Food & Beverage Information Project 2011
Sector Stream – Processed Foods

Final Report

October 2011; v1.35

www.foodandbeverage.govt.nz

Coriolis is a strategic management consulting and market research firm

We work with organisations to help them grow. For corporations, that often means developing strategies for revenue growth. For governments, it means working on national economic development. For non-profits, it means helping to grow their social impact.

We address all the problems that are involved in growth: strategy, marketing, pricing, innovation, new product development, new markets, organisation, leadership, economic competitiveness.

We bring to our clients specialised industry and functional expertise. We invest significant resources in building knowledge. We see it as our mission to bring this knowledge to our clients and we publish much of it for the benefit of others.

A hallmark of our work is rigorous, fact-based analysis, grounded in proven methodologies. We rely on data because it provides clarity and aligns people.

However, we deliver results, not reports. To that end, we work side by side with our clients to create and implement practical solutions.

The Coriolis name

The coriolis force, named for French physicist Gaspard Coriolis (1792-1843), may be seen on a large scale in the movement of winds and ocean currents on the rotating earth. It dominates weather patterns, producing the counterclockwise flow observed around low-pressure zones in the Northern Hemisphere and the clockwise flow around such zones in the Southern Hemisphere. *To us it means understanding the big picture before you get into the details.*

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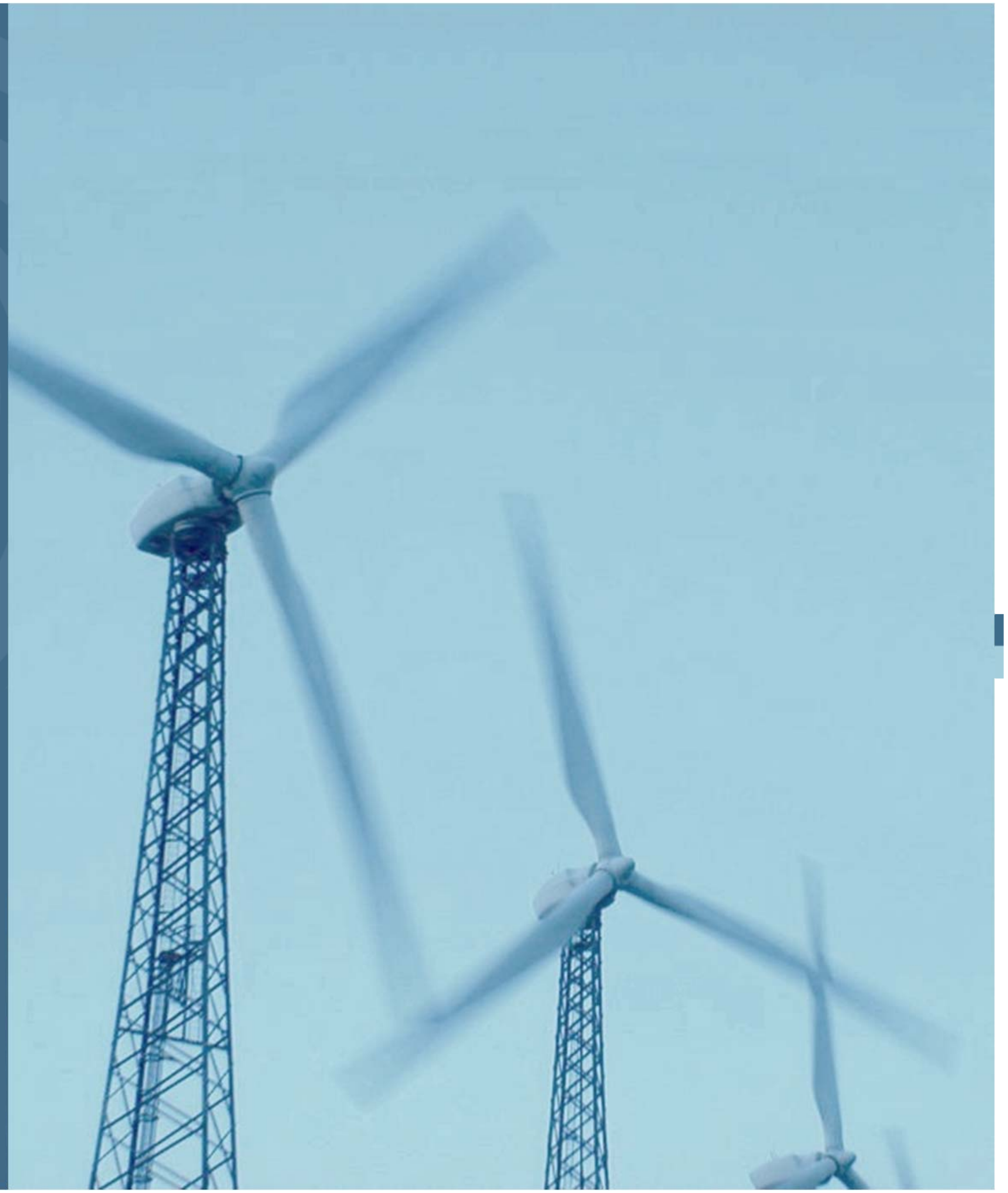

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The objective of this report is to provide a **factual** source of high quality **information** on the current situation in the New Zealand **processed foods** sector for four audiences:

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

It creates a common set of **facts** and **figures** on the current situation in the industry.

It draws conclusions on potential industry **strategic directions** and highlights **opportunities** for further **investment**.

It forms a part of the wider Food & Beverage Information Project and will be updated annually.

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GLOSSARY OF TERMS

This report uses the following acronyms and abbreviations

A$/AUD	Australian dollar
ABS	Absolute change
ANZSIC	AU/NZ Standard Industry Classification
AU	Australia
Australasia	Australia and New Zealand
b	Billion
CAGR	Compound Annual Growth Rate
C/S America	Central & South America (Latin America)
CRI	Crown Research Institute
CY	Calendar year (ending Dec 21)
E Asia	East Asia
EBITDA	Earnings before interest, tax, depreciation and amortization
FY	Financial year (of firm in question)
£/GBP	British pounds
JV	Joint venture
m	Million
n/a	Not available/not applicable
NA/ME/CA	North Africa / Middle East / Central Asia
Nec/nes	Not elsewhere classified/not elsewhere specified
N.H	Northern Hemisphere
NZ	New Zealand
NZ$/NZD	New Zealand dollar
Oceania	Australia, New Zealand & Pacific Islands
R&D	Research and Development
S Asia	South Asia (Indian Subcontinent)
SE Asia	South East Asia
S.H	Southern Hemisphere
SS Africa	Sub-Saharan Africa
T/O	Turnover
US/USA	United States of America
US$/USD	United States dollar
UK	United Kingdom
YE	Year ending
YTD	Year to date

Sources

AR	Annual report
Ce	Coriolis estimate
Ci	Coriolis interview
K	Kompass
Ke	Kompass estimate

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 provided to it by or on behalf of the Client or any of the data sources used in the project.
  - 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.

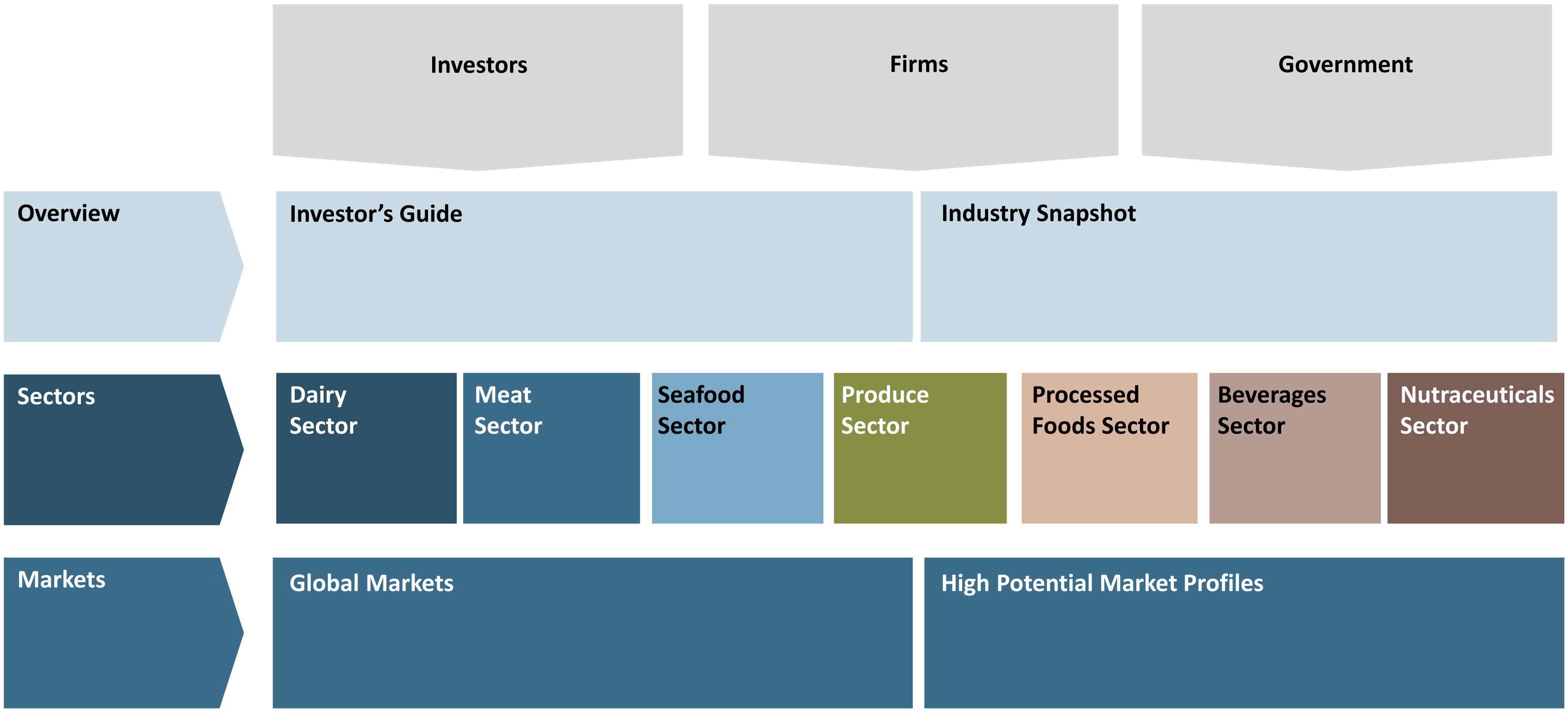
- All trade data analysed in all sections of the F&B Information project are calculated and displayed in US$. This is done for a range of reasons:
  1. It is the currency most used in international trade
  2. It allows for cross country comparisons (e.g. vs. Denmark)
  3. It removes the impact of NZD 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

The New Zealand Food & Beverage Information Project is designed to be the foundation of facts and figures on which a range of audiences can build

Structure of the New Zealand Food & Beverage Information Project
(2011)

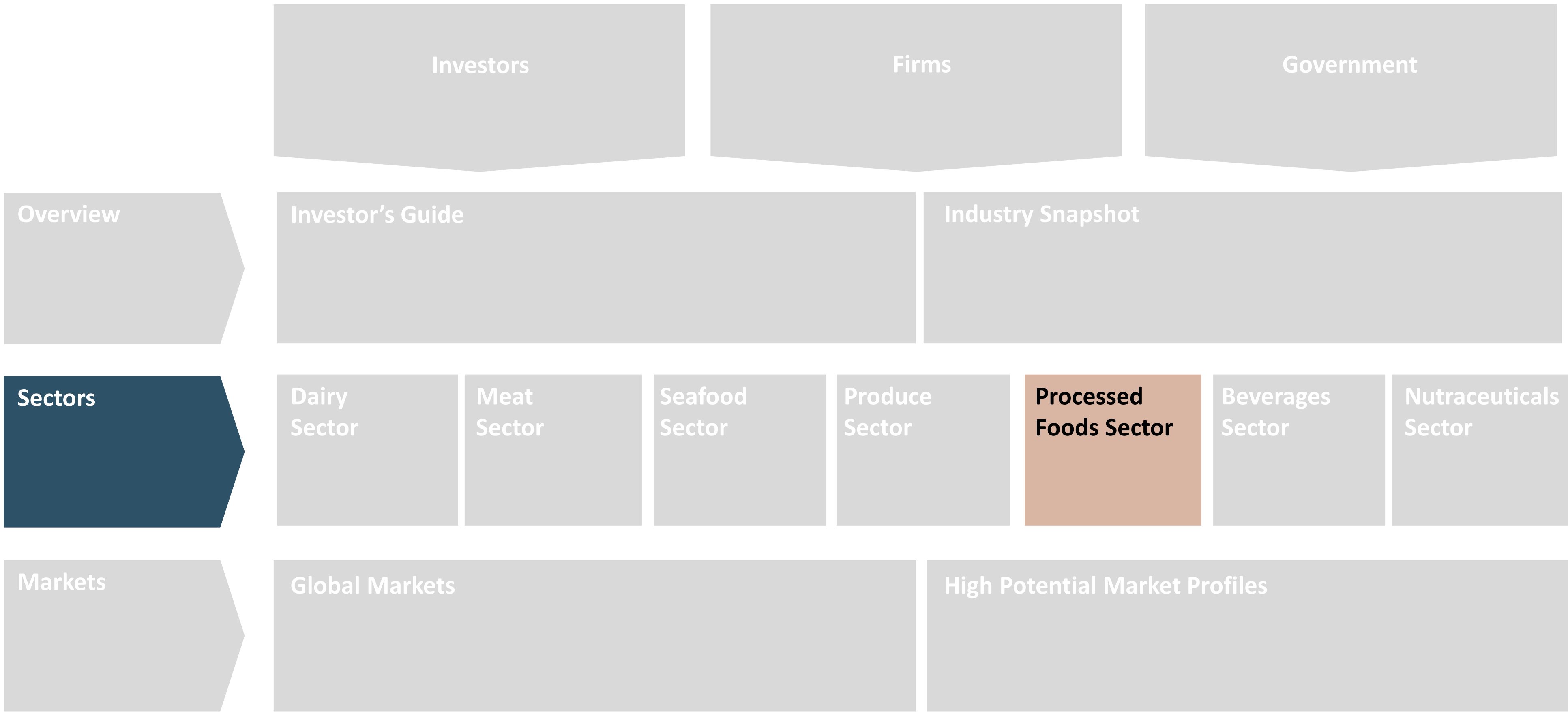


Note: Every year two subsectors are completed in more detail. Seafood and Nutraceuticals in 2011

PROCESSED FOODS SECTOR ANALYSIS

This analysis of the New Zealand processed foods sector forms a part of the wider Food & Beverage Information Project

Structure of the New Zealand Food & Beverage Information Project
(2011)



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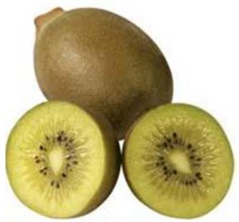
WHAT ARE PROCESSED FOODS?

This report defines processed foods as foods made from a combination of ingredients, rather than one single or predominant ingredient

EXAMPLES: Non-processed foods vs. processed foods
(2011)

Non-processed foods



Ingredients: Kiwifruit

Ingredients: Lamb

Ingredients: Dried milk

Processed Foods

Ingredients: Milk Chocolate (Contains Sugar; Cocoa Solids (Cocoa Mass & Cocoa Butter) (33%*); Milk Powder (30%*); An Emulsifier (Soya Lecithin); Flavour); And Roasted Almonds (27%*) *Minimum Percentage.

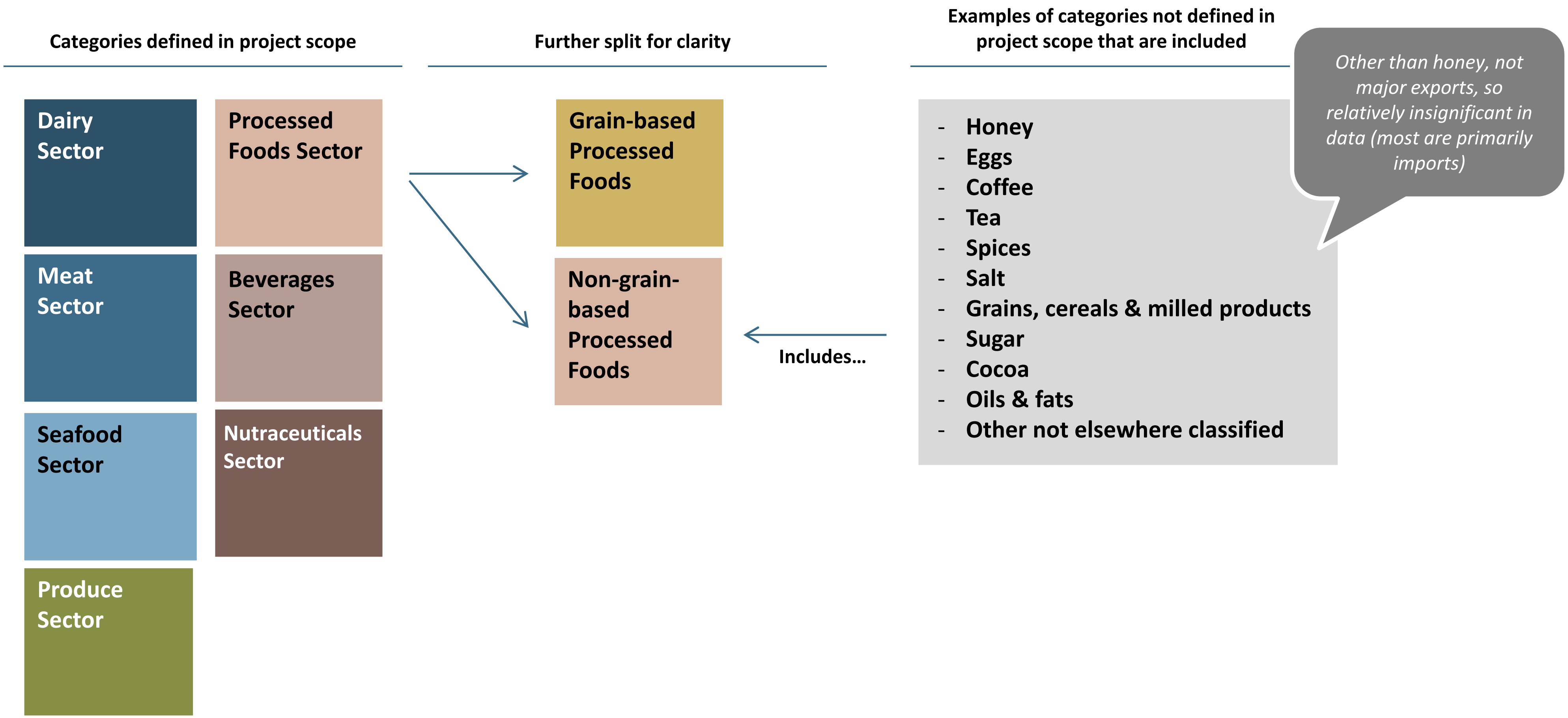
Ingredients: Selected Meat & Meat by-products (Derived from Poultry, Lamb & Beef), Flour, Vegetable Proteins, Gelling agents, Oils, Colours, Flavours, Vitamin & Mineral Supplement

