

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

Part of the Food & Beverage Information Project

August 2012; v1.02a

www.foodandbeverage.govt.nz

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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.*

PO Box 90-509, Victoria Street West, Auckland 1142, New Zealand
Tel: +64 9 623 1848 www.coriolisresearch.com



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

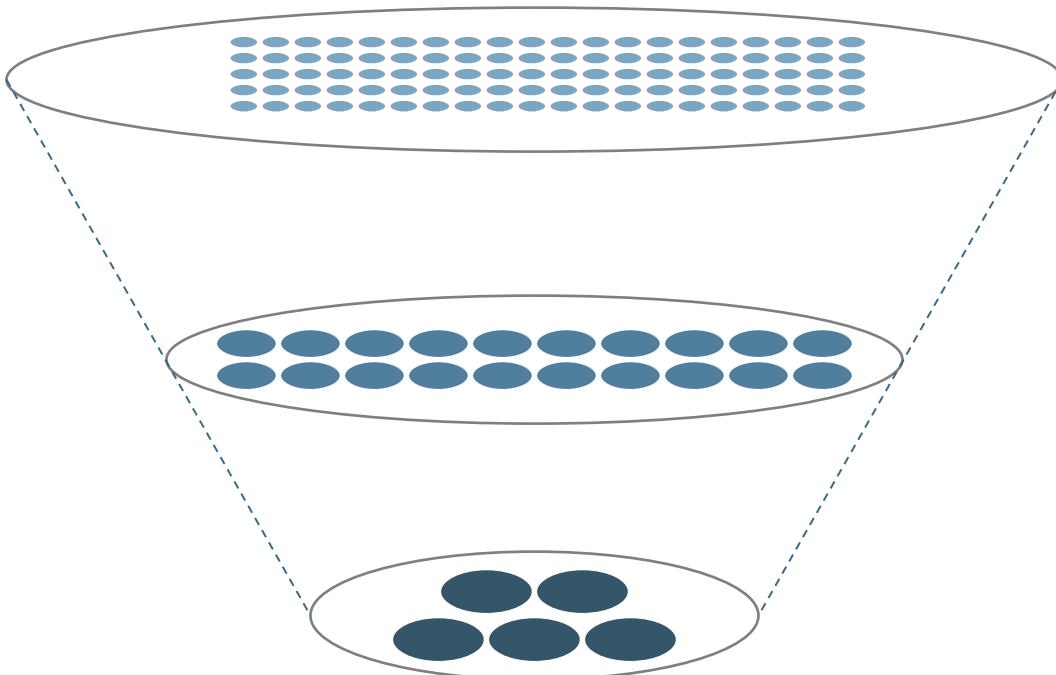
This project identifies emerging growth opportunities in New Zealand's food and beverage exports

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- 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	<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
Limitations	<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*

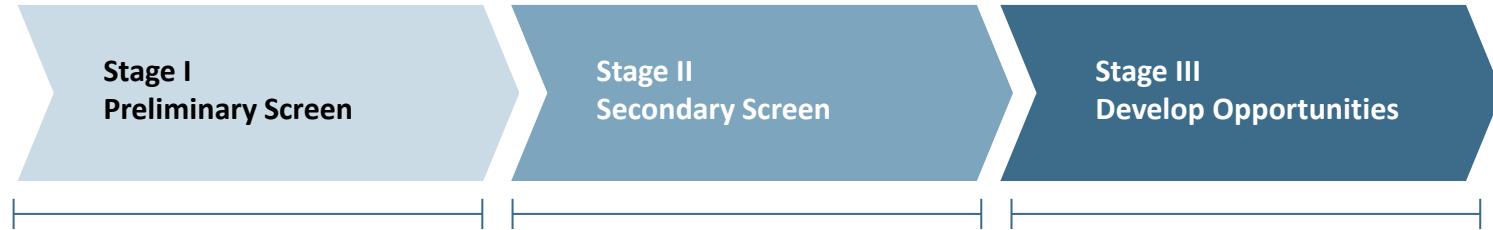


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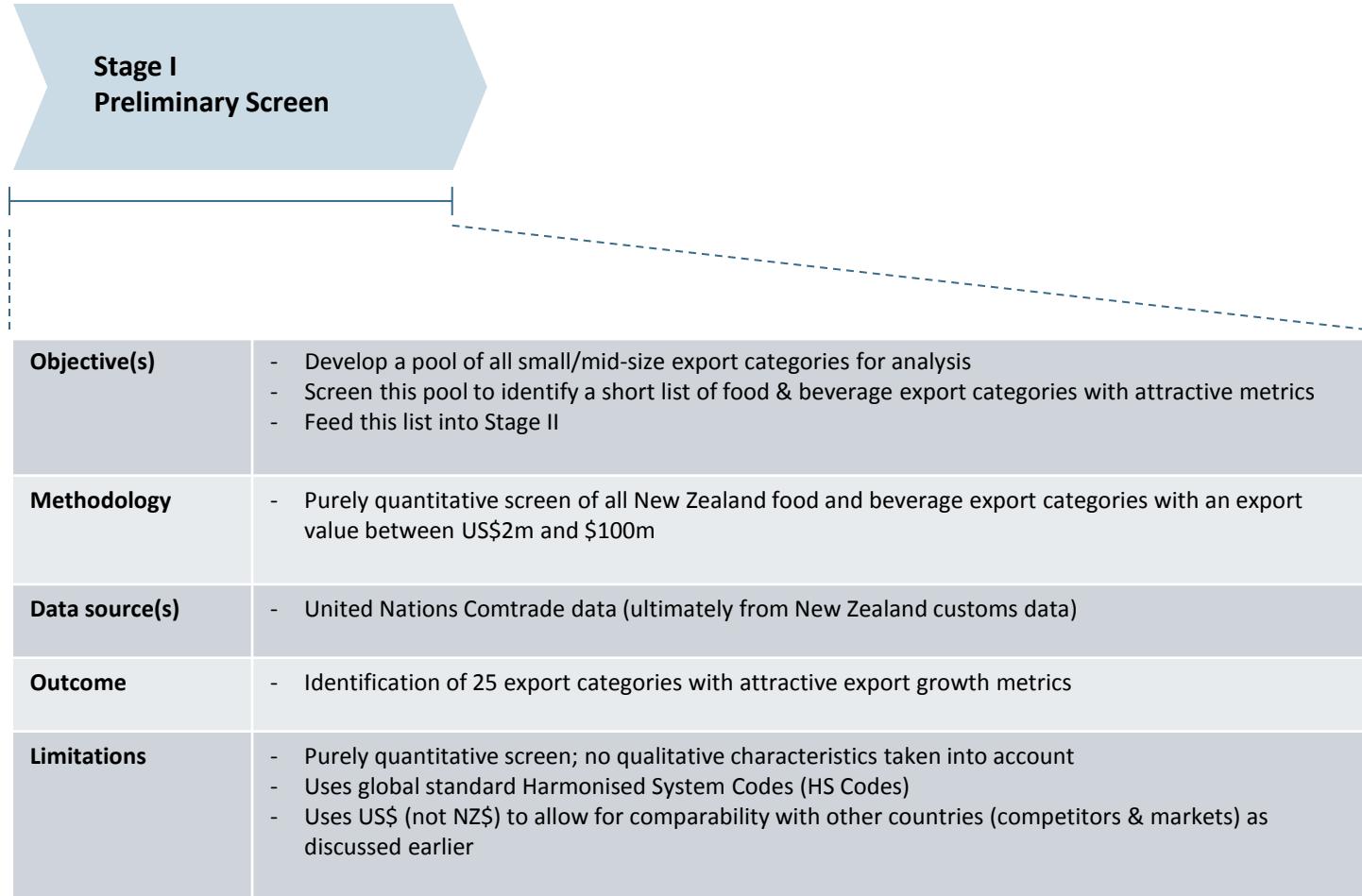
PROCESS OVERVIEW

