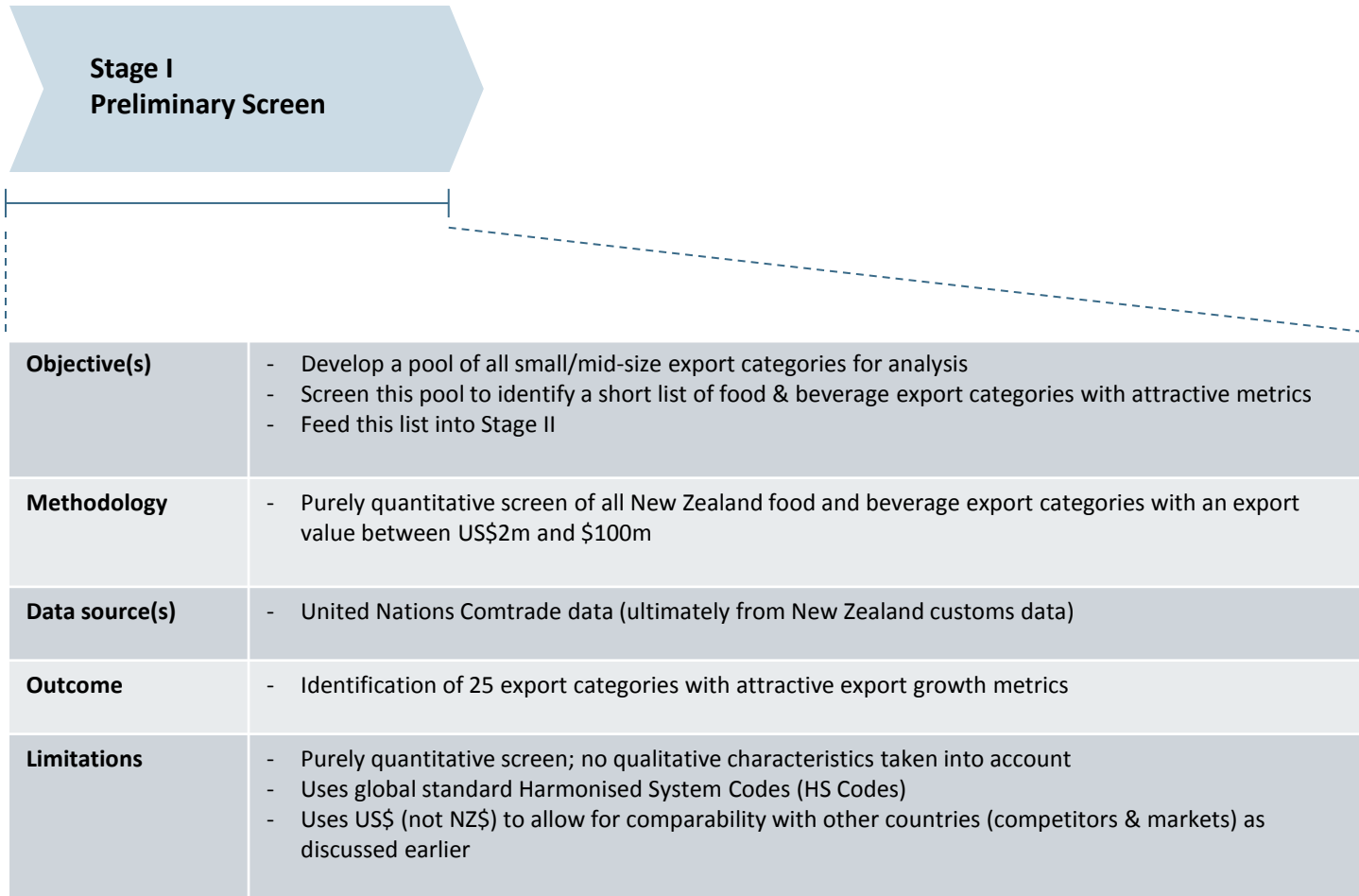
PROCESS OVERVIEW

The project is structured as a three stage process



STAGE I - OVERVIEW

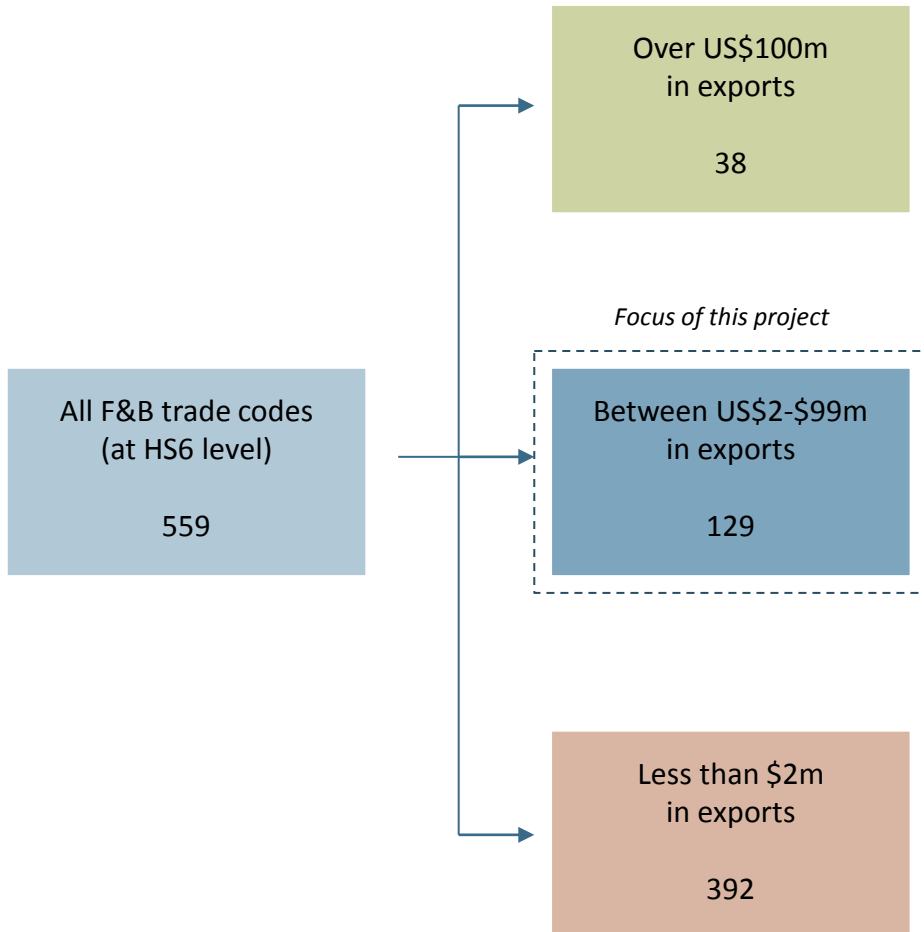
In Stage I all of New Zealand's F&B exports are quantitatively screened to deliver a short list of high potential emerging growth opportunities to feed into Stage II



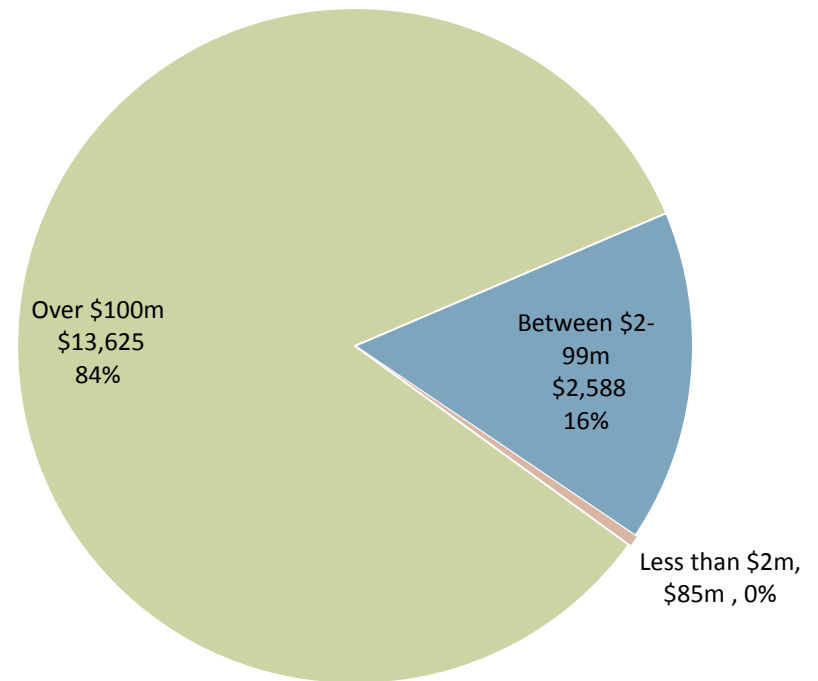
STAGE I – BREAKDOWN OF TRADE CODES BY SIZE

Of the total 559 food and beverage trade codes, in 2010 129 had an export value between US\$2m and \$99m; this group represents 16% of New Zealand's F&B exports

Number of trade codes by export value size classification groups
(#, 2010)



Share of New Zealand export value by these size classification groups
(US\$m; %, 2010)



STAGE I – CATEGORIES OVER \$100M REMOVED

It should be noted that the 38 trade categories with exports over US\$100m each have been excluded from the analysis; they represent New Zealand's core food & beverage exports

New Zealand six digit HS codes with more than US\$100m in exports
(US\$m; 2010)

Over US\$100m
in exports

38

HS Code	Classification	Export value (US\$; 10)
040221	Milk and cream in solid forms of >1.5% fat, unsaturated	\$ 3,066
020410 020422 020430 020441 020442	Unboned meat of sheep	\$1,424
020210 020220 020230	Frozen bovine meat	\$ 1,176
040210	Milk and cream in solid forms of =<1.5% fat	\$ 1,023
040510	Butter	\$ 902
081050	Kiwifruit	\$ 687
220421 220429	Wine (not sparkling), retail and bulk	\$ 769
040690	Cheese, nes	\$ 679
040590	Other milk fats and oils	\$ 634
040410 040490	Products consisting of natural milk constituent	\$ 419
020443	Frozen boned meat of sheep	\$ 328
190190	Infant formula/nutritional shake ingredients., etc.	\$ 297

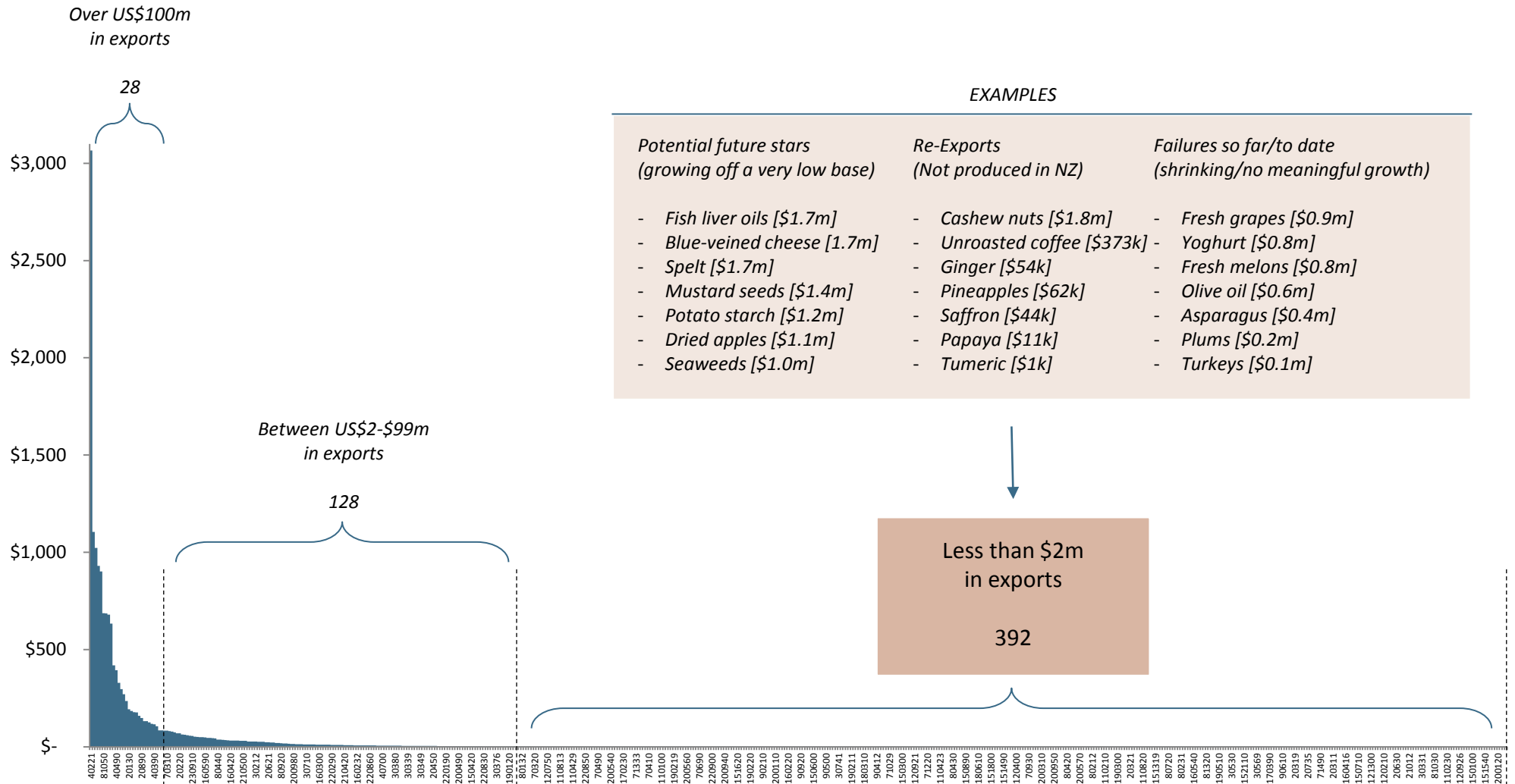
HS Code	Classification	Export value (US\$; 10)
080810	Apples, fresh	\$ 235
040620 040630	Grated or powdered cheese Processed cheese, not grated or powdered	\$ 210
020120 020130	Fresh or chilled boneless bovine meat	\$ 198
020423	Fresh or chilled boneless meat of sheep	\$ 185
190110	Infant foods of cereals, flour, starch or milk, retail	\$ 179
030379	Frozen fish, nes	\$ 177
030621	Rock lobster and other sea crayfish (excl. frozen)	\$ 160
020890	Meat and edible offal nes (includes deer meat)	\$ 149
040610	Fresh (unripened or uncured) cheese	\$ 132
030420	Frozen fish fillets	\$ 132
040110 040120 040130	Milk, not concentrated (e.g. aseptic Tetra)	\$ 128
030739	Mussels (excl. live, fresh or chilled)	\$ 118
040390	Buttermilk, curdled milk and cream, etc.	\$ 116
150200	Fats of bovine animals, sheep or goats	\$ 106

Note: Some categories pull in other very closely related codes which are themselves under \$100m

STAGE I – CATEGORIES UNDER \$2M REMOVED

It should also be noted that the 392 food & beverage trade categories with exports under US\$2m are a mix of potential future stars, re-exports and failures (to date)

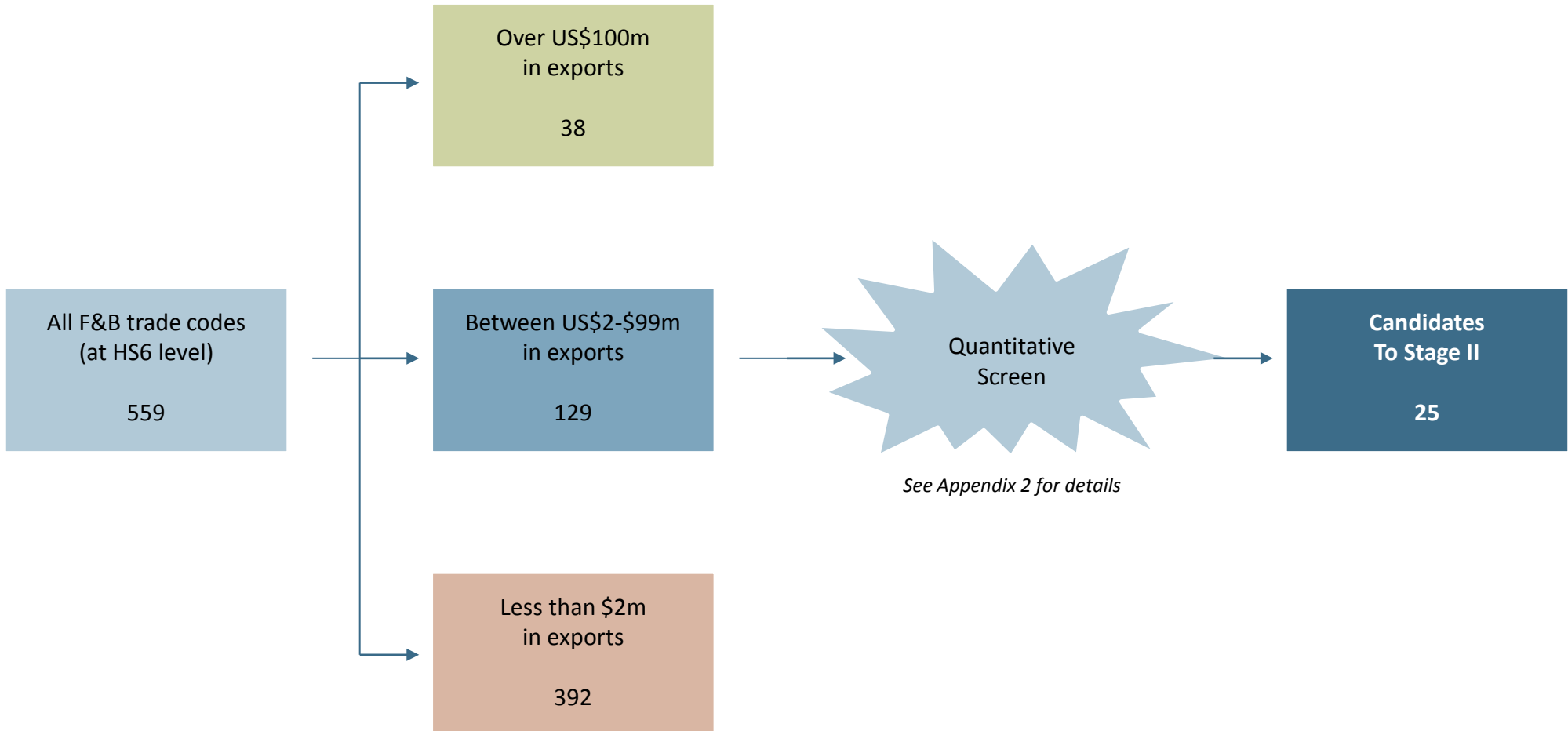
New Zealand six digit HS codes sorted by export value
(US\$m; 2010)



STAGE I – QUANTITATIVE SCREEN

The remaining 129 food & beverage trade categories – with exports between US\$2-99m – were then put through a quantitative screen which delivered 25 candidates to Stage II













Number of trade codes by export value size classification groups
(#, 2010)



STAGE I – SCREENING CRITERIA

The screen used a range of quantitative criteria on export value over various periods (5 or 10 years)

Explanation of quantitative screening criteria used in Stage I
(2011)

Variable	Time periods	Colour	Criteria	Details/discussion
Absolute value growth	10 year 5 year		US\$20m or more	<ul style="list-style-type: none"> - Is the category growing its absolute export value over the medium /long term? - Categories growing their export dollars over a long period are creating wealth and employment in New Zealand - Need to be cautious with absolute growth as inflation can carry a large category along in absolute dollars
			US\$10-20m	
			Negative	
Compound Annual Growth Rate (CAGR) export value	10 year 5 year		More than 20%	<ul style="list-style-type: none"> - However we need to approach high CAGRs on small starting values with some caution - Is the category growing its absolute export value over the medium /long term? - Categories growing their export dollars over a long period are creating wealth and employment in New Zealand
			10 to 20%	
			Negative	
\$ /unit (kg or l)	2010		More than US\$5	<ul style="list-style-type: none"> - Is the product high value added per unit of absolute weight (or volume) relative to other categories? - All other things being equal, F&B categories with higher value per unit weight are more value added (e.g. infant formula vs. milk powder)
			Under US\$1	
CAGR \$ /unit	10 year		10% or more	<ul style="list-style-type: none"> - Is the category achieving positive price gains? - F&B categories growing their price per unit weight are an indication of consumers being prepared to pay more for the product over time - Much better to be in a category with increasing prices than falling ones
Overall attractiveness	5/10y		High	<ul style="list-style-type: none"> - A forced ranking of all categories relative to each other - Uses combination of above factors
			Medium	
			Low	

STAGE I – RESULTS – IDENTIFIED SHORT LIST

As a result of the screen, 25 high potential emerging growth opportunities were identified for Stage II analysis

Food & beverage categories which passed the stage 1 screen
(2011)

See Appendix 2 for
details of screen

Category	Export value (US\$m; 10)	HS Codes
Salmon	\$28m \$19m \$4m	030212 030310 030541
Chicken, cuts frozen	\$15m	020714
Honey	\$70m	040900
Onions, fresh	\$83m	070310
Capsicum	\$28m	070960
Peas, frozen & dried	\$32m \$24m	071021 071310
Avocados	\$38m	080440
Cherries	\$18m	080920
Berries (excluding strawberries)	\$13m \$7m \$11m	081040 081090 081120
Bovine meat, prepared/preserved	\$83m	160250
Prepared fish	\$5m \$32m	160419 160420

Category	Export value (US\$m; 10)	HS Codes
Cane/beet sugar	\$19m	170199
Sugar confectionery	\$46m	170490
Chocolate	\$3m \$13m \$34m	180631 180632 180690
Biscuits	\$32m \$74m	190530 190590
Frozen french fries	\$60m	200410
Shelled beans	\$26m	200551
Jams & jellies	\$4m \$31m	200791 200799
Fruit juice, other	\$8m	200980
Soups & broths	\$52m	210410

Category	Export value (US\$m; 10)	HS Codes
Water, unsweetened	\$4m \$4m	220110 220190
Beer	\$26m	220300
Cider, alcoholic	\$10m	220600
Spirits	\$3m \$7m \$7m \$28m	220830 220860 220870 220890
Pet food	\$80m \$32m \$57m	230110 230120 230910

Some categories pull in closely related categories that did not themselves make the screen (e.g. fresh berries pulls in frozen berries)

STAGE I – RESULTS – JUST MISSED THE CUT...

In addition, a number of interesting categories were identified that “just missed the cut”

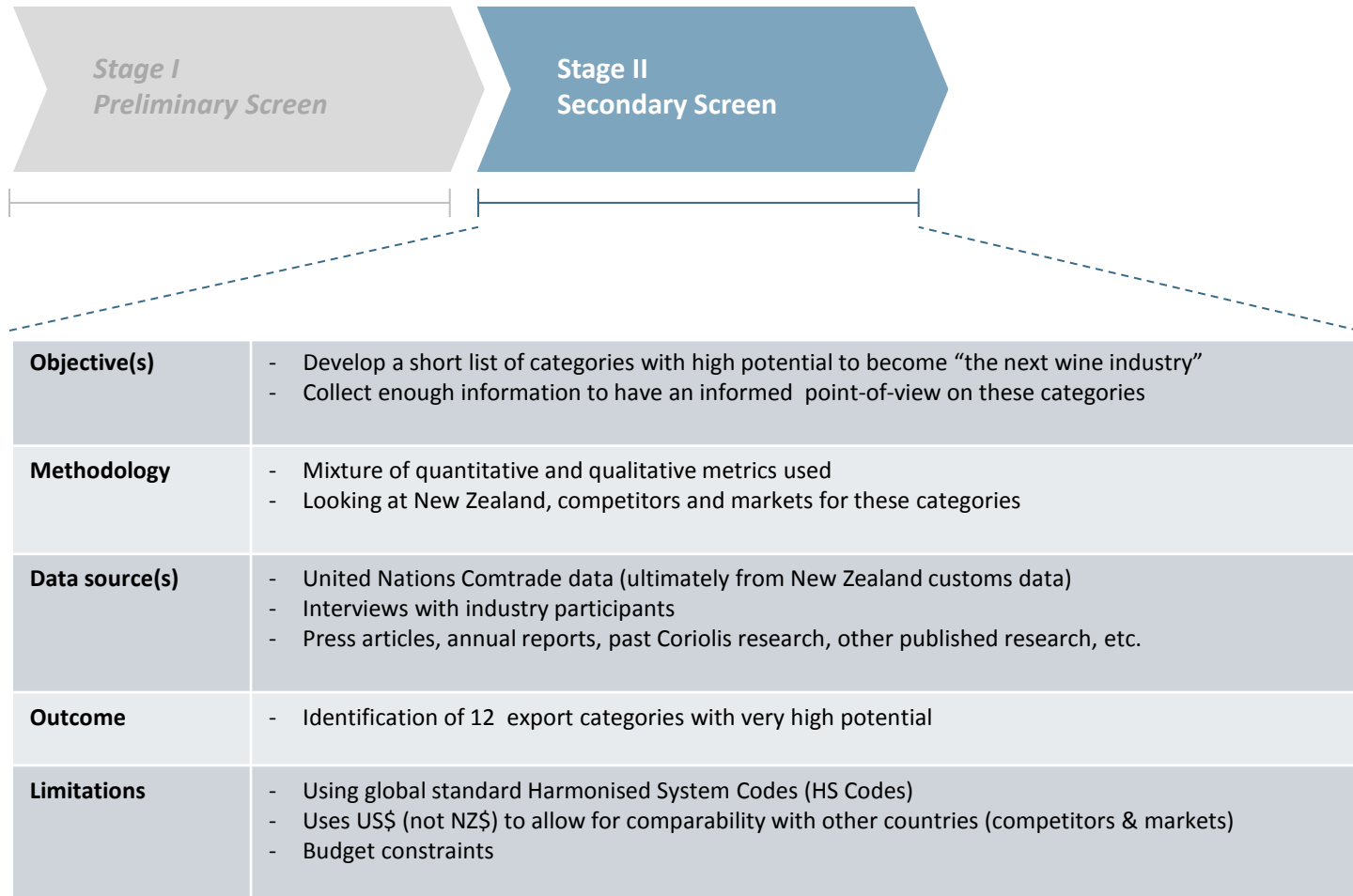
List of food & beverage categories which almost passed the stage 1 screen
(2011)

See Appendix 2 for
details of screen

Classification	Export value (US\$m; 2010)	HS Codes	Comments/notes
Soft drinks	\$57m \$10m	220210 220290	- Achieving good growth in aggregate - Driven by V (Frucon/Suntory) and Phoenix (Charlies/Asahi)
Protein concentrates and textured protein substances	\$9m	210610	- Good growth off a low base - [“2106100900 Protein; concentrates and textured protein substances, excluding textured vegetable protein”]
Mixture of fruit, prepared or preserved	\$4m	200892	- [“200892 Fruit, nuts and other edible parts of plants; mixtures (other than those of subheading no 2008.19), prepared or preserved in ways n.e.c. in heading no. 2007 and 2008, whether or not containing added sugar, other sweetening matter or spirit, n.e.c.”]
Breakfast cereal	\$6m \$10m	190410 190420	- Driven by Vogels (Smartfoods), Tasti, and Hubbards
Other pasta nes*	\$17m	190230	- Primarily Heinz Watties canned spaghetti
Sausages & similar	\$6m	160100	- Small but very strong growth off a low base
Molluscs and other aquatic invertebrates, prepared/preserved	\$48	160590	- Large and high value/kg but not growing
Birds eggs in shell	\$6m	040700	- Double digit value growth off a small base

STAGE II – OVERVIEW

Stage II uses both qualitative and quantitative analysis to screen candidate categories identified in Stage I with the objective of delivering a handful of high potential emerging growth opportunities



STAGE II – SCORECARD

A two page scorecard – one quantitative, one qualitative – was developed

See Appendix 1 (p31+) for two page profiles of all 25 categories

EXAMPLE: Two page stage II scorecard for cherries (see section)

Quantitative

CHERRIES [080920] QUANTITATIVE										
Quantitative Scorecard		Global market				Key NZ metrics		Value 2010	By CA&T (05-10)	
		Major importing countries								
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	By CA&T (05-10)	By ABS (05-10)	\$/kg (2010)	# of growers (FP)	80	TD	
- NZ \$18m	Russian Federation	14%	\$124	29%	\$11	\$1.28	Planted area (ha)	648 (21)	TD	
- Global \$1,191m	Hong Kong SAR	11%	\$124	-2%	\$105	\$6.08	# of registered producers (FP)	57 (11)	TD	
By CA&T (US\$; 05-10)	Germany	8%	6m	-3%	-\$12	\$2.29	# of registered exporters (FP)	19 (11)	TD	
- NZ 14%	China	8%	6m	142%	\$85	\$7.25	Production (FP)	2,200 (21)	TD	
- Global 14%	USA	7%	5m	-2%	-\$8	\$4.11	Key NZ firms			
	United Kingdom	6%	4m	-2%	-\$8	\$4.22	Turnover (NZ\$m; 10)	50	Ownership	
	Rep. of Korea	5%	3m	10%	\$24	\$8.70	45 South Orlands	PT	50-60% x-chomics, 100% Producers	
	Netherlands	5%	\$21	2%	\$5	\$1.75	Sunorad Orlands	SD		
	Italy	5%	\$21	6%	\$7	\$3.30	US Fruit International	SD	Exporters - 45% of export	
	Belgium	2%	\$10	6%	\$5	\$2.99	Numerous other smaller			
	Australia	2%	\$19	15%	\$9	\$6.48				
	Other	15%	\$185	11%	\$66	\$2.91				
	World		\$1,251	15%	\$807	\$3.53				
\$/kg (US\$; 10)		Major exporting countries				New Zealand exports by destination				
	Country	Export Share	Exports (US\$m)	By CA&T (05-10)	By ABS (05-10)	\$/kg (2010)	Country	Export Share	Exports (US\$m)	By CA&T (05-10)
	USA	10%	\$355	10%	\$155	\$9.34	Taiwan	59%	\$7	7%
	China	15%	\$201	21%	\$234	\$6.79	Hong Kong SAR	19%	\$5	271%
	Turkey	12%	\$145	10%	\$84	\$2.26	Thailand	12%	\$2	55%
	Spain	6%	\$65	7%	\$20	\$2.78	Rep. of Korea	10%	\$5	8%
	Hong Kong SAR	5%	4m	97%	\$35	\$4.85	Singapore	6%	\$2%	\$1
	Canada	2%	2%	21%	\$18	\$5.70	Other	15%	0%	-\$0
	Netherlands	2%	2%	12%	\$10	\$4.17	World	100%	14%	\$9
	Italy	2%	2%	-9%	-\$15	\$4.42				
	Greece	2%	2%	21%	\$12	\$2.75				
	France	2%	2%	-6%	-\$7	\$3.60				
	Hungary	2%	\$19	21%	\$12	\$0.95				
	New Zealand	2%	\$15	14%	\$9	\$11.51				
	Australia	1%	\$17	11%	\$7	\$11.84				
	Other	10%	\$124	12%	\$49	\$1.89				
	World		\$1,291	14%	\$861	\$3.75	Total (US only)	\$0.7	17%	4504

- 1 Where are the major global markets?
- 2 Who are the major exporting countries?
- 3 Who are the key firms in New Zealand?
- 4 Where do New Zealand's exports go?