Ingredients: Nonfat Milk Powder, Lactose, High OleicSafflower Oil, Soy Oil, Coconut Oil, Whey Protein Concentrate. In addition, less than 2% of the following**:** Potassium Citrate, Calcium Carbonate, Ascorbic Acid, Potassium Chloride, Magnesium Chloride, Ferrous Sulfate, Choline Chloride, Choline Bitartrate, Ascorbyl Palmitate, Sodium Chloride, Taurine, m-Inositol, Zinc Sulfate, Mixed Tocopherols, Niacinamide, d-Alpha-Tocopheryl Acetate, Calcium Pantothenate, L-Carnitine, Cupric Sulfate, Vitamin A Palmitate, Thiamine Chloride Hydrochloride, Riboflavin, Pyridoxine Hydrochloride, Beta-Carotene, Folic Acid, Manganese Sulfate, Phylloquinone, Biotin, Sodium Selenate, Vitamin D_3, Cyanocobalamin, Calcium Phosphate, Potassium Phosphate, Potassium Hydroxide, and Nucleotides (Adenosine 5'-Monophosphate, Cytidine 5'-Monophosphate, Disodium Guanosine 5'-Monophosphate, Disodium Uridine 5'-Monophosphate)

Source: various online shopping websites; photo credit (fair use; low resolution; complete product/brand for illustrative purposes)

RELATIONSHIP WITH OTHER SECTORS

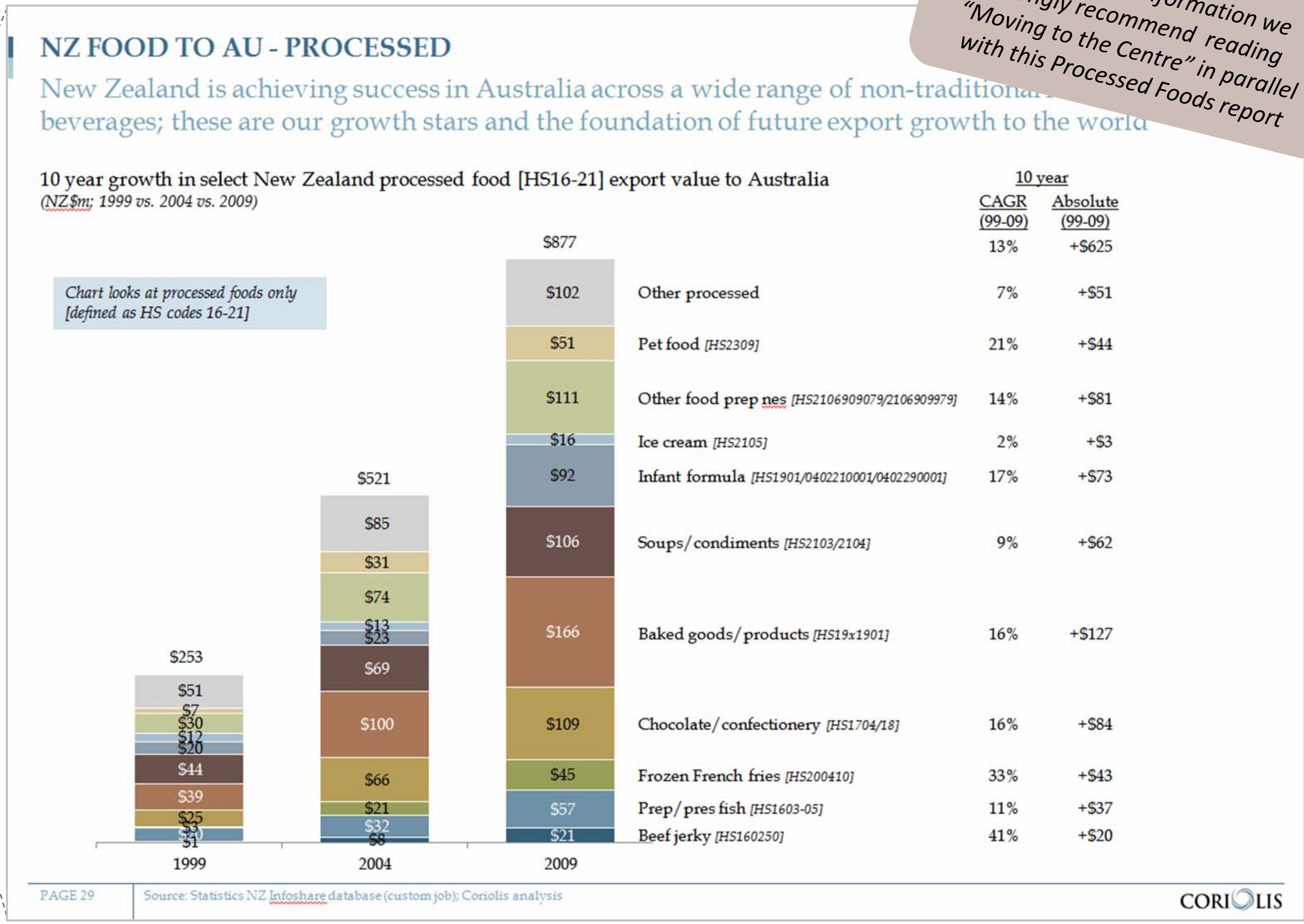
This report further splits processed foods into "grain-based" and "all other"; it also captures a relatively minor amount of other food not included in the other six Food & Beverage Information Project reports



BUILDING ON EXISTING WORK

Coriolis recently completed an in-depth analysis of the growth of New Zealand's processed foods exports to Australia for the government; this report builds on this foundation

For additional information we strongly recommend reading "Moving to the Centre" in parallel with this Processed Foods report



Available at: "http://www.med.govt.nz/upload/75946/Coriolis-report.pdf"

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PROCESSED FOODS – SITUATION

Processed foods have huge growth potential for New Zealand, however significant further growth will require large capital investments, both by global multinationals and by domestic firms

New Zealand

- New Zealand has demonstrated capability in the production of temperate-climate food and beverages. It is the largest exporter in the world of dairy products and lamb and a major exporter of beef, kiwifruit, apples and seafood. The country is now turning more of this raw material into finished consumer-ready foods
- New Zealand has growing processed foods exports, particularly products with significant dairy-derived ingredients
- New Zealand is an attractive destination for foreign Direct Investment; currently 43+ major global F&B manufacturers have invested in production in the country
- New Zealand also has a strong group of domestic firms growing and achieving success in processed foods

Competitors

- New Zealand competes in the first instance with the other major temperate climate exporters to Asia; key competitor countries are: the United States, Australia, Canada, Germany, France and other European nations
  - These are rich countries as processed food production is highly capital intensive with defensive process or production technology
- Processed foods (unlike raw ingredients) are sold in a branded, consumer-ready form, typically on the shelf of a supermarket; as such, packaged brands compete for shelf space with other brands for the limited amount of shelf space available
  - Therefore, while we may articulate competition at a country level, in practice competition in any given segment is occurring between a handful of major firms (e.g. Griffins vs. Campbell/Arnotts vs. Kraft/Nabisco)
- New Zealand also competes internally within multinationals as one of many potential investment destinations (e.g. for a plant upgrade)

Consumers/Markets

- Processed foods provide busy consumers with convenient meal and snack solutions; products are typically ready-to-eat, ready-to-heat or require minimal preparation time
- About 1/3 of the sales of a typical supermarket are processed foods (1/3 is fresh perishables; 1/3 is non-foods); processed foods are also used throughout the foodservice sector to reduce labour requirements in food preparation
- Processed foods are an area of constant low-level innovation, driven by product and packaging changes
- Processed foods manufacturers constantly bring their products to the attention of consumers via advertising and in-store promotions

Source: Interviews; Coriolis

PROCESSED FOODS – QUANTITATIVE SCORECARD

New Zealand processed foods exports are achieving double digit growth driven by Australia and Asia

Key metrics	# (2010)	CAGR (00-10)	CAGR (09-10)	ABS (09-10)
Turnover	N/A	N/A	N/A	N/A
Exports	$1,773	15%	10%	$154
Enterprises[1]	917	3%	1%	12
Employment	18,930	2%	-3%	-675
Turnover per employee	N/A	N/A	N/A	N/A

Key markets	% (2010)	US$m (2010)	CAGR (00-10)	CAGR (09-10)	ABS (09-10)
Europe	4%	$72	15%	12%	$8
North America	4%	$74	7%	-46%	-$63
Australia/PI	41%	$729	17%	23%	$134
SE Asia	14%	$241	19%	14%	$30
East Asia	31%	$544	12%	4%	$23
Other	6%	$110	28%	24%	$21
Total	100%	$1,770	15%	10%	$154

Key export products	US$m (2010)	CAGR (00-10)	CAGR (09-10)	ABS (09-10)
Infant formula/foods	$476	34%	1%	$4
Pet food	$186	9%	-2%	$3
Oils and fats[2]	$125	6%	27%	$27
Soups/Condiments	$123	10%	10%	$12
Biscuits	$106	18%	10%	$10
Other proc. F&V[3]	$93	11%	31%	$22
Honey	$70	30%	18%	$11
Frozen french fries	$60	18%	23%	$11

Key firms	Employ (#; 10)	Turnover (NZ$m; 10)
Fonterra	20,000	$16,726
Goodman Fielder	3,000	A$441*
Heinz Watties	1,900	$783
Griffins	800+	$259**
Cadbury	550	$259**
GWF	500+	$273
Tip Top	400	$226
McCain	500	$211
Chelsea	160	$241

Key global firms	
Nestle	Assoc. British Foods
Kraft Foods	H.J. Heinz
PepsiCo	Ajinomoto
Mars	McCain Foods
Unilever	Grupo Bimbo
Danone	Barilla
General Mills	Mead Johnson
ConAgra	Abbott
Kellogg	*... many more*

* NZ non-dairy; ** 2009; 1. Manufacturing; 2. Oils and fats includes predominantly bovine fats, margarine and other vegetable fats; 3. excluding french fries; Source: various company annual reports; various company websites; Kompass; Coriolis analysis

PROCESSED FOODS – SWOT ANALYSIS

New Zealand has good strengths and is well positioned relative to many competitor countries

Strengths	Weaknesses
- Abundant supply of temperate climate raw materials - Known and trusted supplier of safe and secure ingredients to most major global food & beverage multinationals - Major global exporter of ingredients to offshore processed foods manufacturers - Lower cost structure than Australia or the United States - Low/no corruption, rule of law, efficient court system - Welcoming of foreign investment; very few rules or limits - Strong local manufacturing/process technology skills - Customer/consumer awareness, particularly in Asia, of New Zealand as a source of quality, wholesome foods - Highly efficient and unsubsidised farming system	- Small size of domestic market - Distance to market (e.g. vs. Denmark to Germany) - Limited pool of domestic or resident capital - Small domestic private equity sector - Resource Management Act (RMA) can delay new developments - No rich food cultural heritage or tradition to draw from for new product development (vs. France or Italy) - Limited domestic grain production - Need to import tropical ingredients (e.g. cocoa) - Exchange rate variability - Limited vision of farmer-ownership of key ingredients producers
Opportunities	**Issues/Threats/Risk**
- Growth of Asian middle class; increasing wealth in Asia - Changing global weather patterns (also a threat) - Rich countries of Europe pricing themselves “out of the game” - Large number of alternative channels for processed foods - Leverage success of New Zealand food industry, build on awareness of New Zealand in processed foods - Growth of convenience foods - Medium-sized NZ firms coordinate marketing and sales in new markets	- Competitors with lower costs and larger economies of scale - Adoption of genetically modified animals or feed by poor countries changing international competitive dynamics - The boom/bust economic cycle expresses itself in China

Source: Interviews; Coriolis

PROCESSED FOODS – POTENTIAL STRATEGIC DIRECTIONS

Three potential strategic directions are suggested to drive the strong growth of the New Zealand processed foods sector

Situation creating opportunity	Resulting potential strategic direction	Opportunity	Challenges
- New Zealand exports transport friendly ingredients (e.g. milk powder) to corporate consumer-focused companies in other countries - These companies then transform ingredients into consumer ready products adding up to 10x value to raw ingredients in the process - Free trade deals removing punitive tariffs improving economics of NZ production (vs. in market)	1. Replace in-market production with New Zealand manufacturing	- "Made in NZ' a strong positioning statement in some markets - Manufacturing capability already in NZ in many cases	- Does not work for highly perishable short shelf life products (e.g. non-UHT fluid milk, yoghurt) - Tariffs and trade barriers remain on many products into many countries - Significant capital required for investment in plant & equipment
- New Zealand is largest producer and exporter of milk powder in the world - Significant percent of New Zealand's milk powder exports are made into infant formula in other countries - NZ has free trade agreements with a number of key Asia Pacific markets	2. Manufacture more infant formula in New Zealand[3]	- Targeted program to attract new greenfields investments by infant formula manufacturers - Grow and nurture existing smaller producers	- Fonterra unwilling to compete with its own customers - Remaining tariffs on many products
- Retail private label/store brands are growing globally[1] - Major global manufacturers often refuse to produce them - Many New Zealand manufacturers are succeeding in producing store brands for domestic and international retailers	3. Produce store brands for international retailers	- Additional volume through existing plant and equipment - Volume to enable further capital investment - Access retailers that sell almost exclusively private label (e.g. Aldi)	- Can dilute ability to enter market with own brand(s) - Business only there as long as contract is in place; retailers can be capricious[2]

1. See http://www.coriolisresearch.com/?page_id=240 for a number of reports on the subject; 2. "Given to sudden and unaccountable changes of mood or behaviour."; 3. Coriolis have done non-public research in this space that we are happy to discuss; Source: Interviews; Coriolis

PROCESSED FOODS – POTENTIAL AREAS FOR INVESTMENT

Wide range of opportunities for investors in the New Zealand processed food sector; preliminary focus should be on products that leverage existing high quality/low cost New Zealand ingredients (e.g. dairy)

Products

- Current success occurring in a handful of key segments which use low cost New Zealand inputs as ingredients
  - Infant formula (dairy)
  - Chocolate/confectionery (dairy)
  - Frozen meals & sides (meat & vegetables)
  - Pet food (meat & vegetables)
  - Soups & condiments (vegetables)
  - Biscuits/baked goods (dairy)[1]
- Investors with strong leveragable capabilities in these or related areas should investigate greenfields investment
  - For example, Germany is the second largest exporter of processed foods in the world but no German firms in NZ
- Opportunities in many small/mid-size segments ignored by the slow moving farmer-cooperatives
  - Following the value chain for New Zealand raw materials suggests where the opportunities are in market (e.g. consumers don't buy milk powder; where does it go…)

Markets

- Domestic market is small and relatively low growth
- Investors should focus on opportunities to drive strong export growth
- East & South-East Asia are ideal markets given location and awareness of NZ as a safe/secure producer of wholesome foods

Acquisition targets

- Limited pool of acquisition targets
  - Many key firms already foreign-owned by multinationals
  - NZ-owned firms often have committed family ownership
  - Many would welcome investment
- As above, greenfields a sensible option for firms with existing capabilities
  - Greenfields plant construction relatively straightforward
  - Resource Management Act is only major hurdle in most cases

1. There is more butter in a frozen croissant than grain; Source: Interviews; Coriolis

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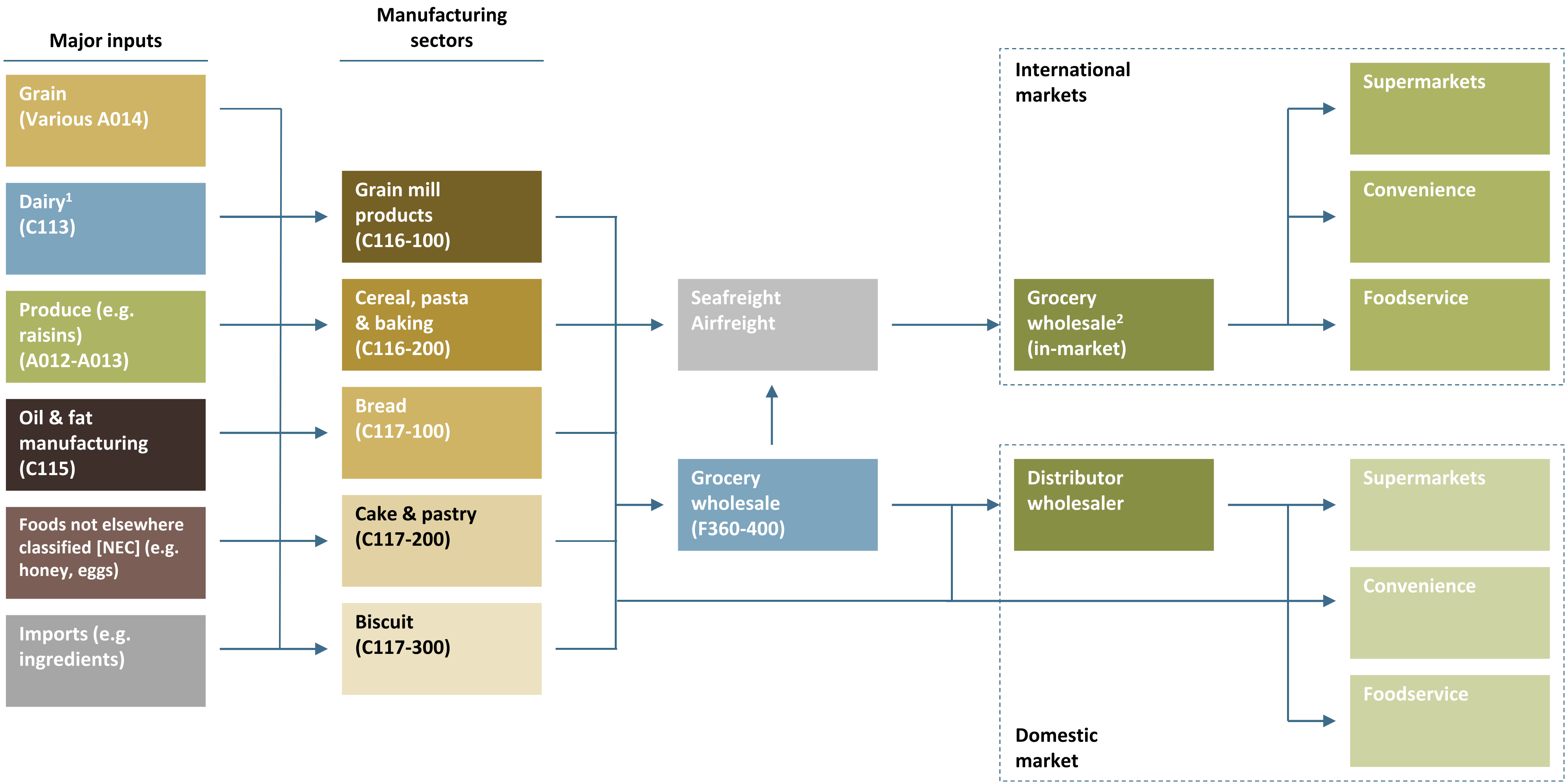
PROCESSED FOODS – GRAIN BASED – SUPPLY CHAIN