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

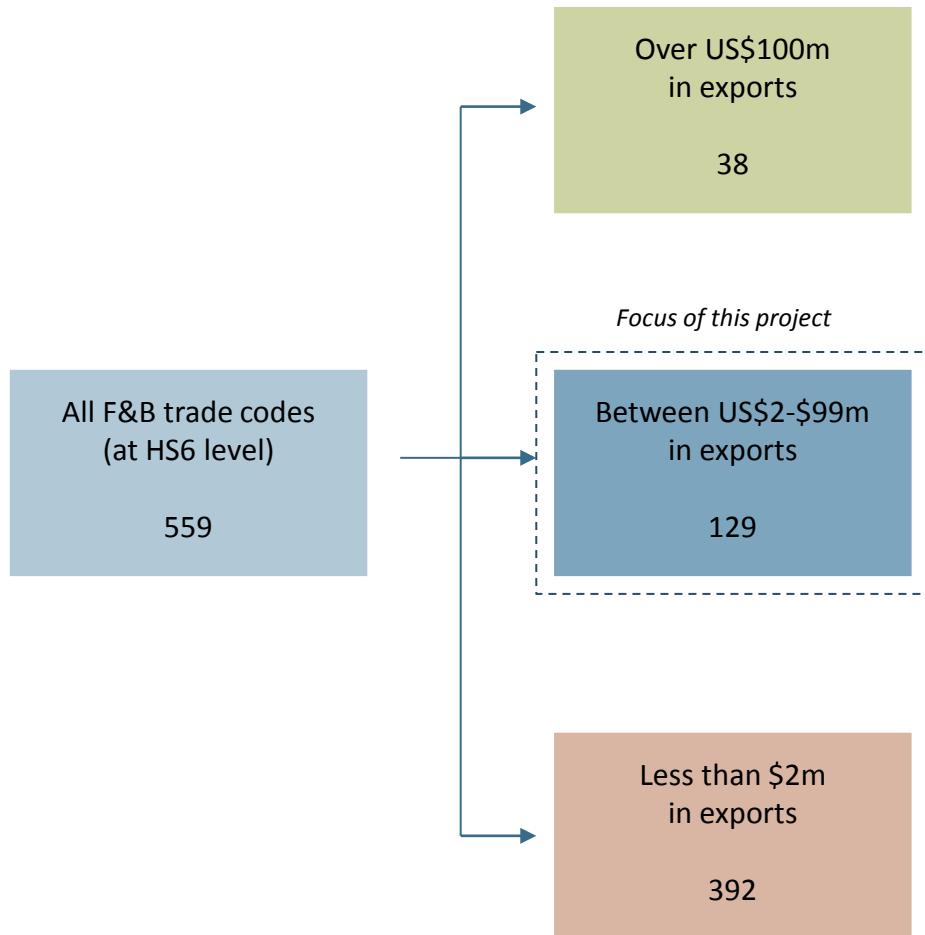


Stage I Preliminary Screen	
Objective(s)	<ul style="list-style-type: none">- Develop a pool of all small/mid-size export categories for analysis- Screen this pool to identify a short list of food & beverage export categories with attractive metrics- Feed this list into Stage II
Methodology	<ul style="list-style-type: none">- Purely quantitative screen of all New Zealand food and beverage export categories with an export value between US\$2m and \$100m
Data source(s)	<ul style="list-style-type: none">- United Nations Comtrade data (ultimately from New Zealand customs data)
Outcome	<ul style="list-style-type: none">- Identification of 25 export categories with attractive export growth metrics
Limitations	<ul style="list-style-type: none">- Purely quantitative screen; no qualitative characteristics taken into account- Uses global standard Harmonised System Codes (HS Codes)- Uses US\$ (not NZ\$) to allow for comparability with other countries (competitors & markets) as discussed earlier