Qualitative

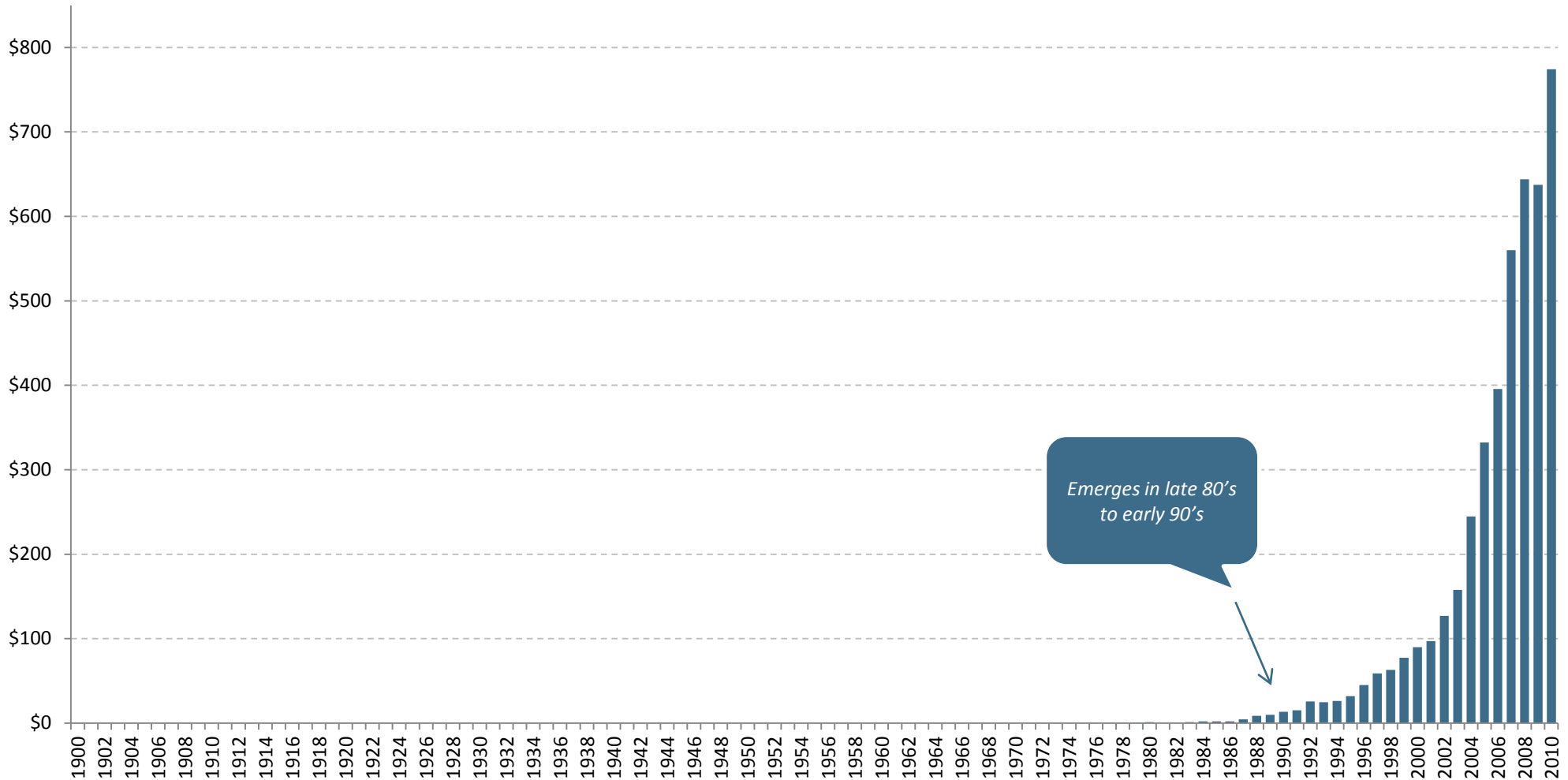
CHERRIES [080920] QUALITATIVE			
Qualitative Scorecard Global	Market structure and situation Global	Nature of challenge	
		Layered existing NZ factors	Potential sources of value creation
Large global market	Russia, Canada and HK all have over 10% of the import share of chomics and growing at very strong rates	Low/no in season imports; minor quantities from US only off season	Chomics to Japan
Strongly growing demand	2/3 global export supply from 3 countries (USA, Chile & Turkey)	Capabilities of plant & food and other CM's to research factors increase quality of fruit	Targeting high value markets (e.g. Taiwan, China, Hong Kong)
Asian opportunity	Chile has significant production and is significantly increasing both cherry yield and will in future	Orchard management skills and cool chain management capabilities	Increasing marketing and promotion in key markets
Premium for quality	Russia, Canada and Taiwan also a significant importer from Tasmania, Chile and NZ		Linking sector/industry co-operation to increase ability to invest in R&D expansion, research, PM technology
Rich countries do it			Invest research that adds to consumer appeal (e.g. taste/flavour, firmness, size)
Capital intensive			
New Zealand		Challenges/limitations to growth	
Large # of firms	Introduced by settlers in early 19th Century	High cost of production	Continued market access to target high value markets (e.g. China)
Required skills	Central Otago exports 90% of the chomics from NZ	Increased recent supply of Chilean chomics; puts pressure on NZ premium as their export volume increases	Japan
Leverage country image	In the 2010/11 season 58% of chomics were exported; export product no longer premium	Investment in breeding etc.	China
Ability to differentiate	The industry is crowded with most key growers also packing fresh chomics	Investment from North America into Chile	South Korea
Strong trade access	NZ competes with uno, uno player, and Australia for the southern hemisphere supply of chomics; Chile export 20x the value, but NZ receives a 100% premium	Variable quality between growers	
Overall	NZ supplies chomics primarily to semi-tropical Asian countries	Very weather dependent crop	

- 5 What is the structure of the global market?
- 6 How is the New Zealand market structured?
- 7 What does New Zealand have to work with?
- 8 What are the challenges facing the sector?

STAGE II – WINE EXAMPLE

The New Zealand wine industry emerged from nothing – around the late 80’s to early 90’s – to become one of the country’s largest exports; conceptually this project is looking for “the next wine industry”

Value of New Zealand wine exports
(US\$m; 1900-2010)



STAGE II – QUALITATIVE CRITERIA DEVELOPMENT

The characteristics of the New Zealand wine industry circa 1990 were identified and used to develop the qualitative scorecard; “Asian opportunity” was added to reflect the changing world market

Criteria based on the wine industry
(model)

Characteristics of the wine industry circa 1990 that allowed New Zealand to succeed	Qualitative criteria to scorecard
<ul style="list-style-type: none"> - A large and growing global market for wine - Driven by strong and growing consumer demand 	<ul style="list-style-type: none"> - Large global market - Strongly growing demand
<ul style="list-style-type: none"> - Key markets are rich countries (e.g. USA, UK, Europe) - A substantial premium for quality can be achieved 	<ul style="list-style-type: none"> - Premium for quality
<ul style="list-style-type: none"> - Key producers are rich countries (e.g. France, Italy, Spain) 	<ul style="list-style-type: none"> - Rich countries do it
<ul style="list-style-type: none"> - Not an in-and-out product with low barriers to entry - The amount and term of investment required creates a barrier to entry 	<ul style="list-style-type: none"> - Capital intensive
<ul style="list-style-type: none"> - Large number of firms competing across a range of sizes (not dominated by one or two firms) 	<ul style="list-style-type: none"> - Large # of firms
<ul style="list-style-type: none"> - New production methods and technologies (“New World Wine”) - Immigrants to New Zealand bringing required skills 	<ul style="list-style-type: none"> - Required skills
<ul style="list-style-type: none"> - Country of origin of wine integral part of product marketing - Acceptance of new brands/new products in key markets 	<ul style="list-style-type: none"> - Leverage country image
<ul style="list-style-type: none"> - Wide variation in wine varieties and styles demanded and accepted by consumers - Identification of a wine (Sauvignon Blanc) where New Zealand could deliver a unique/differentiated product 	<ul style="list-style-type: none"> - Able to differentiate
<ul style="list-style-type: none"> - Low tariff access into key markets 	<ul style="list-style-type: none"> - Trade access

See Appendix 1 for details of screen

Qualitative Scorecard Global	
Large global market	●
Strongly growing demand	●
Asian opportunity	●
Premium for quality	●
Rich countries do it	●
Capital Intensive	●
New Zealand	
Large # of firms	●
Required skills	●
Leverage country image	●
Able to differentiate	●
Trade Access	●

STAGE II – PRELIMINARY RESULTS

From these 25 categories, the preliminary results of the screen highlight the opportunities for growth in salmon, spirits and honey; a wide range of additional opportunities were also highlighted in the process

Stage II screen results summary matrix: quantitative vs. qualitative
(2011)

See Appendix 1 (p32+) for two page profiles and details of screen of all 25 categories

		Possible size of the prize (Exports 2025 with effort and luck)		
		Under US\$100m	US\$100-200m	US\$300m+
Results from qualitative attractiveness scorecard	High ●	Cherries	Honey	Salmon Spirits
	Medium ◐	Jams & Jellies Capsicum Peas, froz/dry	Chocolate Frozen French Fries Beer Alc. Cider Avocados Berries	Biscuits Pet food
	Low ○	Shelled beans Fruit Juice, other Water, unsweetened Frozen chicken Sugar	Sugar Confectionery Soups & broths Fresh onions Prep fish Beef jerky	-

These 5 removed and the new total is 20 categories

STAGE II – RESULTS

Stage II identified a total of 20 well placed emerging growth opportunities in New Zealand’s F&B exports which the screen ranked as “good, better and best”

Results of stage II screen
(ranking)

See Appendix 1 (p32+) for
two page profiles and
details of screen
of all 20 categories

Good

Jams & jellies
Capsicum
Peas, frozen & dried
Sugar confectionery
Soups & broths
Fresh onions
Prepared fish
Beef jerky

Better

Chocolate
Frozen french fries
Beer
Alcoholic cider
Avocados
Berries

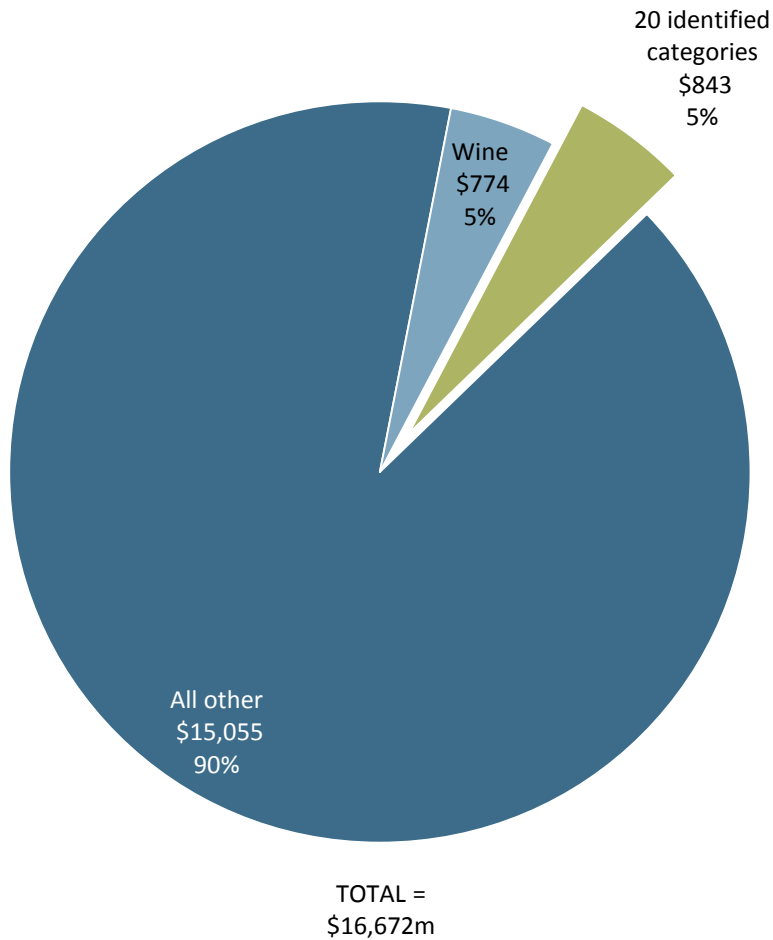
Best

Salmon
Honey
Spirits
Biscuits
Pet food
Cherries

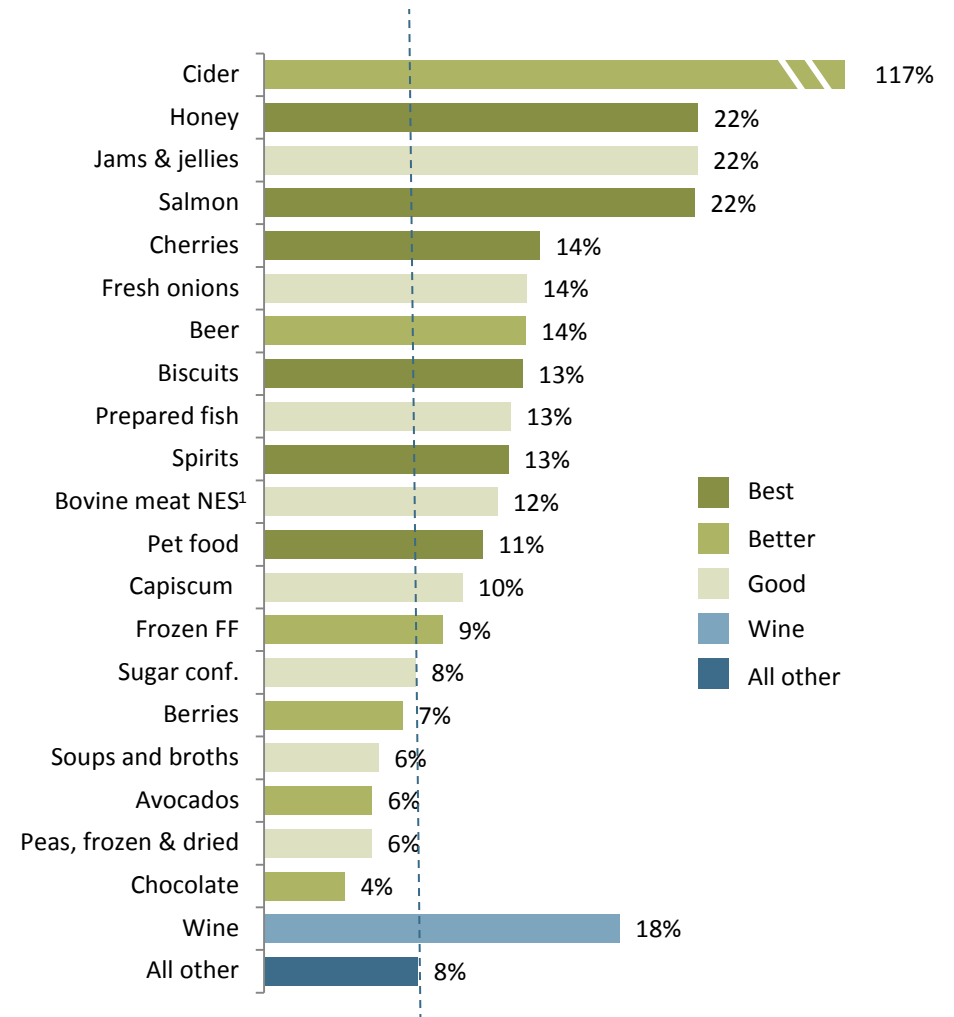
STAGE II – RESULTS SCALED

In aggregate the 20 identified categories have larger exports than the wine industry; and most of these categories are growing faster than all other F&B exports

Size of twenty identified categories relative to total NZ F&B exports (US\$m; 2010)



Rate of growth (CAGR*) of export value over past five years (CAGR; US\$; 2005-2010)



STAGE II – FOREIGN/PRIVATE EQUITY INVESTMENT

Most (17/20) of the identified growth segments have already attracted foreign and/or private equity investment indicating we are not alone in thinking they present strong opportunities for growth

Identified foreign and private equity investment in firms in Stage II categories
(presence; 12/2011 or as available)

Category	Identified foreign and private equity investment in firms in the sector
Salmon	NZKS (51% RH Group/Malaysia; 13% Direct Capital/NZ)
Honey	Cerebos (attempted takeover by Suntory/Japan via Cerebos/Singapore)
Spirits	42 Below (Bacardi/Bermuda); Independent (Asahi/Japan)
Biscuits	Griffins (PEP/Australia)
Pet food	Watties (Heinz/USA); Nestle NZ (Nestle/Swiss); Mars NZ (Mars/USA)
Chocolate	Cadbury NZ (Kraft/USA via Cadbury/UK)
Frozen french fries	Watties (Heinz/USA); McCain NZ (McCain/Canada); Simplot NZ (Simplot/USA)
Beer	Lion (Kirin/Japan); DB Breweries (Heineken/Dutch; F&N/Singapore); Independent (Asahi/Japan)
Alcoholic cider	Lion (Kirin/Japan); DB Breweries (Heineken/Dutch; F&N/Singapore)
Avocados	Seeka (19% Fresh MD/Japan)
Jams & Jellies	Watties (Heinz/USA)
Capsicums	Southern Paprika (55% Levarht/Dutch)
Peas, frozen & dried	Watties (Heinz/USA)
Soups & broths	Watties (Heinz/USA)
Prepared fish	Sealord (50% Nissui/Japan)
Beef jerky	Jack Link's NZ (Jack Link's/USA)

There is an obvious “chicken or the egg” problem here; did growth drive investment or investment drive growth

From our research it appears to be a combination of both

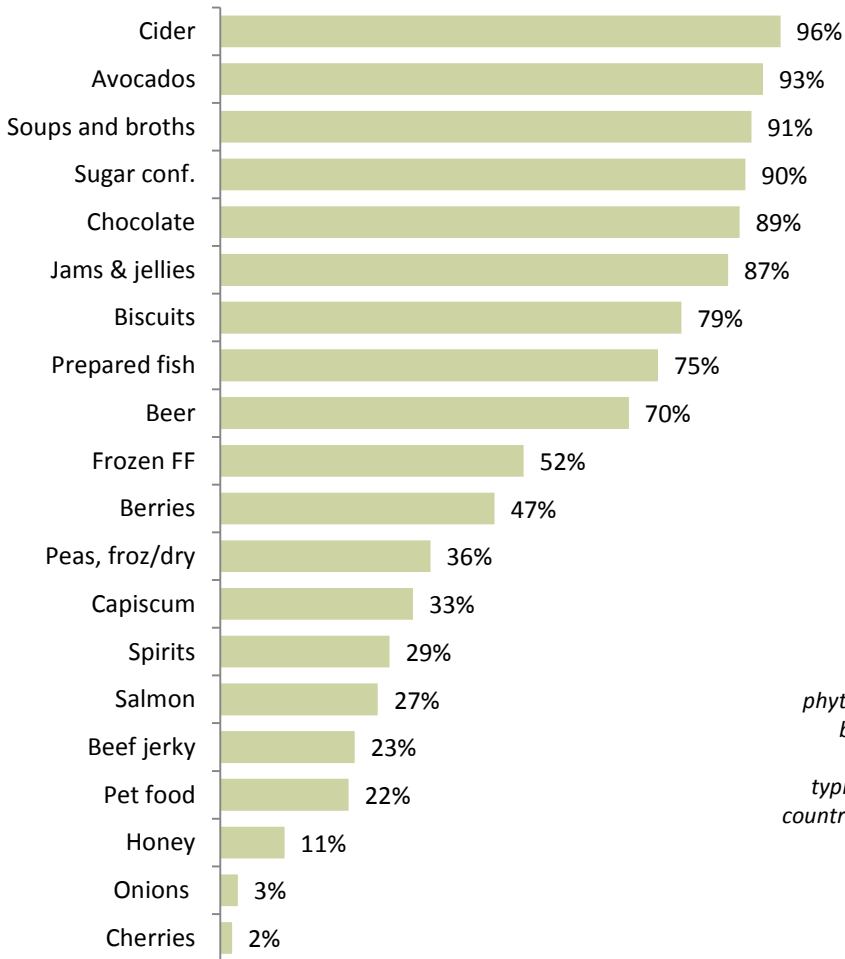
None identified

Cherries
Berries
Fresh onions

STAGE II – ROLE OF AUSTRALIA AND IMPORTS

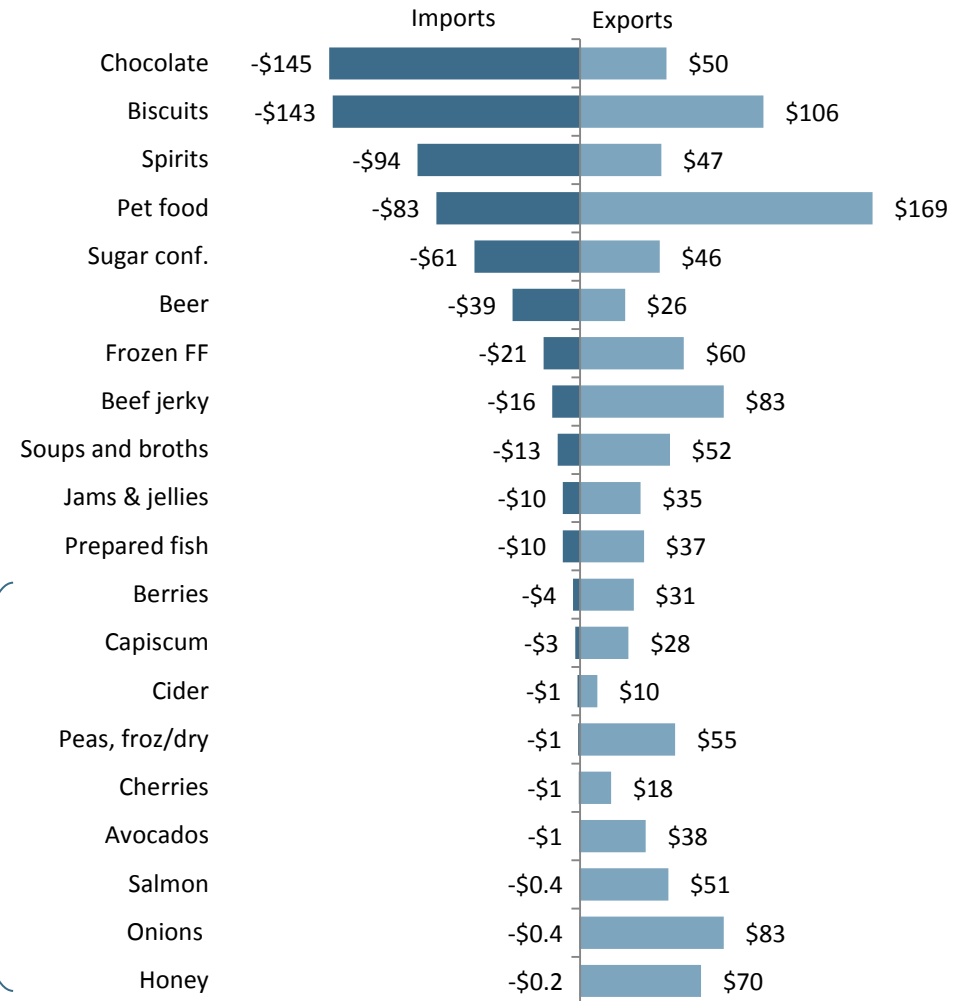
Australia plays a major role for many of the identified categories; categories range in their exposure to competition from imports

Australia as a percent of total export value
(% of US\$; 2010)