New Zealand grain based processed foods use a range of ingredients (including, obviously, grain)

Simplified model of New Zealand grain-based processed foods supply chain
(model; ANZSIC codes as available))

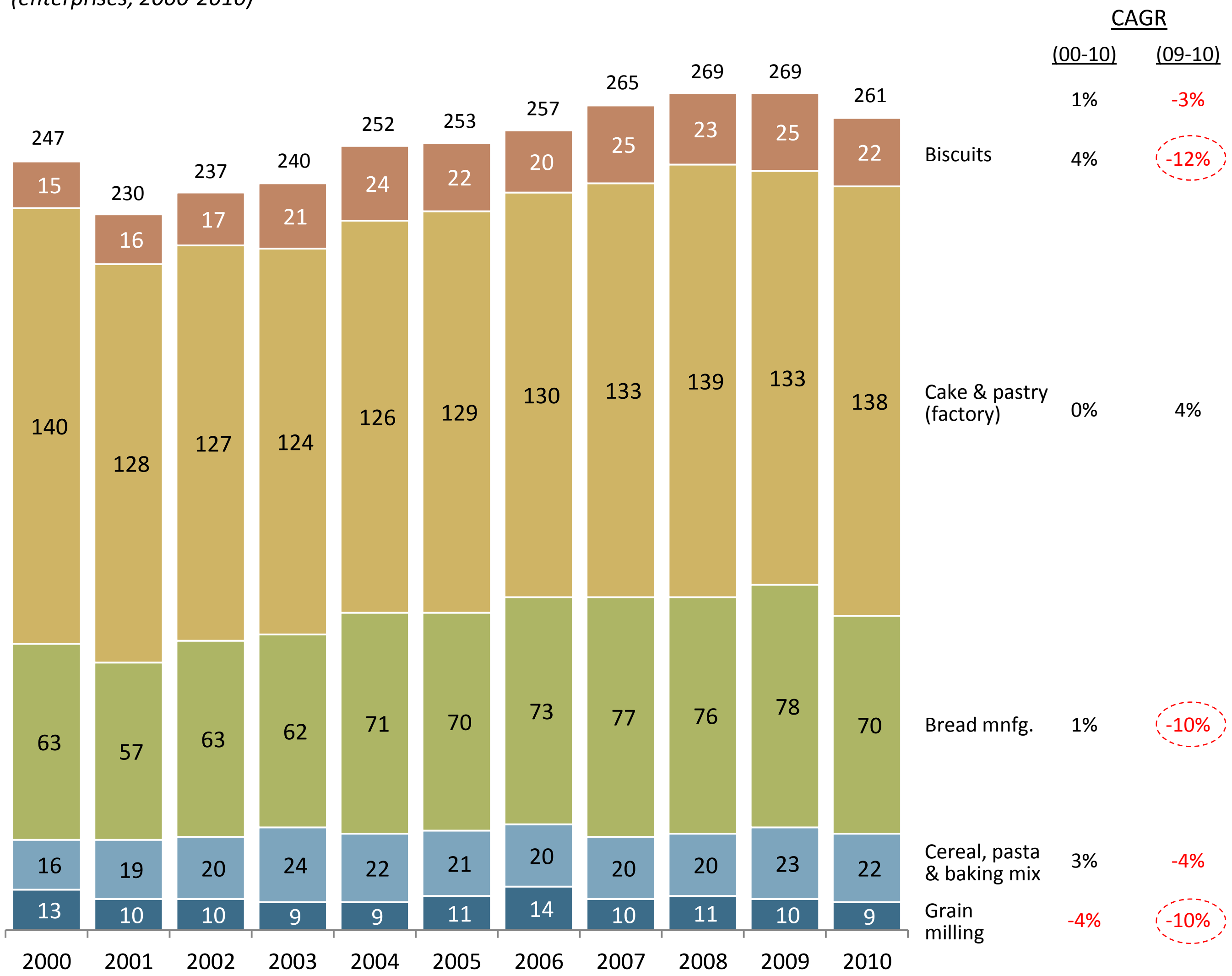


1. There is more butter in a frozen croissant than flour; 2. may be one or more layers of wholesaling, depending on product or market; some wholesale functions maybe captive inside retailers or foodservice operators; Source: Coriolis

PROCESSED FOODS – GRAIN BASED – # OF ENTERPRISES

The number of enterprises involved in grain-based processed foods sector was increasing slowly; however there has been a reduction in 2010 (primarily in bread)

Number of enterprise units in the grain-based processed foods industry in New Zealand
(enterprises; 2000-2010)



Comments

- Current hypothesis is a GFC-related consolidation

Notes/Definitions

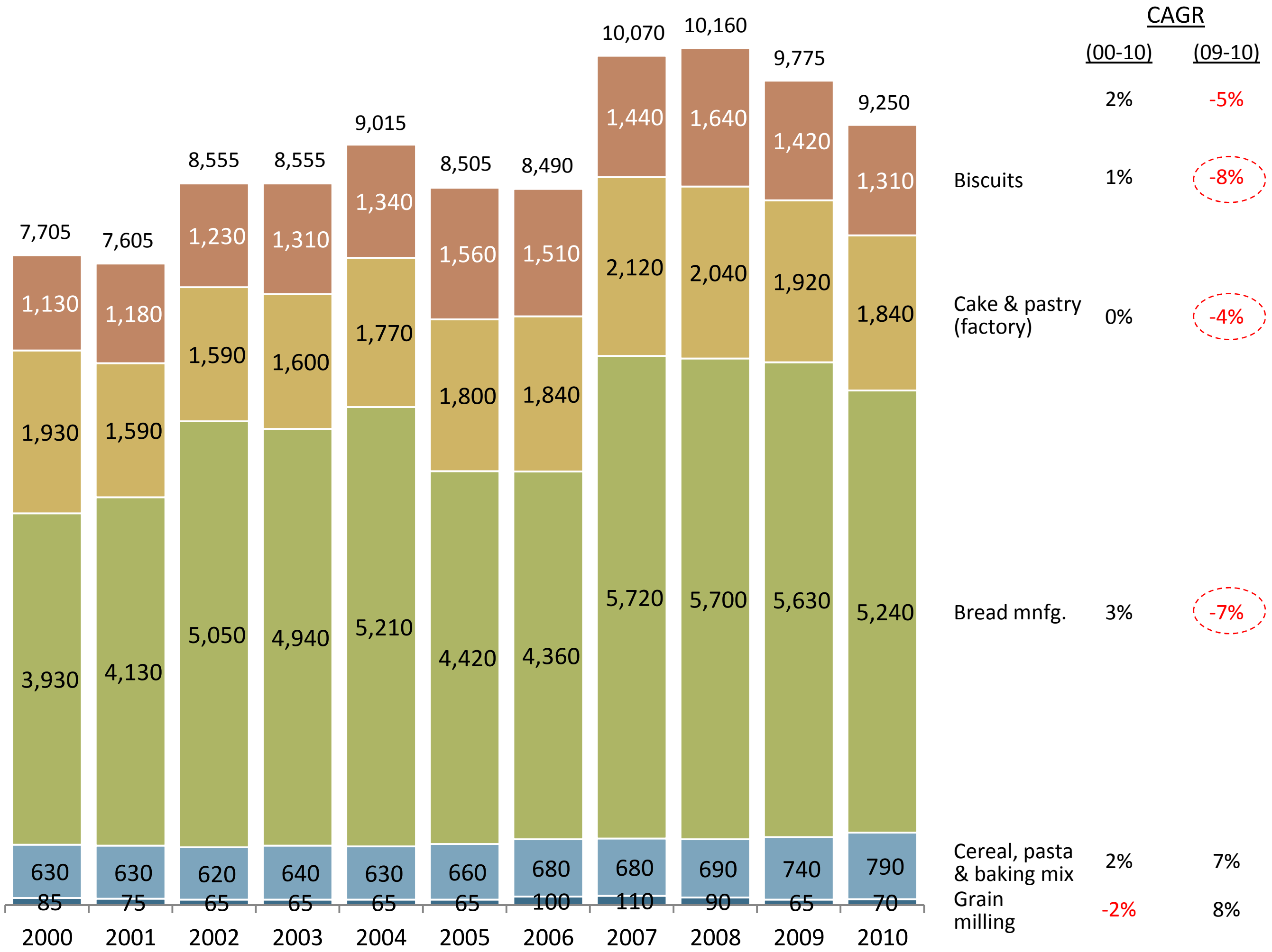
- Excludes ANSIC-06 117-400 (non factory based cake and pastry manufacturing [i.e. cake shops, etc.])

Source: SNZ business demographics (detailed industry for enterprise units) and (detailed industry for geographic units); Coriolis analysis

PROCESSED FOODS – GRAIN BASED – EMPLOYMENT

Similarly, sector employment, which was growing, has had a correction over the past two years

Number of persons employed in the grain-based processed foods industry in New Zealand[1]
(people; 2000-2010)



Comments

- Current hypothesis is a GFC-related consolidation
- Question: Do shifts correspond to investment?

Notes/Definitions

- Excludes ANZSIC-06 117-400 (non factory based cake and pastry manufacturing [i.e. cake shops, etc.])

1. Uses persons employed by enterprise unit; Source: SNZ business demographics (detailed industry for enterprise units); Coriolis analysis

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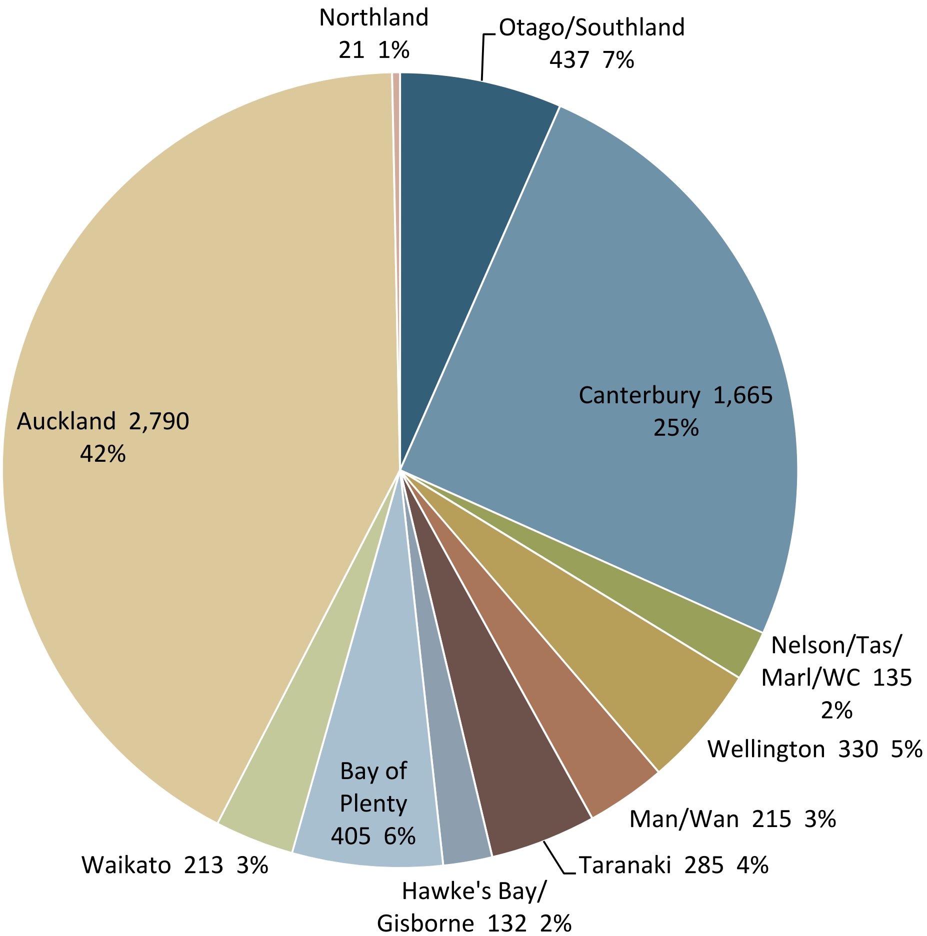
PROCESSED FOODS – GRAIN BASED – EMPLOYMENT BY REGION

Grain-based processed foods manufacturing is concentrated in Auckland (42%) and Canterbury (25%)

Number of persons employed in the grain based industry in New Zealand by region
(people; 2010)



Total = 6,628

Comments/Notes

- In the largest city (Auckland) or near the area of grain production (Canterbury)
- Excludes employees classified elsewhere

Notes/Definitions

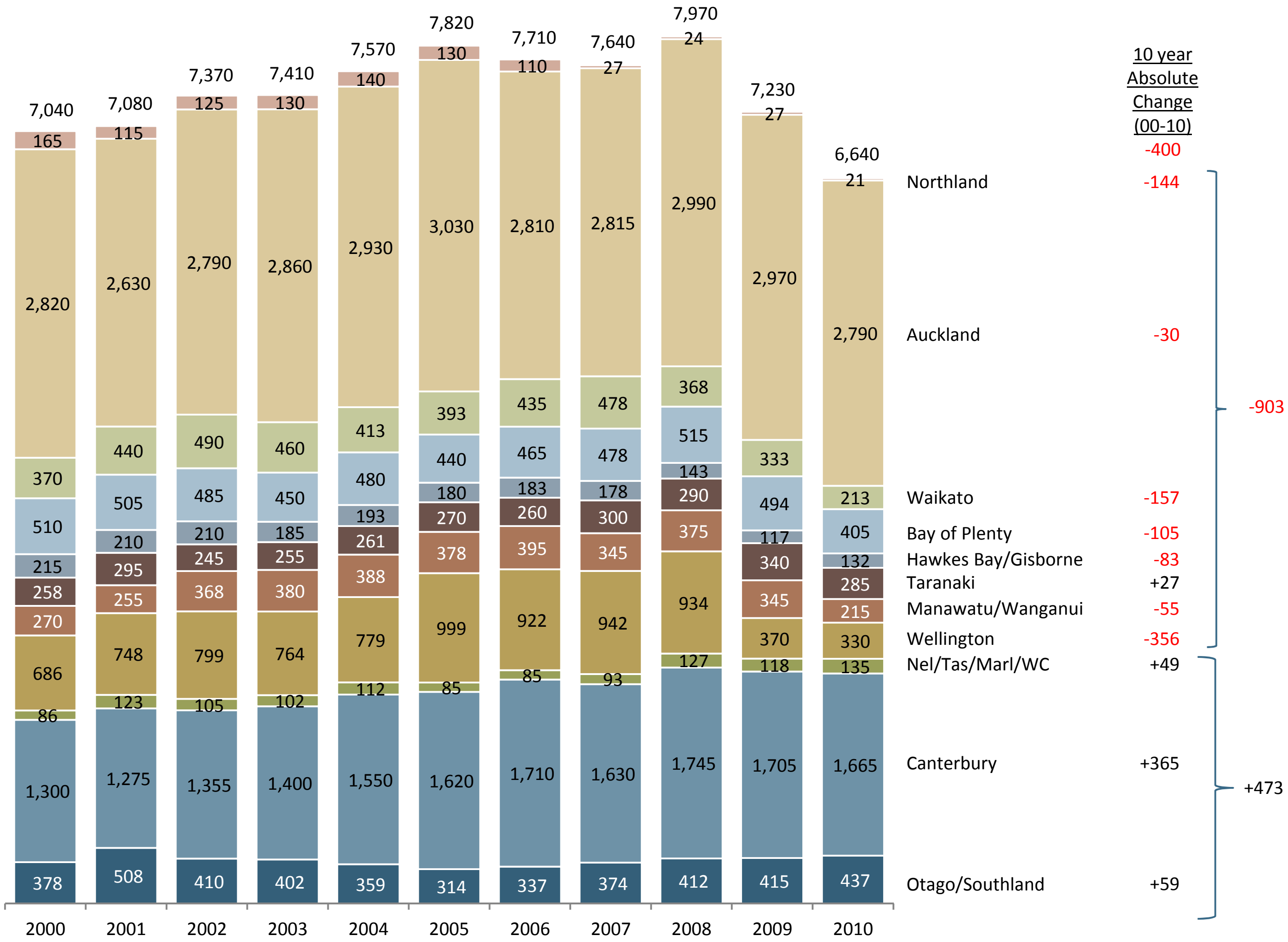
- Statistics New Zealand calculates its statistics based on the predominant business activity of the enterprise
- For example, a firm (e.g. GWF) that is defined as “bread manufacturing” at the enterprise level may have a subsidiary at the geographic level that is classified as “grocery wholesaling”
- Data here is “geographic” units not “enterprise” units (pages prior)
- Nel/Tas/Marl/WC = Nelson/Tasman/ Marlborough/West Coast
- Manawatu/

Source: SNZ business demographics detailed industry by region-(ANZSIC 06) for geographic units; Coriolis analysis

PROCESSED FOODS – GRAIN BASED – EMPLOYMENT BY REGION

Grain-based processed foods manufacturing is only creating significant number of new jobs in the South Island; industry in the North Island is consolidating

Number of persons employed in the grain based industry in New Zealand
(people; 2000-2010)



Comments

- Wellington shift 08-09 is primarily closure of Griffins plant

Notes/Definitions

- Statistics New Zealand calculates its statistics based on predominant business activity; firms are classified by their predominant activity.
- *See note prior page*

Source: SNZ business demographics detailed industry by region-(ANZSIC 06) for geographic units; Coriolis analysis

PROCESSED FOODS – GRAIN BASED – KEY FIRMS

There are six major ($100m+) grain-based processed foods firms in New Zealand

Key firms in the New Zealand processed foods sector
(2010 or as available)

	Turnover	% Export	Employees	Ownership	Year founded	Notes
goodman fielder	New Zealand Non-dairy A$441.3m (2010)		3,000 (K)	Australia; listed; (ASX/NZX: GFF)	1968 ~1986	www.goodmanfielder.com.au - Quality Bakers founded in NZ by Pat Goodman - Merger with Fielder Gillespie (AU) in 1986 - Acquired/relisted by Graeme Hart/Burns Philp - Acquired/swapped dairy business w/Fonterra
Griffin's	$259m (2009)		800+ (article) 1,000 (K)	Australia; private equity (Pacific Equity Partners)	1864	www.griffins.co.nz Founded in Nelson in 1864 by John Griffin Range of owners over past 20 years; ETA snacks as well
Associated British Foods plc / GWF	$273m (2010)		500+ (website)	UK; listed (LON: ABF) (Weston Family 54%)	1950s	www.gwfbaking.co.nz; www.gwf.com.au; www.abf.co.uk Entered NZ via acquisition in 1950's Primarily fresh bread; not a major exporter
Sanitarium	$120m (Ce; 10)		350 (K)	New Zealand; charity (Seventh-day Adventist Church)	1900	www.sanitarium.co.nz Founded in 1900 by Edward Halsey Owned by NZ Church; Sanitarium AU by AU church; effectively run as separate divisions of same firm
Yarrows Family Bakers	~$100m (Ce; 10)		500+ (article) 180 (K)	New Zealand; Private (Yarrow family)	1923	www.yarrows.co.nz Founded in Manaia, Taranaki in 1923 Makes breads, croissants, pastries and rolls, Pioneered frozen croissants as butter tariff buster Major supplier of frozen dough to Subway in Asia Manufacture in Manaia, Rotorua, Sydney & Perth Currently in receivership
tasti	$90-$100m (Ce; 10)		200 (K)	New Zealand; Private (Hall family)	1932	www.tasti.co.nz Strong in muesli bars, breakfast cereals; also baking products and oils; AU has been a major growth engine for the firm