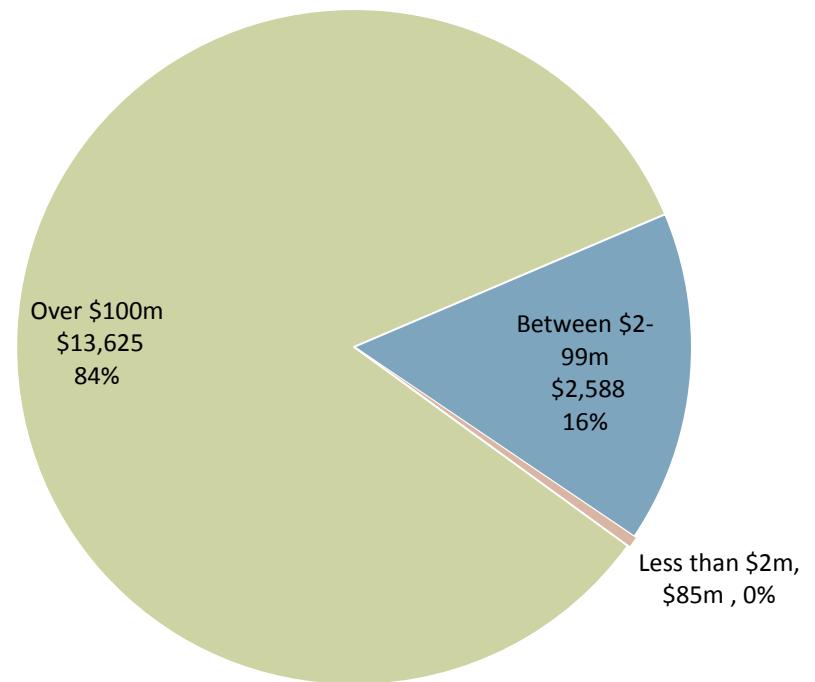
STAGE I – BREAKDOWN OF TRADE CODES BY SIZE

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	Unboned meat of sheep	\$1,424
020441		
020442		
020210		
020220	Frozen bovine meat	\$ 1,176
020230		
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

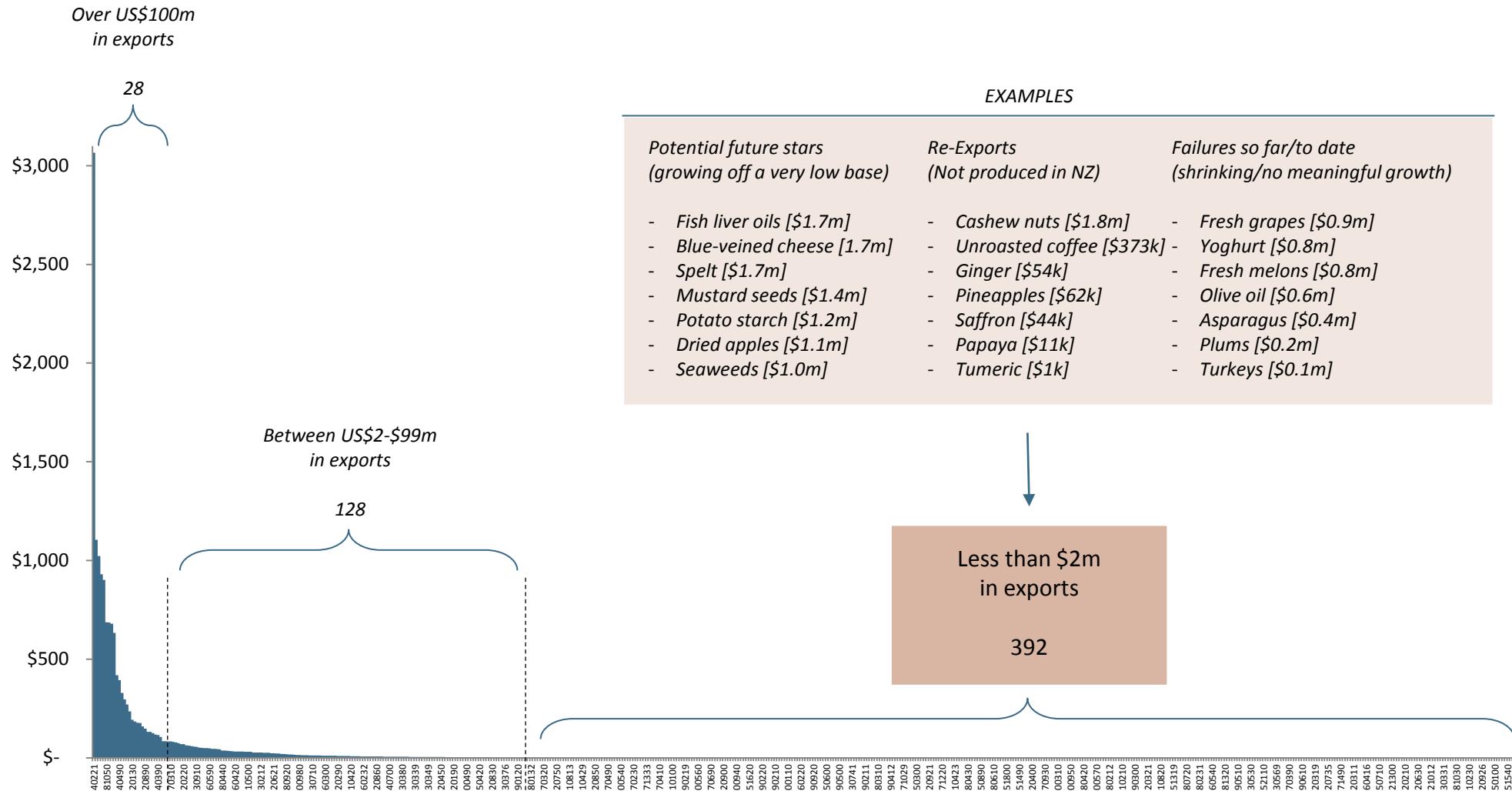
HS Code	Classification	Export value (US\$; 10)
080810	Apples, fresh	\$ 235
040620	Grated or powdered cheese	\$ 210
040630	Processed cheese, not grated or powdered	
020120		
020130	Fresh or chilled boneless bovine meat	\$ 198
020423	Fresh or chilled boneless meat of sheep	\$ 185
190110	Infant foods of 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	Milk, not concentrated (e.g. aseptic Tetra)	\$ 128
040130		
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)