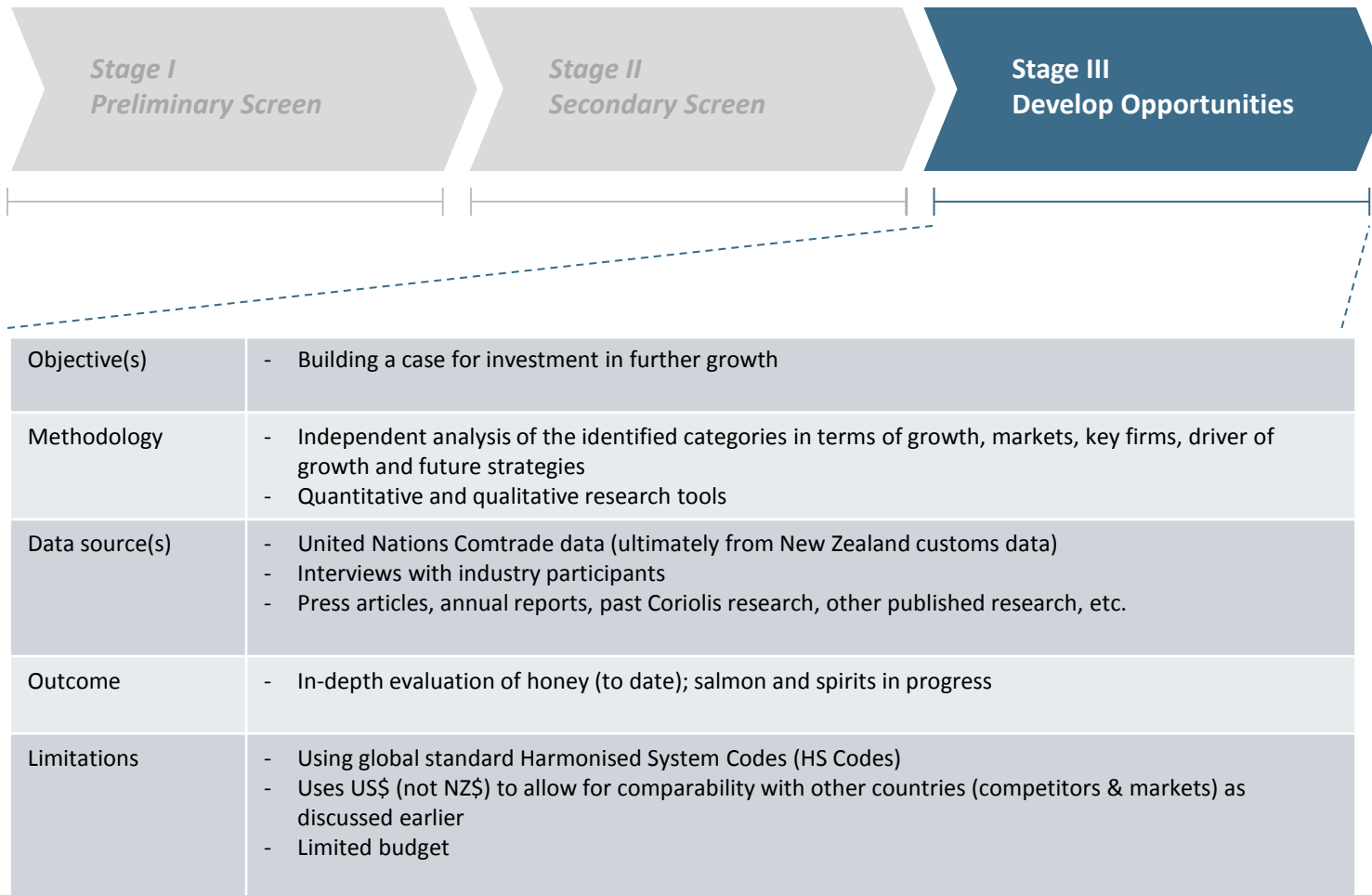
Often
phytosanitary
barriers in
place; AU
typically only
country allowed
into NZ

Value of NZ imports vs. exports of select categories
(US\$; 2010)



STAGE III – OVERVIEW

Stage III builds a case for investment in further growth in some of the “best” identified high potential emerging growth opportunities



STAGE III – REPORTING TO DATE

Three of the identified high growth potential emerging opportunities have been developed in detail: salmon, honey and spirits; see [related reports](#) for details

	Category	Outcome
Best	Salmon	Evaluated; see separate salmon report
	Honey	Evaluated; see separate honey report
	Spirits	Evaluated; see separate spirits report
	Biscuits	} <i>Potential further/ future analysis</i>
	Pet food	
	Cherries	
Better	Chocolate	
Frozen French Fries		
Beer		
Alcoholic Cider		
Avocados		
Berries		

STAGE III – SUMMARY

Of the three Stage III categories analysed in detail to-date, honey and spirits stand out as presenting the best investment opportunities; salmon has hypothetical potential

	Spirits	Honey	Salmon
Clear opportunities for constant and on-going long-term growth going forward	●	◐	○
Opportunities for...			
- Small investors & entrepreneurs	●	◑	○
- Mid-sized investors/venture capital	◐	●	◑
- Large investors/Private equity	◑	●	◐
- Global firms	◑	◐	●
Government...			
- Can help?	◐	●	●

STAGE III – S-CURVE

There is no one-size-fits-all opportunity for investors; these different categories are at different points in their lifecycle and therefore require different approaches

Proposed “S-Curve” positioning of three analysed Stage III categories
(model)

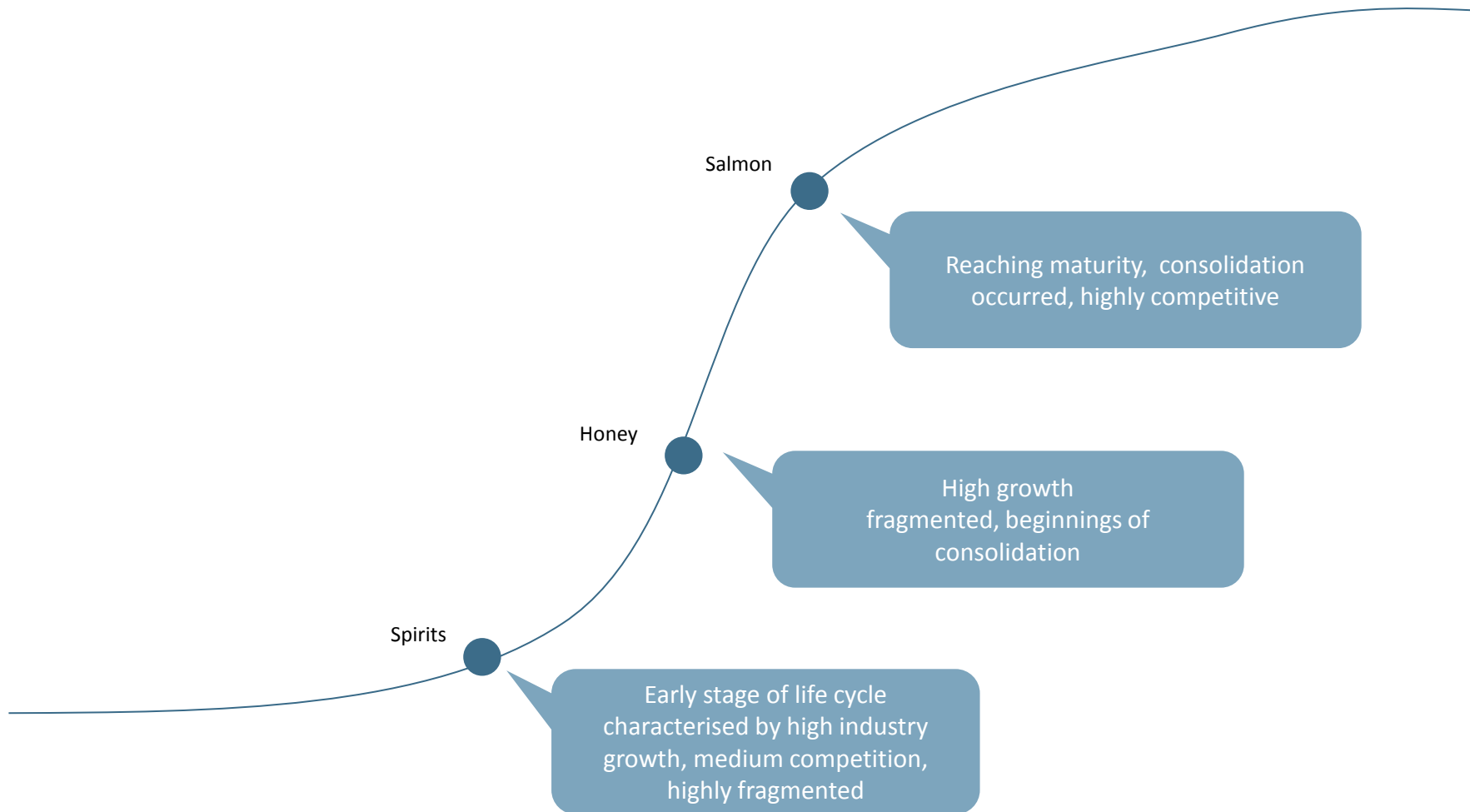




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STAGE II – QUANTITATIVE RESULTS – BASIC FOODSTUFFS*

All categories were screened across a range of quantitative metrics...

Summary of quantitative results for 'basic foodstuffs' categories
(US\$m; 2011)

	Salmon	Chicken, frozen	Honey	Fresh onions	Capsicum	Peas, Fzn/dry	Avocado	Cherries	Berries (x straw)	Beef jerky	Prep Fish	Sugar	Sugar Confect.
Export value (US\$m; 10)													
NZ	\$51	\$15	\$70	\$83	\$28	\$55	\$38	\$18	\$31	\$83	\$37	\$19	\$46
Global	\$9,629	\$10,663	\$1,385	\$3,066	\$3,987	\$1,869	\$1,639	\$1,191	\$3,285	\$1,995	\$4,352	\$13,744	\$7,474
5y CAGR (US\$; 05-10)													
NZ	22%	37%	22%	14%	10%	6%	6%	14%	7%	12%	13%	22%	8%
Global	15%	11%	15%	16%	8%	12%	11%	14%	15%	3%	6%	11%	7%
Absolute 5y growth (05-10)													
NZ	+\$32	+\$12	+\$45	+\$39	+\$11	+\$13	+\$9	+\$9	+\$9	+\$36	+\$17	+\$12	+\$14
Global	+\$4,892	+\$4,314	+\$683	+\$1,601	+\$1,305	+\$791	+\$538	+\$561	+\$1,628	+\$301	+\$1,083	+\$5,482	+\$2,144
\$/kg or l (US\$; 10)													
NZ	\$7.99	\$4.29	\$10.67	\$0.47	\$4.69	\$1.17	\$3.67	\$11.31	\$6.81	\$7.31	\$4.56	\$0.75	\$4.56
Global	\$6.02	\$1.38	\$3.17	\$0.45	\$1.60	\$0.38	\$1.34	\$3.75	\$1.40	\$4.10	\$4.25	\$0.58	\$2.37
Global share of trade													
Top 3 importers	38%	40%	48%	27%	50%	43%	58%	37%	39%	39%	40%	23%	33%
Top 3 exporters	63%	68%	34%	44%	62%	61%	62%	67%	33%	45%	53%	44%	25%
New Zealand	1%	0.1%	5%	3%	1%	3%	3%	2%	0.9%	4%	0.9%	0.1%	0.6%
Possible size of the prize	\$500-700	\$50-150	\$150-200	\$100-200	\$50-75	\$70-100	\$150-200	\$30-100	\$100-150	\$100-200	\$100-150	\$30-50	\$150-200

STAGE II – QUANTITATIVE RESULTS – PROCESSED FOODS

...resulting in a total potential size of the prize of between US\$3.5 – 5 billion

Summary of quantitative results for processed foods categories
(US\$m; 2010)

	Chocolate	Biscuits	Frozen Fr. Fries	Shelled Beans Pre	Jams & Jellies	Fruit Juice other	Soups & Broths	Water, unsweet	Beer	Cider, alc.	Spirits	Pet food
Export value (US\$m; 10)												
NZ	\$50	\$106	\$60	\$26	\$35	\$8m	\$52	\$8	\$26	\$10	\$47	\$169
Global	\$16,059	\$21,215	\$4,913	\$461	\$2,073	\$2,099	\$2,101	\$2,599	\$10,790	\$1,083	\$22,970	\$13,830
5y CAGR (US\$; 05-10)												
NZ	4%	13%	9%	4%	22%	19%	6%	23%	14%	117%	13%	11%
Global	10%	8%	10%	12%	9%	8%	6%	2%	6%	16%	8%	12%
Absolute 5y growth (05-10)												
NZ	+\$9	+\$50	+\$21	+\$4	+\$23	+\$9m	+\$13	+\$5	+\$12	+\$10	+\$21	+\$70
Global	+\$6,115	+\$7,090	+\$1,885	+\$194	+\$729	+\$680	+\$567	+\$282	+\$2,620	+\$560	+\$7,078	+\$5,187
\$/kg or l (US\$; 10)												
NZ	\$7.42	\$3.34	\$0.88	\$1.33	\$3.43	\$2.48	\$1.82	\$0.55	\$0.72	\$1.96	\$10.54	\$0.93
Global	\$4.98	\$2.85	\$0.89	\$0.90	\$1.68	\$1.13	\$2.64	\$0.00 ¹	\$0.96	\$1.48	\$6.72	\$1.29
Global share of trade												
Top 3 importers	26%	30%	32%	36%	29%	34%	34%	41%	50%	46%	38%	30%
Top 3 exporters	33%	30%	63%	59%	31%	26%	29%	61%	46%	40%	52%	33%
New Zealand	0.3%	0.5%	1%	6%	2%	0.7%	2%	0.3%	0.2%	2%	0.2%	1%
Possible size of the prize	\$200-300	\$300+	\$200-300	\$0-50	\$50-100	\$50-80	\$100-150	\$40-50	\$100+	\$50-200+	\$300+	\$500+

Total
\$3.5-
\$5b

STAGE II – QUALITATIVE RESULTS – BASIC FOODSTUFFS

All categories were also screened across a range of more qualitative metrics...

Summary of qualitative results for basic foodstuffs categories
(2011)

	Salmon	Chicken, frozen	Honey	Fresh onions	Capiscum	Peas, Fzn/dry	Avocado	Cherries	Berries (x straw)	Beef jerky	Prep Fish	Sugar
Large global market	●	●	○	◐	◐	◐	◐	○	◐	○	◐	●
Strongly growing demand	●	●	●	●	◐	●	●	●	●	○	○	●
Asian opportunity	●	●	◐	◐	◐	◐	◐	●	◐	◐	◐	○
Premium for quality	●	○	●	○	◐	○	●	●	◐	○	○	○
Rich countries do it	●	◐	◐	◐	●	●	●	◐	◐	◐	◐	◐
Capital intensive	●	◐	○	○	◐	◐	◐	◐	○	◐	◐	◐
Large # of firms	○	○	●	◐	◐	○	●	◐	●	○	◐	○
Required skills	●	●	●	○	◐	◐	●	◐	●	◐	○	○
Leverage country image	●	◐	●	○	●	○	●	●	●	◐	○	○
Able to differentiate	●	◐	●	○	○	○	○	◐	◐	○	○	○
Strong trade access	◐	○	◐	●	◐	●	◐	◐	◐	○	◐	○
Overall	●	○	●	○	◐	◐	◐	●	◐	○	○	○

STAGE II – QUALITATIVE RESULTS – PROCESSED FOODS

... continued

Summary of qualitative results for processed foods categories
(US\$m; 2011)

	Sugar Confect.	Chocolate	Biscuits	Frozen Fr. Fries	Shelled Beans Pre	Jams & Jellies	Fruit Juice other	Soups & Broths	Water, unsweet	Beer	Cider, alc.	Spirits	Pet food
Large global market	●	●	●	◐	○	◐	◐	◐	◐	●	○	●	●
Strongly growing demand	◐	●	◐	●	●	◐	◐	○	○	○	●	◐	●
Asian opportunity	○	◐	◐	●	◐	◐	●	◐	◐	○	◐	◐	●
Premium for quality	◐	●	◐	○	○	◐	◐	◐	●	◐	◐	●	○
Rich countries do it	●	●	●	●	●	●	●	●	●	●	●	●	●
Capital intensive	●	●	●	◐	○	●	○	●	◐	●	◐	●	●
Large # of firms	○	○	○	○	○	○	○	○	○	●	○	◐	○
Required skills	◐	○	◐	◐	◐	◐	○	○	○	●	◐	◐	◐
Leverage country image	○	◐	○	○	○	◐	○	○	●	●	●	●	○
Able to differentiate	◐	◐	◐	○	○	◐	○	○	○	◐	●	●	○
Strong trade access	○	○	◐	◐	●	○	○	○	●	○	◐	○	◐
Overall	○	◐	◐	◐	○	◐	○	○	○	◐	◐	●	◐

Quantitative Scorecard	Global market						Key NZ metrics		Value	5y CAGR		
	Major importing countries								2010	(05-10)		
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# of producers (#)	8	N/A			
- NZ \$51m	Sweden	19%	\$1,763	24%	\$1,160	\$6.28	# of farms	16	TBD			
	Japan	10%	\$929	4%	\$178	\$6.27	# of hectare marine space	100	N/A			
- Global \$9,629m	France	9%	\$835	13%	\$384	\$6.81	# employed in processing	~600 (est)	N/A			
	USA	8%	\$746	12%	\$332	\$7.12						
5y CAGR (US\$; 05-10)	Germany	8%	\$728	10%	\$278	\$8.81						
- NZ 22%	Poland	6%	\$595	32%	\$449	\$6.46						
	China	6%	\$583	20%	\$353	\$3.37						
- Global 15%	Russian Federation	5%	\$488	40%	\$397	\$6.40						
	Denmark	4%	\$345	7%	\$95	\$6.40						
Absolute 5y growth (05-10)	Italy	4%	\$330	14%	\$161	\$9.72						
- NZ +\$32m	Spain	3%	\$256	10%	\$94	\$6.26						
	United Kingdom	2%	\$203	14%	\$97	\$6.70						
- Global +\$4,892m	Brazil	2%	\$173	38%	\$139	\$6.96						
	Other	15%	\$1,440	19%	\$837	\$5.97						
	World		\$9,413	16%	\$4,953	\$6.25						
	Major exporting countries						New Zealand exports by destination					
\$/kg (US\$; 10)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)
- NZ \$7.99	Norway	40%	\$3,877	19%	\$2,272	\$6.25	Japan	38%	\$20	14%	\$9	\$7.26
- Global \$6.02	Sweden	17%	\$1,624	24%	\$1,060	\$6.25	Australia	27%	\$14	27%	\$10	\$8.92
	Chile	7%	\$640	13%	\$289	\$5.77	USA	12%	\$6	23%	\$4	\$9.18
Global share of trade:	USA	6%	\$581	7%	\$170	\$3.73	Taiwan	8%	\$4	62%	\$4	\$6.08
- Top 3 importers 38%	Canada	6%	\$555	7%	\$156	\$6.26	Hong Kong SAR	4%	\$2	57%	\$2	\$10.75
	United Kingdom	5%	\$502	14%	\$241	\$7.51	Singapore	2%	\$1	63%	\$1	\$12.02
- Top 3 exporters 63%	Poland	5%	\$482	22%	\$300	\$14.71	Malaysia	2%	\$1	56%	\$1	\$7.23
	Germany	3%	\$256	4%	\$43	\$7.90	Thailand	1%	\$1	N/A	\$1	\$8.35
- New Zealand 1%	Denmark	2%	\$235	-1%	-\$18	\$9.62	Other	6%	\$3	21%	\$2	\$8.66
	Japan	2%	\$202	9%	\$70	\$3.15	World		\$51	22%	\$32	\$7.99
	Russian Federation	2%	\$197	13%	\$91	\$2.71						
	France	1%	\$101	9%	\$36	\$12.70	New Zealand imports					
Possible size of the prize	Netherlands	1%	\$64	25%	\$43	\$8.92						
\$500-700m	Other	3%	\$313	13%	\$140	\$5.77						
	World		\$9,629	15%	\$4,892	\$6.02						
							Total (only Australia)					
								\$0.4	90%	+\$0	\$17.05	

Qualitative Scorecard Global	Market structure and situation Global	Nature of challenge	
		Leveragable existing NZ factors	Potential sources of value creation
Large global market ●	- Salmon both wild catch and aquaculture; growth is in aquaculture	- New Zealand effectively only farm producer of Pacific Salmon which receives a price premium (limited global supply)	- Value added (e.g. smoked)
Strongly growing demand ●	- Global salmon aquaculture has consolidated one key farmed species (Atlantic Salmon) due to productivity		- Premium for fresh - innovation key element in packaging and processing to enable fresh product to reach market
Asian opportunity ●	- Highly consolidated; the most consolidated protein globally. Top 10 companies are 63% of global production (aquaculture)		
Premium for quality ●	- Aquaculture concentrated in Norway and Chile		
Rich countries do it ●	- Clear economies of scale		
Capital Intensive ●	- Recent price increases due to disease in the Chilean stock		
New Zealand	New Zealand	Challenges/limitations to growth	Potential role for government
Large # of firms ○	- Various salmon species introduced by Government in late 19 th Century	- Pacific Salmon not as productive as Atlantic	- Streamlining consent process to ensure space available and a stable business environment
Required skills ●	- Industry emerged in NZ in the 1970s; a period of consolidation over the years has left two main players NZ King Salmon and Sanford, plus a number of small niche players; NZ farms Pacific Salmon	- NZ price while maintaining a premium is driven by the world price	- Attract further investment by any top 30 global salmon producer
Leverage country image ●	- Largest return for area used compared with other aquaculture species	- Emergence of new regions in Russia, Northern China and Northern Korea	- Marine Harvest (Nor.; global #1)
Able to differentiate ●	- Almost no imports of fresh salmon into NZ (for unclear reasons)	- Pacific Salmon highly susceptible to disease if it arrives	- Leroy (Norway; global #2)
Trade Access ○	- NZ exports to Japan , Australia , and the USA; NZ is effectively the exclusive importer into Australia of fresh salmon		- Cermaq (Norway; global #3)
Overall ●			- SalMar (Norway; global #4)
			- Greig; (Norway; global #6)
			- Update available Atlantic Salmon genetics in country to new, improved Norwegian genetics

Quantitative Scorecard	Global market						Key NZ metrics		Value	10y CAGR		
	Major importing countries							2010	(00-10)			
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# of poultry farm enterprises	215	TBD			
- NZ \$15m	Hong Kong SAR	17%	\$1,468	29%	\$1,049	\$1.50	Poultry meat production (t; 000)	136	TBD			
- Global \$10,663m	Japan	12%	\$1,082	5%	\$244	\$2.60	# of large chicken processing plants	7	TBD			
	China	11%	\$919	23%	\$596	\$1.78	# poultry enterprises	26	-1%			
	Russian Federation	9%	\$749	2%	\$57	\$1.28	# of people employed	3,350	3%			
5y CAGR (US\$; 05-10)	United Kingdom	5%	\$469	-5%	-\$140	\$4.01						
- NZ 37%	France	3%	\$303	12%	\$134	\$2.47						
- Global 11%	Netherlands	3%	\$271	-1%	-\$20	\$1.33						
	Germany	3%	\$269	-2%	-\$25	\$2.41						
	Mexico	2%	\$209	8%	\$66	\$1.06						
	Saudi Arabia	2%	\$183	39%	\$148	\$2.50						
Absolute 5y growth (05-10)	Singapore	2%	\$175	10%	\$67	\$2.04						
- NZ +\$12m	Ukraine	2%	\$159	21%	\$97	\$1.12						
- Global +\$4,314m	Rep. of Korea	2%	\$159	14%	\$78	\$1.73						
	Other	26%	\$2,268	6%	\$536	\$1.49						
	World		\$8,682	8%	\$2,886	\$1.68						
	Major exporting countries						New Zealand exports by destination					
\$/kg (US\$; 10)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)
- NZ \$4.29	Brazil	33%	\$3,531	10%	\$1,296	\$1.79	Australia	78%	\$12	N/A	\$12	\$8.97
- Global \$1.38	USA	27%	\$2,851	9%	\$1,009	\$1.01	Fiji	10%	\$1	-7%	-\$1	\$1.34
	Netherlands	8%	\$902	8%	\$293	\$1.68	Cook Isds	4%	\$1	-1%	-\$0	\$2.81
Global share of trade:	Hong Kong SAR	8%	\$844	40%	\$688	\$1.17	Papua New Guinea	4%	\$1	94%	\$1	\$1.32
- Top 3 importers 40%	Poland	2%	\$208	18%	\$116	\$1.44	Hong Kong SAR	1%	\$0	N/A	\$0	\$0.87
- Top 3 exporters 68%	China	2%	\$198	14%	\$96	\$1.99	Other	3%	\$1	2%	\$0	\$2.16
- New Zealand 0.1%	Germany	2%	\$190	-1%	-\$13	\$1.24	World	100%	\$15	37%	\$12	\$4.29
	United Kingdom	2%	\$179	1%	\$12	\$1.51						
	Denmark	2%	\$179	-1%	-\$9	\$2.07						
	Argentina	2%	\$168	22%	\$105	\$1.50						
	Chile	2%	\$168	10%	\$65	\$2.32						
	Canada	2%	\$161	14%	\$78	\$1.36						
	Belgium	1%	\$156	7%	\$44	\$1.25						
	Other	9%	\$930	19%	\$535	\$1.48						
	World		\$10,663	11%	\$4,314	\$1.38						
Possible size of the prize \$50-150m							New Zealand imports					
							<i>None allowed</i>					

Qualitative Scorecard Global	Market structure and situation Global	Nature of challenge	
		Leveragable existing NZ factors	Potential sources of value creation
<p>Large global market ●</p> <p>Strongly growing demand ●</p> <p>Asian opportunity ●</p> <p>Premium for quality ○</p> <p>Rich countries do it ◐</p> <p>Capital Intensive ◐</p>	<ul style="list-style-type: none"> - Large players globally, consolidated market - Requires: low cost labour, ready source of grain, large factories, facilities - Single global production system for chicken being executed by all players - Strong economies of scale; large plants with lower costs - Battle of Brazil vs. USA - Disease outbreaks play a major part in the demand and supply of chicken globally 	<ul style="list-style-type: none"> - Innovative new products (e.g. chicken bacon) - NZ is a main protein supplier into Asia with an existing reputation - Biosecure domestic market - Unique access into biosecurity protected Australian market 	<ul style="list-style-type: none"> - High end value added chicken products (e.g. chicken bacon)
New Zealand	New Zealand	Challenges/limitations to growth	Potential role for government
<p>Large # of firms ○</p> <p>Required skills ●</p> <p>Leverage country image ◐</p> <p>Able to differentiate ◐</p> <p>Trade Access ○</p> <p>Overall ○</p>	<ul style="list-style-type: none"> - Chicken introduced to country by early whalers - Primarily a duopoly; Tegel and Inghams - Only export into Australia and Japan, this is cooked product only - NZ has very few bird diseases and is not in the flight path of migratory birds, limiting exposure to disease (exception are the Godwits) 	<ul style="list-style-type: none"> - New Zealand is not a low cost producer of grains - No ready source of low cost labour compared to for example Mexico - Further growth in niche possible; ability to transition to scale unclear 	<ul style="list-style-type: none"> - Negotiate with governments to access other biosecurity protected markets