Source: various company annual reports (AR); various company websites (WS) ; Kompass (Ke); interviews (Ci); Coriolis analysis and estimates (Ce)

PROCESSED FOODS – GRAIN BASED – SECONDARY FIRMS

There is also a strong group of second tier firms…

Key firms in the New Zealand processed foods sector

(2010 or as available)

	Turnover	% Export	Employees	Ownership	Year founded	Notes
RANGIORA BAKERY	$85m (Ke)		150 (K)	New Zealand; private (Van Til family)	1852	www.rangiorabakery.com Factory and two retail stores Supplies "a wide range of Multi-National companies, supermarkets, Airlines and QSR Restaurants"
Pandoro Panetteria	TBD		160 (ws)		"17 years" (ws)	www.pandoro.co.nz 1 wholesale bakery; 7 retail outlets
eves PANTRY	$28m (Ke)	$70m+	100 (K)	New Zealand; private (North family)	1948	www.evespantry.co.nz Production facility and nine retail outlets in Auckland
Auckland Bakeries Limited	$23m (Ke)		80 (K)		1964	www.aucklandbakeries.co.nz Wholesale baker; contract packs
Richmond Foods	$19m (Ke)		65 (K)			No website (?); pastry products Newway and Richmond Foods brands
Coupland's Bakeries	$68m (Ke)		120 (K)	New Zealand; private (Coupland family)	1971	www.couplands.com Factory in Christchurch; also retail stores (turnover includes some retail)
Fonterra The Pastryhouse	$57m (Ke)		101 (K)	Fonterra (Cooperative)	1986	www.fonterrafoodservices.com/brand.php?id=5 Established in NZ in 1983; Fonterra acquired 2006 Makes 30 varieties of ready to use pastry/bakery products "high in dairy content"; supplies McCafe across Australasia
BAKELS	$53.8m (2010)		100 (K)	Dutch/Swiss; foundation (Bakel family)	1953	www.nzbakels.co.nz; www.bakels.com Parent firm is major global supplier of bakery ingredients Does not directly retail to consumers 1 factory; 3 warehouses in NZ
Hubbards Goodness you can taste	$40-50m (Ce; 10) $63m (Ke)		112 (K)	New Zealand; mixed (Hubbard family 64%; Rotorua Energy C. Trust 36%)	1988	www.hubbards.co.nz Recently brought in Rotorua Energy Charitable Trust as shareholder

Source: various company annual reports (AR); various company websites (WS) ; Kompass (Ke); interviews (Ci); Coriolis analysis and estimates (Ce)

PROCESSED FOODS – GRAIN BASED – KEY FIRMS

… continued…

Key firms in the New Zealand processed foods sector
(2010 or as available)

	Turnover	% Export	Employees	Ownership	Year founded	Notes
Prolife Foods	$30m (2002; K)		180 (K)	New Zealand; private (Crosby family)	1983	www.prolife.co.nz Was importer/repacker of bulk foods Purchased Mother Earth muesli bars from Cadbury
Breadcraft	$23m (Ke)		130 (ws) 80 (K)	New Zealand; private (John Cockburn; Peter Rewi; others)	1942	www.breadcraft.co.nz bread, cakes and pastry goods (Cockburn brand) Contract pack for Goodman Fielder and others (primarily foodservice); export to Australia
CookieTime	$23m (Ke)		80 (K)	New Zealand; private (Mayell family)	1983	www.cookietime.co.nz
Corson	$23m (Ke)		35 (K)	New Zealand; private (Corson family)	1902	www.corson.co.nz Corn milling; based in Gisborne Acquired Defiance Milling in AU in 2003
QFS	$21.8m (2010)		65 (K)	Australia/NZ; private (unclear/various)	1900's	www.qfs.co.nz Founded in Invercargil; acquired by GFW in 80's Acquired by private group in 2002 Export focused: croissants, finished Danish and pastries, biscuit mixes, pastry, and sauces
Abe's Real Bagels	$20m (Ke)		70 (K)	New Zealand; private (Whimp; Sargent; McKendry)	1996	www.abes.co.nz Copied American style bagels for NZ market Bagels and bagel crisps
Original Foods	$17m (Ke)		60 (K)	New Zealand; private (Mayell family)	1991	www.originalfoods.co.nz Range of baked goods
Goodtime	$14m (Ke)		50 (K)	New Zealand; private (Pollett and Davis families)	1978	www.goodtime.co.nz 1 factory in Napier
Kaye's	$14m (Ke)		50 (K)	New Zealand; private (Yarrow & Penniall family)	1982	www.kayes.co.nz Bread (Kaye's) and biscuits (Cottrells); Yarrow 50%

Source: various company annual reports (AR); various company websites (WS) ; Kompass (Ke); interviews (Ci); Coriolis analysis and estimates (Ce)

PROCESSED FOODS – GRAIN BASED – KEY FIRMS

… continued

Key firms in the New Zealand processed foods sector
(2010 or as available)

	Turnover	% Export	Employees	Ownership	Year founded	Notes
MILLIGANS FOOD GROUP LTD	$14m (Ke)		50 (K)	New Zealand; private (Patton family)	1896	www.milligans.co.nz Eclipse flour; other grain products/mixes Also profiled under dairy
smartfoods	~$12m (Ce; 10)	25% (ws)	14 (K)	New Zealand; private (Justin Hall; others)	2004	www.vogels.co.nz License Vogel's name from Swiss owners Export private label/store brand to Australia Vogels cereal recently into US market
Derlen Bakery	$11m (Ke)		40 (K) 25 (ws)	New Zealand; private (Binnie family)	1982	www.derlenbakery.co.nz Exports to Australia and Asia
Harraways	~$10m (Ce; 10)		35 (K)	New Zealand; private (Hudson family)	1867	www.harraways.co.nz Founded in Dunedin in 1893 Domestic, export and ingredients (to others)
DANNY'S THE REAL PITA BREAD Co.	$10m (Ke)		35 (K)	New Zealand; private (Eliahu family)	1988	www.pitabread.co.nz Pita crisps snacks
Elite Food Group LIMITED	$9m (Ke)		30 (K)	New Zealand; private (Fisher family)	1900's	www.elitefoodgroup.co.nz Kiwi trifecta: pavlovas, meringues and lamingtons

1. NZ only; Source: various company annual reports (AR); various company websites (WS) ; Kompass (Ke); interviews (Ci); Coriolis analysis and estimates (Ce)

PROCESSED FOODS – GRAIN BASED – KEY FIRMS

There are also a number of firms that only wholesale in New Zealand (including some big grain-based brands)

Key firms in the New Zealand processed foods sector
(2010 or as available)

	Turnover	% Export	Employees	Ownership	Year founded	Notes
Major importer/wholesalers that do not manufacture in New Zealand						
	$104.3m[1] (2010)	Import Only		USA; listed (NYSE: CPB]	[1865]	www.arnotts.com; www.campbellsoupcompany.com Manufactured in Australia
	$45.8m[1] (2010)	Import Only		USA; listed (NYSE: K]	[1906]	www.kelloggs.com.au Manufactured in Australia
	$43.4m[1] (2010)	Import Only		Australia; private (Crotti family)	[1936]	www.sanremo.com.au Manufactured in Australia
	~	Import Only		Australia; co-operative (rice growers)		www.sunrice.com.au Manufactured in Australia Had sales office; exited; now sells through agency
	US$100m+ (ws)	Import only	175-220	New Zealand; private	1968	www.davistrading.co.nz Branches Auckland, PN, Wellington & Christchurch Buying office Beijing & Jakarta

1. NZ only; Source: various company annual reports (AR); various company websites (WS) ; Kompass (Ke); interviews (Ci); Coriolis analysis and estimates (Ce)

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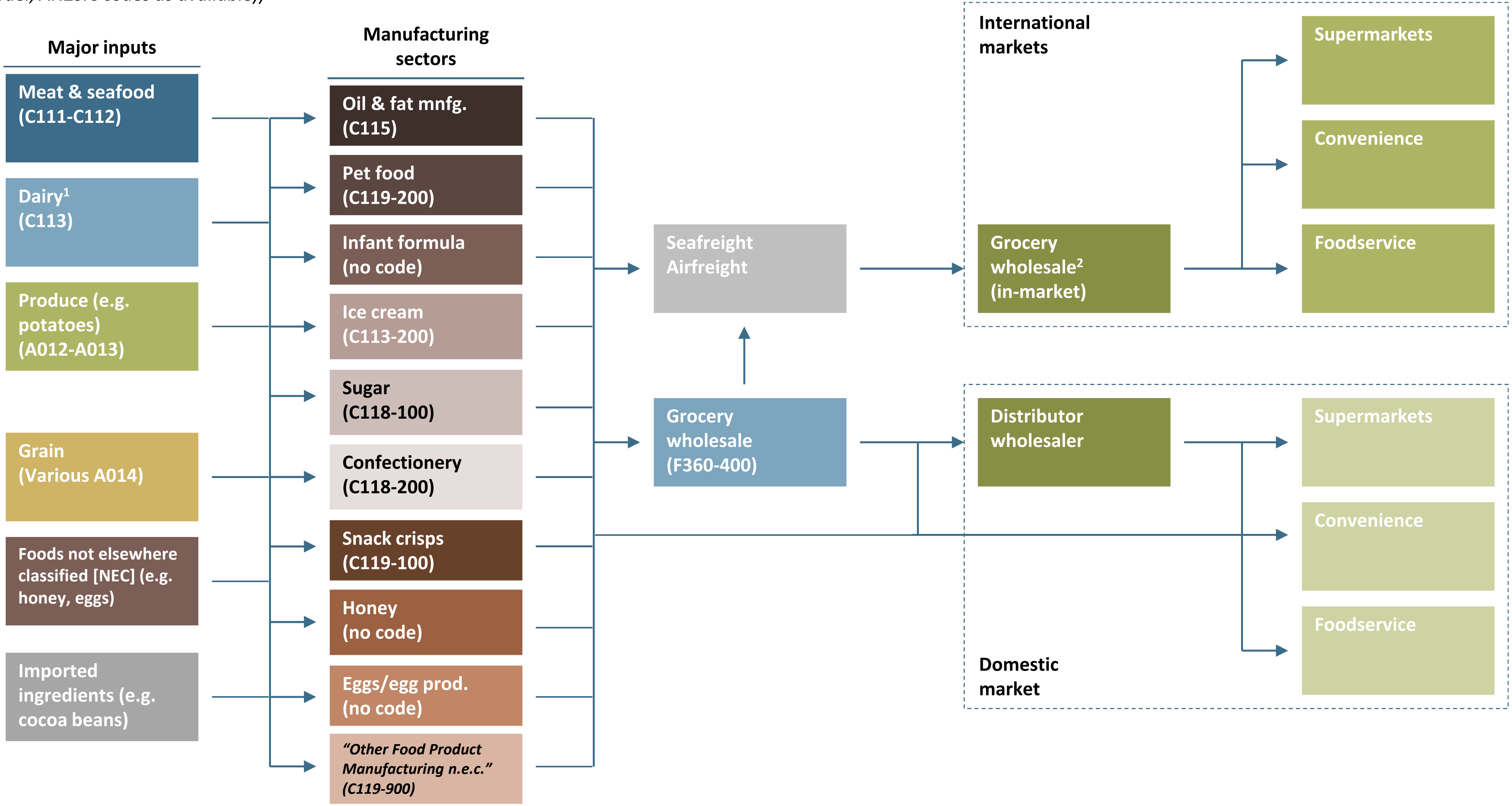
CORIOLIS

NON-GRAIN-BASED FOODS/OTHER FOODS– SUPPLY CHAIN

Non-grain based processed foods use a wide range of ingredients to produce all the other food items in a supermarket

Simplified model of New Zealand non-grain-based foods/other foods supply chain
(model; ANZSIC codes as available))

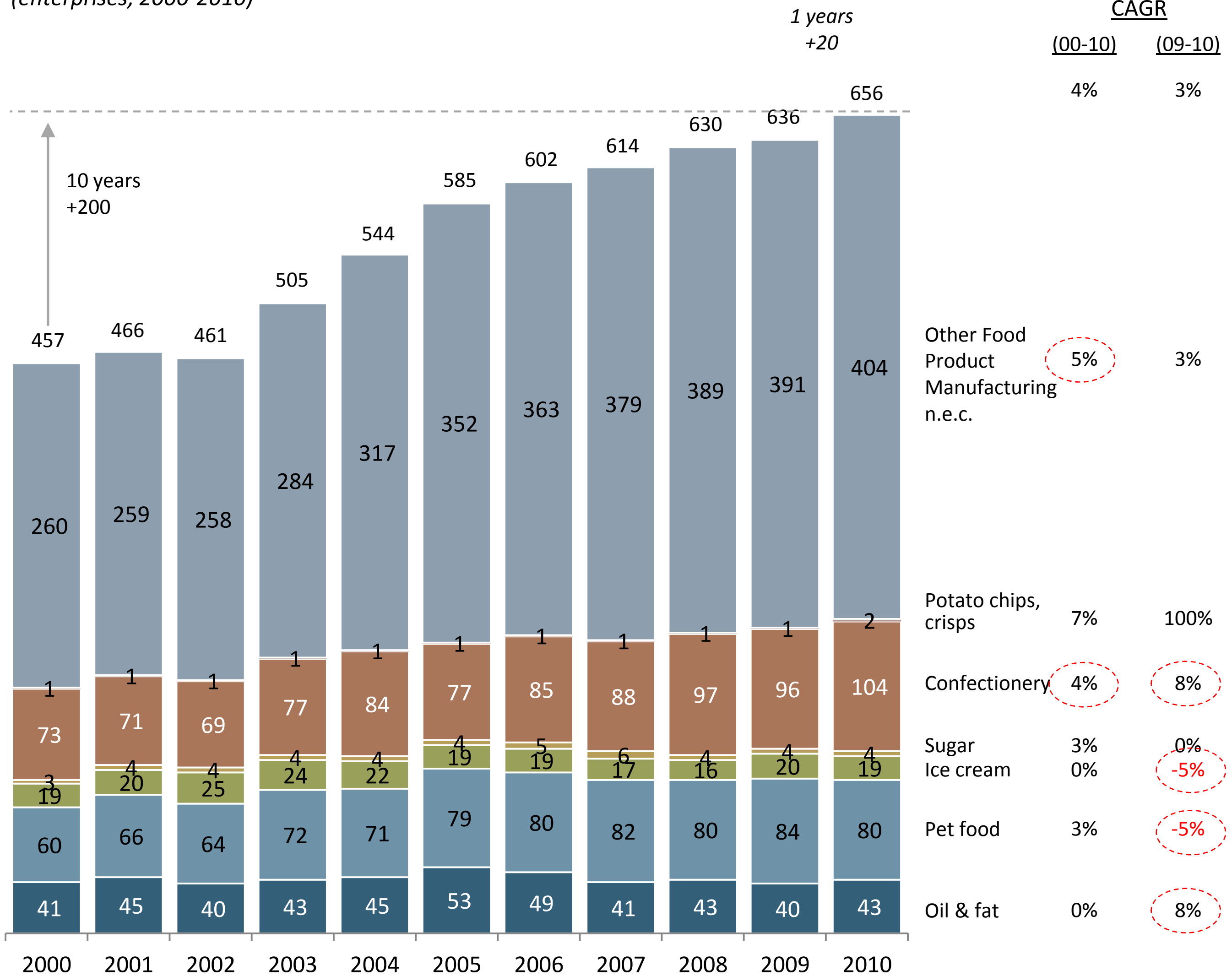


1. There may be one or more layers of wholesaling, depending on product or market; some wholesale functions maybe captive inside retailers or foodservice operators; Source: Coriolis

NON-GRAIN-BASED FOODS/OTHER FOODS– # OF ENTERPRISES

The number of enterprises involved in processed/other foods sector is growing; the sector has added ~200 enterprises in the past decade and +20 in the last year

Number of enterprise units in the non-grain-based foods/other foods industry in New Zealand[1]
(enterprises; 2000-2010)



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Other Food Product Manufacturing n.e.c.	260	259	258	284	317	352	363	379	389	391	404
Potato chips, crisps	1	1	1	1	1	1	1	1	1	1	2
Confectionery	73	71	69	77	84	77	85	88	97	96	104
Sugar	3	4	4	4	4	4	5	6	4	4	4
Ice cream	19	20	25	24	22	19	19	17	16	20	19
Pet food	60	66	64	72	71	79	80	82	80	84	80
Oil & fat	41	45	40	43	45	53	49	41	43	40	43
Total	457	466	461	505	544	585	602	614	630	636	656

Comments

- Industry growth during difficult times bodes well for further growth into economic recovery
- Firms that do not fit in existing categories are classified as "other"; from past research we believe this represents innovation and new products in new categories
  - In other words, "other" is industries too new to be classified by the last ANZSIC revision