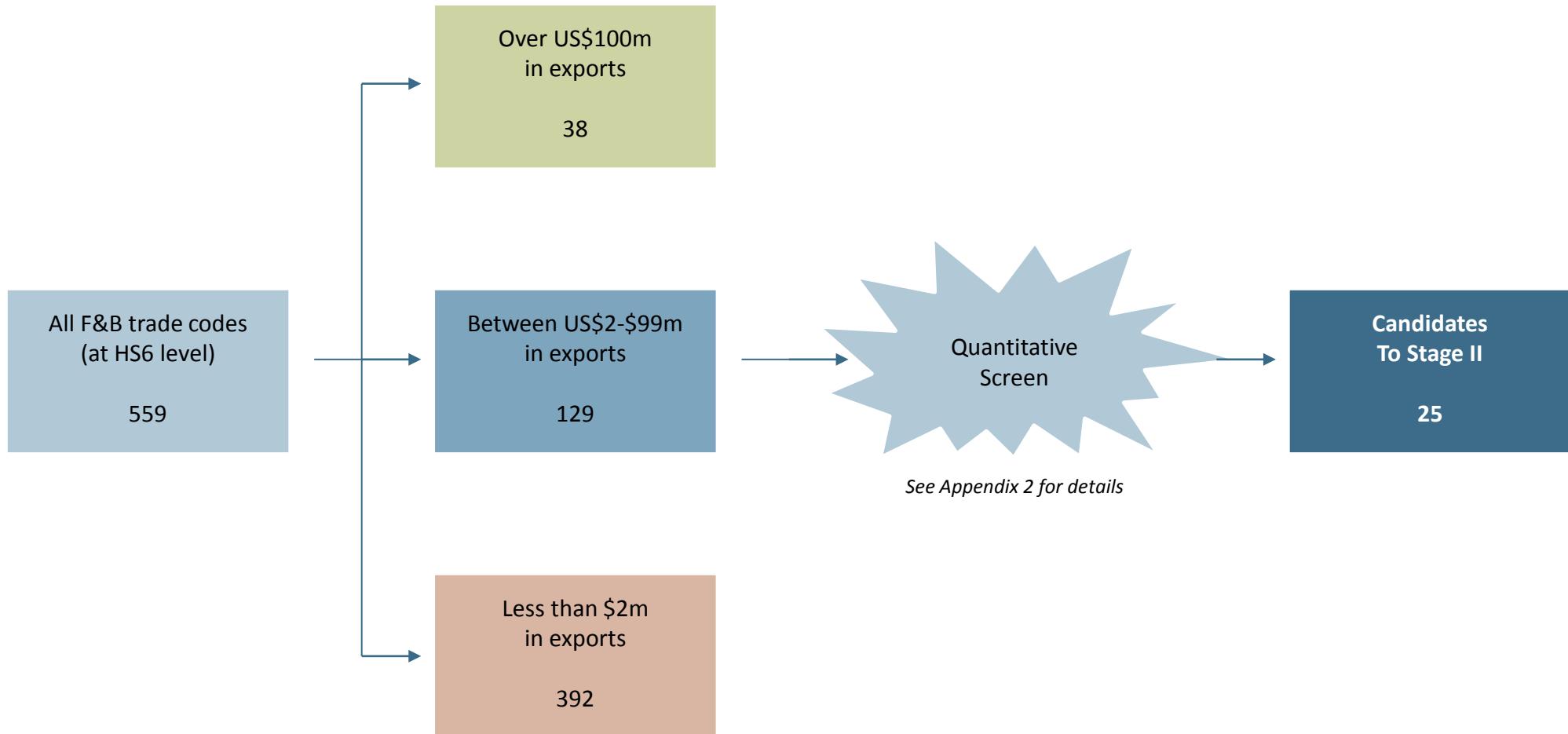
New Zealand six digit HS codes sorted by export value
(US\$m; 2010)



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”