Quantitative Scorecard	Global market						Key NZ metrics		Value 2010	5y CAGR (05-10)		
	Major importing countries											
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# of registered producers (#)		~600	TBD		
- NZ \$70m	USA	21%	\$305	17%	\$166	\$2.67	Production (t)		12,553	TBD		
- Global \$1,385m	Germany	20%	\$289	12%	\$121	\$3.23						
	United Kingdom	7%	\$104	10%	\$41	\$3.31						
	Japan	7%	\$100	12%	\$43	\$2.51						
5y CAGR (US\$; 05-10)	France	6%	\$96	17%	\$52	\$3.78						
- NZ 22%	Italy	4%	\$53	15%	\$27	\$3.67						
- Global 15%	Belgium	3%	\$50	20%	\$30	\$2.30						
	Saudi Arabia	3%	\$48	10%	\$18	\$3.77						
	Spain	3%	\$38	12%	\$16	\$2.15						
Absolute 5y growth (05-10)	Switzerland	2%	\$35	13%	\$16	\$4.46						
- NZ +\$45m	Netherlands	2%	\$33	13%	\$15	\$3.45						
- Global +\$683m	Poland	2%	\$31	30%	\$23	\$2.67						
	Indonesia	2%	\$28	72%	\$27	\$1.83						
	Other	18%	\$259	15%	\$130	\$3.53						
	World		\$1,471	15%	\$726	\$3.03						
	Major exporting countries						New Zealand exports by destination					
\$/kg (US\$; 10)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)
- NZ \$10.67	China	13%	\$183	16%	\$95	\$1.80	United Kingdom	32%	\$23	22%	\$14	\$10.94
- Global \$3.17	Argentina	13%	\$173	6%	\$45	\$3.03	Hong Kong SAR	11%	\$8	36%	\$6	\$11.45
	Germany	8%	\$110	6%	\$30	\$5.35	Australia	11%	\$8	16%	\$4	\$15.45
Global share of trade:	Mexico	6%	\$85	22%	\$53	\$3.20	Japan	10%	\$7	13%	\$3	\$10.65
- Top 3 importers 48%	Spain	6%	\$82	24%	\$54	\$3.79	Singapore	9%	\$7	16%	\$3	\$9.57
- Top 3 exporters 34%	New Zealand	5%	\$70	22%	\$45	\$10.67	Germany	5%	\$4	24%	\$3	\$6.17
- New Zealand 5%	Hungary	4%	\$61	7%	\$18	\$4.39	USA	5%	\$4	26%	\$3	\$14.51
	India	4%	\$56	28%	\$40	\$3.01	Canada	3%	\$2	59%	\$2	\$20.66
	Canada	4%	\$56	18%	\$31	\$3.71	Other	13%	\$9	33%	\$7	\$8.86
	Brazil	4%	\$55	24%	\$36	\$2.95	World	100%	\$70	22%	\$45	\$10.67
	Belgium	4%	\$49	27%	\$34	\$2.66	New Zealand imports					
	Romania	3%	\$42	27%	\$29	\$3.81	Total (only Aus/P.I.)					
Possible size of the prize \$150-200m	Italy	2%	\$31	19%	\$18	\$4.49			\$0.2	55%	+\$0.2	\$6.56
	Other	24%	\$332	13%	\$155	\$3.31						
	World		\$1,385	15%	\$683	\$3.17						

Qualitative Scorecard Global		Market structure and situation Global		Nature of challenge	
				Leveragable existing NZ factors	Potential sources of value creation
Large global market	○	- Honey primarily used as a flavour and a spread globally and secondarily as an industrial flavouring	- Manuka only in New Zealand (& Australia)	- Further development of medicinal products to the medical sector	
Strongly growing demand	●	- China is the largest exporter (primarily as industrial honey)	- Ongoing scientific research into health properties of manuka honey	- Industry consolidation	
Asian opportunity	◐	- Highly fragmented industry globally		- Further research to identify the active ingredients in honey	
Premium for quality	●			- Greater promotion and distribution to Asia	
Rich countries do it	◐				
Capital Intensive	○				
New Zealand		New Zealand		Challenges/limitations to growth	Potential role for government
Large # of firms	●	- Honeybee introduced by early missionaries in 1839	- Identification of active chemical in honey threatens the supply of raw product to the medical sector (e.g. willowbark vs. aspirin)	- Continue R&D investment support for high value medicinal honey (PGP)	
Required skills	●	- Government single desk 1930's-80's (Honey Marketing Authority)	- Disease monitoring and control (e.g. American foulbrood, varroa mite)	- Support generic industry marketing in high value markets	
Leverage country image	●	- NZ receives a substantial premium		- Quality Assurance around standards	
Able to differentiate	●	- Highly fragmented industry – based on private businesses and co-ops		- Continued identification of health and medicinal benefits of honey	
Trade Access	◐	- Strong growth in medicinal based honey products			
		- PGP invests \$1.7m in research for medicinal manuka honey			
Overall	●	- Failed bid for Comvita by Cerebos NZ			

Quantitative Scorecard	Global market						Key NZ metrics		Value	5y CAGR		
	Major importing countries							2010	(05-10)			
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# of growers (#) ^b	97	TBD			
- NZ \$83m	USA	11%	\$288	3%	\$38	\$0.74	Planted area (ha) ^b	5,263	TBD			
	United Kingdom	9%	\$234	12%	\$103	\$0.64	# of exporters (#) ^b	25-30	TBD			
- Global \$3,066m	Russian Federation	7%	\$199	12%	\$85	\$0.34	Production (t) ^a	188,200	TBD			
	Malaysia	7%	\$190	13%	\$87	\$0.41						
5y CAGR (US\$; 05-10)	Germany	6%	\$167	9%	\$61	\$0.68						
- NZ 14%	Japan	6%	\$166	10%	\$65	\$0.49						
	Canada	5%	\$149	13%	\$68	\$0.92						
- Global 16%	Saudi Arabia	5%	\$130	25%	\$87	\$0.41						
	Brazil	4%	\$107	36%	\$85	\$0.45						
Absolute 5y growth (05-10)	Netherlands	3%	\$87	26%	\$59	\$0.55						
- NZ +\$39m	Belgium	3%	\$75	8%	\$24	\$0.61						
	France	3%	\$71	11%	\$29	\$0.68						
- Global +\$1,601m	Sri Lanka	2%	\$65	25%	\$43	\$0.38						
	Other	30%	\$812	15%	\$410	\$0.38						
	World		\$2,738	13%	\$1,243	\$0.47						
	Major exporting countries						New Zealand exports by destination					
\$/kg (US\$; 10)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)
- NZ \$0.47	Netherlands	21%	\$632	24%	\$415	\$0.42	Netherlands	17%	\$14	27%	\$10	\$0.39
- Global \$0.45	India	15%	\$465	25%	\$313	\$0.37	United Kingdom	16%	\$13	3%	\$2	\$0.49
	USA	8%	\$261	12%	\$115	\$0.72	Japan	13%	\$11	0%	-\$0	\$0.50
Global share of trade:	Mexico	8%	\$255	-2%	-\$30	\$0.78	Malaysia	8%	\$7	51%	\$6	\$0.49
- Top 3 importers 27%	China	8%	\$251	16%	\$133	\$0.39	Indonesia	8%	\$6	41%	\$5	\$0.50
	Egypt	8%	\$231	N/A	\$231	\$0.45	Belgium	5%	\$4	2%	\$0	\$0.39
- Top 3 exporters 44%	Spain	4%	\$124	11%	\$52	\$0.55	Fiji	4%	\$4	12%	\$2	\$0.49
	Argentina	3%	\$103	28%	\$73	\$0.42	France	4%	\$3	62%	\$3	\$0.43
- New Zealand 3%	New Zealand	3%	\$83	14%	\$39	\$0.47	Other	25%	\$21	19%	\$12	\$0.51
	France	3%	\$81	12%	\$36	\$0.74	World	100%	\$83	14%	\$39	\$0.47
	Poland	2%	\$60	10%	\$23	\$0.51						
	Germany	2%	\$48	18%	\$27	\$0.53	New Zealand imports					
Possible size of the prize	Iran	2%	\$47	71%	\$44	\$0.35	Total		\$0.4	-5%	-\$0.1	\$0.85
\$100-200m	Other	14%	\$424	8%	\$130	\$0.36						
	World		\$3,066	16%	\$1,601	\$0.45						

Qualitative Scorecard Global		Market structure and situation Global		Nature of challenge	
				Leveragable existing NZ factors	Potential sources of value creation
Large global market	●	<ul style="list-style-type: none"> - Netherlands, India and US are major exporting countries; USA and Mexico receive a premium - Onion industry is highly mechanised with low labour requirements - Consolidation due to needs for economies of scale to develop new varieties, R&D 	<ul style="list-style-type: none"> - Reputation for quality NZ vegetables and fruit - New variety breeding capabilities of Plant and Food Research 	<ul style="list-style-type: none"> - Increase productivity/ha and overall quality to increase volume of Class 1 product - Further processing of onions - Targeting new varieties of onions to differentiate offer and command a premium (e.g. sweeter variety) - Investigate retail branded offer to Asia and key markets - Development of Asian markets - Industry cohesion and consolidation 	
Strongly growing demand	●				
Asian opportunity	●				
Premium for quality	○				
Rich countries do it	●				
Capital Intensive	○				
New Zealand		New Zealand		Challenges/limitations to growth	Potential role for government
Large # of firms	●	<ul style="list-style-type: none"> - Onions introduced to country by early settlers; NZ started exporting onions in the 1960s - NZ exports to a large number of countries in Europe and Japan - NZ's third largest horticultural export crop, exported to 20 countries - Most onions are a bulk commodity item, shipped in bulk and repackaged in Europe (e.g. Netherlands, UK) - Major production in Pukekohe, South of Auckland - New Integrated Pest Management to manage diseases 	<ul style="list-style-type: none"> - Onions globally a commodity with limited country or brand identification - NZ needs economies of scale to reinvest - New variety, breeding lines and seeds research currently offshore; NZ does not have the capital to invest - NZ limited sunlight hours per annum compared to competition in USA and Mexico - EU growers subsidised 	<ul style="list-style-type: none"> - Tariff reductions into EU (currently 9.6%) - Ensure quality standards for NZ products 	
Required skills	○				
Leverage country image	○				
Able to differentiate	○				
Trade Access	●				
Overall	●				

Quantitative Scorecard	Global market						Key NZ metrics				Value 2010	5y CAGR (05-10)
	Major importing countries											
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# of growers (#) ^a				133 (09)	TBD
- NZ \$28m	USA	24%	\$993	6%	\$240	\$1.30	Planted area (ha) ^a				87	TBD
- Global \$3,987m	Germany	18%	\$759	6%	\$198	\$2.29	Crop volume (t) ^a				11,500	TBD
5y CAGR (US\$; 05-10)	United Kingdom	8%	\$347	4%	\$64	\$2.41						
- NZ 10%	France	6%	\$226	4%	\$41	\$1.82						
- Global 8%	Canada	5%	\$216	8%	\$66	\$1.94						
Absolute 5y growth (05-10)	Netherlands	5%	\$186	6%	\$49	\$1.98						
- NZ +\$11m	Russian Federation	4%	\$164	34%	\$126	\$1.59						
- Global +\$1,305m	Italy	4%	\$154	12%	\$66	\$1.82						
	Japan	3%	\$111	4%	\$20	\$4.27						
	Poland	2%	\$87	20%	\$52	\$2.08						
	Czech Rep.	2%	\$80	9%	\$28	\$1.62						
	Sweden	2%	\$78	5%	\$16	\$2.27						
	Denmark	2%	\$71	11%	\$28	\$2.33						
	Other	15%	\$634	12%	\$273	\$1.41						
	World		\$4,108	8%	\$1,266	\$1.72						
	Major exporting countries						New Zealand exports by destination					
\$/kg (US\$; 10)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)
- NZ \$4.69	Netherlands	27%	\$1,094	7%	\$313	\$2.54	Japan	65%	\$18	14%	\$9	\$4.81
- Global \$1.60	Spain	20%	\$786	6%	\$196	\$1.76	Australia	33%	\$9	4%	\$2	\$4.58
Global share of trade:	Mexico	15%	\$608	0%	\$9	\$0.94	Canada	1%	\$0	N/A	\$0	\$2.03
- Top 3 importers 50%	Canada	7%	\$260	16%	\$139	\$2.65	French Polynesia	1%	\$0	36%	\$0	\$4.30
- Top 3 exporters 62%	Israel	5%	\$210	N/A	\$210	\$1.43	New Caledonia	0%	\$0	56%	\$0	\$4.03
- New Zealand 1%	USA	5%	\$194	8%	\$62	\$1.81	Other	0%	\$0	-11%	-\$0	\$4.66
	Iran	3%	\$101	96%	\$97	\$1.19	World	100%	\$28	10%	\$11	\$4.69
	Italy	2%	\$72	35%	\$56	\$2.20						
	Turkey	2%	\$69	4%	\$11	\$1.13						
	Rep. of Korea	2%	\$63	2%	\$5	\$3.67						
	France	1%	\$59	-4%	-\$13	\$2.05						
	Belgium	1%	\$53	7%	\$16	\$1.94						
	Morocco	1%	\$52	19%	\$30	\$0.89						
	Other	9%	\$366	14%	\$177	\$1.21						
	World		\$3,987	8%	\$1,308	\$1.60						
Possible size of the prize \$50-75m							New Zealand imports					
							Total		\$2.7	-2%	-\$0.3	\$3.65

Qualitative Scorecard Global	Market structure and situation Global	Nature of challenge	
		Leveragable existing NZ factors	Potential sources of value creation
<p>Large global market </p> <p>Strongly growing demand </p> <p>Asian opportunity </p> <p>Premium for quality </p> <p>Rich countries do it </p> <p>Capital Intensive </p>	<ul style="list-style-type: none"> - Major importers are US and EU - Semi exotic newer vegetable to many markets - A premium vegetable species but with low production rates - Key producers are either hot (e.g. Spain, Mexico) or Hothouse (e.g. Netherlands, Canada) 	<ul style="list-style-type: none"> - Biosecurity limiting imports to only those from Australia & Fiji - Leverage NZ reputation for quality products into new markets - On-farm efficiencies - Low carbon footprint for hothouses 	<ul style="list-style-type: none"> - Access into biosecure markets - Packaging to allow for increased shelf-life
New Zealand	New Zealand	Challenges/limitations to growth	Potential role for government
<p>Large # of firms </p> <p>Required skills </p> <p>Leverage country image </p> <p>Able to differentiate </p> <p>Trade Access </p> <p>Overall </p>	<ul style="list-style-type: none"> - Capsicum introduced by settlers in late 19th Century - NZ is dependent on two markets (Japan and Australia) - NZ gets 3x the global price - Very difficult to export capsicum from NZ due to biosecurity compliance costs - Two key growers (Southern Paprika and NZ Gourmet) account for around ~2/3 of market 	<ul style="list-style-type: none"> - High costs relative to competitors, additional growth is too costly - 98% of share in two markets - Large capital investment required in hot houses; NZ has a high cost structure (in particular compliance costs) - Shelf life limits transportation distances and times 	<ul style="list-style-type: none"> - New market development - Tariff reductions - Ensure quality products and standards to protect key protected markets (e.g. Japan and Australia) - Mechanism to improve compliance efficiencies, streamline processes; and reduce duplication and costs of compliance (e.g. recent JV investment in Mexico by key NZ company as a result of high costs in NZ)

Quantitative Scorecard	Global market						Key NZ metrics		Value 2010	5y CAGR (05-10)																								
	Major importing countries																																	
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# of growers (#) ^c		400	TBD																								
- NZ \$55m	India	26%	\$432	17%	\$236	\$0.68	Planted area (ha) ^c		140,720	TBD																								
- Global \$1,869m	China	11%	\$177	28%	\$125	\$0.32	Crop (t) ^c		59,000	TBD																								
5y CAGR (US\$; 05-10)	Italy	6%	\$96	4%	\$16	\$0.58	<table border="1"> <thead> <tr> <th>Key NZ firms</th> <th>Turnover (NZ\$m; 10)</th> <th>Empl. (#; 10)</th> <th>Ownership</th> </tr> </thead> <tbody> <tr> <td>Heinz Watties (Au)</td> <td>\$783m</td> <td>1,900</td> <td>USA; 2 processing plants</td> </tr> <tr> <td>McCain Foods NZ</td> <td>\$211m</td> <td>500</td> <td>Canada</td> </tr> <tr> <td>Talleys Frozen Foods</td> <td>\$75m</td> <td>500</td> <td>NZ; private</td> </tr> <tr> <td>Cedenco</td> <td>64m (08)</td> <td>130</td> <td></td> </tr> <tr> <td colspan="4">Other smaller processors/producers</td> </tr> </tbody> </table>				Key NZ firms	Turnover (NZ\$m; 10)	Empl. (#; 10)	Ownership	Heinz Watties (Au)	\$783m	1,900	USA; 2 processing plants	McCain Foods NZ	\$211m	500	Canada	Talleys Frozen Foods	\$75m	500	NZ; private	Cedenco	64m (08)	130		Other smaller processors/producers			
Key NZ firms	Turnover (NZ\$m; 10)	Empl. (#; 10)	Ownership																															
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Other smaller processors/producers																																		
- NZ 6%	United Kingdom	4%	\$68	8%	\$21	\$0.81																												
- Global 12%	USA	4%	\$64	7%	\$19	\$0.97																												
	Germany	4%	\$60	10%	\$22	\$0.71																												
	Belgium	4%	\$60	-6%	-\$23	\$0.45																												
	Pakistan	3%	\$56	20%	\$33	\$0.35																												
	Spain	3%	\$45	-25%	-\$138	\$0.36																												
	Japan	2%	\$34	4%	\$7	\$1.30																												
	Netherlands	2%	\$29	-8%	-\$16	\$0.47																												
Absolute 5y growth (05-10)	France	2%	\$27	7%	\$8	\$1.10																												
- NZ +\$13m	Canada	2%	\$25	5%	\$5	\$0.48																												
- Global +\$791m	Other	28%	\$459	6%	\$108	\$0.57																												
	World		\$1,632	6%	\$423	\$0.55																												
\$/kg (US\$; 10)	Major exporting countries						New Zealand exports by destination																											
- NZ \$1.17	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)																						
- Global \$0.38	Canada	42%	\$791	14%	\$375	\$0.28	Australia	36%	\$20	7%	\$6	\$1.17																						
Global share of trade:	USA	12%	\$217	17%	\$119	\$0.40	Japan	10%	\$6	2%	\$0	\$1.15																						
- Top 3 importers 43%	Belgium	7%	\$137	5%	\$31	\$1.10	USA	9%	\$5	-1%	-\$0	\$2.55																						
- Top 3 exporters 61%	France	7%	\$122	1%	\$8	\$0.37	South Africa	5%	\$3	1%	\$0	\$1.06																						
- New Zealand 3%	Australia	3%	\$60	15%	\$30	\$0.31	China	4%	\$2	-3%	-\$0	\$0.57																						
	New Zealand	3%	\$55	6%	\$13	\$1.17	Thailand	3%	\$2	10%	\$1	\$0.95																						
	United Kingdom	3%	\$47	4%	\$8	\$0.85	United Kingdom	3%	\$1	-5%	-\$0	\$1.23																						
	Tanzania	2%	\$46	25%	\$31	\$0.55	Germany	2%	\$1	-2%	-\$0	\$4.90																						
	Ukraine	2%	\$42	11%	\$18	\$0.27	Other	29%	\$16	14%	\$7	\$1.11																						
	Sweden	2%	\$40	5%	\$9	\$0.95	World	100%	\$55	6%	\$13	\$1.17																						
	Russian Federation	2%	\$35	25%	\$23	\$0.23	New Zealand imports																											
	Spain	1%	\$28	31%	\$20	\$0.95																												
	Hungary	1%	\$27	7%	\$8	\$1.03																												
Possible size of the prize \$70-100m	Other	12%	\$221	12%	\$96	\$0.62																												
	World		\$1,869	12%	\$791	\$0.38																												
							Total	\$1	16%	+\$1	\$1.44																							

Qualitative Scorecard Global		Market structure and situation Global		Nature of challenge	
				Leveragable existing NZ factors	Potential sources of value creation
Large global market		<ul style="list-style-type: none"> - Canada and the USA export over 50% of all peas globally; the market is dominated by northern hemisphere export countries - The world export market is growing at a 5 Yr CAGR of 12% 	<ul style="list-style-type: none"> - Science research into new cultivars and pest and disease management - Cropping management skills and systems to ensure high quality products 	<ul style="list-style-type: none"> - Develop NZ as a low cost option for growing and processing vegetables - Extending into high value markets (e.g. USA and Germany) 	
Strongly growing demand					
Asian opportunity					
Premium for quality					
Rich countries do it					
Capital Intensive					
New Zealand		New Zealand		Challenges/limitations to growth	Potential role for government
Large # of firms		<ul style="list-style-type: none"> - Introduced by settlers in early 19th Century - Watties built plant in Christchurch in 1969; largest producer of air dehydrated peas in the world - NZ receives a significant premium for peas but has been growing at a slower pace than the global average - 36% of peas are exported to Australia, followed by Japan and the USA - Peas have a long history in NZ linked to the development of the process vegetable industry - Peas are primarily grown in Canterbury 	<ul style="list-style-type: none"> - Most decisions made out of NZ at head office, NZ often a division of larger business - Limited research and science funding - Increasing volume while maintaining premium - Increasing efficiencies to increase returns to all players 	<ul style="list-style-type: none"> - Maintain and increase access into key markets; FTA's - Maintain NZ position as an easy place to do business - Mechanism to improve compliance efficiencies, streamline processes; and reduce duplication and costs of compliance 	
Required skills					
Leverage country image					
Able to differentiate					
Trade Access					
Overall					

Quantitative Scorecard	Global market						Key NZ metrics		Value	5y CAGR		
	Major importing countries							2010	(05-10)			
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# of growers (#)	1,600	TBD			
- NZ \$38m	USA	38%	\$617	10%	+\$231	\$1.79	Planted area (ha)	5,097	TBD			
	France	11%	\$186	2%	+\$17	\$1.99	# of registered packhouses (#)	20 (09)	TBD			
- Global \$1,455m	Netherlands	9%	\$153	19%	+\$89	\$1.84	# employed in processing	YYY	TBD			
	Japan	7%	\$121	15%	+\$61	\$2.71	# of registered exporters (#)	12 (09)	TBD			
5y CAGR (US\$; 05-10)	Canada	5%	\$80	21%	+\$50	\$2.25						
- NZ 6%	Spain	4%	\$64	18%	+\$35	\$1.94						
	UK	4%	\$63	-4%	-\$16	\$1.80						
- Global 10%	Germany	4%	\$59	12%	+\$26	\$2.18						
	Italy	3%	\$41	46%	+\$34	\$1.65						
Absolute 5y growth (05-10)	Australia	2%	\$34	7%	+\$10	\$3.69						
- NZ +\$9m	Other	14%	\$222	15%	+\$113	\$1.59						
- Global +\$538m	TOTAL	100%	\$1,639	11%	+\$650	\$1.88						
	Major exporting countries						Key NZ firms					
\$/kg (US\$; 10)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	Turnover (NZ\$m; 10)	Empl. (#; 10)	Ownership			
- NZ \$3.67	Mexico	41%	\$594	10%	+\$228	\$1.82	\$44m	51-100	JV with Primor			
- Global \$1.34	Chile	13%	\$185	2%	+\$14	\$1.71	N/A	21-50	JV with Apata			
	Spain	8%	\$114	7%	+\$32	\$2.14	N/A	11-20	Team Avocado			
Global share of trade:	Peru	6%	\$84	29%	+\$61	\$1.42	\$44m	51-100	Kiwi & avocado			
- Top 3 importers 58%	Israel	5%	\$75	5%	+\$17	\$1.02	TBD	TBD				
	USA	3%	\$49	38%	+\$40	\$1.73	TBD	TBD				
- Top 3 exporters 62%	South Africa	3%	\$44	5%	+\$9	\$0.86	TBD	TBD				
	Italy	2%	\$39	112%	+\$38	\$1.62	TBD	TBD				
- New Zealand 3%	New Zealand	3%	\$38	6%	+\$9	\$3.67	TBD	TBD				
	Kenya	2%	\$22	14%	+\$11	\$1.08						
	Other	6%	85\$	0%	+\$0	\$1.66						
Possible size of the prize \$150-250m	TOTAL	100%	\$1,455	10%	+\$538	\$1.34	New Zealand exports by destination					
							Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)
							Australia	93%	\$35	7%	+\$10	\$3.72
							Japan	4%	\$2	-6%	-\$1	\$3.01
							Other	3%	\$1	-6%	-\$0	\$3.24
							TOTAL	100%	\$38m	6%	+\$9m	\$3.67
							New Zealand imports					
							Total (Australia)	\$0.6	8%	+\$0	\$4.45	

Qualitative Scorecard Global		Market structure and situation Global		Nature of challenge	
				Leveragable existing NZ factors	Potential sources of value creation
Large global market		<ul style="list-style-type: none"> - Commercial cultivation developed in California - Key global player is CalAvo (US listed former coop) - Currently relatively minor fruit (0.6% of global consumption) but global per capita consumption growing at 2%/year - Major consumers are primarily major producers (familiarity creating demand for year round supply) - Quality to consumer determined in large part by product damage along total supply chain 	<ul style="list-style-type: none"> - Biosecurity limiting imports to only those from New Zealand - Existing sales and marketing structures for kiwifruit, apples and other fruit - New variety breeding capabilities of Plant & Food and other CRI's - Orchard management skills & systems 	<ul style="list-style-type: none"> - Access through biosecurity barriers into protected Asian markets - Industry consolidation - Superior quality through better cold chain execution 	
Strongly growing demand					
Asian opportunity					
Premium for quality					
Rich countries do it					
Capital Intensive					
New Zealand		New Zealand		Challenges/limitations to growth	Potential role for government
Large # of firms		<ul style="list-style-type: none"> - Introduced into country in 1930's from California - Commercial production for domestic market took off in 1970's - Produced primarily from Gisborne north; BOP and Far North key regions - Packed primarily by kiwifruit packers in off season - Unique access through Australia's biosecurity giving high returns - NZ has a narrow window in the Southern Hemisphere season to itself 	<ul style="list-style-type: none"> - Significant biannual variations in yields - No unique NZ IP controlled/adapted varieties - High return AU market now saturated; need new markets for growth - Struggling to achieve traction outside Australia (likely due to high prices) 	<ul style="list-style-type: none"> - Maintain/improve trade access into biosecurity protected markets - Development of unique high quality IP controlled varieties suitable to NZ conditions - Support generic industry marketing in high value markets - Research into eliminating biannual yielding under NZ conditions 	
Required skills					
Leverage country image					
Able to differentiate					
Trade Access					
Overall					