Notes/Definitions

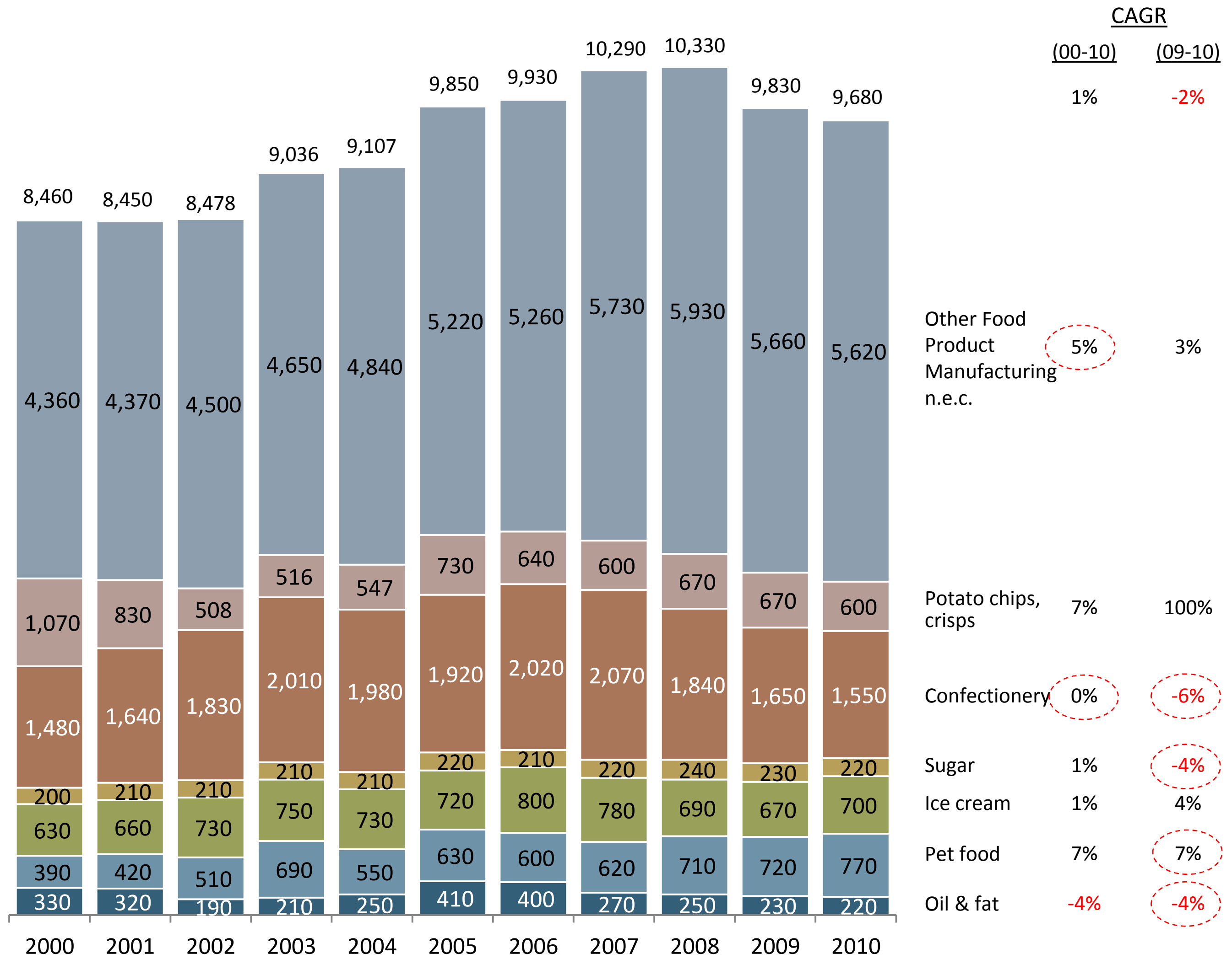
- Remember that enterprises are classified at the point they pay GST and by their primary activity; for example, the potato crisp firm here is Bluebird while ETA crisps are captured under Griffins (biscuits)
- "Other Food Product Manufacturing n.e.c." is effectively all areas of food manufacturing for which the ANZSIC coding system has no classification; it can partially be read as innovative new products or categories of product too new or too small to be in the system

Source: SNZ business demographics (detailed industry for enterprise units); Coriolis analysis

NON-GRAIN-BASED FOODS/OTHER FOODS– EMPLOYMENT

Sector employment growth, which was growing until 2008, has had a correction over the past two years

Number of persons employed in the non-grain-based foods/other foods industry in New Zealand[1]
(people; 2000-2010)



Comments

- Drive to efficiency and consolidation last few years; current hypothesis is a GFC-related consolidation
- Decline in confectionery employment primarily Cadbury moving some production to Australia

Notes/Definitions

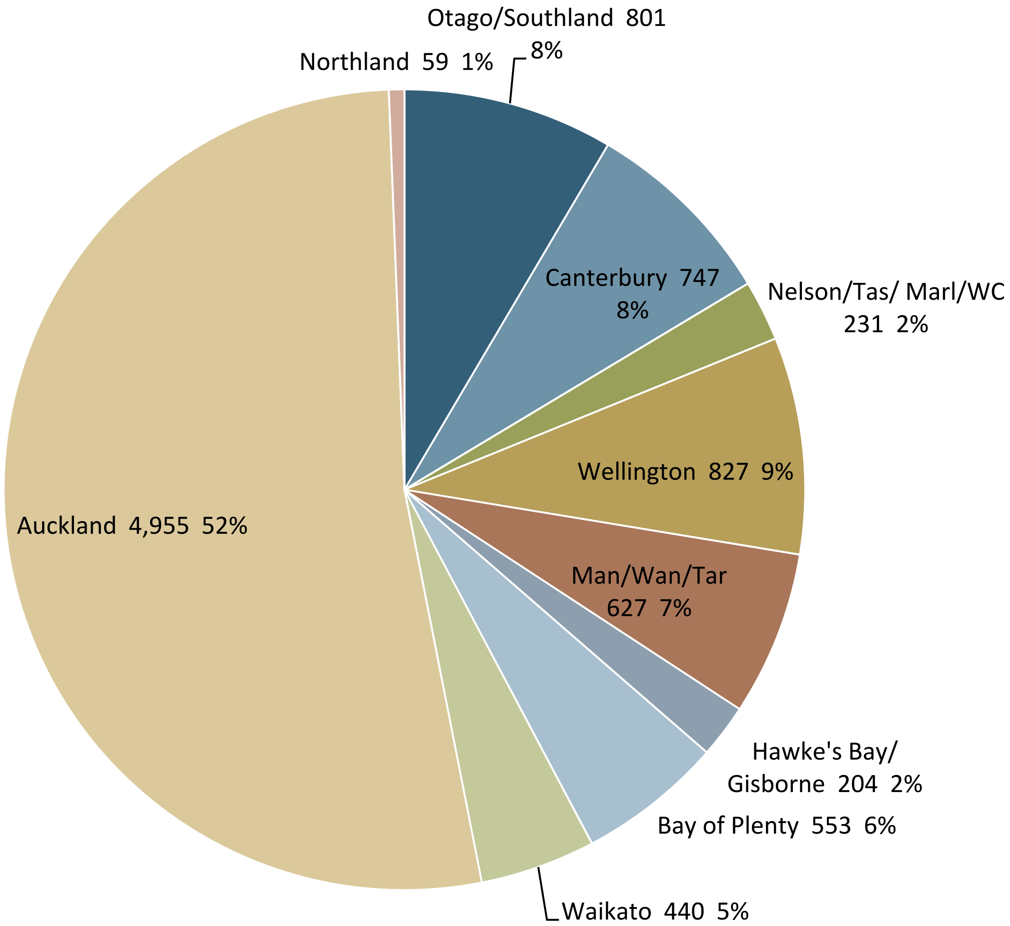
- Remember that enterprises are classified at the point they pay GST and by their primary activity; for example, the potato crisp firm here is Bluebird while ETA crisps are captured under Griffins (biscuits)

1. Uses persons employed by enterprise unit; Source: SNZ business demographics (detailed industry for enterprise units) and (detailed industry for geographic units); Coriolis analysis

NON-GRAIN-BASED FOODS/OTHER FOODS – EMPLOYMENT BY REGION

The processed foods industry is concentrated in Auckland

Number of persons employed in the non-grain-based foods/other foods industry in New Zealand by region
(people; 2010)



Total = 9,444

Comments/Notes

- Auckland clearly has a strong position in the production of processed foods

Notes/Definitions

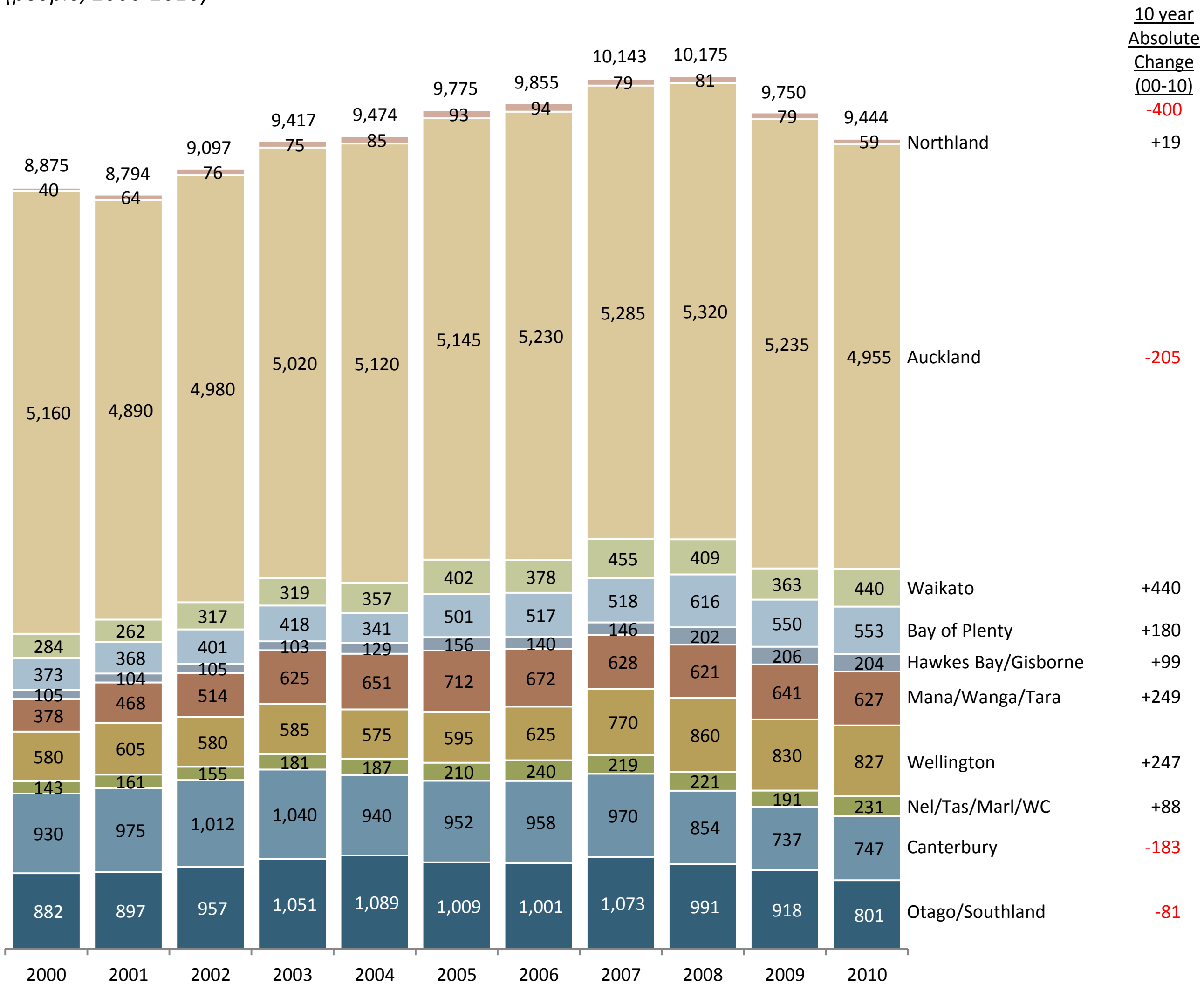
- Statistics New Zealand calculates its statistics based on the predominant business activity of the enterprise
- A firm that is defined as "beverage manufacturing" at the enterprise level may have a subsidiary at the geographic level that is classified as "grape growing"
- Data here is "geographic" units not "enterprise" units (pages prior)
- "Unallocated" is the difference between geographic unit employees and enterprise unit employees; it represents firm subsidiaries not involved in "beverage manufacturing," for example those classified as "grape growing" or "beverage wholesaling"
- Excludes employees classified elsewhere

Source: SNZ business demographics detailed industry by region-(ANZSIC 06) for geographic units; Coriolis analysis

NON-GRAIN-BASED FOODS/OTHER FOODS – EMPLOYMENT BY REGION

Most regions have seen a flattening to decline in recent years

Number of persons employed in the non-grain-based foods/other foods industry in New Zealand
(people; 2000-2010)



Comments

- Has the GFC impacted processed foods in Auckland or is this just consolidation?

Notes/Definitions

- Varies from pages earlier as this is geographic unit data (not enterprise unit data)
- Statistics New Zealand calculates its statistics based on predominant business activity; firms are classified by their predominant activity.
- *See note prior page*

Source: SNZ business demographics detailed industry by region-(ANZSIC 06) for geographic units; Coriolis analysis

NON-GRAIN-BASED FOODS/OTHER FOODS – KEY FIRMS

There are a handful of firms in oils and fats at any scale; potato chips is effectively a duopoly of two firms and sugar has a single large manufacturer[1]

Key firms in the New Zealand non-grain-based foods/other foods sector

(2010 or as available)

	Turnover	% Export	Employees	Ownership	Year founded	Notes
Oils/fats						
goodman fielder	NZ Non-dairy A$441.3m[2] (2010)		3000 (K)	Australia; listed (ASX/NZX: GFF)	1968 ~1986	www.goodmanfielder.com.au Spreads: MeadowLea, OliveGrove, Logicol; Oils
Unilever	NZ Group $272m[2] (2009)		250 (NZ group)	UK/Dutch; listed (Unilever)	1919	www.unilever.co.nz Margarine (Flora); oils (Bertolli) Group sells wide range of products and brands
BAKELS Edible Oils	$100.0m (2010)		100 (K)	Dutch/Swiss; foundation (Bakel family)	1980	www.beobakels.co.nz 1 factory (Tauranga); 36 solos; exports
Gardner Smith	$110.0m (2010)		7 (K)	Australia; private (unclear)	1984	www.trade.gardnersmith.com/Default.aspx?FolderID=125 procurement and export of NZ Tallow Recent JV purchase of Advanced Feeds (CHC) in 2010
SIMUNOVICH OLIVE ESTATE	$11m (Ke)		40 (K)	New Zealand; private (Simunovich family)	2000	www.simuolive.co.nz
Potato chips/crisps						
PEPSICO INTERNATIONAL / Bluebird	$148.9m (2009)	~nil	700 (K)	USA; listed (NYSE: PEP)	1947 (NZ)	www.bluebird.co.nz; www.pepsico.com Was GF; sold to Pepsico/Frito-Lay (global #1 potato chips)
Griffin's / Eta	*Profiled under grain-based foods*					Griffins owns and manufactures ETA potato chip brand www.eta.co.nz
Sugar						
wilmar / Mackay Sugar Limited / CHELSEA	$241m (2010)		160 (K)	75% Singapore; listed (SGX: F34; ASX: SGT) 25% Australia; co-operative (Mackay Sugar)	1884 (NZ)	www.chelsea.co.nz; www.csrsugar.com.au www.sucrogen.com; www.wilmar-international.com http://new.mkysugar.com.au CSR (Australia) recently sold sugar business to Wilmar (Sing.) Wilmar is world's largest producer of palm oil

1. Refined sugar imports also occur, so this shouldn't be read as a monopoly; 2. Includes non-oil activities; Source: various company annual reports (AR); various company websites (WS) ; Kompass (Ke); interviews (Ci); Coriolis analysis and estimates (Ce)Coriolis analysis and estimates

ICE CREAM – FIRMS

New Zealand has a handful of ice cream firms that combine together dairy products, sugar, chocolate and other flavourings

Key firms in the New Zealand ice cream sector
(2010 or as available)

	Turnover	% Export	Employees	Ownership	Year founded	Notes
Ice Cream						
Fonterra / Tip Top	$226m (Ke)		400 (K)	Subsidiary of Fonterra (Co-operative)	1936	www.tiptop.co.nz
Unilever	NZ Group $272m (2009)		250 (NZ group)	UK/Dutch; listed (Unilever)	1919	www.unilever.co.nz/brands/foodbrands/Streets.aspx Novelty ice cream (Magnum, Paddle Pop, etc.) Group sells wide range of products and brands
New Zealand Natural	$96m (Ke)		170	New Zealand; private (Foreman family)	2001	www.newzealandnatural.com http://www.icecream.co.nz Numerous acquisitions
Kiwi	$10m (Ke)		40 (K)	New Zealand; private (Moore family)	1992 (current form)	www.kiwiicecream.co.nz; http://icecreamland.co.nz
Talley's	~$10-20m (Ce; IC only)		N/A	Subsidiary of Talley's Group (Talley family)	1936	www.talleys.co.nz/icecream.htm
Deep South Ice Cream Ltd	$4-6m (Ce)		26 (article)	New Zealand; private (Hopkins family; Killick family)	1979	www.deepsouthicecream.co.nz 2 manufacturing plants (Hornby & Invercargill)
Rush Munro's	$3m (Ke)		15 (K)	New Zealand; private (Bostock Group; Bostock family)	1926	www.rushmunro.co.nz; www.jbgroup.co.nz Parent is JM Bostock Ltd.
Kohu Road	~$1-2m (Ce)		6-10 (ws)	New Zealand; private (Greg Hall 74%; others)	2007	www.kohuroad.co.nz Recently moved to larger plant

Source: various company annual reports (AR); various company websites (WS) ; Kompass (Ke); interviews (Ci); Coriolis analysis and estimates (Ce)

PETFOOD – KEY FIRMS

The two largest pet food companies in the world (Mars & Nestle) produce pet food in New Zealand, as do a range of other firms, from large to small

Key firms in the New Zealand petfood sector
(2010 or as available)

Note: Large number of smaller firms not shown

	Turnover	% Export	Employees	Ownership	Year founded	Notes
Pet food/animal feed						
Heinz Wattie's	Total NZ $782.7m (2010)	55%	1,900 (WS)	USA; listed (NYSE: HNZ)	1934	www.nutriplus.co.nz; www.catspreferchef.co.nz Founded in 1934 as coop; acquired 92 by Heinz from GFW Key brands: Champ; Chef; PurePet; Nutri-Plus, Bruno
Nestlé Good Food, Good Life	Total NZ $447m (2010)		680 (K)	Swiss; listed (Nestle)	NZ 1926	www.nestle.co.nz; www.purina.co.nz Key brands: Purina, Tux, Friskies, Cat Chow, Fancy Feast
MARS MasterFoods	Total NZ $183.3m (2009)		300 (a) 200 (K)	USA; private (Mars family)	~1988	www.mars.com/global/global-brands.aspx Key brands: Pedigree, Royal Canin, Whiskas, MyDog Factory in Wanganui
Butch	$14m (Ke)		50 (K)	New Zealand; private (Roby family)	1968	www.butch.co.nz Dog rolls
ZiwiPeak	$9m (Ke)		30 (K)	New Zealand; private (Stuart; Mitchell; Woodd family)	1992	www.ziwipeak.com Premium pet food
Jimbo's	$8m (Ke)		28 (K)	New Zealand; private (various)	1980	www.jimbos.co.nz Parent is Bombay Petfoods
MEATEOR FOODS LTD	$22m (C)		36 (C)	Division of Scales	N/A	www.meateor.co.nz Meat ingredients processor for the global pet food industry Being sold due to parent insolvency (SCF/Hubbard)
Major pet food importer/broker/wholesalers that do not manufacture in New Zealand						
masterpet Never met a pet we didn't get	$139m (Ke)		200 (K)	New Zealand; mixed (29% PGC; Wootton family; others)	1954	www.masterpet.com; www.masterpet.co.nz Wholesaler broker for: Iams, Eukanuba, other brands
COLGATE-PALMOLIVE COMPANY	$92m (2009)		100 (K)	USA; listed (NYSE: CL)		www.colgate.com; www.hillspet.com Key brands: Hill's Science Diet