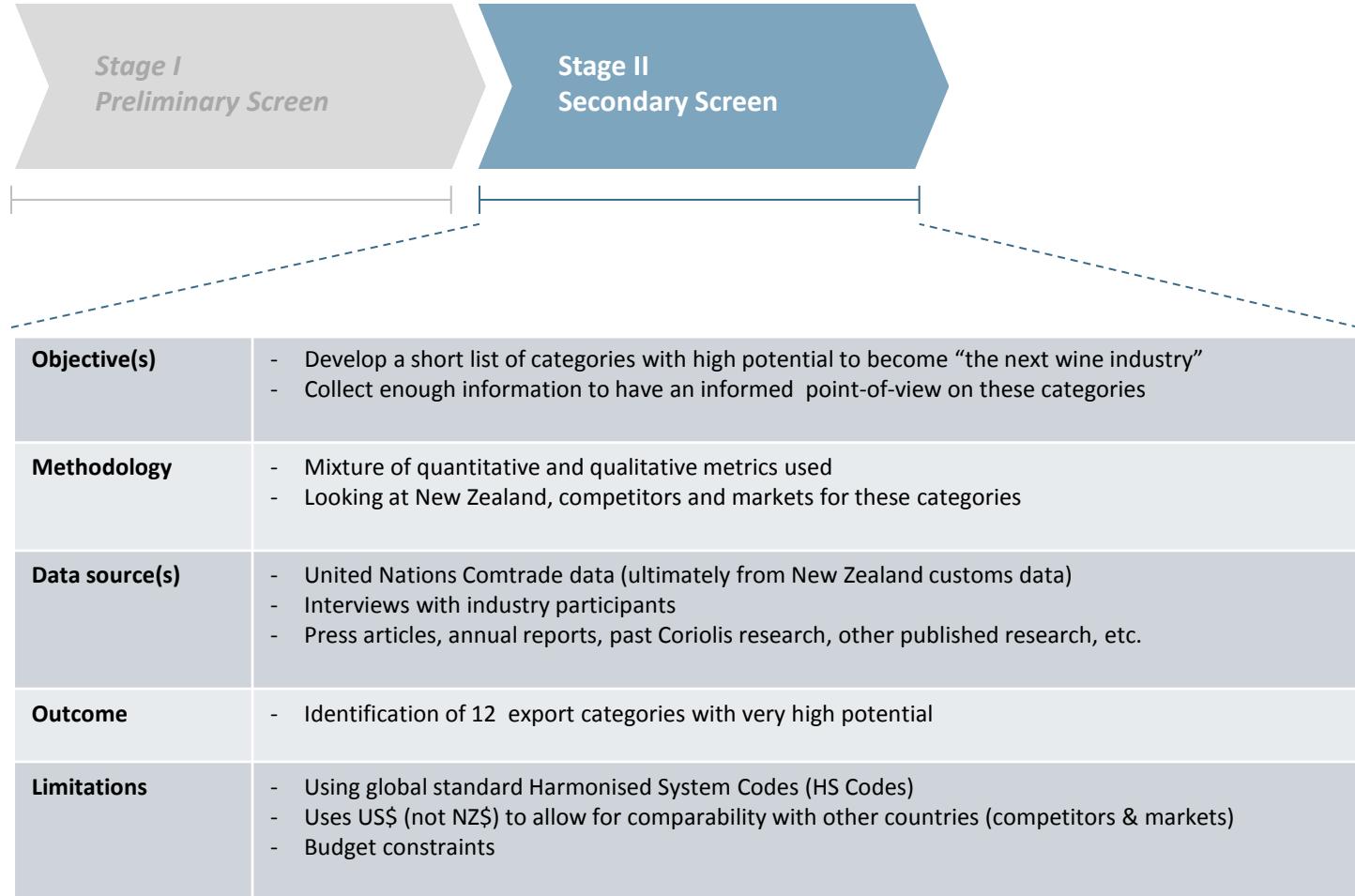
List of food & beverage categories which almost passed the stage 1 screen
(2011)

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 (Frucor/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

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

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

Quantitative

CHERRIES [080920]									
Quantitative Scorecard		Global market Major importing countries				Key NZ metrics		Value 2010 by CA\$M (05-10)	
Export value (US\$m; '10)		Country	Import Share (US\$m)	Imports (\$m)	by CA\$M (05-10)	by ABS (%)	\$/kg	2010	
- NZ	\$15m	Russian Federation	14%	\$154	29%	511	\$1.95	80	750
- Global	\$1,191m	Canada	12%	\$131	18%	565	\$4.80	648 (11)	750
by CA\$M (US\$; 05-10)		Hong Kong SAR	11%	\$124	42%	510	\$6.06	57 (11)	750
- NZ	14%	Japan	8%	\$112	0%	51	\$8.57	Production (t)	750
- Global	14%	Germany	5%	\$106	-5%	52	\$2.39	19 (11)	750
- NZ	14%	China	5%	\$104	-5%	51	\$7.93	2,300 (11)	750
- Global	14%	USA	5%	\$102	-5%	51	\$4.11		
- Rep. of Korea	5%	United Kingdom	5%	\$101	-5%	51	\$4.22		
- Netherlands	5%	Netherlands	5%	\$101	-5%	51	\$8.70		
- Italy	5%	Italy	5%	\$101	-5%	51	\$1.75		
- Belgium	5%	Belgium	5%	\$100	-5%	51	\$2.50		
- Australia	5%	Australia	5%	\$100	-5%	51	\$2.99		
- Other	15%	Other	15%	\$100	-5%	51	\$6.48		
- World	15%	World	15%	\$1,131	-5%	51	\$2.91		
\$/kg (US\$m; '10)		Major exporting countries				New Zealand exports by destination			
- NZ	\$11.51	Country	Export Share (US\$m)	Exports (\$m)	by CA\$M (05-10)	by ABS (%)	\$/kg	2010	
- Global	\$3.75	USA	50%	\$358	10%	51	\$5.54	Taiwan	2010
- Spain	5%	Chile	25%	\$100	31%	51	\$6.79	Taiwan	5%
- Hong Kong SAR	5%	Turkey	12%	\$148	10%	51	\$2.26	Hong Kong SAR	19%
- Canada	5%	Spain	6%	\$88	7%	51	\$2.78	Thailand	12%
- Netherlands	5%	Other	4%	\$82	21%	51	\$2.70	Kor. of Korea	10%
- Italy	5%	Hungary	4%	\$76	9%	51	\$4.93	Singapore	6%
- France	5%	Greece	4%	\$76	21%	51	\$2.75	Other	15%
- Hungary	5%	New Zealand	2%	\$10	21%	51	\$0.95	World	100%
Possible size of the price band 100-1000m		New Zealand imports				Total (US only)			
Australia	1%	\$17	11%	\$7	511.51		50.7	17%	450.4
Other	10%	\$14	12%	\$49	511.51		51.75		51.75
World	10%			\$665					