Quantitative Scorecard	Global market						Key NZ metrics		Value	5y CAGR		
	Major importing countries							2010	(05-10)			
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# of growers (#) ^b	80	TBD			
- NZ \$18m	Russian Federation	14%	\$154	29%	\$111	\$1.98	Planted area (ha) ^b	645 (11)	TBD			
- Global \$1,191m	Canada	12%	\$131	16%	\$68	\$4.80	# of registered packhouses (#) ^b	37 (11)	TBD			
5y CAGR (US\$; 05-10)	Hong Kong SAR	11%	\$124	42%	\$103	\$6.06	# of registered exporters (#) ^b	19 (11)	TBD			
- NZ 14%	Japan	8%	\$94	0%	-\$1	\$8.57	Production (t) ^b	2,200 (11)	TBD			
- Global 14%	Germany	8%	\$89	-3%	-\$12	\$2.29	Key NZ firms					
Absolute 5y growth (05-10)	China	8%	\$89	142%	\$88	\$7.93	Turnover (NZ\$m; 10)	Empl. (#; 10)	Ownership			
- NZ +\$9m	USA	7%	\$83	16%	\$44	\$4.11	45 South Orchards	TBD	350 (PT)	30-40% x cherries, 150ha		
- Global +\$561m	United Kingdom	6%	\$67	-2%	-\$8	\$4.22	Suncrest Orchards	TBD	TBD	Producers		
	Rep. of Korea	3%	\$33	30%	\$24	\$8.70	Le Fresh International	TBD	TBD	Exporters - 45% of export		
	Netherlands	3%	\$31	2%	\$3	\$1.75	<i>Numerous other smaller growers</i>					
	Italy	3%	\$31	6%	\$7	\$3.30						
	Belgium	2%	\$20	6%	\$5	\$2.99						
	Australia	2%	\$19	15%	\$9	\$6.48						
	Other	15%	\$165	11%	\$66	\$2.91						
	World		\$1,131	13%	\$507	\$3.53						
\$/kg (US\$; 10)	Major exporting countries						New Zealand exports by destination					
- NZ \$11.31	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)
- Global \$3.75	USA	30%	\$356	10%	\$135	\$5.54	Taiwan	39%	\$7	7%	\$2	\$11.58
Global share of trade:	Chile	25%	\$301	31%	\$224	\$6.79	Hong Kong SAR	19%	\$3	271%	\$3	\$11.91
- Top 3 importers 37%	Turkey	12%	\$148	10%	\$54	\$2.26	Thailand	13%	\$2	35%	\$2	\$10.98
- Top 3 exporters 67%	Spain	6%	\$68	7%	\$20	\$2.78	Rep. of Korea	10%	\$2	8%	\$1	\$10.49
- New Zealand 2%	Hong Kong SAR	3%	\$34	97%	\$33	\$4.93	Singapore	6%	\$1	52%	\$1	\$12.22
	Canada	2%	\$30	21%	\$18	\$5.70	Other	13%	\$2	0%	-\$0	\$10.35
	Netherlands	2%	\$24	12%	\$10	\$4.17	World	100%	\$18	14%	\$9	\$11.31
	Italy	2%	\$23	-9%	-\$13	\$4.42	New Zealand imports					
	Greece	2%	\$20	21%	\$12	\$2.73						
	France	2%	\$19	-6%	-\$7	\$3.60						
	Hungary	2%	\$19	21%	\$12	\$0.93						
	New Zealand	2%	\$18	14%	\$9	\$11.31						
Possible size of the prize \$30-100m	Australia	1%	\$17	11%	\$7	\$11.84						
	Other	10%	\$114	12%	\$49	\$1.89						
	World		\$1,191	14%	\$561	\$3.75	Total (US only)	\$0.7	17%	+\$0.4	\$7.02	

Qualitative Scorecard Global	Market structure and situation Global	Nature of challenge	
		Leveragable existing NZ factors	Potential sources of value creation
Large global market	<ul style="list-style-type: none"> - Russia, Canada and HK all have over 10% of the import share of cherries and growing at very strong rates 	<ul style="list-style-type: none"> - Low/no in season imports; minor quantities from US only offseason 	<ul style="list-style-type: none"> - Cherries to Japan
Strongly growing demand	<ul style="list-style-type: none"> - 2/3 global export supply from 3 countries (USA, Chile & Turkey) 	<ul style="list-style-type: none"> - Capabilities of Plant & Food and other CRI's to research factors increasing the quality of fruit 	<ul style="list-style-type: none"> - Targeting high value markets (e.g. Taiwan, China, Hong Kong)
Asian opportunity	<ul style="list-style-type: none"> - Chile has significantly increased both its cherry production and fruit quality recently and will significantly impact NZ in the near future 	<ul style="list-style-type: none"> - Orchard management skills and systems 	<ul style="list-style-type: none"> - Increasing marketing and promotion in key markets
Premium for quality	<ul style="list-style-type: none"> - Taiwan also a significant importer from Tasmania, Chile and NZ 	<ul style="list-style-type: none"> - Cool chain management capabilities 	<ul style="list-style-type: none"> - Gaining scale/ industry co-operation to increase ability to reinvest in Packhouse expansion, technology and research
Rich countries do it			<ul style="list-style-type: none"> - Invest research that adds to consumer appeal (e.g. taste/flavour, firmness, size)
Capital Intensive			
New Zealand	New Zealand	Challenges/limitations to growth	Potential role for government
Large # of firms	<ul style="list-style-type: none"> - Introduced by settlers in early 19th Century - Central Otago exports 90% of the cherries from NZ 	<ul style="list-style-type: none"> - High cost of production 	<ul style="list-style-type: none"> - Continued market access to target high value markets (e.g. China) <ul style="list-style-type: none"> - Japan - China - South Korea
Required skills	<ul style="list-style-type: none"> - In the 2010/11 season 58% of cherries were exported; export product received a ~\$4/kilo premium 	<ul style="list-style-type: none"> - Increased recent supply of Chilean cherries; puts pressure on NZ premium as their crops are also going to Asia; this critical mass allows for increased: investment, equipment, breeding etc. 	<ul style="list-style-type: none"> - Continued FTAs with key trading nations (e.g. huge surge in sales to Thailand following FTA)
Leverage country image	<ul style="list-style-type: none"> - The industry is vertically integrated with most key growers also packing and exporting fresh cherries 	<ul style="list-style-type: none"> - Improved quality of Chilean and Tasmanian fruit 	<ul style="list-style-type: none"> - Mechanism to improve compliance efficiencies, streamline processes; and reduce duplication, and the time and costs of compliance
Able to differentiate	<ul style="list-style-type: none"> - NZ competes with Chile, the #2 player, and Australia for the southern hemisphere supply of cherries; Chile export 20x the value, but NZ receives a 100% premium 	<ul style="list-style-type: none"> - Investment from North America into Chile 	
Trade Access		<ul style="list-style-type: none"> - Variable quality between growers 	
Overall	<ul style="list-style-type: none"> - NZ supplies cherries primarily to semi-tropical Asian countries 	<ul style="list-style-type: none"> - Very weather dependent crop 	<ul style="list-style-type: none"> - Quality assurance

Quantitative Scorecard	Global market						Key NZ metrics		Value 2010	5y CAGR (05-10)		
	Major importing countries											
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# of growers (#) ^c	130	TBD			
- NZ \$31m	USA	17%	\$644	16%	\$339	\$2.46	Planted area (ha) ^c	2,482	TBD			
	China	13%	\$506	27%	\$351	\$0.67	# of registered packhouses (#)	TBD	TBD			
- Global \$3,285m	Germany	9%	\$333	11%	\$136	\$2.11	Crop volume (t) ^c	166,000	TBD			
	United Kingdom	6%	\$237	13%	\$105	\$3.77						
5y CAGR (US\$; 05-10)	Russian Federation	6%	\$236	21%	\$143	\$0.90						
- NZ 7%	Hong Kong SAR	6%	\$233	14%	\$114	\$0.55						
	Canada	6%	\$228	19%	\$132	\$2.85						
- Global 15%	France	5%	\$189	7%	\$52	\$2.57						
	Netherlands	5%	\$188	13%	\$88	\$2.63						
Absolute 5y growth (05-10)	Indonesia	3%	\$107	27%	\$74	\$1.20						
- NZ +\$9m	Italy	2%	\$85	12%	\$36	\$2.16						
	Belgium	2%	\$85	9%	\$29	\$2.53						
- Global +\$1,628m	Austria	2%	\$62	15%	\$31	\$1.91						
	Other	17%	\$629	13%	\$288	\$1.37						
	World		\$3,762	15%	\$1,918	\$1.34						
	Major exporting countries						New Zealand exports by destination					
\$/kg (US\$; 10)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)
- NZ \$6.81	Chile	16%	\$522	22%	\$332	\$4.19	Australia	47%	\$14	22%	\$9	\$8.57
- Global \$1.40	Thailand	9%	\$285	15%	\$141	\$0.57	Malaysia	21%	\$7	14%	\$3	\$7.17
	USA	8%	\$278	19%	\$160	\$2.57	USA	7%	\$2	-4%	-\$1	\$7.57
Global share of trade:	Spain	7%	\$237	20%	\$140	\$1.79	Japan	6%	\$2	-9%	-\$1	\$5.20
- Top 3 importers 39%	Netherlands	7%	\$223	17%	\$123	\$3.40	Singapore	4%	\$1	10%	\$0	\$4.89
	Serbia	6%	\$189	12%	\$80	\$2.14	China	3%	\$1	15%	\$0	\$2.47
- Top 3 exporters 33%	Poland	6%	\$183	21%	\$112	\$1.72	Thailand	3%	\$1	13%	\$0	\$4.01
	Hong Kong SAR	5%	\$171	20%	\$103	\$0.47	Hong Kong SAR	2%	\$1	-15%	-\$1	\$5.73
- New Zealand 0.9%	Canada	4%	\$124	5%	\$27	\$2.03	Other	6%	\$2	-13%	-\$2	\$6.83
	Argentina	3%	\$112	31%	\$84	\$7.48	World	100%	\$31	7%	\$9	\$6.81
	China	3%	\$109	29%	\$79	\$0.82						
	Belgium	3%	\$91	11%	\$37	\$2.59	New Zealand imports					
Possible size of the prize	Turkey	2%	\$60	43%	\$50	\$0.95	Total		\$4	12%	+\$2	\$2.75
\$100-150m	Other	21%	\$702	5%	\$159	\$1.29						
	World		\$3,285	15%	\$1,628	\$1.40						

Qualitative Scorecard Global		Market structure and situation Global		Nature of challenge	
				Leveragable existing NZ factors	Potential sources of value creation
Large global market		<ul style="list-style-type: none"> - Chile has over \$500m in berry exports, is growing steadily (22% CAGR) and receives a premium (\$4.19/kilo compared to the export average of \$1.40) - Berries are exported fresh, and frozen/pulp for ingredients in baking, beverages, etc. - North America dominates the global fresh blueberry market (declining value) 	<ul style="list-style-type: none"> - Research capabilities of Plant and Food Research to increase on-farm efficiencies, quality of fruit, medicinal properties of fruit - Image and reputation of quality fruit - Providing safe healthy products 	<ul style="list-style-type: none"> - Development of value added, retail ready products into high value markets (e.g. juice, dried snack) - Opportunity to produce or supply to nutraceutical sector - Pet food ingredient - Expand beyond Australia while maintaining premium (e.g. Asia, Middle East) - Cold chain technologies 	
Strongly growing demand					
Asian opportunity					
Premium for quality					
Rich countries do it					
Capital Intensive					
New Zealand		New Zealand		Challenges/limitations to growth	Potential role for government
Large # of firms		<ul style="list-style-type: none"> - Introduced by settlers in early 19th Century - Berryfruit exports dominated by blueberries - Boysenberries were introduced to NZ in 1937 and are grown primarily in Nelson; NZ is largest producer and exporter of boysenberries (approx NZ\$6-10m); exports are primarily frozen for food manufacturing or further processed into puree or juice (28 growers). - Blackcurrants are primarily grown in Nelson and Canterbury – increase in production and higher yielding varieties – NZ has 3% of world supply – primarily as concentrate juice as an ingredient for beverages and jam manufacturers - NZ receives a significant premium for berries (\$6.81/kilo) - Almost half of NZ berries are exported to Australia 	<ul style="list-style-type: none"> - Increasing scale to gain economies of scale - Cost of new variety development prohibitive 	<ul style="list-style-type: none"> - Mechanism to improve compliance efficiencies, streamline processes; and reduce duplication and costs of compliance - Continue efforts on FTAs and reducing tariffs and overcoming phyto-sanitary restrictions into key markets 	
Required skills					
Leverage country image					
Able to differentiate					
Trade Access					
Overall					

Quantitative Scorecard	Global market						Key NZ metrics				Value 2010	5y CAGR (05-10)
	Major importing countries											
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# employed in processing				N/A	N/A
- NZ \$83m	United Kingdom	19%	\$308	-2%	-\$40	\$3.82	# of enterprises				N/A	N/A
- Global \$1,995m	USA	13%	\$217	-10%	-\$141	\$6.46						
	Canada	8%	\$132	10%	\$50	\$4.89						
	Germany	7%	\$115	13%	\$53	\$4.61						
5y CAGR (US\$; 05-10)	Italy	5%	\$88	12%	\$38	\$6.73						
- NZ 12%	Netherlands	5%	\$84	5%	\$18	\$4.91						
- Global 3%	Japan	4%	\$72	-8%	-\$39	\$6.04						
	France	4%	\$68	9%	\$23	\$4.72						
	Belgium	3%	\$52	6%	\$14	\$4.55						
	Hong Kong SAR	3%	\$51	14%	\$25	\$2.79						
Absolute 5y growth (05-10)	Sweden	3%	\$42	9%	\$15	\$4.72						
- NZ +\$36m	Ireland	3%	\$42	8%	\$13	\$3.44						
- Global +\$301m	Switzerland	2%	\$28	48%	\$24	\$11.07						
	Other	21%	\$340	8%	\$111	\$3.76						
	World		\$1,639	2%	\$162	\$4.47						
	Major exporting countries						New Zealand exports by destination					
\$/kg (US\$; 10)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)
- NZ \$7.31	Brazil	25%	\$498	-1%	-\$27	\$4.01	USA	43%	\$36	16%	\$19	\$12.53
- Global \$4.10	Ireland	10%	\$195	2%	\$16	\$3.73	Australia	23%	\$19	18%	\$11	\$6.42
	Germany	10%	\$190	11%	\$77	\$5.20	Japan	11%	\$9	-4%	-\$2	\$7.43
Global share of trade:	Argentina	9%	\$177	-1%	-\$8	\$3.88	Philippines	4%	\$4	27%	\$2	\$5.90
- Top 3 importers 39%	USA	7%	\$141	13%	\$63	\$4.37	French Polynesia	3%	\$3	26%	\$2	\$5.10
- Top 3 exporters 45%	Belgium	5%	\$102	13%	\$46	\$5.70	Rep. of Korea	3%	\$2	5%	\$0	\$1.86
- New Zealand 4%	New Zealand	4%	\$83	12%	\$36	\$7.31	American Samoa	2%	\$2	9%	\$1	\$6.39
	Poland	3%	\$69	48%	\$59	\$3.93	Tonga	2%	\$2	7%	\$1	\$5.50
	China	3%	\$63	-10%	-\$42	\$4.43	Other	8%	\$6	12%	\$3	\$5.34
	Sweden	3%	\$61	18%	\$35	\$4.38	World	100%	\$83	12%	\$36	\$7.31
	Denmark	2%	\$49	6%	\$12	\$4.84	New Zealand imports					
	Australia	2%	\$48	-3%	-\$8	\$5.13						
Possible size of the prize \$100-200m	Netherlands	2%	\$42	2%	\$4	\$4.34	Total					
	Other	14%	\$277	3%	\$37	\$3.02	\$16 4% +\$3 \$4.92					
	World		\$1,995	3%	\$301	\$4.10						

Qualitative Scorecard Global		Market structure and situation Global		Nature of challenge	
				Leveragable existing NZ factors	Potential sources of value creation
Large global market	<input type="radio"/>	<ul style="list-style-type: none"> - Traditional dried meat products exist around world (jerky, biltong, pemmican, etc.) - Global trade is from major meat producing countries 	<ul style="list-style-type: none"> - Absence of a number of bovine diseases - Abundant supply of raw materials currently being exported as manufacturing beef 	<ul style="list-style-type: none"> - Further investment - Development of UK market (displace Irish supply) 	
Strongly growing demand	<input type="radio"/>				
Asian opportunity	<input checked="" type="radio"/>				
Premium for quality	<input type="radio"/>				
Rich countries do it	<input checked="" type="radio"/>				
Capital Intensive	<input checked="" type="radio"/>				
New Zealand		New Zealand		Challenges/limitations to growth	Potential role for government
Large # of firms	<input type="radio"/>	<ul style="list-style-type: none"> - Jack Link's (USA) greenfields investment in 2002 - NZ supplies ¼ of US total imports growing at 16% CAGR 	<ul style="list-style-type: none"> - Success to date driven by investment by US market leader able to feed product into existing US sales force 	<ul style="list-style-type: none"> - Facilitate further investment by Jack Link - Attract further investment by major beef jerky manufacturers <ul style="list-style-type: none"> - Oberto (USA) - ConAgra/Slim Jim (USA) - Marfrig/Marfood (Brazil) 	
Required skills	<input checked="" type="radio"/>				
Leverage country image	<input checked="" type="radio"/>				
Able to differentiate	<input type="radio"/>				
Trade Access	<input type="radio"/>				
Overall	<input type="radio"/>				

Quantitative Scorecard	Global market						Key NZ metrics		Value 2010	5y CAGR (05-10)		
	Major importing countries											
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# employed in processing		N/A	N/A		
- NZ \$37m	Japan	26%	\$973	-0%	-\$21	\$8.01	# of enterprises		N/A	N/A		
- Global \$4,352m	United Kingdom	7%	\$281	22%	\$179	\$4.02						
5y CAGR (US\$; 05-10)	USA	7%	\$249	8%	\$82	\$4.60						
	Italy	6%	\$244	1%	\$13	\$4.07						
- NZ 13%	France	6%	\$219	5%	\$50	\$4.56						
- Global 6%	Germany	4%	\$154	6%	\$38	\$4.82						
Absolute 5y growth (05-10)	Spain	3%	\$129	8%	\$41	\$3.95						
	Hong Kong SAR	3%	\$109	18%	\$62	\$3.43						
- NZ +\$17m	Belgium	3%	\$101	9%	\$35	\$4.99						
- Global +\$1,083m	Australia	3%	\$96	14%	\$47	\$4.37						
\$/kg (US\$; 10)	Singapore	2%	\$85	4%	\$15	\$3.70						
	Russian Federation	2%	\$71	10%	\$26	\$2.24						
- NZ	South Korea	2%	\$69	6%	\$18	\$5.67						
- Global	Other	26%	\$975	7%	\$294	\$3.27						
	World		\$3,754	5%	\$879	\$4.38						
	Major exporting countries						New Zealand exports by destination					
	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)
- NZ \$4.56	China	38%	\$1,672	8%	\$540	\$4.58	Australia	75%	\$28	18%	\$16	\$4.60
- Global \$4.25	Germany	10%	\$447	9%	\$159	\$4.12	USA	6%	\$2	4%	\$0	\$4.75
Global share of trade:	Ecuador	5%	\$223	8%	\$69	\$3.89	Hong Kong SAR	5%	\$2	4%	\$0	\$3.91
	Thailand	5%	\$220	3%	\$34	\$2.93	Japan	4%	\$1	-9%	-\$1	\$4.71
- Top 3 importers 40%	Poland	4%	\$169	31%	\$126	\$3.71	Cyprus	3%	\$1	34%	\$1	\$3.98
- Top 3 exporters 53%	Denmark	4%	\$164	3%	\$20	\$5.72	Belgium	2%	\$1	N/A	\$1	\$9.11
- New Zealand 0.9%	Lithuania	3%	\$147	16%	\$77	\$4.56	New Caledonia	1%	\$0	5%	\$0	\$5.28
	Spain	3%	\$114	7%	\$33	\$4.54	Singapore	1%	\$0	-12%	-\$0	\$4.23
	France	2%	\$105	1%	\$4	\$5.42	Other	3%	\$1	0%	\$0	\$3.45
	USA	2%	\$91	5%	\$21	\$3.65	World	100%	\$37	13%	\$17	\$4.56
	Japan	2%	\$90	5%	\$21	\$10.20						
	Morocco	2%	\$85	6%	\$23	\$7.22						
	Netherlands	1%	\$64	4%	\$12	\$5.80						
Possible size of the prize \$100-150m	Other	17%	\$760	-1%	-\$58	\$3.62						
	World		\$4,352	6%	\$1,083	\$4.25						
							New Zealand imports					
							Total		\$10	18%	+\$6	\$4.18

Qualitative Scorecard Global		Market structure and situation Global	Nature of challenge	
			Leveragable existing NZ factors	Potential sources of value creation
Large global market	●	<ul style="list-style-type: none"> - Major exporters are major tropical fish producers/processors (e.g. China, Ecuador, Thailand) and Northern European (e.g. Germany, Poland, Denmark) - Japan - largest single import market (25% of global imports) – is shrinking - Other key importing markets are primarily rich Northern Hemisphere 	<ul style="list-style-type: none"> - Southern Hemisphere unique fish species 	<ul style="list-style-type: none"> - Further development of Japanese market (25% global imports but only 4% of NZ exports)
Strongly growing demand	○			
Asian opportunity	●			
Premium for quality	○			
Rich countries do it	●			
Capital Intensive	●			
New Zealand		New Zealand	Challenges/limitations to growth	Potential role for government
Large # of firms	●	<ul style="list-style-type: none"> - Most NZ exports (75%) to Australia 	<ul style="list-style-type: none"> - Relatively small scale globally - Major domestic fish processors lack consumer brands in key markets 	<ul style="list-style-type: none"> - Maintain and improve market access - Further investment by major Japanese fish processors
Required skills	○			
Leverage country image	○			
Able to differentiate	○			
Trade Access	●			
Overall	○			

Quantitative Scorecard	Global market						Key NZ metrics		Value 2010	10y CAGR (00-10)		
	Major importing countries											
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# employed in processing	220	1%			
- NZ \$19m	Pakistan	8%	\$789	22%	\$496	\$0.66	# of enterprises (C118-100)	4	3%			
- Global \$13,744m	Italy	8%	\$779	8%	\$245	\$0.64						
	USA	7%	\$750	46%	\$636	\$0.86						
	Indonesia	4%	\$422	6%	\$111	\$0.74						
5y CAGR (US\$; 05-10)	Belgium	4%	\$362	-17%	-\$573	\$0.53						
- NZ 22%	Sri Lanka	3%	\$338	20%	\$201	\$0.66						
- Global 11%	Mexico	3%	\$326	46%	\$277	\$0.03						
	Germany	3%	\$298	-7%	-\$131	\$0.72						
	Spain	3%	\$285	-4%	-\$63	\$0.62						
	Chile	3%	\$263	34%	\$201	\$0.63						
Absolute 5y growth (05-10)	Singapore	3%	\$257	20%	\$152	\$0.61						
- NZ +\$12m	France	2%	\$240	3%	\$37	\$0.79						
- Global +\$5,482m	Saudi Arabia	2%	\$208	53%	\$183	\$0.63						
	Other	47%	\$4,787	10%	\$1,824	\$0.65						
	World		\$10,102	9%	\$3,595	\$0.41						
	Major exporting countries						New Zealand exports by destination					
\$/kg (US\$; 10)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)
- NZ \$0.75	Brazil	25%	\$3,455	18%	\$1,918	\$0.49	New Caledonia	27%	\$5	18%	\$3	\$0.80
- Global \$0.58	France	10%	\$1,352	0%	\$14	\$0.63	French Polynesia	18%	\$4	12%	\$2	\$0.76
	Thailand	9%	\$1,284	29%	\$923	\$0.53	Solomon Isds	17%	\$3	36%	\$3	\$0.79
Global share of trade:	Germany	5%	\$673	-2%	-\$59	\$0.63	American Samoa	7%	\$1	8%	\$0	\$0.97
- Top 3 importers 23%	India	4%	\$586	101%	\$568	\$0.47	China	6%	\$1	N/A	\$1	\$0.58
- Top 3 exporters 44%	Belgium	4%	\$500	-4%	-\$127	\$0.64	Other	25%	\$5	29%	\$3	\$0.69
- New Zealand 0.1%	Mexico	4%	\$496	54%	\$439	\$0.81	World		\$19	22%	\$12	\$0.75
	Colombia	3%	\$361	15%	\$184	\$0.57						
	Belarus	3%	\$358	11%	\$142	\$0.73						
	United Kingdom	2%	\$310	4%	\$53	\$0.69						
	Rep. of Korea	2%	\$242	21%	\$148	\$0.65						
	Poland	2%	\$239	1%	\$13	\$0.64						
	Algeria	2%	\$231	N/A	\$231	\$0.63						
Possible size of the prize \$30-50m	Other	27%	\$3,657	7%	\$1,034	\$0.66						
	World		\$13,744	11%	\$5,482	\$0.58						
							New Zealand imports					
							Total	\$14	6%	+\$4	\$0.76	

Qualitative Scorecard Global	Market structure and situation Global	Nature of challenge	
		Leveragable existing NZ factors	Potential sources of value creation
<p>Large global market ●</p> <p>Strongly growing demand ●</p> <p>Asian opportunity ○</p> <p>Premium for quality ○</p> <p>Rich countries do it ●</p> <p>Capital Intensive ●</p>	<ul style="list-style-type: none"> - Global production is protected N.H. sugar beet producers inside trade barriers (e.g. EU) and low cost tropical sugar cane producers - Global export growth all from low cost cane producers (e.g. Brazil, Thailand, India) 	<ul style="list-style-type: none"> - Market access and supply relationships with the Pacific islands - Deregulated economy without subsidies or supports 	<ul style="list-style-type: none"> - Further investment by new owners of Chelsea (Wilmar of Singapore)
New Zealand	New Zealand	Challenges/limitations to growth	Potential role for government
<p>Large # of firms ○</p> <p>Required skills ○</p> <p>Leverage country image ○</p> <p>Able to differentiate ○</p> <p>Trade Access ○</p> <p>Overall ○</p>	<ul style="list-style-type: none"> - Initially all sugar imported into NZ; in 1882 to promote self sufficiency the Government offered a bounty to the first company to produce sugar locally - New Zealand Sugar Company founded in 1883 by Colonial Sugar Refining (Australia) and local businessmen (LD Nathan, etc.) - New Zealand imports raw sugar and processes this for domestic consumption and exports - 	<ul style="list-style-type: none"> - Totally dependent on one foreign owned firm - Unclear opportunitiess outside Pacific islands - Do not produce cane or beet sugar domestically - Alternative uses for Chelsea plant/land 	<ul style="list-style-type: none"> - Maintain and improve market access - Facilitate reinvestment by Wilmar/Chelsea

Quantitative Scorecard	Global market						Key NZ metrics	Value 2010	10y CAGR (05-10)			
	Major importing countries											
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	<i>Uses confectionery (chocolate & sugar confectionery)</i>					
- NZ \$46m	USA	18%	\$1,239	2%	\$143	\$2.48	# employed in processing	1,550	0%			
- Global \$7,474m	Germany	8%	\$531	4%	\$87	\$3.64	# of enterprises (C118-200)	104	4%			
5y CAGR (US\$; 05-10)	United Kingdom	7%	\$476	4%	\$93	\$3.40						
	France	5%	\$345	4%	\$63	\$3.75						
- NZ 8%	Canada	4%	\$307	8%	\$94	\$2.97						
- Global 7%	Belgium	3%	\$230	7%	\$66	\$3.36						
Absolute 5y growth (05-10)	Netherlands	3%	\$211	4%	\$36	\$3.03						
	Russian Federation	3%	\$198	13%	\$91	\$2.42						
- NZ +\$14m	Sweden	3%	\$174	2%	\$19	\$3.55						
- Global +\$2,144m	Hong Kong SAR	2%	\$162	4%	\$27	\$4.15						
\$/kg (US\$; 10)	Italy	2%	\$157	2%	\$18	\$3.92						
	Australia	2%	\$152	9%	\$51	\$3.71						
- NZ \$4.56	Poland	2%	\$136	16%	\$71	\$3.46						
- Global \$2.37	Other	37%	\$2,536	6%	\$669	\$2.86						
Global share of trade:	World	100%	\$6,854	5%	\$1,528	\$2.98						
	Major exporting countries						New Zealand exports by destination					
- Top 3 importers 33%	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)
- Top 3 exporters 25%	Germany	11%	\$809	7%	\$226	\$3.68	Australia	90%	\$41	9%	\$14	\$4.48
- New Zealand 0.6%	Belgium	8%	\$567	8%	\$174	\$3.11	United Kingdom	4%	\$2	9%	\$1	\$6.21
Possible size of the prize	China	6%	\$464	17%	\$255	\$2.54	USA	2%	\$1	-9%	-\$1	\$4.12
	Mexico	6%	\$447	5%	\$105	\$0.56	Hong Kong SAR	1%	\$0	39%	\$0	\$16.64
\$150-200m	Netherlands	5%	\$389	6%	\$96	\$4.02	Cook Isds	1%	\$0	7%	\$0	\$6.36
	Spain	5%	\$377	2%	\$31	\$3.50	Other	2%	\$1	3%	\$0	\$4.78
	Canada	5%	\$375	1%	\$17	\$2.70	World	100%	\$46	8%	\$14	\$4.56
	USA	5%	\$338	8%	\$107	\$2.94	New Zealand imports					
	Turkey	3%	\$229	19%	\$131	\$2.57	Total		\$61	12%	+\$26	\$4.10
	Poland	3%	\$209	14%	\$98	\$4.21						
	United Kingdom	3%	\$202	-1%	-\$16	\$4.34						
	Ukraine	2%	\$180	20%	\$109	\$1.79						
	Colombia	2%	\$171	6%	\$42	\$1.84						
	Other	36%	\$2,717	7%	\$767	\$2.94						
	World		\$7,474	7%	\$2,144	\$2.37						