1. Includes non-oil activities; Source: various company annual reports (AR); various company websites (WS) ; Kompass (Ke); interviews (Ci); Coriolis analysis and estimates (Ce)

CONFECTIONERY – KEY FIRMS

There are two large firms – Kraft/Cadbury and Whittaker's – a range of smaller firms in the New Zealand confectionery industry…

Key firms in the New Zealand confectionery sector
(2010 or as available)

	Turnover	% Export	Employees	Ownership	Year founded	Notes
Confectionery						
Kraft Foods / Cadbury	$259m (2009)		550 (K)	USA; listed (NYSE: KFT)	NZ 1868	www.cadbury.co.nz; www.kraftfoodscompany.com Parent recently acquired by Kraft Entered market 1930 via acquisition of Dunedin chocolate maker R Hudson (founded 1868)
Whittaker's	$30-50m (Ce) $16m (Ke)		55 (K)	New Zealand; private (Andrew & Brian Whittaker)	1896	www.whittakers.co.nz Formed J.H. Whittaker's Australia in 1992
Waikato Valley Chocolates Limited	$14m (Ke)		50 (K)	New Zealand; listed/other (50% The Warehouse; others)	1975	No website located Manufacturer of chocolate panning and moulding
RJ's	$17m (Ke)		60 (K)	New Zealand; private (Halliwell family; others(?))	1974	www.rjslicorice.co.nz Started and based in Levin Competes with Nestle & Cadbury (50%+ share) Exports to AU, US, UK, & Canada
Rainbow	$13m (Ke)		45 (K)	New Zealand; private (Betty/Thornton/White families)	1884/ 2001	http://rainbowconfectionery.co.nz Has origins in 1884 Julius Rominson/Romison's Confectionery/Regina Confectionery Business sold to Nestle in 1995; closed 2001 Oamaru plant reopened by Innovex/Rainbow 2001 Contract pack for others; export
Donovans	$10m (Ce)		32 (K)	New Zealand; private (Donovan family)	1991	www.donovanschocolates.co.nz Parent is The Chocolate Factory
Richfields	$9m (Ke)		20 (K)	NZ/Singapore; private (Kartono Widjaja 33%; Campbell family 31%, others)	1980's	www.richfieldschocolate.co.nz Manufacturers bulk industrial chocolate (chips, budlets, buttons and large industrial blocks) Mnfr. Gift boxes, Easter eggs, etc. contract packed for Australasian retailers Exports to distribution hub in Singapore, then Asia

Source: various company annual reports (AR); various company websites (WS) ; Kompass (Ke); interviews (Ci); Coriolis analysis and estimates (Ce)

CONFECTIONERY – KEY FIRMS

… continued

Key firms in the New Zealand confectionery sector

(2010 or as available)

	Turnover	% Export	Employees	Ownership	Year founded	Notes
Confectionery						
Carousel	$3m (Ke)		18 (K)	New Zealand; private (Hardie family)	1978	www.carousel.co.nz
New Zealand Empire Since 1935	$2m (Ke)		13	New Zealand; private (Parmar family)	1935	www.empireconfectionery.co.nz
Bennetts of Mangawhai	$1.4m (Ke)		6-10	New Zealand (Bennett family)	1989	Bars & gift boxes Won London chocolate awards
Carroll Industries	$1m (Ke)		8 (K)	New Zealand ; private (Walker family; others)	1988	100s-&-1000s manufacturer Supplies manufacturers and contract packs
Van H Chocolates	$2m (Ke)		9 (K)	New Zeland; private (Bradshaw family)	1985	Produce boxed assortments and seasonal Since 1985
Mayceys	N/A		N/A	New Zealand; private (Stacey family)	1926	www.mayceys.co.nz
Major confectionery food importer/broker/wholesalers that do not manufacture confectionery in New Zealand						
Nestle Good Food, Good Life	Total NZ $447m (2010)		680 (K)	Swiss; listed (Nestle)	NZ 1926	www.nestle.co.nz Key brands: Kit Kat; Aero; Life Savers; Rolo; Smarties; others
MARS WRIGLEY MasterFoods	$183 (2009)		200 (K)	USA; private (Mars family)	~1988	www.mars.com/global/global-brands.aspx www.wrigley.com Key brands: M&M's, Snickers, Starburst, Mars, Extra, others

Source: various company annual reports (AR); various company websites (WS) ; Kompass (Ke); interviews (Ci); Coriolis analysis and estimates (Ce)

INFANT FORMULA – KEY FIRMS

New Zealand has a growing infant formula manufacturing sector…

Key firms in the New Zealand infant formula sector
(2010 or as available)

	Turnover	% Export	Employees	Ownership	Year founded	Notes
Infant Formula						
Fonterra	$16,726m (2010)	95% (AR)	20,000 (K)	NZ; co-operative (11,000 farmers)	2001	www.fonterra.com Formed in industry mega-merger in 2001 Contract packs infant formula and base formula for others
光明食品(集团)有限公司 BRIGHT FOOD (GROUP) CO., LTD. / synlait making more from milk	$150m (2009e)		160 (article)	China/Japan/NZ; mixed (Bright; Mitsui; others)	2000	www.synlaitmilk.com; www.brightfood.com Adding capacity to plant in Dunsandel Purchased assets of Oceania Dairy ($95m plant not built)
NUTRITEK GROUP / NZDL	$99.0m (2009)		TBD	Russia; unclear (Nutritek Group)	2006	www.nzdairies.com; www.nutritek.ru
NUTRICIA DANONE	$82.4m (2009)		TBD	France; listed (Danone)	1996	www.nutricia.co.nz Manufacturer of Karicare infant formula
Dairy Goat Co-operative	$67m (2009)		50 (K)	New Zealand; co-operative (farmers)	1983	www.dgc.co.nz Primarily dairy goat milk into infant formula Export to Asia
suttongroup	$85m (Ke)		150 (K)	New Zealand; private (Sutton family)	1987	www.suttongroup.co.nz/Food-Dairy-Division.html manufacture infant formulas, nutritional powders, and pack milk and other powder based products Also manufacturers packaging and engineering installation
NEW IMAGE GROUP / New Image	$82m (2010)	90% + (ws)	40 (K)	New Zealand; Listed (NZX: NEW)	1984	www.newimageasia.com www.newimagegroup.co.nz Multi-level marketer of colostrum/other supplements Contract packs; building infant formula plant
HEINZ Nurture baby	$30-60m (Ce)		TBD	USA; listed (HJ Heinz)	NZ 1934	www.watties.co.nz Infant formula DO THEY MANUFACTURE IN NZ?

Source: various company annual reports (AR); various company websites (WS) ; Kompass (Ke); interviews (Ci); Coriolis analysis and estimates (Ce)

INFANT FORMULA – KEY FIRMS

… continued

Key firms in the New Zealand infant formula sector

(2010 or as available)

	Turnover	% Export	Employees	Ownership	Year founded	Notes
Infant Formula						
GMP Pharmaceuticals	$30m (K; 09)	~90% (Ce)	125 (K)	New Zealand; private (Ye family)	2002	www.gmp.com.au Factory in NZ and AU; offices in HK and Beijing Mnfg. range of products; "One-stop OEM service"
homecare	TBD	~95% (Ce)	TBD	NZ; private (Huang family)	2008	www.homecarenz.com Range of products (supplements, colostrum, baby food) Building infant formula plant (? TBC)

GMP and Homecare also in the Nutraceuticals document; Source: various company annual reports (AR); various company websites (WS) ; Kompass (Ke); interviews (Ci); Coriolis analysis and estimates (Ce)

FRENCH FRIES – KEY FIRMS

The three largest french fry manufacturers in the world produce in New Zealand

Key firms in the New Zealand french fries/frozen foods sector
(2010 or as available)

	Turnover	% Export	Employees	Ownership	Year founded	Notes
Frozen french fries/frozen foods						
Heinz Wattie's	Total NZ $712.4m (09)	55%	1,900 (WS)	USA; listed (NYSE: HNZ)	NZ 1934	www.nutriplus.co.nz; www.heinz.com Founded in 1934 as coop; acquired 92 by Heinz from GFW Wide range of processed/other food products
McCain	$210.9m (2010)		500 (K)	Canada; private (McCain family)	1978	www.mccain.com Acquired frozen veg NZ Alpine Foods in Timaru in 1990; built greenfields same site 1994; acquired Hastings Plant 1996
Simplot	$60m (2009)	50% (article)	100+	USA; private (Simplot family)	1988	www.mrchips.co.nz; www.simplot.com.au; www.simplot.com Acquired then listed Mr Chips in 2008 25,000t/year (100t/day capacity Parent brands incl. Birds Eye, John West, Edgell and Leggo's
Talley's	$75m (Ke)		500	New Zealand; private (Talley family)	1936	www.talleys.co.nz/vfries.htm Diversifying portfolio from seafood to frozen vegetables, dairy, (open Country Cheese) meat (AFFCO),
Fresher Foods	$14m (Ke)		50 (K)	New Zealand; private: (Steven Wong)	1979	Formed in 1979 by immigrant fish & chip shop owner Steven Wong (Huang Wei Zhang) Produce frozen french fries and potato chips Invested $2.8m on new equipment in 2008 800t/week

Source: various company annual reports (AR); various company websites (WS) ; Kompass (Ke); interviews (Ci); Coriolis analysis and estimates (Ce)

MEAT BASED – KEY FIRMS

There are a range of meat-based processed firms in New Zealand…

Key firms in the New Zealand Meat based foods sector
(2010 or as available)

	Turnover	Key categories	Key brands	Employees	Ownership	Year found	Notes
Meat-based processed foods							
Watties	Group NZ $782.7m (2010)	Frozen meals Frozen meats	Watties Weight Watchers	1,900	USA; listed (NYSE)	1934	- www.watties.co.nz - Strong across total frozen foods section
goodman fielder	Group NZ $1,114 (2010)	Frozen meals Meat pies Sausage rolls Frozen meats	Irvines Aashiayana Ernest Adams Leaning Tower	3,000	Australia; listed (ASX)	1968	- www.goodmanfielder.com.au - Recently sold Top Hat to Tegel
McCain	Group NZ $210.9m (2010)	Frozen meals Frozen pizza	McCain	500	Canada; private (McCain family)	NZ 1978	- www.mccain.com/worldwide/Pages/NewZealand.aspx
Leader	$15-20m+ (09e)	Hamburgers Nuggets Schnitzel Meal solutions	Leader	70	New Zealand; private (Keen; Davidson; Others)	TBD	- www.leadernz.co.nz - One factory (Otahuhu, Auckland) - Supply Subway most meats - Parent is Food Partners
Franklin Foods Andrew Corbett	$10-15m+ (09e)	Hamburgers Schnitzel Chicken nuggets Crumbed chicken	Andrew Corbett BB Grillers Zareena	40	New Zealand; private (Paul Corbett Brown; Andrew van der Werff)	1993	- www.franklinfoods.co.nz - Spun off from AFFCO in 1993 - aka. Food Partners NZ
GWF	Group NZ $273.3m (2010)	Meat pies	Big Ben	1,000	UK; listed (ABF/*Weston family)*	NZ 1950's	- www.gwfbaking.co.nz - Primarily bread/baked goods
Anzco Foods	$16m (09) Group $1,190m	Hamburgers Processed meats	Itoham		Itoham Japan 50% ANZCO 50%	1984	- www.anzcofoods.com - JV Waitara plant; 20,000t capacity ???

1. Uses consolidated; Source: various company annual reports (AR); various company websites (WS) ; Kompass (Ke); interviews (Ci); Coriolis analysis and estimates (Ce)

MEAT BASED – KEY FIRMS

… continued

Key firms in the New Zealand Meat based foods sector
(2010 or as available)

	Turnover	Key categories	Key brands	Employees	Ownership	Year found	Notes
Meat-based processed foods							
JACK LINK'S BEEF JERKY	$113m (Ke)	Beef jerky	Jack Link's	200	USA; private (Link family)	NZ 2002	www.jacklinks.co.nz; www.jacklinks.com - 3,000m2 factory built in 2002 - Exports to Asia, Europe, elsewhere
Only ORGANIC	$20m (Ke)	Baby food Canned meat	Only Organic Palm Salsbury Monarch	70 (K)	New Zealand; private (McCallum family)	1987	www.onlyorganic.co.nz Parent is McCallum Industries Canned meat (Palm, Salsbury, Monarch); baby food (only organic); 65% export
DAD'S PIES	$19m (Ke)	Meat pies	Dad's	65 (K)	New Zealand; private (Grooten family; others)	1981	www.dadspies.co.nz Started with 1 store; now 3,000m2 factory Moving into export

Source: various company annual reports (AR); various company websites (WS) ; Kompass (Ke); interviews (Ci); Coriolis analysis and estimates (Ce)

OTHER FOODS - HONEY

There is one large honey firm and a range of smaller operators

Key firms in the New Zealand honey sector
(2010 or as available)

Note: Large number of smaller firms (shown in nutraceuticals)

	Turnover	% Export	Employees	Ownership	Year founded	Notes
Honey/Bee products						
COMVITA	$85m (2010)		110 (K)	New Zealand; Listed (NZX: CVT)	1974	www.comvita.com Manuka honey; wide range of other products
WATSON & SON / MANUKAMED	$1-5m (K; 06)	59% (K)	60 (K)	New Zealand; private (Watson family; Daniell family)	2003	www.watsonandson.co.nz www.manukamed.com 15,000 beehives
ARATAKI HONEY SINCE 1944	$5-10m (K)		40	New Zealand; private (Berry family; others)	1944	www.aratakihoneyhb.co.nz
Honey Mark	$10.8m (2010)		TBD	New Zealand; cooperative (80-100 beekeepers)	1950's /1981	www.nzhoney.co.nz New Zealand Honey Producers Co-operative took over the assets of the Honey Marketing Authority Hollands; 3 Bees; SweetMeadow; Hororata
NEW ZEALAND HONEY CO.	$5m (npa; 09)	90%	TBD	New Zealand; private (Ward family)	2005	www.newzealandhoneyco.co.nz Honey products; parent is Alpine Honey
Airborne Est 1910	$3m (Ke)		25	New Zealand; private (Bray family)	1910	www.airborne.co.nz Regular, manuka, active manuka, and honey lozenges
hnz HONEY NEW ZEALAND 100% PURE	$3m (Ke)		20 (K)	New Zealand; private (Pringle family)	2003	www.honeynz.co.nz www.beesonline.co.nz Honey
MOSSOP'S Naturally New Zealand	$3m (Ke)		20 (K)	New Zealand; private (Mossop family)	1952	www.mossopshoney.co.nz Wide range of honey products

Source: various company annual reports (AR); various company websites (WS) ; Kompass (Ke); interviews (Ci); Coriolis analysis and estimates (Ce)

CORIOLIS

OTHER FOODS - EGGS

There is one large egg firm and a range of smaller operators

Key firms in the New Zealand eggs sector
(2010 or as available)

Note: Large number of smaller firms

	Turnover	% Export	Employees	Ownership	Year founded	Notes
Eggs/egg products						
Zeagold QUALITY EGG PRODUCTS	$37.5m (Ke)		250 (K)	New Zealand; private (Guthrie family; Valentine family; others)	TBD	www.zeagold.co.nz; www.farmerbrown.co.nz www.glenpark.co.nz Parent is Mainland Poultry Brands include Farmer Brown,
Heyden Farms	$8m (Ke)		65 (K)	New Zealand; private (van der Heyden family)	TBD	No website
FRENZ free range eggs new zealand	N/A		TBD	New Zealand; private (Arns family)	~1988 1998	www.frenzs.co.nz; www.frenzusa.com Have added pavlova to range
Henergy CAGE-FREE	N/A		TBD	New Zealand; private (Napier family; others)	2000	http://eggs.co.nz

Source: various company annual reports (AR); various company websites (WS) ; Kompass (Ke); interviews (Ci); Coriolis analysis and estimates (Ce)

OTHER FOODS – KEY FIRMS

There are a huge range of firms in the catch-all "other" category…

Key firms in the New Zealand other foods nes sector
(2010 or as available)

	Turnover	% Export	Employees	Ownership	Year founded	Notes
Other food products						
Heinz Wattie's	Total NZ $782.7m (2010)	55%	1,900 (WS)	USA; listed (NYSE: HNZ)	1934	www.nutriplus.co.nz; www.heinz.com Founded in 1934 as coop; acquired 92 by Heinz from GFW Wide range of processed/other food products Owns La Bonne Cuisine/Good Taste
Nestle Good Food, Good Life	Total NZ $447m (2010)		680 (K)	Swiss; listed (Nestle)	NZ 1926	www.nestle.co.nz; www.nestle.com Wide range of processed food products
Unilever	NZ Group $272m (2010)		250 (NZ group)	UK/Dutch; listed (Unilever)	1919	www.unilever.co.nz; www.unilever.com Group sells wide range of products and brands
MARS MasterFoods	Total NZ $183.3m (2009)		300 (a) 200 (K)	USA; private (Mars family)	NZ ~1988	www.masterfoods.co.nz; www.mars.com Ranges: spices, herbs, sauces, spreads
Suntory Cerebos	$164.6m (2009)		350 (K)	Singapore; listed (SIN: C20; Suntory 83%)	NZ 1984	www.cerebos.com.au; www.cerebos.com www.cerebos-export.com; www.suntory.com
Hansells	$100m (2009)		350 (K)	NZ/Thailand; public (Supachok 29%; Mackenzie; others)	1934	www.hansells.co.nz; www.hansells.com
Bell tea & coffee company	$85m (Ke)		150 (K)	New Zealand; co-operative (Foodstuffs Group)	1912	www.belltea.co.nz; www.btcc.co.nz
Delmaine Fine Foods	$60m (2004; K)		200 (K)	New Zealand; private (Carlyon; others)	1980	www.delmaine.co.nz
General Mills	$40.7m (2010)		80 (K)	USA; listed (NYSE: GIS)	TBD	www.genmills.com Brands include Betty Crocker, Frescarini & Old El Paso

Source: various company annual reports (AR); various company websites (WS) ; Kompass (Ke); interviews (Ci); Coriolis analysis and estimates (Ce)

OTHER FOODS – KEY FIRMS

… continued

Key firms in the New Zealand other foods nes sector
(2010 or as available)