- 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 Scorecard Global		Market structure and situation Global		Nature of challenge		QUALITATIVE	
								Leverageable existing NZ factors	Potential sources of value creation
Large global market	●			- Russia, Canada and HK all have over 10% of the import share of cherries and growing at very strong rates.		- Low/no in season imports, minor quantities from US only off-season.		- Cherries to Japan	
Strongly growing demand	●			- c.1/3 global export supply from 3 countries (USA, Chile & Turkey).		- Capabilities of Hort & food and other CM's to research factors increasing quality of fruit.		- Targeting high value markets (e.g. Taiwan, China, Hong Kong)	
Asian opportunity	●			- Chile has significant production and fn significantly impact 5 both its cherry industry and will in future.	5			Increasing marketing and promotion in key markets	
Premium for quality	●			- Russia, Canada and NZ have over 10% of the import share of cherries and growing at very strong rates.		- Cool chain management capability.		Scaling scale/ industry co-operation to increase ability to reinvest in PH expansion, research, PH technology	
High countries do it	●			- Taiwan also a significant importer from Tasmania, Chile and NZ.				- 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	●			- Introduced byzantines in early 19 th Century.		- High cost of production.		- Continued market access to target high value markets (e.g. China)	
Required skills	●			- Central Otago exports 20% of the cherries from NZ.		- Increased recent supply of Chilean cherries, puts pressure on NZ premium as their on the move - moving to Asia/China.		- Japan	
Loving country image	●			- In the 2010/11 season 50% of cherries were exported; export production is premium.	6	- Improved investment in Tasmanian orchard and breeding etc.		- South Korea	
Able to differentiate	●			- The industry is very small and meatkeying from cherries		- Investment from North America into Chile.		- Continued FTAs with key trading nations (e.g. huge surge in sales to Thailand following FTA)	
Strong trade access	●			- NZ competes with USA, one player, and Australia for the southern hemisphere supply of cherries; Chile export 20x the value, but NZ receives a 100% premium.		- Variable quality between growers.		- Mechanism to improve compliance efficiencies, streamline processes, and reduce duplication, and the time and costs of compliance.	
Overall	●			- NZ supplies cherries primarily to semi-tropical Asian countries.		- Quality assurance.			

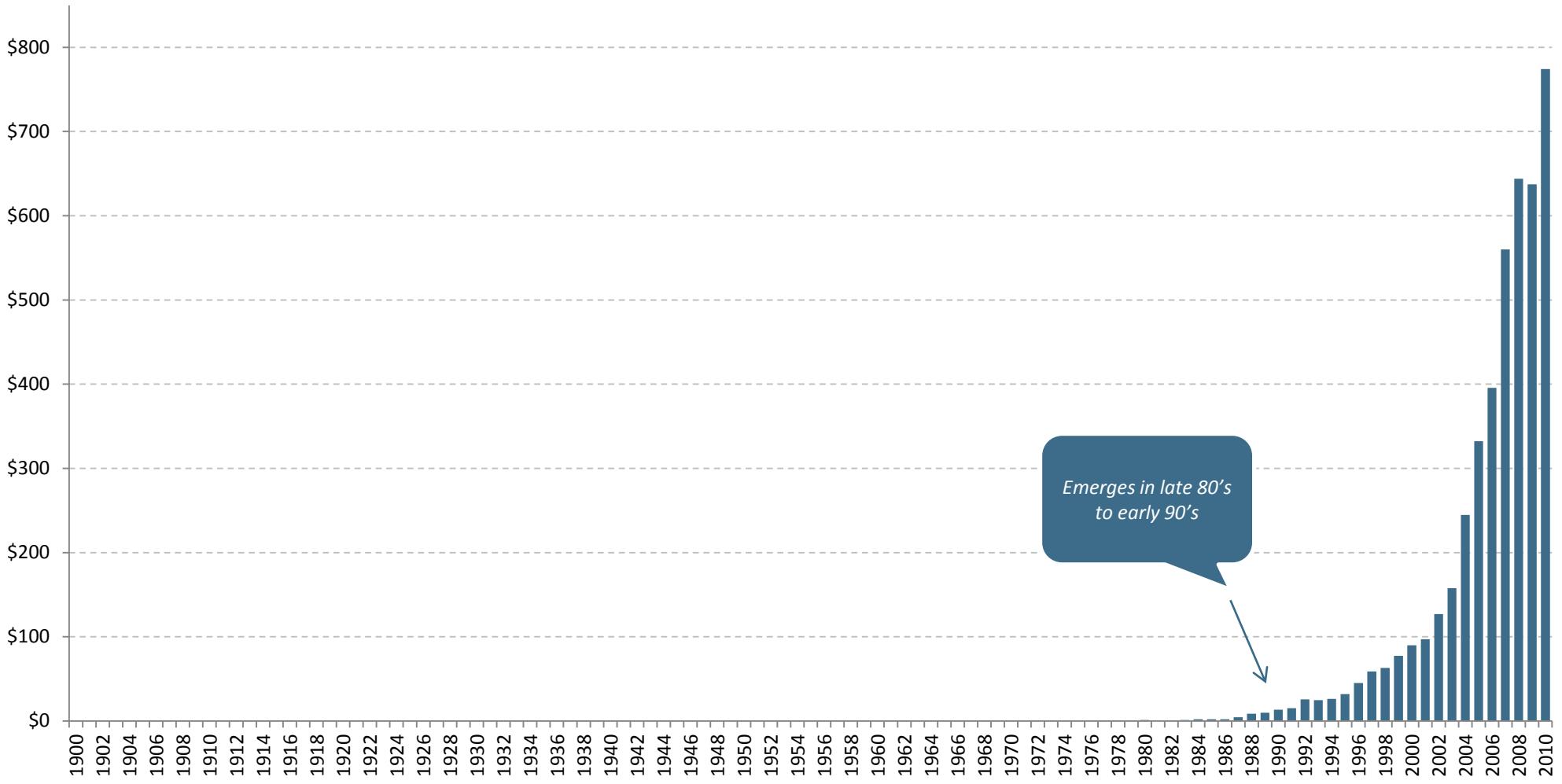
PAGE 18 Source: Various official published sources, Coriolis estimates and analysis

- 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
- A large and growing global market for wine	- Large global market
- Driven by strong and growing consumer demand	- Strongly growing demand
- Key markets are rich countries (e.g. USA, UK, Europe)	- Premium for quality
- A substantial premium for quality can be achieved	- Rich countries do it
- Key producers are rich countries (e.g. France, Italy, Spain)	- Capital intensive
- Not an in-and-out product with low barriers to entry	- Large # of firms
- The amount and term of investment required creates a barrier to entry	- Required skills
- Large number of firms competing across a range of sizes (not dominated by one or two firms)	- Leverage country image
- New production methods and technologies (“New World Wine”)	- Able to differentiate
- Immigrants to New Zealand bringing required skills	- Trade access
- Country of origin of wine integral part of product marketing	
- Acceptance of new brands/new products in key markets	
- 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	
- Low tariff access into key markets	