Qualitative Scorecard Global		Market structure and situation Global		Nature of challenge	
				Leveragable existing NZ factors	Potential sources of value creation
Large global market	●	<ul style="list-style-type: none"> - Major importers are predominantly USA, Canada and Europe - Major exporters are rich Northern Hemisphere countries (quality/defensible) and China/Mexico (bulk/undifferentiated) - Some product/production defensibility around product/process manufacturing technology - Global market has strong presence of major multinationals (Kraft, Nestle, Mars) and strong focused specialists (Perfetti) - Japanese & Korean manufacturers growing (Lotte, Meiji, Morinaga) 	<ul style="list-style-type: none"> - Unique New Zealand flavours - Manuka honey (e.g. Comvita's cold preventing lollypops) 	<ul style="list-style-type: none"> - Consolidation of smaller NZ firms into scale entity - New market development (90% Australia currently) 	
Strongly growing demand	◐				
Asian opportunity	○				
Premium for quality	◐				
Rich countries do it	●				
Capital Intensive	●				
New Zealand		New Zealand		Challenges/limitations to growth	Potential role for government
Large # of firms	○	<ul style="list-style-type: none"> - Long history of production by small producers - Most major producers historically acquired by Cadbury in industry consolidation 	<ul style="list-style-type: none"> - Highly dependent on actions/decisions of single firm (Kraft/Cadbury) - Scale of second tier firms - Lack of unique/defensible products and technologies 	<ul style="list-style-type: none"> - Attract further investment by major confectionery manufacturers <ul style="list-style-type: none"> - Ferrero (Italy) - Perfetti (Italy) - Meiji (Japan) - Lotte (Korea) - Storck (Germany) - CSM (Netherlands) - Haribo (Germany) 	
Required skills	◐				
Leverage country image	○				
Able to differentiate	○				
Trade Access	○				
Overall	○				










Quantitative Scorecard	Global market						Key NZ metrics	Value 2010	10y CAGR (00-10)			
	Major importing countries											
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	<i>Uses confectionery (chocolate & sugar confectionery)</i>					
- NZ \$50m	United Kingdom	9%	\$1,366	8%	\$441	\$5.43	# employed in processing	1,550	0%			
- Global \$16,059m	Germany	9%	\$1,236	7%	\$361	\$5.59	# of enterprises (C118-200)	104	4%			
5y CAGR (US\$; 05-10)	France	8%	\$1,157	6%	\$289	\$5.43						
- NZ 4%	USA	7%	\$1,080	7%	\$310	\$4.72						
- Global 10%	Netherlands	4%	\$638	10%	\$236	\$5.37						
Absolute 5y growth (05-10)	Canada	4%	\$602	12%	\$264	\$5.23						
- NZ +\$9m	Russian Federation	4%	\$577	20%	\$349	\$4.09						
- Global +\$6,115m	Spain	3%	\$491	12%	\$216	\$2.60						
	Austria	3%	\$389	7%	\$114	\$5.46						
	Italy	3%	\$389	8%	\$130	\$5.28						
	Belgium	2%	\$356	5%	\$81	\$4.54						
	Australia	2%	\$297	17%	\$160	\$5.83						
	Poland	2%	\$276	18%	\$153	\$4.97						
	Other	39%	\$5,661	9%	\$1,939	\$5.05						
	World		\$14,516	9%	\$5,041	\$4.95						
	Major exporting countries						New Zealand exports by destination					
\$/kg (US\$; 10)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)
- NZ \$7.42	Germany	18%	\$2,928	12%	\$1,286	\$5.47	Australia	89%	\$45	17%	\$24	\$7.58
- Global \$4.98	Belgium	8%	\$1,357	4%	\$268	\$7.29	Philippines	3%	\$1	-26%	-\$5	\$4.82
Global share of trade:	Italy	7%	\$1,140	16%	\$600	\$7.16	Thailand	2%	\$1	4%	\$0	\$4.67
- Top 3 importers 26%	France	7%	\$1,121	9%	\$399	\$4.72	Malaysia	1%	\$1	-1%	-\$0	\$7.26
- Top 3 exporters 33%	Netherlands	6%	\$1,022	6%	\$259	\$4.53	Singapore	1%	\$1	2%	\$0	\$8.76
- New Zealand 0.3%	Poland	5%	\$859	23%	\$556	\$5.78	Cook Isds	1%	\$0	1%	\$0	\$10.99
	USA	5%	\$818	12%	\$363	\$4.38	United Kingdom	1%	\$0	31%	\$0	\$6.87
	Switzerland	4%	\$714	9%	\$253	\$7.46	Fiji	0%	\$0	21%	\$0	\$7.80
	Ukraine	4%	\$563	21%	\$342	\$2.92	Other	2%	\$1	-37%	-\$11	\$8.63
	United Kingdom	3%	\$507	3%	\$61	\$5.49	World		\$50	4%	\$9	\$7.42
	Canada	3%	\$434	4%	\$80	\$4.86	New Zealand imports					
	Austria	3%	\$410	6%	\$106	\$5.04						
Possible size of the prize \$200-300m	Mexico	2%	\$356	47%	\$304	\$3.43						
	Other	24%	\$3,831	8%	\$1,238	\$4.31						
	World		\$16,059	10%	\$6,115	\$4.98						
							Total (uses HS1806)					
								\$145	15%	+\$74	\$5.82	

Qualitative Scorecard Global	Market structure and situation Global	Nature of challenge	
		Leveragable existing NZ factors	Potential sources of value creation
Large global market ● Strongly growing demand ● Asian opportunity ◐ Premium for quality ● Rich countries do it ● Capital Intensive ●	<ul style="list-style-type: none"> - Primarily produced in European countries with historic colonies in tropical Africa and other rich N.H. countries - Highly capital intensive - Not located in cocoa producing countries due to political/social risk 	<ul style="list-style-type: none"> - Low cost dairy - Low cost, safe and secure Asia Pacific production location suited to high capital intensity manufacturing for export 	<ul style="list-style-type: none"> - Consolidation of smaller firms into scale entity
New Zealand	New Zealand	Challenges/limitations to growth	Potential role for government
Large # of firms ○ Required skills ○ Leverage country image ◐ Able to differentiate ◐ Trade Access ○ Overall ◐	<ul style="list-style-type: none"> - Long history of production - One large firm (Kraft/Cadbury) a result of 80 years of acquisition and investment - Strong second tier of emergent NZ firms, particularly Whittakers - Strong growth in Australia 	<ul style="list-style-type: none"> - Low scale - Most processors import refined cocoa rather than manufacture their own (scale issue) - Limited pool of deep chocolate skills or culture on which to draw (e.g. vs. Belgium) 	<ul style="list-style-type: none"> - Quality control and improvement - Attract investment by global firms into NZ as a gateway to Asia <ul style="list-style-type: none"> - Belgium - Germany - Italy

Quantitative Scorecard	Global market						Key NZ metrics		Value 2010	10y CAGR (00-10)				
	Major importing countries													
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# employed in processing		1,310	1%				
- NZ \$106m	USA	13%	\$2,725	8%	\$836	\$3.13	# of enterprises (C117-300)		22	4%				
- Global \$21,215m	United Kingdom	9%	\$1,778	6%	\$443	\$2.98								
	France	8%	\$1,711	5%	\$396	\$3.03								
	Germany	8%	\$1,564	4%	\$267	\$3.07								
5y CAGR (US\$; 05-10)	Canada	5%	\$991	12%	\$434	\$3.17								
- NZ 13%	Belgium	4%	\$864	6%	\$216	\$3.09								
- Global 8%	Netherlands	4%	\$793	10%	\$296	\$2.12								
	Italy	3%	\$684	6%	\$179	\$3.23								
	Spain	3%	\$577	4%	\$99	\$2.88								
	Austria	3%	\$561	8%	\$171	\$3.24								
Absolute 5y growth (05-10)	Ireland	2%	\$413	6%	\$105	\$2.73								
- NZ +\$50m	Switzerland	2%	\$362	12%	\$156	\$4.07								
- Global +\$7,090m	Japan	2%	\$346	4%	\$63	\$3.73								
	Other	35%	\$7,068	11%	\$2,914	\$2.50								
	World		\$20,438	8%	\$6,576	\$2.82								
	Major exporting countries						New Zealand exports by destination							
\$/kg (US\$; 10)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)		
- NZ \$3.34	Germany	15%	\$3,185	8%	\$1,012	\$2.96	Australia	79%	\$84	15%	\$43	\$3.41		
- Global \$2.85	Belgium	8%	\$1,672	4%	\$309	\$3.26	United Kingdom	7%	\$7	6%	\$2	\$2.96		
	France	7%	\$1,575	6%	\$395	\$2.91	Japan	6%	\$6	2%	\$1	\$2.90		
Global share of trade:	Italy	7%	\$1,530	5%	\$302	\$4.28	Singapore	1%	\$1	54%	\$1	\$2.98		
- Top 3 importers 30%	Canada	6%	\$1,371	9%	\$464	\$3.35	French Polynesia	1%	\$1	10%	\$0	\$3.09		
- Top 3 exporters 30%	USA	6%	\$1,306	13%	\$588	\$2.79	Hong Kong SAR	1%	\$1	78%	\$1	\$2.92		
- New Zealand 0.5%	Netherlands	5%	\$1,116	12%	\$474	\$3.21	USA	1%	\$1	9%	\$0	\$5.43		
	United Kingdom	4%	\$950	4%	\$164	\$3.12	Taiwan	1%	\$1	69%	\$1	\$2.91		
	Poland	3%	\$668	10%	\$260	\$2.89	Other	4%	\$4	4%	\$1	\$3.63		
	Austria	3%	\$542	12%	\$239	\$3.21	World	100%	\$106	13%	\$50	\$3.34		
	Mexico	2%	\$526	14%	\$258	\$1.88	New Zealand imports							
	Turkey	2%	\$485	16%	\$256	\$1.98	Total (uses HS1905)				\$143	11%	+\$57	\$4.40
	Spain	2%	\$476	3%	\$59	\$2.35								
	Other	27%	\$5,815	11%	\$2,309	\$2.53								
	World		\$21,215	8%	\$7,090	\$2.85								

Key NZ firms	Turnover (NZ\$m; 10)	Empl. (#; 10)	Ownership
Griffins	\$259m	800+	Australia
George Weston Foods	\$273m	500+	UK
Cookie Time	\$23m	80	NZ
Original Foods	\$17m	60	NZ
Kaye's	\$14m	50	NZ

Other smaller niche/boutique (180°, Delish, Abe's, Eat Right, others)

Qualitative Scorecard Global	Market structure and situation Global	Nature of challenge	
		Leveragable existing NZ factors	Potential sources of value creation
Large global market 	<ul style="list-style-type: none"> - Major importers are predominantly USA, Canada and Europe (Japan only non-Western market in top list) - Major exporters are also rich Northern Hemisphere countries - Production technology capital intensive and reasonably defensible 	<ul style="list-style-type: none"> - Unique NZ flavours - Safe and secure raw materials; low cost producer of many ingredients (e.g. oats) 	<ul style="list-style-type: none"> - Consolidation of smaller firms into scale entity - Grow exports to Asia (currently 10%+ of exports and growing strongly (x Japan))
Strongly growing demand 			
Asian opportunity 			
Premium for quality 			
Rich countries do it 			
Capital Intensive 			
New Zealand	New Zealand	Challenges/limitations to growth	Potential role for government
Large # of firms 	<ul style="list-style-type: none"> - Long history of production and exports (e.g. 19th Century exports of ships biscuits) - Nabisco (global #1) acquired Griffins in 1962; sold in 1990 to Danone; sold in 2006 to PEP; currently for sale - Griffins consolidated industry over 20th Century; Arnotts exited NZ production in 90's - Second tier of growing players primarily niche and sub-scale - Two main competitors in NZ are Griffins (NZ) and Campbells/Arnotts (imported from Australia) 	<ul style="list-style-type: none"> - Still highly dependent on Australian market (~80% of exports) 	<ul style="list-style-type: none"> - Maintain and build trade access
Required skills 			
Leverage country image 			
Able to differentiate 			
Trade Access 			
Overall 			

Quantitative Scorecard	Global market						Key NZ metrics		Value 2010	10y CAGR (00-10)		
	Major importing countries											
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# of potato growers	230 (10)	-5% (97-07)			
- NZ \$60m	USA	14%	\$653	4%	\$122	\$0.94	Planted potato area (ha)	10,050 (07)	-3% (97-07)			
- Global \$4,913m	Japan	9%	\$405	9%	\$146	\$1.23	# employed in processing	est. 1,000 (?)	N/A			
5y CAGR (US\$; 05-10)	France	9%	\$398	8%	\$125	\$0.80	# of manufacturers	est. 5+	N/A			
- NZ 9%	United Kingdom	8%	\$363	6%	\$90	\$0.85						
- Global 10%	Italy	6%	\$251	11%	\$100	\$1.07						
Absolute 5y growth (05-10)	Netherlands	5%	\$245	37%	\$194	\$0.77						
- NZ +\$21m	Germany	5%	\$244	7%	\$68	\$0.98						
- Global +\$1,885m	Brazil	4%	\$192	28%	\$137	\$0.79						
	Mexico	3%	\$118	5%	\$23	\$0.99						
	Saudi Arabia	2%	\$108	15%	\$54	\$0.87						
	Canada	2%	\$108	18%	\$60	\$1.38						
	Spain	2%	\$90	5%	\$19	\$0.70						
	Belgium	2%	\$84	12%	\$37	\$0.72						
	Other	28%	\$1,259	12%	\$541	\$0.95						
	World	100%	\$4,518	10%	\$1,715	\$0.92						
	Major exporting countries						New Zealand exports by destination					
\$/kg (US\$; 10)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)
- NZ \$0.88	Netherlands	26%	\$1,259	8%	\$386	\$0.90	Australia	52%	\$31	16%	\$16	\$0.77
- Global \$0.89	Belgium	21%	\$1,030	17%	\$551	\$0.73	Malaysia	17%	\$10	18%	\$6	\$1.22
Global share of trade:	Canada	16%	\$802	4%	\$133	\$0.92	Singapore	7%	\$4	56%	\$4	\$0.92
- Top 3 importers 32%	USA	16%	\$797	13%	\$355	\$1.05	Japan	7%	\$4	10%	\$2	\$1.02
- Top 3 exporters 63%	France	6%	\$303	10%	\$116	\$0.96	Papua New Guinea	4%	\$3	26%	\$2	\$0.92
- New Zealand 1%	Germany	4%	\$190	14%	\$92	\$0.80	French Polynesia	4%	\$2	7%	\$1	\$1.06
	Argentina	3%	\$134	20%	\$80	\$0.89	Thailand	2%	\$1	-12%	-\$1	\$0.88
	Poland	2%	\$109	12%	\$48	\$0.90	Other	7%	\$4	-19%	-\$7	\$0.93
	New Zealand	1%	\$60	9%	\$21	\$0.88	World	100%	\$60	9%	\$21	\$0.88
	United Kingdom	1%	\$44	4%	\$8	\$1.78						
	Austria	1%	\$43	11%	\$18	\$0.97						
	Egypt	1%	\$34	N/A	\$34	\$0.92						
	China	0%	\$24	26%	\$16	\$1.25						
	Other	2%	\$85	8%	\$28	\$1.20						
	World		\$4,913	10%	\$1,885	\$0.89						
Possible size of the prize \$200-300m							New Zealand imports					
							Total	\$21	25%	+\$14	\$1.54	

Qualitative Scorecard Global		Market structure and situation Global		Nature of challenge	
				Leveragable existing NZ factors	Potential sources of value creation
Large global market		<ul style="list-style-type: none"> - "French" fries originated in Belgium (patat) and Netherlands (friet) (today ~50% global exports) - Frozen french fried developed in US by J.R. Simplot; in 1967 McDonalds replaced fresh cut with frozen - Global spread driven by spread of primarily US fast food chains (McDonald's, Burger King, Wendy's, etc.) - Market segmented into chain fast food, foodservice and retail pack - Growing demand in Asian markets driven by spread of Western foods and restaurants 	<ul style="list-style-type: none"> - Existing major players in NZ - Safe and secure supply of raw materials 	<ul style="list-style-type: none"> - Create position of NZ as trusted supplier of potatoes to E/SE Asia - Further greenfields investment 	
Strongly growing demand					
Asian opportunity					
Premium for quality					
Rich countries do it					
Capital Intensive					
New Zealand		New Zealand		Challenges/limitations to growth	Potential role for government
Large # of firms		<ul style="list-style-type: none"> - NZ comparative advantage in potato production (e.g. high yields/hectare) evident for over 100 years - NZ industry controlled by three global french fry firms <ul style="list-style-type: none"> - Heinz acquired Watties (1992) - McCain acquired Alpine (1990) and Growers Food (1994); built plant in Timaru (1994); various upgrades - J.R. Simplot acquired Mr Chips (2008/2011) 	<ul style="list-style-type: none"> - Alternative land use - Introduced diseases into potato crop (e.g. zebra chip) reducing yields, increasing costs and triggering other countries biosecurity bans 	<ul style="list-style-type: none"> - Scientific research to maintain and build NZ comparative advantage - Attract further investment by major frozen french fry manufacturers <ul style="list-style-type: none"> - Belgium (Agristo, Clarebout, PinguinLutosa) - Netherlands (Aviko) - US (Con-Agra) - Canada (Cavendish, Saint Arneault) 	
Required skills					
Leverage country image					
Able to differentiate					
Trade Access					
Overall					

SHELLED BEANS PRESERVED [200551]

QUANTITATIVE

Quantitative Scorecard	Global market						Key NZ metrics		Value 2010	5y CAGR (05-10)		
	Major importing countries											
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# of growers (#)	100	TBD			
- NZ \$26m	Japan	16%	\$78	1%	\$4	\$1.06	Planted area (ha)	2,000	TBD			
- Global \$461m	United Kingdom	11%	\$52	8%	\$17	\$0.87	Production (t)	11,500	TBD			
5y CAGR (US\$; 05-10)	Nigeria	9%	\$41	N/A	\$41	\$33.20						
- NZ 4%	Australia	8%	\$39	8%	\$13	\$1.23						
- Global 12%	USA	8%	\$38	1%	\$2	\$1.18						
Absolute 5y growth (05-10)	Germany	8%	\$37	5%	\$8	\$0.90						
- NZ +\$4m	France	4%	\$17	14%	\$8	\$1.13						
- Global +\$194m	Canada	3%	\$14	16%	\$7	\$1.59						
	South Korea	2%	\$12	42%	\$10	\$1.12						
	Oman	2%	\$10	25%	\$7	\$2.03						
	Russian Federation	2%	\$10	9%	\$3	\$1.02						
	Portugal	2%	\$10	28%	\$7	\$0.76						
	Belgium	2%	\$9	18%	\$5	\$1.25						
	Other	23%	\$111	7%	\$30	\$1.04						
	World	100%	\$478	9%	\$163	\$1.15						
	Major exporting countries						New Zealand exports by destination					
\$/kg (US\$; 10)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)
- NZ \$1.33	Italy	31%	\$145	18%	\$81	\$0.77	Australia	95%	\$25	3%	\$4	\$1.33
- Global \$0.90	China	22%	\$103	67%	\$95	\$0.93	Singapore	2%	\$1	5%	\$0	\$1.22
Global share of trade:	United Kingdom	6%	\$27	1%	\$1	\$1.07	Fiji	1%	\$0	2%	\$0	\$1.18
- Top 3 importers 36%	New Zealand	6%	\$26	4%	\$4	\$1.33	Rep. of Korea	1%	\$0	24%	\$0	\$1.51
- Top 3 exporters 59%	Belgium	5%	\$22	12%	\$10	\$1.05	Malaysia	1%	\$0	2%	\$0	\$1.14
- New Zealand 6%	France	5%	\$21	4%	\$4	\$1.43	Other	0%	\$0	1%	\$0	\$1.89
	USA	5%	\$21	5%	\$4	\$1.05	World	100%	\$26	4%	\$4	\$1.33
	Netherlands	3%	\$14	-3%	-\$2	\$1.44						
	Spain	3%	\$13	14%	\$6	\$0.70						
	Peru	3%	\$13	0%	\$0	\$1.24						
	Canada	2%	\$7	-1%	-\$0	\$1.05						
	Germany	2%	\$7	23%	\$5	\$1.29						
	Portugal	1%	\$6	18%	\$4	\$1.13						
	Other	8%	\$36	-7%	-\$17	\$0.63						
	World		\$461	12%	\$194	\$0.90						
Possible size of the prize \$40-50m							New Zealand imports					
							Total	\$3	9%	+\$1	\$1.17	

Qualitative Scorecard Global		Market structure and situation Global		Nature of challenge	
				Leveragable existing NZ factors	Potential sources of value creation
Large global market	○	<ul style="list-style-type: none"> - Italy and China are the largest exporters of shelled beans globally; both showing strong growth; 18% and 67% CAGR respectively - Market consolidated and dominated by large multinational processing companies 	<ul style="list-style-type: none"> - Processing technologies and capabilities - Lower cost of NZ labour 	<ul style="list-style-type: none"> - Expand beyond Australia into high value markets - Develop NZ as a low cost option for growing and processing vegetables (e.g. beetroot processing operations in Tasmania moved to NZ) 	
Strongly growing demand	●				
Asian opportunity	◐				
Premium for quality	○				
Rich countries do it	●				
Capital Intensive	○				
New Zealand		New Zealand		Challenges/limitations to growth	Potential role for government
Large # of firms	○	<ul style="list-style-type: none"> - NZ market for processed vegetables is highly concentrated in the hands of a few top companies (Heinz, McCains, Simplot) and NZ based Talleys - Growers are all contracted to these processors, very little control of market at farm level - NZ is the 4th largest exporter of shelled beans receiving a premium over most top markets - 95% of exports are to Australia 	<ul style="list-style-type: none"> - Most decisions of supply made outside of NZ due to multinational ownership structure (e.g. Heinz and McCains) - Generally low value product - Grower returns low 	<ul style="list-style-type: none"> - Continue work on FTA with key markets 	
Required skills	◐				
Leverage country image	○				
Able to differentiate	○				
Trade Access	●				
Overall	○				

Quantitative Scorecard	Global market						Key NZ metrics		Value 2010	5y CAGR (05-10)			
	Major importing countries												
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# employed in processing		N/A	N/A			
- NZ \$35m	France	10%	\$165	13%	\$76	\$1.76	# of enterprises		N/A	N/A			
- Global \$2,073m	USA	10%	\$161	11%	\$64	\$1.91							
5y CAGR (US\$; 05-10)	Germany	9%	\$140	7%	\$40	\$2.13							
	Russian Federation	6%	\$101	9%	\$36	\$0.99							
	United Kingdom	6%	\$96	4%	\$18	\$2.60							
	Italy	5%	\$83	10%	\$32	\$2.46							
	Australia	3%	\$54	17%	\$29	\$2.64							
- NZ 22%	Netherlands	3%	\$53	4%	\$9	\$2.22							
- Global 9%	Belgium	3%	\$50	7%	\$15	\$2.57							
Absolute 5y growth (05-10)	Japan	3%	\$47	-1%	-\$3	\$2.64							
	Canada	2%	\$39	7%	\$11	\$2.10							
	Sweden	2%	\$29	12%	\$12	\$2.41							
	- NZ +\$23m	Spain	2%	\$29	6%	\$8	\$1.88						
	- Global +\$729m	Other	35%	\$555	11%	\$232	\$1.57						
	World		\$1,604	9%	\$579	\$1.79							
\$/kg (US\$; 10)	Major exporting countries						New Zealand exports by destination						
	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	
- NZ \$3.43	France	14%	\$282	8%	\$89	\$3.58	Australia	87%	\$31	26%	\$21	\$3.30	
- Global \$1.68	Turkey	9%	\$181	0%	\$4	\$4.36	USA	6%	\$2	31%	\$2	\$5.89	
Global share of trade:	Belgium	8%	\$161	11%	\$65	\$2.09	Malaysia	3%	\$1	16%	\$0	\$4.12	
	Germany	8%	\$158	11%	\$62	\$2.57	Taiwan	1%	\$0	19%	\$0	\$3.38	
	Italy	6%	\$122	9%	\$42	\$1.66	Japan	1%	\$0	-5%	-\$0	\$6.43	
	- Top 3 importers 29%	Chile	5%	\$105	12%	\$46	\$0.83	Hong Kong SAR	1%	\$0	57%	\$0	\$3.24
	- Top 3 exporters 31%	Iran	4%	\$83	119%	\$81	\$2.54	Fiji	0%	\$0	8%	\$0	\$3.61
- New Zealand 2%	Denmark	4%	\$76	3%	\$11	\$2.48	Singapore	0%	\$0	-11%	-\$0	\$3.84	
Possible size of the prize \$50-100m	China	4%	\$75	11%	\$30	\$0.92	Other	1%	\$0	-15%	-\$1	\$4.09	
	India	3%	\$64	25%	\$43	\$2.28	World	100%	\$35	22%	\$23	\$3.43	
	Netherlands	3%	\$54	-1%	-\$3	\$1.48	New Zealand imports						
	United Kingdom	2%	\$47	6%	\$11	\$2.83	Total		\$10	22%	+\$6	\$1.69	
	USA	2%	\$43	3%	\$6	\$1.72							
	Other	30%	\$623	10%	\$240	\$1.19							
	World		\$2,073	9%	\$729	\$1.68							

Qualitative Scorecard Global		Market structure and situation Global		Nature of challenge	
				Leveragable existing NZ factors	Potential sources of value creation
Large global market		<ul style="list-style-type: none"> - Global market primarily rich western countries - Strong cultural element; strongly European (bread & spread) - Much of global market is inter-EU 	<ul style="list-style-type: none"> - Unique New Zealand flavours - Growing berry industry - Safe and secure supply of raw materials 	<ul style="list-style-type: none"> - Industry consolidation (e.g. Barkers acquisition of Anathoth in 2007) - Line extensions/expansions into wider flavour platform 	
Strongly growing demand					
Asian opportunity					
Premium for quality					
Rich countries do it					
Capital Intensive					
New Zealand		New Zealand		Challenges/limitations to growth	Potential role for government
Large # of firms		<ul style="list-style-type: none"> - NZ exports growing 2 ½ times global rate - Primarily Australian market to date 	<ul style="list-style-type: none"> - Imported ingredients vs. "Made in New Zealand" - Seasonal gaps in supply - Scale 	<ul style="list-style-type: none"> - Further investment by global manufacturers <ul style="list-style-type: none"> - US - France - Belgium - Germany 	
Required skills					
Leverage country image					
Able to differentiate					
Trade Access					
Overall					