	Turnover	% Export	Employees	Ownership	Year founded	Notes
Other food products						
Mount Erin Pacific	$85m (Ke)		150 (K)	New Zealand; private (Kelly family)	1963	No website; canning factory (fruit, berries, vegetable) Operates a factory at Whakatu, Hastings; USFDA registered
Barker's of Geraldine	$68m (Ke)		120 (article)	New Zealand; private (Barker family)	1968	www.barkers.co.nz; www.anathoth.co.nz Includes Anathoth (acquired 2007) Uses over 1,000t /year of berry/stonefruit for processing Anathoth recently into WW Australia (May 2011)
Ceres	$63m (Ke)		100 (K)	New Zealand; private (Josephson 35%; others)	1982	www.ceres.co.nz Organic foods importer; primarily wholesale, some repack
Cedenco	$63.5m (2008)		130 (K)	Japan; unclear (Imanaka Co Ltd)	1986	www.cedenco.co.nz; www.cendeco.com; www.imanaka.co.jp Processed F&V, IQF , powder, puree, paste
Murdoch Manufacturing Limited	$32m (Ke)		51 (K)	New Zealand; co-operative (Foodstuffs South Island)	1990	www.foodstuffs-si.co.nz Packs/produces private label for Foodstuffs stores

Source: various company annual reports (AR); various company websites (WS) ; Kompass (Ke); interviews (Ci); Coriolis analysis and estimates (Ce)

PROCESSED – TRANSACTIONS

There have been a range of transactions in the last few years in the processed foods sector…

Recent major processed foods industry transactions
(2008-2010)

Date	Acquirer	Target	Price	Details
Dec 2010	OpEx Group (Killick and Hopkins)	Deep South Ice Cream from owners (Brian Simon 50%, Stewart Barnett[1], Arthur Baylis)	N/A	- www.stuff.co.nz/dominion-post/business/4930125/Icecream-firm-fights-winter-chill - Regional ice cream firm with manufacturing plants in Christchurch and Invercargill - Export to China and Japan and open channels into Australia
2010	Wilmar (Singapore)	75% of Chelsea sugar via acquisition of Sucrogen from CSR	US$1.47b (total group)	- Wilmar, founded in 1991, now second largest firm on Singapore stock exchange; #1 global palm oil processor - Acquired all sugar activities of CSR in Australia and New Zealand
2010	Imanaka	Cedenco from SK Foods		- US parent SK Foods into Chapter 11; AU and NZ operations into receivership; parent investigated by FBI - One of New Zealand's biggest vegetable processors, with two Gisborne factories, a processing plant at Whakatu in Hawke's Bay and a business in Ohakune
2010	Goodman Fielder	Transpacific Industries	N/A	- Acquisition of remaining 50% of Oilstream joint venture
Feb 2010	Kraft Foods	Cadbury including NZ operations	Group US$19.6b	- Combines Cadbury's Dairy Milk chocolate and Trident gum and Kraft's Milka, Toblerone and Terry's chocolate brands - Kraft sought Cadbury because of its strong growth in emerging markets, like India and Latin America. - Kraft derives over half its sales from the mature North American market.
Dec 2009	Goodman Fielder	DYC and Diamond	$12m	- divestment of NZ brands sold to New Zealand's Cooks Food Group
2009	CCA	Baker Hall	N/A	- CCA purchases Baker Hall from Hansells following Commerce Commission Review
Sep 2009	Epicurean Dairy	Canaan Cheese	N/A	- Angus Allan (founder Naked Organics) and Ofer Shenhav (former owner Pitango) buy small speciality cheese company; move into greek-style yoghurts under "The Collective" brand
2009	Wilson Consumer Products/ Wilson Foods	Ambient brands from Cookes Food Group	$4.375m	- Ambient brands (Cotterill and Rouse, Murdoch and Sungold) along with a novation agreement relating to the Diamond pasta and Meal Solutions business and DYC Vinegar to Wilson Consumer Foods Limited.
2009	LHF Limited (Sanitarium)	Chilled brands from Cookes Food Group	TBD	- Completed the sale of its Chilled brands (Olive Grove and Sahara) to LHF Limited
2009	Cooks Food Group	Pasta & vinegar from Goodman Fielder	$12m plus stock	- Diamond Pasta & Meal Solutions business and its DYC Vinegar from Goodman Fielder
2008	Tasman Food Corporation (changed to Cooks Food Group)	Murdoch Foods, Sahara Foods and Cotterill & Rouse		- Company brought together Murdoch Foods, Sahara Foods and Cotterill & Rouse, with the shareholder base of Tasman Food Corporation (listed NZAX) - Produces chilled vegetarian foods, salad dressings and mayonnaise, Asian sauces, and chutneys, pickles and relishes
2008	Barkers	Anathoth	-	- www.anathoth.co.nz - Barkers purchased Anathoth jams and later moved the production to Geraldine

Source: various companies annual financial statements (as filed with NZ Companies Office or available company website); various press releases and news articles; Coriolis analysis

PROCESSED – TRANSACTIONS

… continued

Recent major processed foods industry transactions
(2007-2008)

Date	Acquirer	Target	Price	Details
2008	Delmaine Fine Foods	Alberry House from Shrimski/others	N/A	- www.allberryhouse.com; business is ~$20m (Ke) and 100 employees - Formed in 2004 merger of Newmans Quality Foods Ltd. and All-Berry House Ltd
2008	Goodman Fielder	Paradise Foods	N/A	- Acquisition of Paradise Foods, a biscuit manufacturer.
2008	Goodman Fielder	Frosty Boy	N/A	- Divestment of Frosty Boy dairy ice-cream business in New Zealand., bought by Milligans Food Group
2008	Cadbury NZ	Cadbury Schweppes plc	N/A	- demerger, in which its global confectionery business was separated from its U.S. beverage unit, which has been renamed Dr Pepper Snapple Group
2008	Profile Foods	Mother Earth from Cadbury		- Cadbury sells muesli bar business to Hamilton based bulk food/snack repacker
2008	Simplot	Mr Chips		- Global #2 french fry manufacturer buys then listed Mr Chips to build strong NZ position - Mr Chips has 2 plants (Auckland & Christchurch); produces 100t/day
TBD	Sanitarium	Kato	N/A	- Breakfast cereal company buys maker of sauces, etc.
2006	PepsiCo/Frito Lay	Bluebird from Burns Philp (Graham Hart)	$245m	- Global #1 in snack chips buys NZ #1 in snack chips
2006	Hansells	Baker Hall	N/A	- Purchased cordial business from Hall family
2005	Bluebird	Krispa/Aztec snack chips from Hansells (Gary Lane)	N/A	- NZ #1 snack chip maker buys NZ #3 snack chip maker
2007	Griffins (PEP)	Nice & Natural from Peters family (NZ)	N/A	- Opportunity to add to its growing snacks business
2007	Heinz Wattie's	Cottie's & Rose's from Cadbury (UK)	N/A	- Chocolate business
2007	Burns Philps & Co	Goodman Fielder	$676m	- Burns Philp sells its remaining 20% stake in Goodman Fielder
2007	Goodman Fielder	River Mill	N/A	- Acquisition of the River Mill Bakeries and Canterbury Flour Mills businesses in New Zealand.
2007	Goodman Fielder	Mainland	N/A	- Acquisition of IDP (Mainland) Limited's dairy business in New Zealand.
2007	Goodman Fielder	PIC NZ	N/A	- Divestment of the PIC New Zealand Limited piggeries and genetics business. - Flour and other grain mill products
2007	Goodman Fielder	Independent Dairy Producers	N/A	- Secures milk supply of small dairy producer and supermarket private label

Source: various companies annual financial statements (as filed with NZ Companies Office or available company website); various press releases and news articles; Coriolis analysis

PROCESSED – TRANSACTIONS

… continued

Recent major processed foods industry transactions
(1992-2006)

Date	Acquirer	Target	Price	Details
2006	Pacific Equity Partners	Griffins from Danone (France)	NZ$385m	- Griffins -#1 NZ biscuit company, Danone #2 globally - The sale of Griffins is consistent with Groupe DANONE's strategic allocation of capital to targeted higher growth biscuit markets in the Asia Pacific region such as China, India and Indonesia.
2006	Pacific Equity Partners	Tegel Poultry from Heinz Watties	N/A	- Heinz Watties exits chicken production/processing to private equity
2006	Fonterra	The Pastryhouse	N/A	
2006	Goodman Fielder	County Life/Moors Bakery	N/A	- Acquisition of the Country Life and Moores Bakery health bread businesses.
2006	Goodman Fielder	Northern Bakeries	N/A	- Acquisition of Northern Bakeries bakery business in New Zealand.
2005	Goodman Fielder	Hansells	N/A	- Acquisition of Hansells (NZ) Limited's snacks business in New Zealand.
2005	Goodman Fielder	New Zealand Dairy Foods Holdings Ltd	N/A	- Acquisition of New Zealand Dairy Foods Holdings Limited, a dairy and smallgoods business in New Zealand
2005	Goodman Fielder	The Uncle Tobys Company Bluebird Foods	N/A	- Burns, Philp & Company Limited retains The Uncle Tobys Company and Bluebird Foods businesses
2003	Burns, Philp & Company Limited	Goodman Fielder Limited	N/A	- Goodman Fielder Limited is acquired by Burns, Philp & Company Limited
1998	Heinz Watties	Brand licence	N/A	- the ETA brand salad dressings and peanut butter (under licence) and the Bruno pet food brand
1996	Heinz Watties	Brand licence	N/A	- Craig's brand jams and canned beans and the Pacific and Hellaby's brands of corned beef
1996	McCain	Hastings Plant from Grower Foods	N/A	- McCain (Canada) acquired Hastings frozen vegetables plant from Grower Foods
1992	Heinz	Watties from Goodman Fielder	$565m	

Source: various companies annual financial statements (as filed with NZ Companies Office or available company website); various press releases and news articles; Coriolis analysis

PROCESSED – ACTIVITY

There have been a number of significant investments in processed foods, primarily by large multinationals

Recent major processed foods investments
(2006-2011)

Date	Company	Investment	Details
May 2011	Heinz-Watties	N/A	- shifting production of sauces, beetroot and some canned meal products from three plants in Australia to its facilities in Hastings after extensive review of manufacturing operations - Heinz Australia will shed more than 300 jobs, comprising 160 jobs at Golden Circle's Northgate plant in Brisbane, 146 jobs at Girgarre in northern Victoria and 38 jobs at Wagga Wagga, in New South Wales
2011	McCain	$19m	- NZ $19 million upgrade to McCain Foods plant at Omahu Road, Hastings; increases production capability to 50,000t/year - Upgrade included enhanced processing equipment, new freezers and additional packing configuration, and a new bean processing capability - Firm claims to have invested “around NZ $70 million in this plant since acquisition” in 1996 - “Major focus being exports to Australia, Japan and the Asia-Pacific region”
Sep 2010	Sanitarium	$12m	- Sanitarium Life Healthy Foods (LHF) opened new purpose built plant in Avondale - Capital investment for property, factory construction and upgrade of plant and equipment
2009	Cadbury	$69m	- Consolidated production of many lines to non-NZ sites (08) - Invested NZ$69m in Dunedin site to focus on boxed choc, Pinky Bars, Marshmallow Eggs, others & chocolate “crumb” [bulk] (08)
2008	Barker’s	$1m	- $1m upgrade to Geraldine
2008	Fresher Foods	$2.8m	- Frozen french fry manufacturing; invested $2.8m on new equipment in 2008
2008	McCain	$10m	- Invested more than $1Om in upgrading facilities in Timaru
2006	Mars/Masterfoods	$52m	- Invested $52m in new pet food factory on 152ha property - Mars moves pet food factory from Wanganui to Marangai; makes petfood with the Whiskas, Optimum, Pedigree and Lucky brands - www.wanganuichronicle.co.nz/local/news/green-light-for-petfood-factory/3661355/

"Our decision to consolidate manufacturing is a crucial step in our plan to become more competitive in a challenging environment, and to accelerate future growth in both markets," *Nigel Comer, CEO Heinz Australia, 2011*

Source: various companies annual financial statements (as filed with NZ Companies Office or available company website); various press releases and news articles; Coriolis analysis

PROCESSED – ACTIVITY

There have also been a range of closures and divestments leading to job losses

Recent major processed foods closures/divestments
(2008-2009)

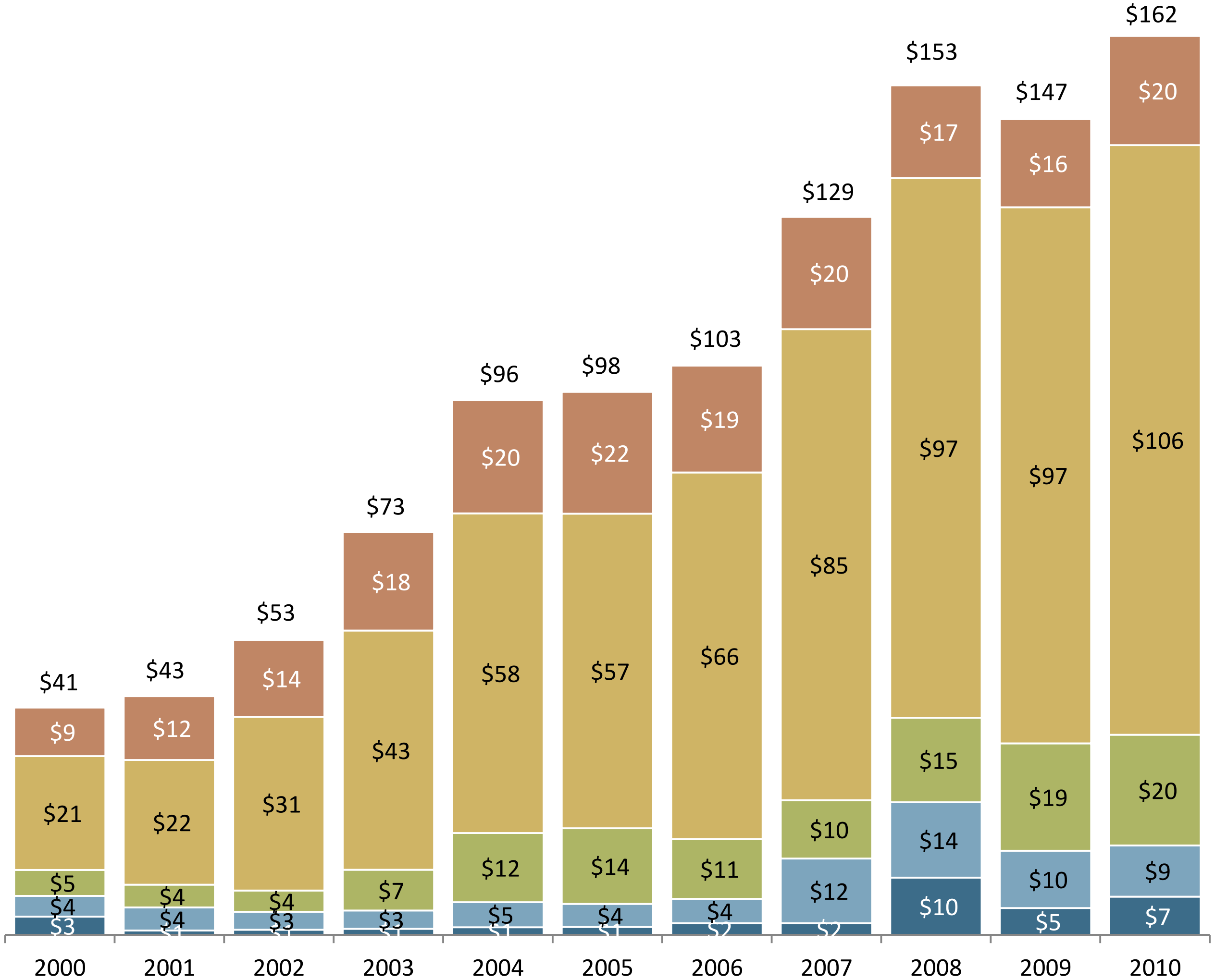
Date	Company	Job loss	Details
Dec 2009	Delmaine Fine Foods	~100	- About 100 employees of a Delmaine Fine Foods subsidiary are being told to relocate from Tauranga and Christchurch to Auckland - Closing three of its five existing sites and setting up a new facility in Mt Wellington to replace its East Tamaki head office
2009	Cedenco Foods	125 seas.	- Closing one of its factories, resulting in at least 125 seasonal workers losing their jobs - Retort factory is closing, which heats vacuum-packed corn cobs.; the company has cited a drop in international demand for corn cobs and kernels as the reason for the closure.
2009	Cadbury	140 FT 50 seas.	- Recently closed Avondale plant and laid-off 140 FT & 50 seasonal workers; streamlined Dunedin plant making 145 employees redundant
2008	Griffin's Foods	200	- Closure of Lower Hutt factory; all production transferred to Auckland site

Source: various companies annual financial statements (as filed with NZ Companies Office or available company website); various press releases and news articles; Coriolis analysis

GRAIN-BASED – EXPORTS BY TYPE

New Zealand grain-based exports have shown strong growth driven by biscuits/museli bars and breakfast cereal

New Zealand grain-based processed foods export by form
(US$m; 2000-2010)



	10 Year CAGR	10 Year Absolute	Last Year CAGR	Last Year Absolute
TOTAL	15%	+$121m	10%	+$15m
Other baked	8%	+$11m	24%	+$4m
Biscuits & muesli bars	18%	+$86m	10%	+$10m
B. Cereal	16%	+$15m	3%	+$1m
Milling prod.	9%	+$6m	-11%	-$1m
Grains	8%	+$4m	42%	+$2m