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)

		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

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

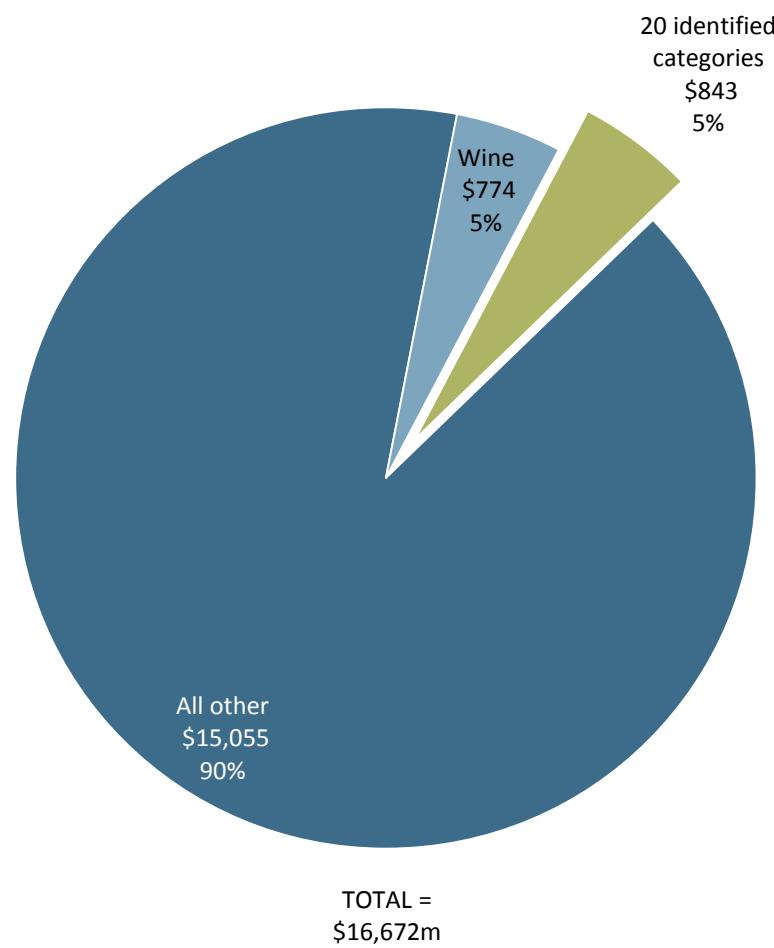
Better
*Chocolate
Frozen french fries
Beer
Alcoholic cider
Avocados
Berries*