Quantitative Scorecard	Global market						Key NZ metrics		Value 2010	5y CAGR (05-10)		
	Major importing countries											
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# employed in processing	N/A	N/A			
- NZ \$8m	USA	12%	\$239	2%	\$24	\$0.70	# of enterprises	N/A	N/A			
- Global \$2,099m	Germany	11%	\$217	9%	\$76	\$3.14						
	Netherlands	11%	\$212	21%	\$130	\$3.32						
	Japan	7%	\$131	-3%	-\$22	\$3.11						
5y CAGR (US\$; 05-10)	United Kingdom	5%	\$95	0%	-\$0	\$2.19						
- NZ 19%	France	4%	\$82	6%	\$21	\$1.94						
- Global 8%	Austria	4%	\$73	10%	\$27	\$2.95						
	Saudi Arabia	4%	\$73	10%	\$27	\$0.96						
	Italy	4%	\$70	13%	\$32	\$3.33						
	Canada	3%	\$66	9%	\$22	\$2.59						
Absolute 5y growth (05-10)	Russian Federation	2%	\$41	12%	\$18	\$1.89						
- NZ +\$9m	Spain	2%	\$38	12%	\$16	\$1.65						
- Global +\$680m	Belgium	2%	\$32	1%	\$1	\$1.72						
	Other	29%	\$560	7%	\$165	\$1.42						
	World	100%	\$1,929	7%	\$539	\$1.60						
	Major exporting countries						New Zealand exports by destination					
\$/kg (US\$; 10)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)
- NZ \$2.48	Netherlands	9%	\$181	15%	\$90	\$3.14	Japan	81%	\$12	25%	\$8	\$2.75
- Global \$1.13	USA	9%	\$180	3%	\$24	\$1.44	USA	6%	\$1	19%	\$1	\$1.52
	Germany	8%	\$161	9%	\$57	\$3.60	Australia	5%	\$1	2%	\$0	\$1.93
Global share of trade:	Poland	7%	\$152	12%	\$66	\$3.61	Malaysia	1%	\$0	20%	\$0	\$3.17
- Top 3 importers 34%	Thailand	6%	\$130	14%	\$64	\$0.91	Singapore	1%	\$0	4%	\$0	\$2.01
- Top 3 exporters 26%	Spain	5%	\$97	27%	\$67	\$0.99	Other	5%	\$1	-7%	-\$0	\$1.70
- New Zealand 0.7%	Italy	4%	\$90	0%	-\$1	\$2.19	World	100%	\$15	19%	\$9	\$2.48
	Austria	4%	\$88	2%	\$10	\$4.61						
	Ecuador	4%	\$86	15%	\$44	\$3.06						
	China	4%	\$81	8%	\$27	\$1.08						
	Brazil	4%	\$80	27%	\$56	\$2.40						
	Turkey	4%	\$76	16%	\$40	\$2.64						
	Saudi Arabia	3%	\$58	5%	\$12	\$0.54						
Possible size of the prize \$50-80m	Other	30%	\$638	4%	\$126	\$0.63						
	World		\$2,099	8%	\$680	\$1.13						
							New Zealand imports					
							Total	\$7	-4%	-\$1	\$2.32	

Qualitative Scorecard Global		Market structure and situation Global	Nature of challenge	
			Leveragable existing NZ factors	Potential sources of value creation
Large global market	●	<ul style="list-style-type: none"> - Trade code is a catch all of secondary fruit and vegetable juices not otherwise classified in the HS system - Does not include citrus, apple, pineapple, grape or tomato or mixed juices; not fermented; includes all other single source fruit & vegetable juices 	<ul style="list-style-type: none"> - Unique New Zealand flavours - Growing berry industry - Safe and secure supply of raw materials 	<ul style="list-style-type: none"> - Unknown
Strongly growing demand	●			
Asian opportunity	●			
Premium for quality	●			
Rich countries do it	●			
Capital Intensive	○			
New Zealand		New Zealand	Challenges/limitations to growth	Potential role for government
Large # of firms	○	<ul style="list-style-type: none"> - New Zealand export growth coming from 2009-80-0119 juice of single vegetable (x Tomato) which is 75% of total exports under 200980 <ul style="list-style-type: none"> - We need better data 	<ul style="list-style-type: none"> - Unknown 	<ul style="list-style-type: none"> - Unknown
Required skills	○			
Leverage country image	○			
Able to differentiate	○			
Trade Access	○			
Overall	○			

Not enough data for definitive conclusions; recommend more research

Quantitative Scorecard	Global market Major importing countries						Key NZ metrics		Value 2010	5y CAGR (05-10)		
	Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# employed in processing	N/A	N/A		
- NZ \$52m	USA	11%	\$220	7%	\$64	\$2.10	# of producers	N/A	N/A			
- Global \$2,101m	Mexico	8%	\$153	-8%	-\$76	\$3.15						
	Netherlands	5%	\$107	7%	\$32	\$2.69						
	Canada	5%	\$106	19%	\$62	\$2.46						
5y CAGR (US\$; 05-10)	Belgium	5%	\$104	5%	\$24	\$2.15						
- NZ 6%	Germany	5%	\$101	6%	\$24	\$3.19						
- Global 6%	United Kingdom	5%	\$96	4%	\$17	\$2.80						
	France	4%	\$83	3%	\$12	\$2.44						
	Japan	3%	\$58	4%	\$10	\$3.24						
	Australia	3%	\$58	8%	\$18	\$2.42						
Absolute 5y growth (05-10)	Sweden	3%	\$54	12%	\$23	\$2.68						
- NZ +\$13m	Hong Kong SAR	3%	\$54	12%	\$23	\$2.21						
- Global +\$567m	Mali	3%	\$50	27%	\$35	\$2.30						
	Other	37%	\$724	6%	\$182	\$2.91						
	World	100%	\$1,968	5%	\$450	\$2.66						
	Major exporting countries						New Zealand exports by destination					
\$/kg (US\$; 10)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)
- NZ \$1.82	USA	15%	\$324	1%	\$17	\$2.30	Australia	91%	\$47	7%	\$13	\$1.81
- Global \$2.64	Germany	8%	\$161	2%	\$13	\$3.87	Japan	7%	\$3	-4%	-\$1	\$1.92
	Netherlands	6%	\$131	1%	\$7	\$3.27	South Africa	1%	\$1	N/A	\$1	\$1.72
Global share of trade:	Canada	6%	\$129	5%	\$30	\$1.74	Netherlands	1%	\$0	N/A	\$0	\$1.82
- Top 3 importers 34%	France	5%	\$96	4%	\$17	\$2.36	Singapore	0%	\$0	6%	\$0	\$1.73
- Top 3 exporters 29%	Spain	4%	\$89	4%	\$15	\$2.77	Other	0%	\$0	-15%	-\$0	\$2.30
- New Zealand 2%	Poland	4%	\$76	43%	\$63	\$2.08	World	100%	\$52	6%	\$13	\$1.82
	Switzerland	4%	\$76	5%	\$16	\$6.13						
	Italy	3%	\$73	6%	\$19	\$2.36						
	Guatemala	3%	\$62	7%	\$18	\$1.76						
	Japan	3%	\$55	13%	\$26	\$8.10						
	New Zealand	2%	\$52	6%	\$13	\$1.82						
Possible size of the prize \$100-150m	Côte d'Ivoire	2%	\$47	9%	\$17	\$2.14	New Zealand imports					
	Other	35%	\$729	11%	\$296	\$2.89	Total	\$13	11%	+\$5	\$3.73	
	World	100%	\$2,101	6%	\$567	\$2.64						

Qualitative Scorecard Global		Market structure and situation Global		Nature of challenge	
				Leveragable existing NZ factors	Potential sources of value creation
Large global market	●	<ul style="list-style-type: none"> - Relatively mature global industry using well understood technology (canning) - Aseptic pouch slowly replacing cans - Low/no volume growth for most countries (top 3 are 1-2% CAGR) 	<ul style="list-style-type: none"> - Low cost producer of key ingredients (e.g. meat and vegetables) - Trusted supplier of safe and secure foods - Unique NZ flavours - Lamb soups 	<ul style="list-style-type: none"> - Further investment by Heinz - New greenfields operations 	
Strongly growing demand	○				
Asian opportunity	●				
Premium for quality	●				
Rich countries do it	●				
Capital Intensive	●				
New Zealand		New Zealand		Challenges/limitations to growth	Potential role for government
Large # of firms	○	<ul style="list-style-type: none"> - Watties acquired by Heinz in 1992 - Market is 98% Australia and Japan (suggest this is predominantly Heinz NZ to Heinz AU & Japan) 	<ul style="list-style-type: none"> - Highly dependent on investment decisions of a single firm (Heinz) 	<ul style="list-style-type: none"> - Attracting new greenfields investment in soup, particularly from Germany, Netherlands and France 	
Required skills	○				
Leverage country image	○				
Able to differentiate	○				
Trade Access	○				
Overall	○				

Quantitative Scorecard	Global market						Key NZ metrics		Value 2010	5y CAGR (05-10)		
	Major importing countries											
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# employed in processing	N/A	N/A			
- NZ \$8m	Hong Kong SAR	16%	\$423	4%	\$83	\$0.00	# of producers	N/A	N/A			
	USA	14%	\$387	0%	\$2	\$0.72						
- Global \$2,599m	Japan	11%	\$300	1%	\$21	\$0.63						
	Germany	8%	\$210	-6%	-\$80	\$0.11						
5y CAGR (US\$; 05-10)	Belgium	8%	\$202	2%	\$23	\$0.03						
	United Kingdom	6%	\$164	-4%	-\$38	\$0.27						
- NZ 23%	Netherlands	4%	\$112	1%	\$7	\$0.02						
	Switzerland	3%	\$89	3%	\$13	\$0.28						
- Global 2%	Canada	3%	\$87	14%	\$42	\$0.66						
	France	3%	\$77	-4%	-\$17	\$0.04						
Absolute 5y growth (05-10)	Russian Federation	2%	\$49	3%	\$6	\$0.70						
	Luxembourg	1%	\$33	-2%	-\$4	\$0.27						
- NZ +\$5m	Singapore	1%	\$30	9%	\$11	\$0.14						
	Other	19%	\$513	7%	\$150	\$0.01						
- Global +\$282m	World		\$2,675	2%	\$217	\$0.00						
	Major exporting countries						New Zealand exports by destination					
\$/l (US\$; 10)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/l (2010)
- NZ \$0.55	France	33%	\$859	1%	\$29	\$0.21	USA	55%	\$5	22%	\$3	\$0.37
	Italy	16%	\$416	6%	\$112	\$0.06	Australia	24%	\$2	20%	\$1	\$1.80
- Global \$0.00	China	12%	\$325	0%	\$8	\$0.00	U.A.E.	4%	\$0	40%	\$0	\$0.90
	Belgium	6%	\$157	3%	\$21	\$0.35	Fiji	4%	\$0	60%	\$0	\$1.33
Global share of trade:	USA	4%	\$106	10%	\$40	\$0.46	Japan	2%	\$0	12%	\$0	\$0.87
- Top 3 importers 41%	Germany	3%	\$81	8%	\$26	\$0.01	Samoa	2%	\$0	78%	\$0	\$1.27
	Netherlands	3%	\$72	20%	\$43	\$0.20	Hong Kong SAR	1%	\$0	48%	\$0	\$1.18
- Top 3 exporters 61%	Saudi Arabia	2%	\$51	8%	\$17	\$0.17	Vanuatu	1%	\$0	69%	\$0	\$1.17
	United Kingdom	2%	\$43	4%	\$8	\$0.52	Other	7%	\$1	14%	\$0	\$0.93
- New Zealand 0.3%	Norway	1%	\$38	8%	\$12	\$0.26	World	100%	\$8	23%	\$5	\$0.55
	Georgia	1%	\$30	-1%	-\$2	\$0.48						
	Turkey	1%	\$30	-1%	-\$1	\$0.17						
	Luxembourg	1%	\$23	-8%	-\$12	\$0.25						
Possible size of the prize	Other	14%	\$370	-1%	-\$19	\$0.02	New Zealand imports					
\$40-50m	World		\$2,599	2%	\$282	\$0.00	Total		\$1	-15%	-\$1	\$0.93

Qualitative Scorecard Global		Market structure and situation Global		Nature of challenge	
				Leveragable existing NZ factors	Potential sources of value creation
Large global market	●	- Major global brands emerged in 19 th Century (Evian 1829; Perrier 1898; San Pellegrino 1899; Vittel 1882)	- Positive image of New Zealand with some consumers in some markets, particularly Asia	- Global beverage majors adding NZ water to their portfolio	
Strongly growing demand	○	- Consolidated global market dominated by Nestle (Perrier, Vittel, San Pellegrino), Danone (Evian, Volvic, etc.) and local Coke and Pepsi bottlers (soft drink distribution effectively a natural duopoly)	- International association of New Zealand with “pure” and “clean”	- Creating a story around New Zealand water	
Asian opportunity	●	- Huge range of smaller brands and producers globally	- Relative isolation of New Zealand geographically and low domestic population leading to water purity		
Premium for quality	●	- Top 4 markets are U.S., Mexico, China and Brazil	- Premium global position of New Zealand wines		
Rich countries do it	●	- Global markets are either premium/status beverage (e.g. US) or by safety of tap water (developing world)			
Capital Intensive	●	- Image/brand/marketing key to success as product is effectively indistinguishable			
New Zealand		New Zealand		Challenges/limitations to growth	Potential role for government
Large # of firms	○	- Long history of entrepreneurs trying to sell pure NZ water to global markets (at least since 1970’s)	- Arriving relatively “late to the game”	- Quality assurance (cf. benzene in Perrier in 1990)	
Required skills	○	- Most bottled water sold in NZ produced/distributed by soft drink duopoly (Coca-Cola/Pump/Kiwi Blue; Frucor/H2GO/NZ Natural)	- Very limited “magic healing spring” heritage on which to draw		
Leverage country image	●	- Emergent smaller producers achieving success in last decade (Antipodes (2003); Fine/420 (2005); Eternal (2005); Waiwera (claims 136 year history)	- Limited track record of premium/superpremium brand development		
Able to differentiate	○	- Waiwera recently acquired by Russian entrepreneur	- Lack of scale in bottling		
Trade Access	●		- Domestic market/consumers have not embraced product		
Overall	○		- Highly dependent on two markets (USA and Australia)		

Quantitative Scorecard	Global market						Key NZ metrics	Value 2010	10y CAGR (00-10)			
	Major importing countries											
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)						
- NZ \$26m	USA	37%	\$3,748	2%	\$405	\$1.18	# of hops growers	15	N/A			
	United Kingdom	7%	\$661	0%	\$3	\$0.82	Planted hops area (ha)	370	N/A			
- Global \$10,790m	Italy	6%	\$626	4%	\$102	\$0.99	Production of hops (t)	830	N/A			
	Canada	6%	\$610	11%	\$246	\$1.79	# employed in production (C121-200)	1,540	0%			
5y CAGR (US\$; 05-10)	France	6%	\$577	5%	\$117	\$0.88	# of enterprise units (C121-200)	51	-1%			
- NZ 14%	Germany	5%	\$521	12%	\$223	\$0.75						
	Spain	2%	\$229	3%	\$33	\$0.84						
- Global 6%	Netherlands	2%	\$206	0%	\$3	\$0.95						
	Ireland	2%	\$192	-2%	-\$17	\$1.04						
Absolute 5y growth (05-10)	Australia	2%	\$181	21%	\$112	N/A						
- NZ +\$12m	Russian Federation	2%	\$168	14%	\$82	\$0.56						
	Belgium	2%	\$165	8%	\$51	\$0.83						
- Global +\$2,620m	Sweden	1%	\$109	7%	\$33	\$2.03						
	Other	20%	\$2,008	8%	\$660	\$0.77						
	World	100%	\$10,002	5%	\$2,053	\$0.98						
	Major exporting countries						New Zealand exports by destination					
\$/l (US\$; 10)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/l (2010)
- NZ \$0.72	Mexico	17%	\$1,876	4%	\$369	\$1.05	Australia	70%	\$18	31%	\$13	TBD
- Global \$0.96	Netherlands	17%	\$1,818	3%	\$267	\$1.12	USA	16%	\$4	-8%	-\$2	TBD
	Germany	12%	\$1,253	4%	\$205	\$0.83	Cook Islands	4%	\$1	3%	\$0	TBD
Global share of trade:	Belgium	9%	\$973	8%	\$298	\$1.39	American Samoa	3%	\$1	25%	\$0	TBD
- Top 3 importers 50%	United Kingdom	8%	\$840	7%	\$238	\$1.85	United Kingdom	2%	\$0	-8%	-\$0	TBD
	USA	4%	\$380	13%	\$177	\$1.11	Other	5%	\$1	9%	\$0	TBD
- Top 3 exporters 46%	Ireland	3%	\$354	2%	\$26	\$0.89	World		\$26	14%	\$12	\$0.72
	Denmark	3%	\$323	0%	\$1	\$1.03						
- New Zealand 0.2%	France	3%	\$304	10%	\$112	\$0.97						
	Canada	2%	\$244	0%	\$3	\$0.73						
	Portugal	2%	\$219	16%	\$112	\$0.96						
	Czech Rep.	2%	\$201	6%	\$49	\$0.62						
Possible size of the prize \$100m+	Italy	1%	\$151	15%	\$76	\$0.80						
	Other	17%	\$1,854	10%	\$687	\$0.68						
	World		\$10,790	6%	\$2,620	\$0.96						
							New Zealand imports					
							Total		\$39	9%	+\$13	TBD

Qualitative Scorecard Global	Market structure and situation Global	Nature of challenge	
		Leveragable existing NZ factors	Potential sources of value creation
<p>Large global market ●</p> <p>Strongly growing demand ○</p> <p>Asian opportunity ○</p> <p>Premium for quality ◐</p> <p>Rich countries do it ●</p> <p>Capital Intensive ●</p>	<ul style="list-style-type: none"> - Most beer produced and consumed in country of origin; relatively little crosses borders - Global beer industry relatively consolidated in developed world; most produce global brands in multiple markets - Major beer exporters are independent/non-global beer firms tied to specific countries (e.g. Grupo Modelo/Corona) - Craft/boutique beers emerged in UK in 70's and US in 80's; rapid spread; now thousands globally 	<ul style="list-style-type: none"> - Premium global position of New Zealand wines - New Zealand flavours (kiwifruit, feijoa, manuka honey, etc.) - Indigenous traditions (e.g. tutu "beer") - Hop breeding and growing 	<ul style="list-style-type: none"> - Consolidation of smaller microbreweries - Global ownership of Lion, DB and Independent able to export through their existing network
New Zealand	New Zealand	Challenges/limitations to growth	Potential role for government
<p>Large # of firms ●</p> <p>Required skills ●</p> <p>Leverage country image ◐</p> <p>Able to differentiate ◐</p> <p>Trade Access ○</p> <p>Overall ◐</p>	<ul style="list-style-type: none"> - Large NZ brewers foreign owned with limited incentive to push and develop exports; appear more interested in producing global brands in NZ - NZ beer styles not traditionally unique; no clear point-of-difference in global market - NZ currently a minor beer exporter (similar in size to Dominican Republic or Estonia); exports primarily to Australia, US and Pacific Islands - Craft/boutique brewers emerged relatively late in NZ but growing and improving; now strong group of emergent second tier of craft brewers (e.g. Moa) - New Zealand currently imports 50% more beer than in exports (by value) [i.e. a trade deficit in beer] 	<ul style="list-style-type: none"> - High domestic taxes on alcohol; no progressive tax element as in competitors - Limited brewing heritage on which to draw (e.g. vs. Barvaria) 	<ul style="list-style-type: none"> - Consider "Progressive Beer Duty" as used in UK, Germany and other EU

Quantitative Scorecard	Global market						Key NZ metrics		Value	10y CAGR		
	Major importing countries							2010	(05-10)			
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# of apple/pear growers (A013-400)	520 (07)	-10% (97-07)			
- NZ \$10m	United Kingdom	20%	\$190	24%	\$124	\$2.32	Planted area (ha)	8,765 (07)	-6% (97-07)			
	Japan	17%	\$165	20%	\$99	\$1.05	Apple/pear production (t; 000)	421 (07)	1% (97-07)			
- Global \$1,083m	USA	9%	\$88	3%	\$10	\$3.14	# employed in processing	N/A	N/A			
	Germany	6%	\$52	3%	\$8	\$1.43	# of producers (#)	N/A	N/A			
5y CAGR (US\$; 05-10)	Denmark	5%	\$45	56%	\$40	\$1.47						
	Canada	4%	\$36	12%	\$15	\$3.61						
- NZ 117%	Australia	3%	\$32	23%	\$21	\$2.71						
	Russian Federation	3%	\$30	39%	\$24	\$1.07						
- Global 16%	Hong Kong SAR	2%	\$21	18%	\$12	\$4.53						
	Spain	2%	\$18	6%	\$4	\$1.05						
Absolute 5y growth (05-10)	Finland	2%	\$17	2%	\$1	\$1.09						
	South Korea	2%	\$17	48%	\$14	\$3.47						
- NZ +\$10m	Ireland	2%	\$16	9%	\$6	\$1.28						
	Other	23%	\$219	7%	\$65	\$1.25						
- Global +\$560m	World	100%	\$945	14%	\$445	\$1.54						
\$/l (US\$; 10)	Major exporting countries						New Zealand exports by destination					
	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/l (2010)
- NZ \$1.96	Ireland	20%	\$215	16%	\$111	\$2.27	Australia	96%	\$10	400%	\$10	\$1.91
	Rep. of Korea	11%	\$122	47%	\$104	\$0.81	Japan	1%	\$0	-5%	-\$0	\$3.91
- Global \$1.48	Japan	9%	\$101	14%	\$50	\$6.62	Vanuatu	1%	\$0	95%	\$0	\$25.97
	Sweden	8%	\$82	36%	\$64	\$2.78	Malaysia	0%	\$0	N/A	\$0	\$31.94
Global share of trade:	Netherlands	5%	\$55	40%	\$44	\$1.35	Canada	0%	\$0	N/A	\$0	\$4.97
- Top 3 importers 46%	United Kingdom	5%	\$50	13%	\$23	\$1.55	Other	1%	\$0	17%	\$0	\$6.35
	Italy	5%	\$50	32%	\$37	\$2.18	World	100%	\$10	117%	\$10	\$1.96
- Top 3 exporters 40%	France	5%	\$50	7%	\$15	\$2.01						
	Germany	4%	\$45	13%	\$20	\$1.13						
- New Zealand 2%	South Africa	4%	\$40	67%	\$37	\$1.65						
	Denmark	3%	\$38	50%	\$33	\$1.74						
	USA	3%	\$33	-7%	-\$13	\$1.59						
	China	3%	\$32	-3%	-\$5	\$1.21						
	Other	16%	\$171	5%	\$39	\$0.91						
	World	100%	\$1,083	16%	\$560	\$1.48						
Possible size of the prize \$50-200m+							New Zealand imports					
							Total	\$1.4	13%	+\$0.6	\$7.32	

Qualitative Scorecard Global		Market structure and situation Global		Nature of challenge	
				Leveragable existing NZ factors	Potential sources of value creation
Large global market	○	<ul style="list-style-type: none"> - Global data mixes alcoholic apple cider and fermented rice drinks (e.g. Soju, Sake) [inseparable at source] - Smaller (US\$1b) global category achieving strong growth (16%) driven by increasing consumer demand in key rich, developed markets - Market primarily rich Northern Hemisphere apple eating countries (cider) and inter-Asia (rice based) - Ireland is global market leader (20% share; CAGR 16%); cider strong in Ireland due to preferential tax treatment; C&C/Bulmers dominates market 	<ul style="list-style-type: none"> - Globally competitive apple industry and global NZ apple consumer base - Premium global position of New Zealand wines - NZ developed apple varieties (Gala; Braeburn), including IP controlled (Jazz) 	<ul style="list-style-type: none"> - Get apples through fresh apple trade barriers in a liquid form - Strength of Lion Breweries in Australia - Global ownership of Lion, DB and Independent able to export through their existing network 	
Strongly growing demand	●				
Asian opportunity	◐				
Premium for quality	◐				
Rich countries do it	●				
Capital Intensive	◐				
New Zealand		New Zealand		Challenges/limitations to growth	Potential role for government
Large # of firms	○	<ul style="list-style-type: none"> - Sector emerged in NZ due to launch of Monteiths (DB) and Mac's (Lion) cider launched into domestic market following success of alc. cider in UK and US 	<ul style="list-style-type: none"> - Success currently highly dependant on business decisions of two firms - High domestic taxes on alcohol - Government's long-term love/hate relationship with alcohol and hence sector 	<ul style="list-style-type: none"> - Regulation around quality and authenticity - Ongoing trade negotiations with key trading markets - Knowledge transfer and skills development 	
Required skills	◐				
Leverage country image	●				
Able to differentiate	●				
Trade Access	◐				
Overall	◐				

Qualitative Scorecard Global	Market structure and situation Global	Nature of challenge	
		Leveragable existing NZ factors	Potential sources of value creation
Large global market ●	<ul style="list-style-type: none"> - Global market large (US\$23b) and growing (CAGR 8%) - Most spirits have regional identity (e.g. Ouzo = Greece; Tequila = Mexico) - Major exporters and importers are rich, developed Europe and US (and Mexico) among each other - Asia relatively small but growing market; primarily premium status brands; per capita consumption low - Highly branded premium products; low to nil private label - Large premium players but also many successful independents 	<ul style="list-style-type: none"> - Premium global position of New Zealand wines - New Zealand flavours (kiwifruit, feijoa, manuka honey, etc.) - Unique NZ flora (e.g. cabbage tree hearts similar to agave hearts) - Indigenous traditions (e.g. tutu “beer”) - Immigrants bringing new skills and capabilities 	<ul style="list-style-type: none"> - Development of premium NZ-iconic brands/products/tastes - Leverage in-market awareness of NZ as a supplier of specific products (e.g. honey, kiwifruit, dairy [Irish Cream])
Strongly growing demand ●◐			
Asian opportunity ●◐			
Premium for quality ●			
Rich countries do it ●			
Capital Intensive ●			
New Zealand	New Zealand	Challenges/limitations to growth	Potential role for government
Large # of firms ●◐	<ul style="list-style-type: none"> - Long history of small scale production (e.g. Scottish immigrants making whisky); mixed track record of success and government interference/prohibition - Relatively young sector for NZ; Independent Liquor emerged in 80’s making alco-pops for domestic market and export - Limited large companies or growth history - 42 Below listed then acquired by Bacardi - New generation of firms emerging targeting export 	<ul style="list-style-type: none"> - Limited history on which to draw - No New Zealand “identity” spirit - High domestic taxes on alcohol - Government’s long-term love/hate relationship with alcohol and hence sector 	<ul style="list-style-type: none"> - Regulation around quality and authenticity - Ongoing trade negotiations with key trading markets - Foundation research on industry potential (cf. Romeo Bragato in 1895) - Knowledge transfer and skills development - Consider progressive tax to encourage development of smaller producers
Required skills ●◐			
Leverage country image ●			
Able to differentiate ●			
Trade Access ○			
Overall ●			