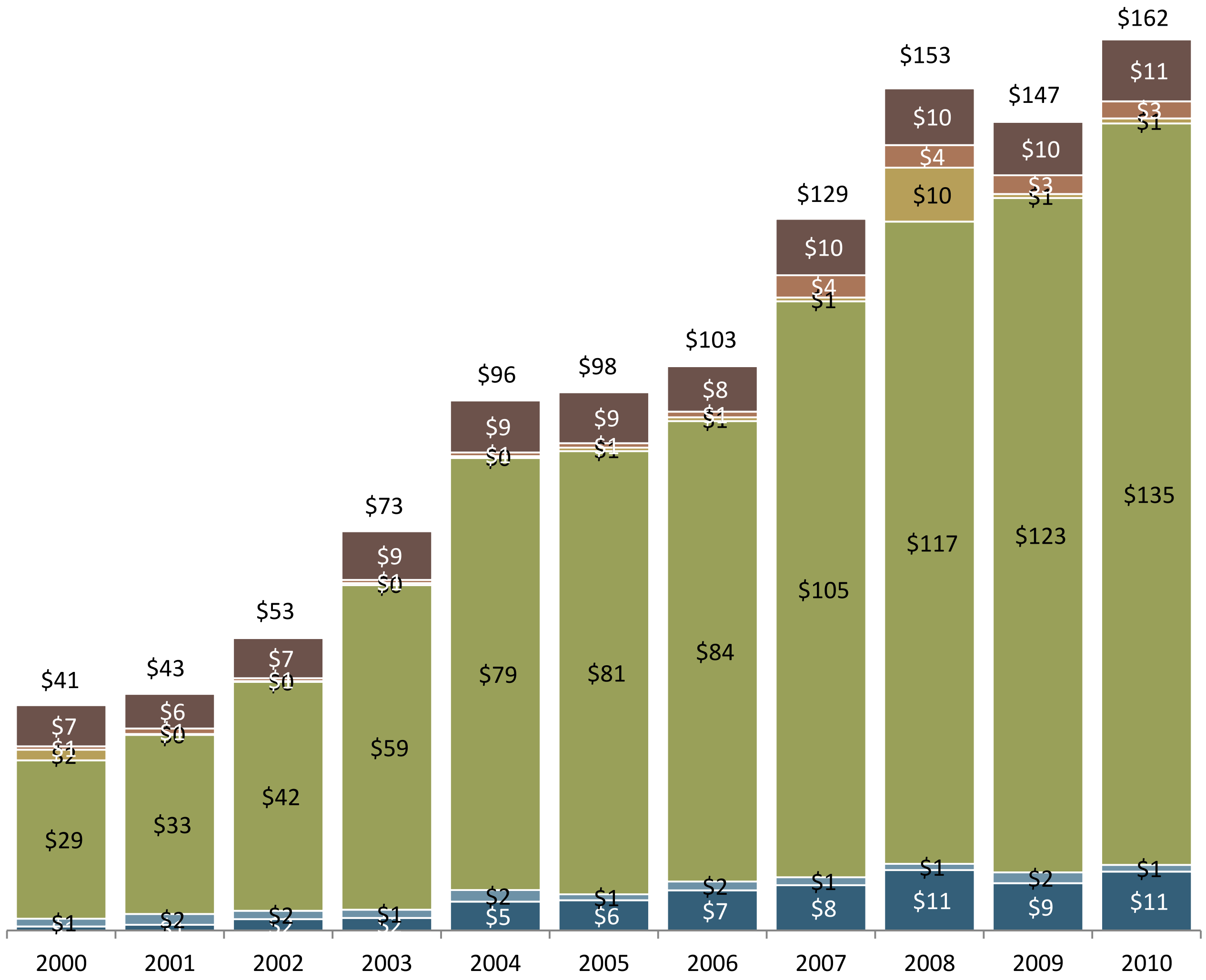
Source: UN Comtrade database; Coriolis analysis

CORIOLIS

GRAIN-BASED – EXPORTS BY REGION

Almost all New Zealand grain-based exports go to Australia/Pacific Islands

New Zealand grain-based processed foods export by destination
(US$m; 2000-2010)



	10 Year CAGR	10 Year Absolute	Last Year CAGR	Last Year Absolute
TOTAL	15%	+$121m	10%	+$15m
E Asia	4%	+$4m	16%	+$2m
SE Asia	18%	+$2m	-9%	-$0m
Other	-7%	-$1m	30%	+$0m
Australia/ Pacific I.	17%	+$106m	10%	+$12m
N. America	-1%	-$0m	-38%	-$1m
Europe	30%	+$10m	24%	+$2m

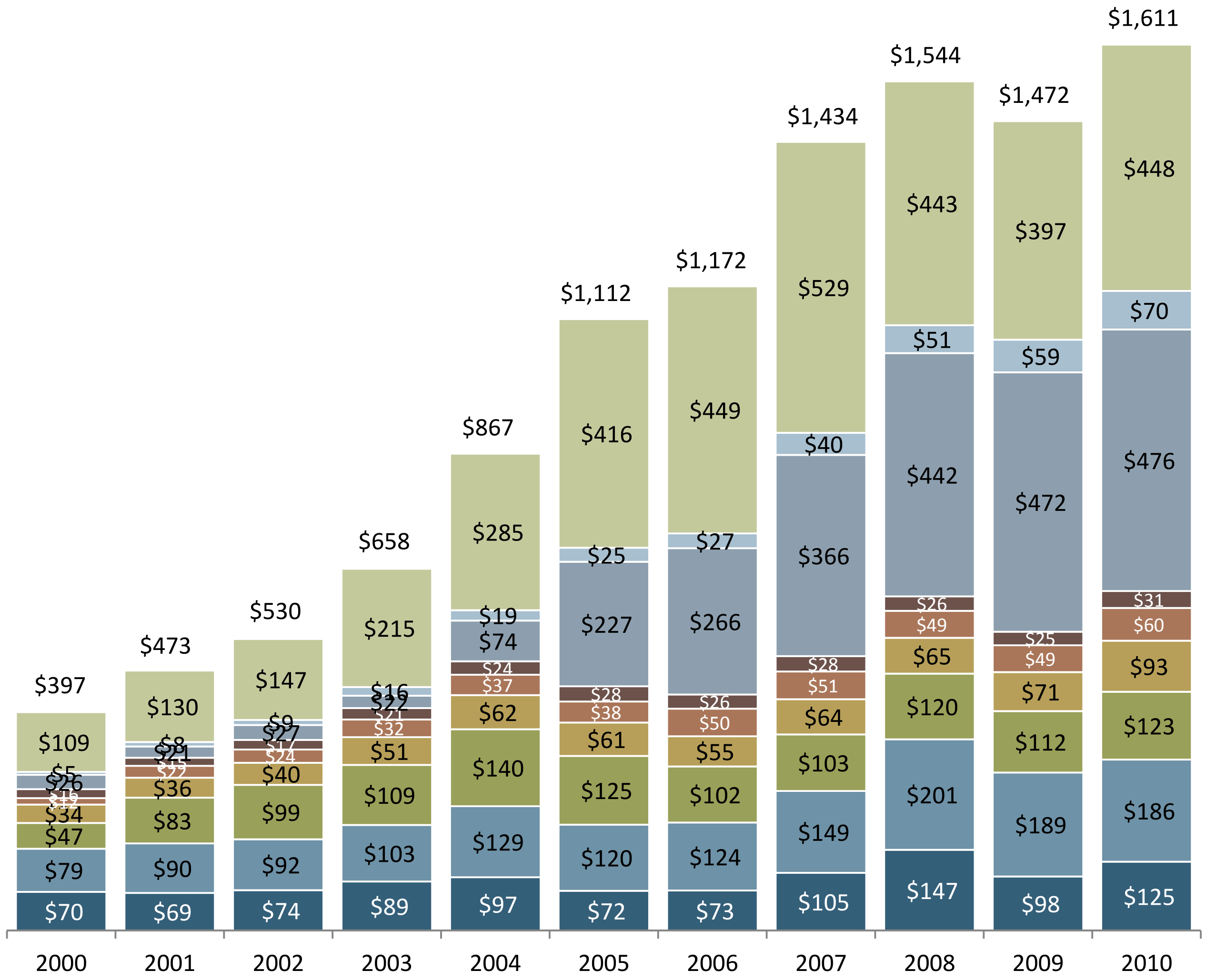
Source: UN Comtrade database; Coriolis analysis

NON GRAIN-BASED FOODS/OTHER FOODS – EXPORTS BY TYPE

New Zealand other processed foods exports have shown strong growth driven by a wide range of products

New Zealand processed/other foods export by form

(US$m; 2000-2010)



	10 Year		Last Year	
	CAGR	Absolute	CAGR	Absolute
TOTAL	15%	+$1,214m	9%	+$139m
All other foods nec	15%	+$339m	13%	+$50m
Honey	30%	+$65m	18%	+$11m
Infant formula/ other	34%	+$449m	1%	+$4m
Ice cream	7%	+$14m	23%	+$6m
F. French fries	18%	+$48m	23%	+$11m
Other proc. F&V	11%	+$59m	31%	+$22m
Soups/ condiments	10%	+$77m	10%	+$12m
Pet food	9%	+$107m	-2%	-$3m
Oils & fats	6%	+$55m	27%	+$27m

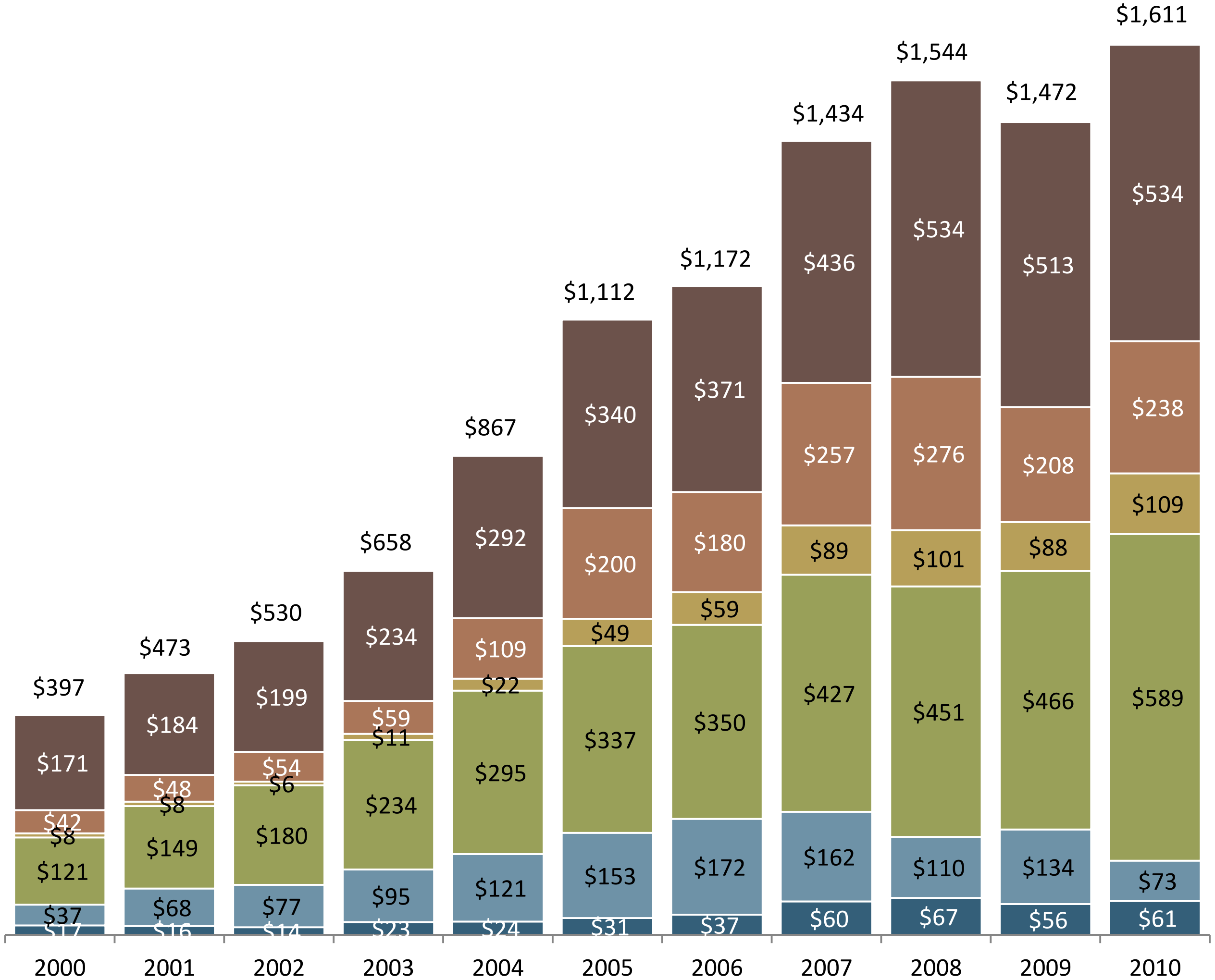
Source: UN Comtrade database; Coriolis analysis

CORIOLIS

NON GRAIN-BASED FOODS/OTHER FOODS – EXPORTS BY REGION

New Zealand processed foods exports have shown strong growth across a range of regions

New Zealand processed/other foods export by destination
(US$m; 2000-2010)



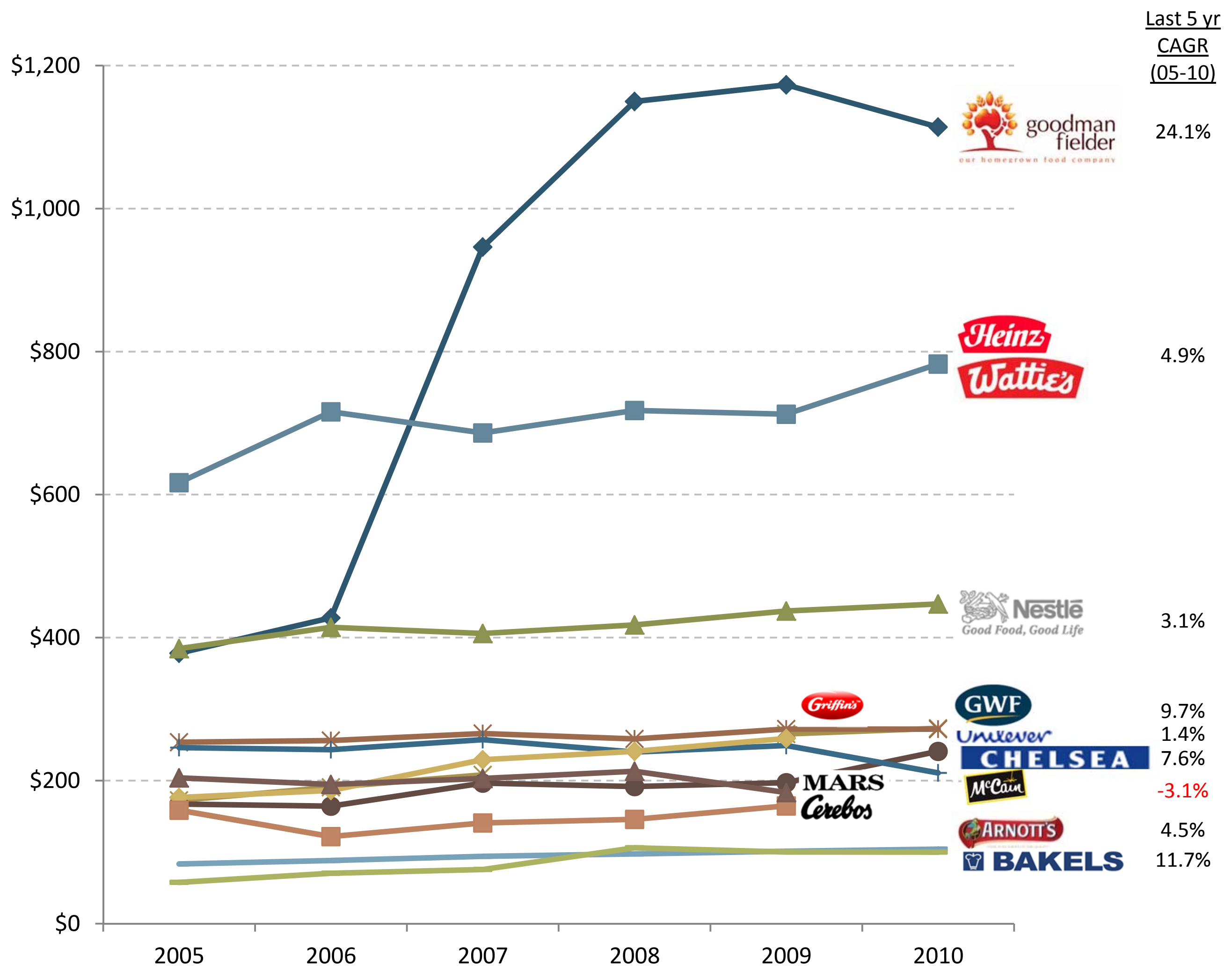
	10 Year CAGR	10 Year Absolute	Last Year CAGR	Last Year Absolute
TOTAL	15%	+$1,214m	9%	+$139m
E Asia	12%	+$363m	4%	+$21m
SE Asia	19%	+$197m	15%	+$31m
Other	31%	+$102m	24%	+$21m
Australia/ Pacific I.	17%	+$467m	26%	+$123m
N. America	7%	+$35m	-46%	-$62m
Europe	13%	+$44m	10%	+$6m

Note: data does not sum due to data anomalies at source; Source: UN Comtrade database; Coriolis analysis

TURNOVER OF KEY FIRMS

These select processed foods companies are all showing growth, but one

Turnover of select large processed foods industry firms
(NZ$m; 2005-2010 as available)



Comments

- Large companies are in multiple food categories
- Goodman Fielder leap in 2007 driven by dairy purchases

Notes/Definitions

- Uses consolidated revenues

Source: various companies annual financial statements (as filed with NZ Companies Office or available company website); Coriolis analysis

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CORIOLIS

PROCESSED FOODS – INDUSTRY SCIENTIFIC RESEARCH

A number of research institutes are researching in the processed foods sector

Key scientific research organisations involved in processed foods research in New Zealand
(2010)

	Total Income	Total Staff	Focus & activities
Plant & Food RESEARCH RANGAHAU AHUMĀRA KAI	$117.5m (2010)	900+	- Food innovation – foods with functionalities - www.plantandfood.co.nz
BAKING INDUSTRY RESEARCH TRUST	n/a	7	- Baking Industry Research Trust - www.bakeinfo.co.nz
Riddet Institute Food · Innovation · Health	$6m	160+	- Riddet Institute - www.riddet.massey.ac.nz/ - Global expertise on future foods, functional foods and individualised foods including personalised nutrition.
NZ Food Innovation Auckland	n/a	n/a	- Registered to export both meat and dairy; wet and dry processing - Plant for food producers, for pilot and test manufacturing

Source: Company websites; annual reports; Coriolis

PROCESSED FOODS – INDUSTRY ORGANISATIONS

There are four key industry organisations representing the New Zealand processed foods industry

Key industry organisations involved in processed foods in New Zealand
(2010)

	# of members	Details	website
FGC NEW ZEALAND FOOD & GROCERY COUNCIL	177	- New Zealand Food and Grocery Council - Represents the manufacturers and suppliers behind New Zealand's food, beverage and grocery brands	www.fgc.org.nz
BAKING INDUSTRY ASSOCIATION OF NEW ZEALAND	9	- Baking Industry Association of NZ - Supports and promotes the baking industry (e.g. Bakery owners)	www.bianz.co.nz/
UNITED WHEATGROWERS NZ LTD	n/a	- United Wheatgrowers NZ Association - Grower driven organisation	www.uwg.co.nz
NEW ZEALAND PETFOOD MANUFACTURERS ASSOCIATION	55 full	- NZ Petfood Manufacturers Association - Manufacturers of and suppliers to the petfood industy	www.petfoodnz.co.nz
The New Zealand Ice Cream Manufacturers Assoc (Inc)	17 full 33 assoc.	- NZ Ice Cream Manufacturers Association	www.nzicecream.org.nz

Source: Company websites; annual reports; Coriolis

Ministry of Economic Development
Manatū Ōhanga

ministry of science + innovation
TE PŪNAHA HIRINGA WHAKAEA

NEW ZEALAND MINISTRY OF FOREIGN AFFAIRS & TRADE
MANATŪ AORERE

MAF

New Zealand TRADE & ENTERPRISE

Ministry of Fisheries
Te Tautiaki i nga tini a Tangaroa

Department of Labour
TE TARI MAHI

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