Quantitative Scorecard	Global market						Key NZ metrics		Value 2010	10y CAGR (00-10)		
	Major importing countries											
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# employed in processing (C119-200)		770	7%		
- NZ \$169m	China	13%	\$1,757	10%	\$655	\$1.49	# of enterprise units (#) (C119-200)		80	3%		
- Global \$13,830m	Japan	9%	\$1,312	6%	\$340	\$2.00						
	Germany	8%	\$1,173	5%	\$252	\$1.32						
	United Kingdom	6%	\$846	4%	\$140	\$1.68						
5y CAGR (US\$; 05-10)	Italy	5%	\$653	10%	\$240	\$1.18						
- NZ 11%	USA	5%	\$647	18%	\$368	\$2.65						
- Global 10%	Canada	5%	\$626	12%	\$263	\$1.77						
	France	4%	\$550	7%	\$165	\$1.37						
	Belgium	3%	\$483	6%	\$117	\$1.37						
Absolute 5y growth (05-10)	Norway	3%	\$436	15%	\$220	\$1.73						
- NZ +\$70m	Netherlands	3%	\$353	5%	\$72	\$1.09						
- Global +\$5,187m	Spain	2%	\$324	10%	\$127	\$1.58						
	Denmark	2%	\$317	6%	\$85	\$1.43						
	Other	32%	\$4,368	10%	\$1,691	\$1.16						
	World		\$13,846	9%	\$4,734	\$1.40						
	Major exporting countries						New Zealand exports by destination					
\$/kg (US\$; 10)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)
- NZ \$0.93	Peru	12%	\$1,626	7%	\$475	\$1.48	Australia	22%	\$37	18%	\$20	\$2.35
- Global \$1.29	France	11%	\$1,472	5%	\$340	\$1.33	Indonesia	17%	\$29	6%	\$7	\$0.46
	USA	10%	\$1,411	8%	\$438	\$1.42	China	17%	\$29	11%	\$11	\$1.75
Global share of trade:	Germany	9%	\$1,217	11%	\$491	\$1.34	USA	17%	\$28	20%	\$17	\$1.01
- Top 3 importers 30%	Netherlands	6%	\$798	7%	\$234	\$1.10	Japan	4%	\$7	-11%	-\$6	\$1.60
- Top 3 exporters 33%	Thailand	6%	\$762	17%	\$409	\$1.97	Taiwan	4%	\$7	13%	\$3	\$0.87
- New Zealand 1%	Denmark	4%	\$621	5%	\$129	\$1.36	Malaysia	4%	\$7	17%	\$4	\$0.52
	China	4%	\$597	54%	\$529	\$5.20	Germany	3%	\$5	25%	\$3	\$1.38
	Chile	4%	\$538	3%	\$81	\$1.67	Other	12%	\$21	14%	\$10	\$0.68
	Belgium	3%	\$469	44%	\$394	\$1.22	World	100%	\$169	11%	+\$70	\$0.93
	Hungary	3%	\$366	6%	\$98	\$1.17	New Zealand imports					
	Australia	3%	\$364	4%	\$61	\$0.92						
Possible size of the prize \$500m+	United Kingdom	2%	\$323	13%	\$148	\$1.05	Total		\$83	8%	+\$26	\$1.76
	Other	24%	\$3,265	11%	\$1,360	\$1.01						
	World		\$13,830	10%	\$5,187	\$1.29						

Qualitative Scorecard Global		Market structure and situation Global		Nature of challenge	
				Leveragable existing NZ factors	Potential sources of value creation
Large global market	●	<ul style="list-style-type: none"> - Growing pet ownership/spending as child substitute; purchasing decisions made on image not taste - Peru, France, USA & Germany are the leading pet food exporters each with over a \$1b worth of exports - China and Japan and EU are the leading importers - Relatively consolidated: top 10 = ~70% global sales - Profitable sector encouraging investment by major global F&B multinationals - Relatively unregulated (e.g. ingredients, claims) as not consumed by humans 	<ul style="list-style-type: none"> - Existing major players in NZ - Safe and secure supply of raw materials - Nutraceuticals/functional foods capabilities (low/no regulation of use in pets leads to high use/claims) - Wide range of protein inputs (beef, lamb, dairy, seafood) - Exotic ingredients (a global pet food trend targeting buyer) 	<ul style="list-style-type: none"> - Opportunity to expand exports to Australia and China (high value markets) - Expansion of existing operations - New products from currently underutilised waste streams 	
Strongly growing demand	●				
Asian opportunity	●				
Premium for quality	◐				
Rich countries do it	●				
Capital Intensive	◐				
New Zealand		New Zealand		Challenges/limitations to growth	Potential role for government
Large # of firms	◐	<ul style="list-style-type: none"> - Tux biscuit invented in NZ by Tiny Moore in 1954; acquired by Purina, itself acquired by Nestle - Category consists of meat based meals and pellets + fish based meals and pellets + dog or cat food for retail - NZ has a comparative advantage in pet food; NZ is a low cost producer of meat and protein used as an ingredient in the pet food industry - Major global category leaders have invested in the pet food category in NZ (Mars, Nestle, Heinz) 	<ul style="list-style-type: none"> - Global firms in NZ vulnerable to head office decisions - Finite amount of raw material/ by-product - Not a low cost producer of grain - Consolidated category globally with limited room for new market entrants - International success requires significant investment in brand building 	<ul style="list-style-type: none"> - Facilitate continued growth of existing NZ-resident mid-sized pet food manufacturers - Work with existing multinationals (Nestle, Mars, Heinz) to understand and facilitate drivers of further investment - Attract further investment by new pet food multinationals <ul style="list-style-type: none"> - Japan (e.g. Unicharm, Nisshin, Nippon Pet) - Europe (e.g. Agrolimen) - USA (e.g. Colgate, P&G) 	
Required skills	◐				
Leverage country image	◐				
Able to differentiate	○				
Trade Access	◐				
Overall	◐				















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STAGE I – SCREENING CRITERIA

The screen used a range of quantitative criteria on export value over various periods (5 or 10 years)

Explanation of quantitative screening criteria used in Stage I
(2011)

Variable	Time periods	Colour	Criteria	Details/discussion
Absolute value growth	10 year 5 year		US\$20m or more	<ul style="list-style-type: none"> - Is the category growing its absolute export value over the medium /long term? - Categories growing their export dollars over a long period are creating wealth and employment in New Zealand - Need to be cautious with absolute growth as inflation can carry a large category along in absolute dollars
			US\$10-20m	
			Negative	
Compound Annual Growth Rate (CAGR) export value	10 year 5 year		More than 20%	<ul style="list-style-type: none"> - However we need to approach high CAGRs on small starting values with some caution - Is the category growing its absolute export value over the medium /long term? - Categories growing their export dollars over a long period are creating wealth and employment in New Zealand
			10 to 20%	
			Negative	
\$ /unit (kg or l)	2010		More than US\$5	<ul style="list-style-type: none"> - Is the product high value added per unit of absolute weight (or volume) relative to other categories? - All other things being equal, F&B categories with higher value per unit weight are more value added (e.g. infant formula vs. milk powder)
			Under US\$1	
CAGR \$ /unit	10 year		10% or more	<ul style="list-style-type: none"> - Is the category achieving positive price gains? - F&B categories growing their price per unit weight are an indication of consumers being prepared to pay more for the product over time - Much better to be in a category with increasing prices than falling ones
Overall attractiveness	5/10y		High	<ul style="list-style-type: none"> - A forced ranking of all categories relative to each other - Uses combination of above factors
			Medium	
			Low	

STAGE I – EXPORT GROWTH @ HS6 LEVEL

Identified categories were screened and given an overall rating relative to the total pool...

New Zealand food & beverage export value and value growth
(US\$m; nominal non-inflation-adjusted;1990-2010)

HS Code	Classification	Export value (US\$m; 2010)	CAGR export value		Absolute value growth		\$/unit	10y CAGR \$/unit	Overall
			10y	5y	10y	5y			
020120	Fresh or chilled unboned bovine meat (excl. carcasses)	\$ 5	8%	-1%	\$3	-\$0	\$ 6.66	8%	○
020450	Fresh, chilled or frozen goat meat	\$ 4	6%	2%	\$2	\$0	\$ 4.95	7%	○
020610	Fresh or chilled edible bovine offal	\$ 3	18%	7%	\$2	\$1	\$ 4.00	3%	◐
020621	Frozen bovine tongues	\$ 23	7%	-20%	\$11	-\$48	\$ 7.60	3%	○
020622	Frozen bovine livers	\$ 8	11%	-4%	\$5	-\$2	\$ 1.05	8%	○
020629	Frozen edible bovine offal (excl. tongues)	\$ 51	11%	-2%	\$33	-\$7	\$ 1.92	5%	○
020680	Sheep, goat, ass, mule, hinnie offal, fresh or chilled	\$ 2	23%	59%	\$2	\$2	\$ 26.76	29%	◐
020690	Sheep, goat, ass, mule, hinnie edible offal, frozen	\$ 45	10%	9%	\$27	\$16	\$ 1.85	10%	◐
020714	Chicken, cuts & offal, frozen	\$ 15	68%	37%	\$15	\$12	\$ 4.29	7%	●
030611	Frozen rock lobster and other sea crawfish	\$ 3	1%	-6%	\$0	-\$1	\$ 31.87	3%	○
030613	Frozen shrimps and prawns	\$ 11	-0%	-5%	-\$0	-\$3	\$ 19.76	6%	○
030710	Oysters	\$ 12	9%	3%	\$7	\$1	\$ 6.84	5%	○
030749	Cuttle fish and squid (excl. live, fresh or chilled)	\$ 63	13%	-12%	\$44	-\$55	\$ 2.19	4%	○
030791	Aquatic invertebrates, nes, live, fresh or chilled)	\$ 4	-2%	-9%	-\$1	-\$2	\$ 4.94	-0%	○
030799	Aquatic invertebrates, nes, includ.flours,meals	\$ 7	30%	80%	\$7	\$7	\$ 20.49	6%	◐
040229	Milk and cream in solid forms of >1.5% fat, sweetened	\$ 6	-21%	-23%	-\$59	-\$17	\$ 5.91	14%	○
040520	Dairy Spreads	\$ 9	6%	18%	\$4	\$5	\$ 3.38	9%	◐

STAGE I – EXPORT GROWTH @ HS6 LEVEL

... continued

New Zealand food & beverage export value and value growth
(US\$m; nominal non-inflation-adjusted;1990-2010)

HS Code	Classification	Export value (US\$m; 2010)	CAGR export value		Absolute value growth		\$/unit	10y CAGR \$/unit	Overall
			10y	5y	10y	5y			
030212	Fresh or chilled Pacific, Atlantic and Danube salmon	\$ 28	21%	20%	\$23	\$17	\$ 8.74	5%	●
030229	Fresh or chilled flat fish (excl. halibut, plai	\$ 3	4%	1%	\$1	\$0	\$ 6.65	6%	○
030239	Fresh or chilled tunas, nes	\$ 6	4%	18%	\$2	\$3	\$ 11.71	5%	●
030265	Fresh or chilled dogfish and other sharks	\$ 4	17%	31%	\$3	\$3	\$ 6.64	8%	●
030269	Fresh or chilled fish, nes	\$ 50	6%	7%	\$23	\$15	\$ 7.35	7%	●
030310	Frozen Pacific salmon	\$ 19	13%	31%	\$14	\$14	\$ 6.38	4%	●
030339	Frozen flat fish (excl. halibut, plaice and sol)	\$ 5	9%	2%	\$3	\$1	\$ 4.11	6%	○
030341	Frozen albacore or longfinned tunas	\$ 5	-4%	-9%	-\$2	-\$3	\$ 2.32	5%	○
030343	Frozen skipjack or stripe-bellied bonito	\$ 11	10%	11%	\$7	\$4	\$ 1.01	9%	●
030349	Frozen tunas, nes	\$ 5	6%	23%	\$2	\$3	\$ 26.69	7%	○
030374	Frozen mackerel	\$ 8	11%	8%	\$6	\$3	\$ 0.96	8%	●
030375	Frozen dogfish and sharks	\$ 6	10%	0%	\$4	\$0	\$ 2.98	11%	●
030378	Frozen hake	\$ 12	-1%	-7%	-\$1	-\$5	\$ 3.12	1%	○
030380	Frozen fish livers and roes	\$ 6	-4%	-3%	-\$2	-\$1	\$ 3.24	5%	○
030410	Fresh or chilled fish fillets	\$ 12	10%	22%	\$7	\$7	\$ 11.32	7%	●
030490	Frozen fish meat (excl. fillets)	\$ 49	0%	9%	\$1	\$18	\$ 3.42	5%	●
030541	Smoked Pacific, Atlantic and Danube salmon	\$ 4	2%	8%	\$1	\$1	\$ 23.50	5%	●

STAGE I – EXPORT GROWTH @ HS6 LEVEL

... continued

New Zealand food & beverage export value and value growth
(US\$m; nominal non-inflation-adjusted;1990-2010)

HS Code	Classification	Export value (US\$m; 2010)	CAGR export value		Absolute value growth		\$/unit	10y CAGR \$/unit	Overall
			10y	5y	10y	5y			
040700	Birds' eggs, in shell, fresh, preserved or cook	\$ 6	10%	12%	\$4	\$3	\$ 3.58	2%	●
040900	Natural honey	\$ 70	30%	22%	\$65	\$45	\$ 10.67	19%	●
070190	Other potatoes, fresh or chilled	\$ 12	8%	10%	\$6	\$4	\$ 0.40	12%	●
070200	Tomatoes, fresh or chilled	\$ 8	36%	5%	\$8	\$2	\$ 2.42	3%	●
070310	Onions and shallots, fresh or chilled	\$ 83	9%	14%	\$47	\$39	\$ 0.47	12%	●
070610	Carrots and turnips, fresh or chilled	\$ 5	-7%	6%	-\$5	\$1	\$ 0.51	4%	○
070960	Fruits of genus Capsicum or Pimenta, fresh or cooked	\$ 28	14%	10%	\$20	\$11	\$ 4.69	5%	●
070990	Other vegetables, fresh or chilled, nes	\$ 37	2%	-7%	\$8	-\$16	\$ 0.45	4%	○
071021	Shelled or unshelled peas, frozen	\$ 32	4%	3%	\$10	\$4	\$ 1.01	6%	●
071022	Shelled or unshelled beans, frozen	\$ 5	10%	6%	\$3	\$1	\$ 1.21	7%	●
071040	Sweet corn, frozen	\$ 16	-2%	-9%	-\$4	-\$10	\$ 1.27	4%	○
071080	Vegetables, frozen, nes	\$ 5	5%	-5%	\$2	-\$2	\$ 1.84	6%	○
071090	Mixtures of vegetables, frozen	\$ 22	5%	-1%	\$8	-\$1	\$ 1.40	7%	○
071290	Dried vegetables, nes	\$ 13	9%	6%	\$7	\$3	\$ 7.14	5%	○
071310	Dried peas, shelled	\$ 24	9%	10%	\$14	\$9	\$ 1.48	14%	●
080440	Avocados, fresh or dried	\$ 38	14%	6%	\$27	\$9	\$ 3.67	8%	●
080820	Pears and quinces, fresh	\$ 6	-1%	4%	-\$1	\$1	\$ 1.25	8%	○
080910	Apricots, fresh	\$ 5	4%	9%	\$2	\$2	\$ 4.02	7%	○
080920	Cherries, fresh	\$ 18	24%	14%	\$16	\$9	\$ 11.31	7%	●
081010	Strawberries, fresh	\$ 3	-6%	1%	-\$3	\$0	\$ 5.97	5%	○
081040	Cranberries, mulberries...etc, fresh	\$ 13	19%	12%	\$11	\$6	\$ 14.21	8%	●

STAGE I – EXPORT GROWTH @ HS6 LEVEL

... continued

New Zealand food & beverage export value and value growth
(US\$m; nominal non-inflation-adjusted;1990-2010)

HS Code	Classification	Export value (US\$m; 2010)	CAGR export value		Absolute value growth		\$/unit	10y CAGR \$/unit	Overall
			10y	5y	10y	5y			
081090	Other fruit, fresh, nes	\$ 7	5%	2%	\$3	\$1	\$ 4.38	8%	○
081120	Raspberries, blackberries...etc, frozen	\$ 11	16%	6%	\$8	\$3	\$ 5.31	7%	●
081190	Other fruit and nuts, frozen, nes	\$ 7	8%	3%	\$4	\$1	\$ 2.12	2%	○
081350	Mixtures of dried fruit and nuts, nes	\$ 3	69%	118%	\$3	\$3	\$ 11.76	19%	●
120922	Clover seed, of a kind used for sowing	\$ 12	4%	-2%	\$4	-\$2	\$ 4.21	9%	○
120925	Rye grass seed, of a kind used for sowing	\$ 28	10%	9%	\$17	\$10	\$ 1.71	8%	●
120929	Other seeds of forage plants	\$ 5	11%	6%	\$3	\$1	\$ 3.88	7%	●
120991	Vegetable seed, of a kind used for sowing	\$ 44	19%	13%	\$36	\$20	\$ 5.02	7%	●
120999	Other seeds, fruit and spores, of a kind used for sowing, nes	\$ 7	8%	17%	\$4	\$4	\$ 4.89	11%	●
150420	Fish fats, oils and fractions (excl. fish liver	\$ 3	8%	15%	\$2	\$2	N/A	N/A	●
151590	Other fixed vegetable fats and fractions, nes	\$ 4	36%	16%	\$4	\$2	\$ 4.15	4%	●
151710	Margarine (excl. liquid)	\$ 5	11%	3%	\$4	\$1	\$ 2.37	7%	●
160100	Sausages and similar products; food preparation	\$ 6	38%	57%	\$6	\$5	\$ 11.69	21%	●
160232	Fowls meat and meat offal of poultry	\$ 7	39%	44%	\$7	\$6	\$ 5.25	9%	●
160250	Bovine meat, offal nes, not livers, prepared/preserved	\$ 83	16%	12%	\$64	\$36	\$ 7.31	20%	●
160290	Meat, meat offal and blood, prepared or preserved, nes	\$ 5	24%	9%	\$5	\$2	\$ 7.19	10%	●
160300	Extracts and juices of meat, fish and aquatic invertebrates	\$ 11	18%	9%	\$9	\$4	\$ 12.65	14%	●
160419	Prepared or preserved fish (excl. minced), nes	\$ 5	172%	142%	\$5	\$5	\$ 5.17	44%	●
160420	Other prepared or preserved fish, nes	\$ 32	7%	10%	\$16	\$12	\$ 4.48	6%	●
160590	Molluscs and other aquatic invertebrates, prepared or preserved	\$ 48	3%	2%	\$11	\$5	\$ 18.19	3%	●

STAGE I – EXPORT GROWTH @ HS6 LEVEL

... continued

New Zealand food & beverage export value and value growth
(US\$m; nominal non-inflation-adjusted;1990-2010)

HS Code	Classification	Export value (US\$m; 2010)	CAGR export value		Absolute value growth		\$/unit	10y CAGR \$/unit	Overall
			10y	5y	10y	5y			
170199	Cane or beet sugar, in solid form, nes	\$ 19	15%	22%	\$15	\$12	\$ 0.75	11%	●
170211	Lactose	\$ 33	8%	-1%	\$17	-\$2	\$ 1.76	10%	○
170490	Sugar confectionery (incl. white chocolate), no	\$ 46	23%	8%	\$40	\$14	\$ 4.56	11%	●
180620	Chocolate and other food preps containing cocoa > 2 kg	\$ 22	2%	-9%	\$4	-\$13	\$ 2.13	2%	○
180631	Chocolate, cocoa preps, block, slab, bar, filled, >2kg	\$ 3	31%	1%	\$2	\$0	\$ 9.23	11%	●
180632	Chocolate, cocoa prep, block/slab/bar, not filled,>2kg	\$ 13	11%	5%	\$9	\$3	\$ 6.49	10%	●
180690	Chocolate, etc, containing cocoa, not in blocks	\$ 34	21%	4%	\$29	\$7	\$ 7.75	11%	●
190230	Other pasta, nes	\$ 17	14%	1%	\$12	\$1	\$ 1.49	11%	●
190410	Cereal foods obtained by swelling, roasting of cereal	\$ 6	21%	24%	\$5	\$4	\$ 3.50	10%	●
190420	Prepared food from unroasted cereal flakes	\$ 10	20%	15%	\$9	\$5	\$ 3.58	3%	●
190490	Prepared cereals in grain form (excl. maize)	\$ 3	4%	-13%	\$1	-\$3	\$ 4.07	6%	○
190530	Sweet biscuits; waffles and wafers	\$ 32	18%	27%	\$26	\$22	\$ 4.92	8%	●
190590	Communion wafers, rice paper, bakers wares nes	\$ 74	18%	10%	\$60	\$27	\$ 2.93	10%	●
200410	Potatoes, preserved other than by vinegar or acetic acid	\$ 60	18%	9%	\$48	\$21	\$ 0.88	6%	●
200490	Other vegetables preserved other than by vinegar or acetic acid	\$ 4	18%	-3%	\$3	-\$1	\$ 2.63	7%	○
200551	Shelled beans, preserved other than by vinegar, or acetic acid	\$ 26	12%	4%	\$18	\$4	\$ 1.33	10%	●
200580	Sweetcorn, preserved other than by vinegar or or acetic acid	\$ 4	30%	55%	\$4	\$3	\$ 1.83	11%	●
200590	Vegetables preserved other than by vinegar, etc	\$ 2	12%	31%	\$1	\$2	\$2.20	7%	●
200791	Jams, fruit jellies, marmalades, etc, of citrus	\$ 4	27%	58%	\$4	\$4	\$ 2.58	8%	●
200799	Other jams, fruit jellies, marmalades, pastes, nuts other than citrus	\$ 31	13%	20%	\$22	\$19	\$ 3.58	5%	●
200892	Mixtures of fruit, nuts, prepared or preserved	\$ 4	8%	10%	\$2	\$2	\$ 7.81	18%	●

STAGE I – EXPORT GROWTH @ HS6 LEVEL

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New Zealand food & beverage export value and value growth
(US\$m; nominal non-inflation-adjusted;1990-2010)

HS Code	Classification	Export value (US\$m; 2010)	CAGR export value		Absolute value growth		\$/unit	10y CAGR \$/unit	Overall
			10y	5y	10y	5y			
200899	Other fruit, etc, prepared or preserved, nes	\$ 9	6%	0%	\$4	\$0	\$ 1.56	9%	○
200970	Apple juice, unfermented, not containing added sugar	\$ 14	-1%	-0%	-\$1	-\$0	\$ 1.10	2%	○
200980	Juice of other single fruit, unfermented, not cooked	\$ 15	17%	19%	\$12	\$9	\$ 2.48	5%	●
200990	Mixtures of juices, unfermented, not containing sugar	\$ 8	25%	18%	\$7	\$4	\$ 4.26	20%	◐
210390	Sauces and sauce preparations; mixed condiments	\$ 62	6%	-6%	\$27	-\$21	\$ 2.60	7%	○
210410	Soups and broths and preparations therefor	\$ 52	17%	6%	\$41	\$13	\$ 1.82	5%	●
210420	Homogenized composite food preparations	\$ 9	25%	24%	\$8	\$6	\$ 3.80	9%	◐
210500	Ice cream and other edible ice	\$ 31	7%	2%	\$14	\$3	\$ 3.14	8%	◐
210610	Protein concentrates and textured protein substance	\$ 9	35%	21%	\$9	\$6	\$ 4.46	12%	◐
210690	Other food preparations, nes	\$ 271	17%	-0%	\$213	-\$6	\$ 9.64	17%	○
220110	Mineral waters and aerated waters, unsweetened	\$ 4	20%	11%	\$4	\$2	\$ 1.24	11%	◐
220190	Other unsweetened waters; ice and snow	\$ 4	16%	55%	\$3	\$4	\$ 0.35	5%	●
220210	Waters (incl. mineral and aerated), with added sugar (AKA soft drinks)	\$ 57	6%	5%	\$24	\$12	\$ 1.69	6%	◐
220290	Other non-alcoholic beverages, nes	\$ 10	16%	13%	\$8	\$5	\$ 1.46	9%	◐
220300	Beer made from malt	\$ 26	12%	14%	\$18	\$12	\$ 0.72	5%	●
220410	Champagne and sparkling wine	\$ 4	-4%	-29%	-\$2	-\$21	\$ 6.95	14%	○
220600	Other fermented beverages (for example, cider)	\$ 10	13%	117%	\$7	\$10	\$ 1.96	12%	●
220830	Whiskeys	\$ 3	8%	18%	\$1	\$2	\$ 17.98	35%	◐
220860	Vodka	\$ 7	36%	17%	\$7	\$4	\$ 12.25	32%	●
220870	Liqueurs and cordials	\$ 7	18%	39%	\$6	\$6	\$ 19.89	29%	●
220890	Other spirituous beverages, nes	\$ 28	6%	8%	\$13	\$9	\$ 8.79	31%	◐

STAGE I – EXPORT GROWTH @ HS6 LEVEL

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New Zealand food & beverage export value and value growth
(US\$m; nominal non-inflation-adjusted;1990-2010)

HS Code	Classification	Export value (US\$m; 2010)	CAGR export value		Absolute value growth		\$/unit	10y CAGR \$/unit	Overall
			10y	5y	10y	5y			
230110	Flours, meats and pellets, of meat unfit for human consumption	\$ 80	9%	13%	\$47	\$37	\$ 0.58	9%	●
230120	Flours, meals and pellets of fish, etc, unfit for human consumption	\$ 32	4%	13%	\$10	\$15	\$ 1.82	10%	●
230910	Dog or cat food, put up for retail sale	\$ 57	14%	8%	\$42	\$19	\$ 2.20	9%	●
230990	Other preparations of a kind used in animal feed	\$ 17	7%	-5%	\$8	-\$5	\$ 0.84	1%	○
030376	Frozen eels	\$ 2	6%	3%	\$1	\$0	\$ 1.99	-6%	○
070920	Asparagus, fresh or chilled	\$ 2	-10%	-11%	-\$4	-\$2	\$ 6.39	5%	○
080530	Lemons and limes, fresh or dried	\$ 2	6%	8%	\$1	\$1	\$ 1.64	3%	○
090121	Roasted coffee, not decaffeinated	\$ 4	45%	33%	\$4	\$3	\$ 7.30	7%	●
100510	Maize seed	\$ 4	68%	44%	\$4	\$3	\$ 1.28	-2%	○
110220	Maize (corn) flour	\$ 4	8%	33%	\$2	\$3	\$ 0.65	7%	●
120500	Rape or colza seeds	\$ 3	26%	1%	\$3	\$0	\$ 2.83	12%	●
121490	Other forage products, nes	\$ 3	31%	44%	\$2	\$2	\$ 0.30	-0%	○
190120	Mixes and doughs for preparation of bakers' wart	\$ 2	-6%	-14%	-\$2	-\$2	\$ 2.03	7%	○

FOR MORE INFORMATION

For more information or assistance in investing in the New Zealand food and beverage industry contact:

Agency	Key areas of responsibility and support for investors in NZ F&B	Contact details
	<ul style="list-style-type: none"> - Introduction, coordination and communication services 	http://www.investmentnz.govt.nz/GetInTouch.aspx
	<ul style="list-style-type: none"> - Trade promotion - Export development 	http://www.nzte.govt.nz/about-nzte/pages/new-zealand-offices.aspx
	<ul style="list-style-type: none"> - Economic Development Policy - Sector Overview 	http://www.med.govt.nz www.foodandbeverage.govt.nz
	<ul style="list-style-type: none"> - Research goals & priorities - Scientific research funding 	http://www.msi.govt.nz/contact
	<ul style="list-style-type: none"> - Trade relationships - Trade policy, including trade negotiations and offshore market access barriers 	http://mfat.govt.nz/About-the-Ministry/Contact-us/index.php
	<ul style="list-style-type: none"> - Biosecurity - Agricultural production - Food safety 	http://www.maf.govt.nz/about-maf/contact-us
	<ul style="list-style-type: none"> - Immigration systems - Labour market/employment relations 	http://www.dol.govt.nz/contact/index.asp

In addition, lead report author Tim Morris of Coriolis is happy to answer any questions from potential investors about the research.



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