Best
*Salmon
Honey
Spirits
Biscuits
Pet food
Cherries*

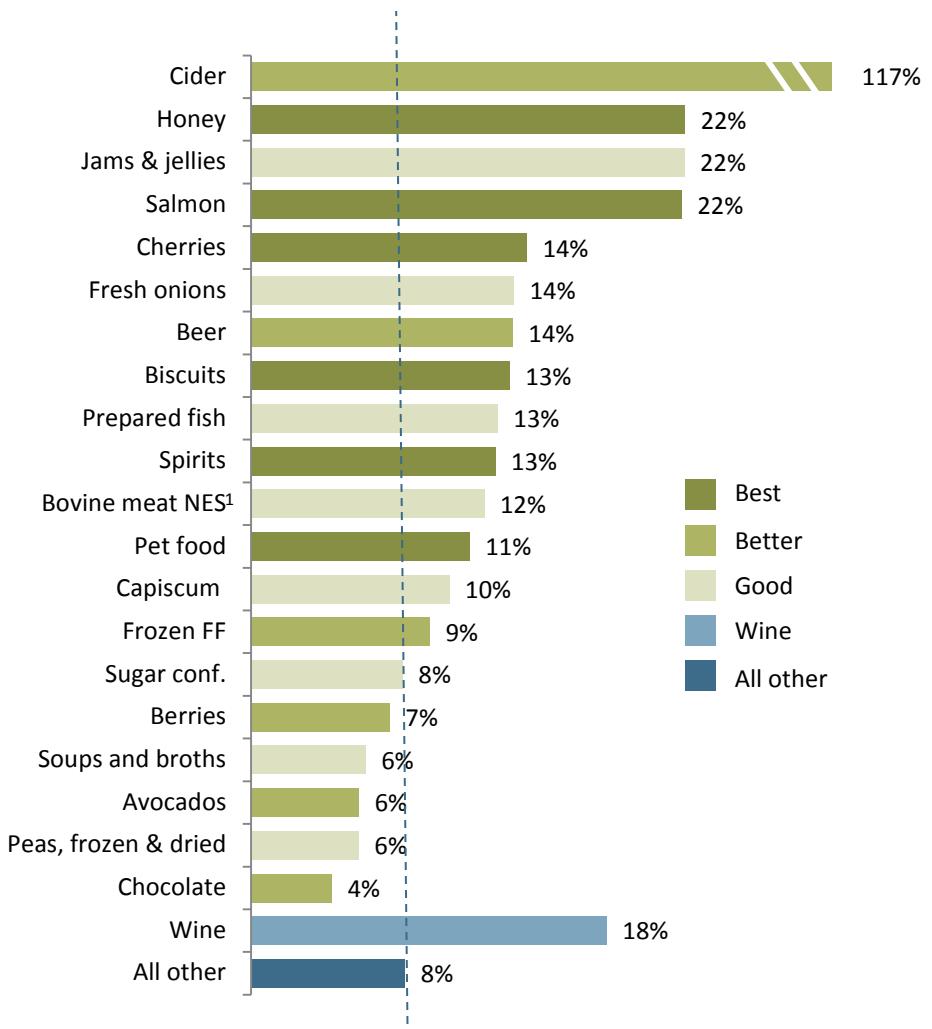
STAGE II – RESULTS SCALED

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

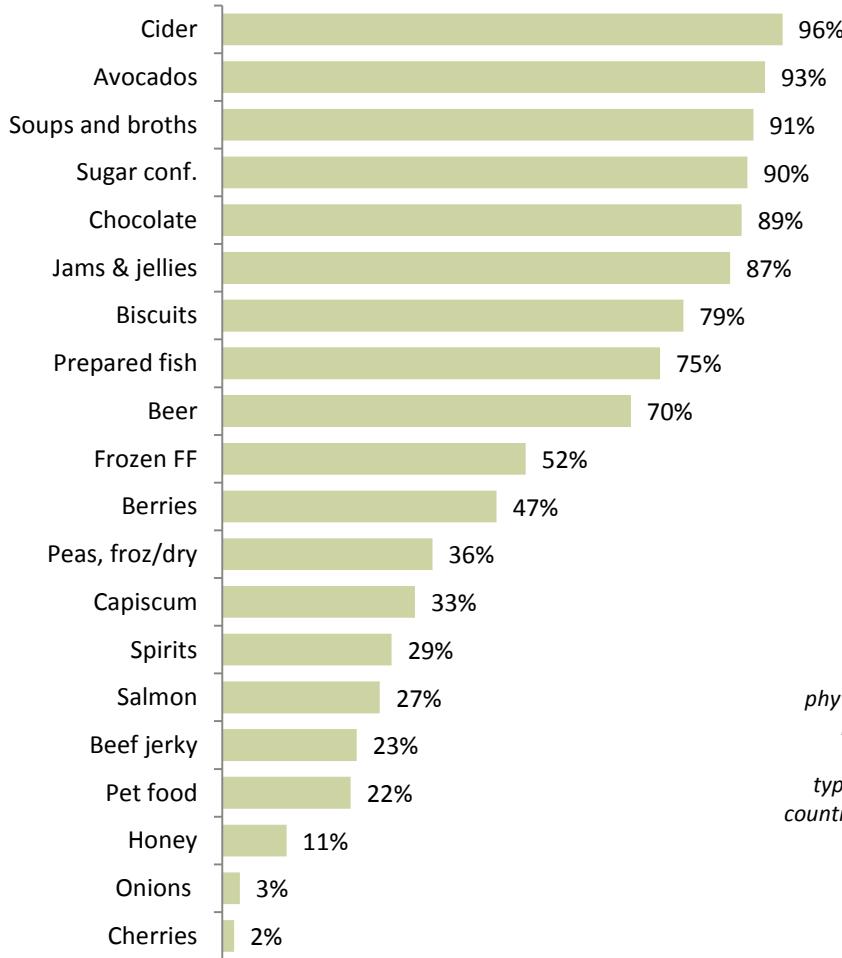
None identified

*Cherries
Berries
Fresh onions*

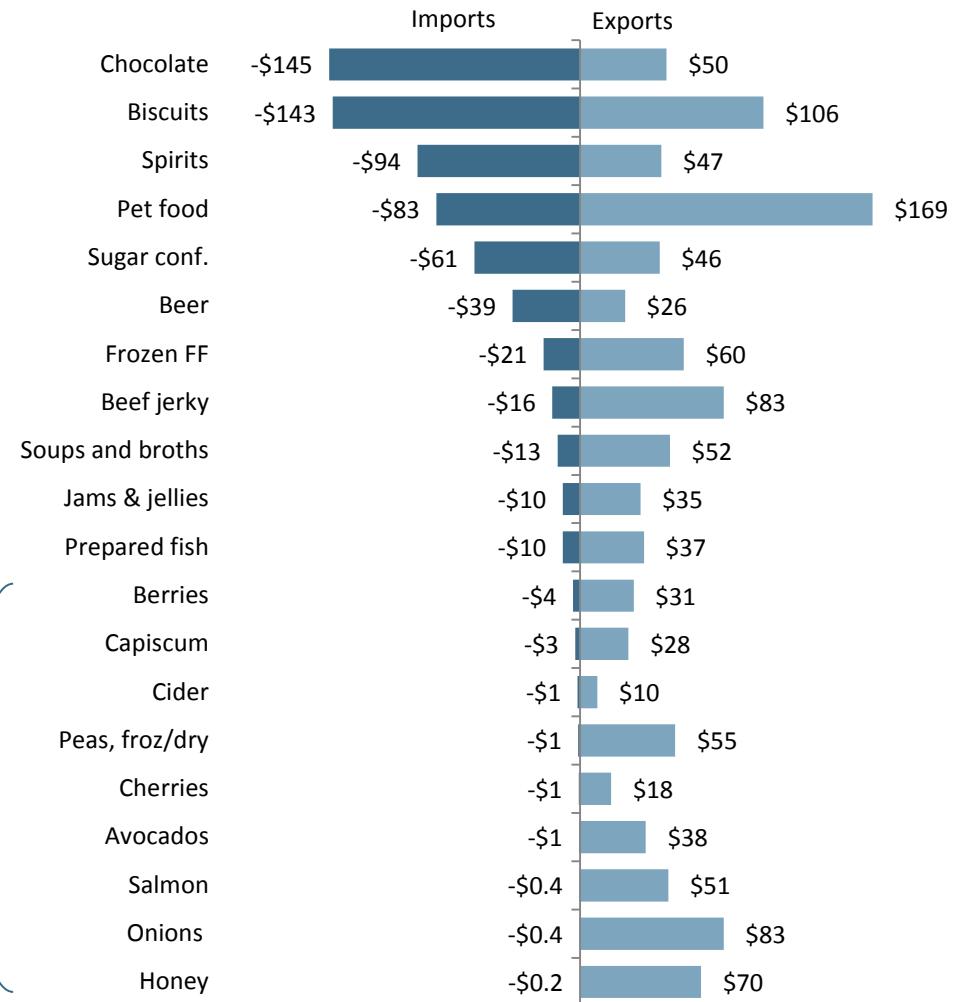
STAGE II – ROLE OF AUSTRALIA AND IMPORTS

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)



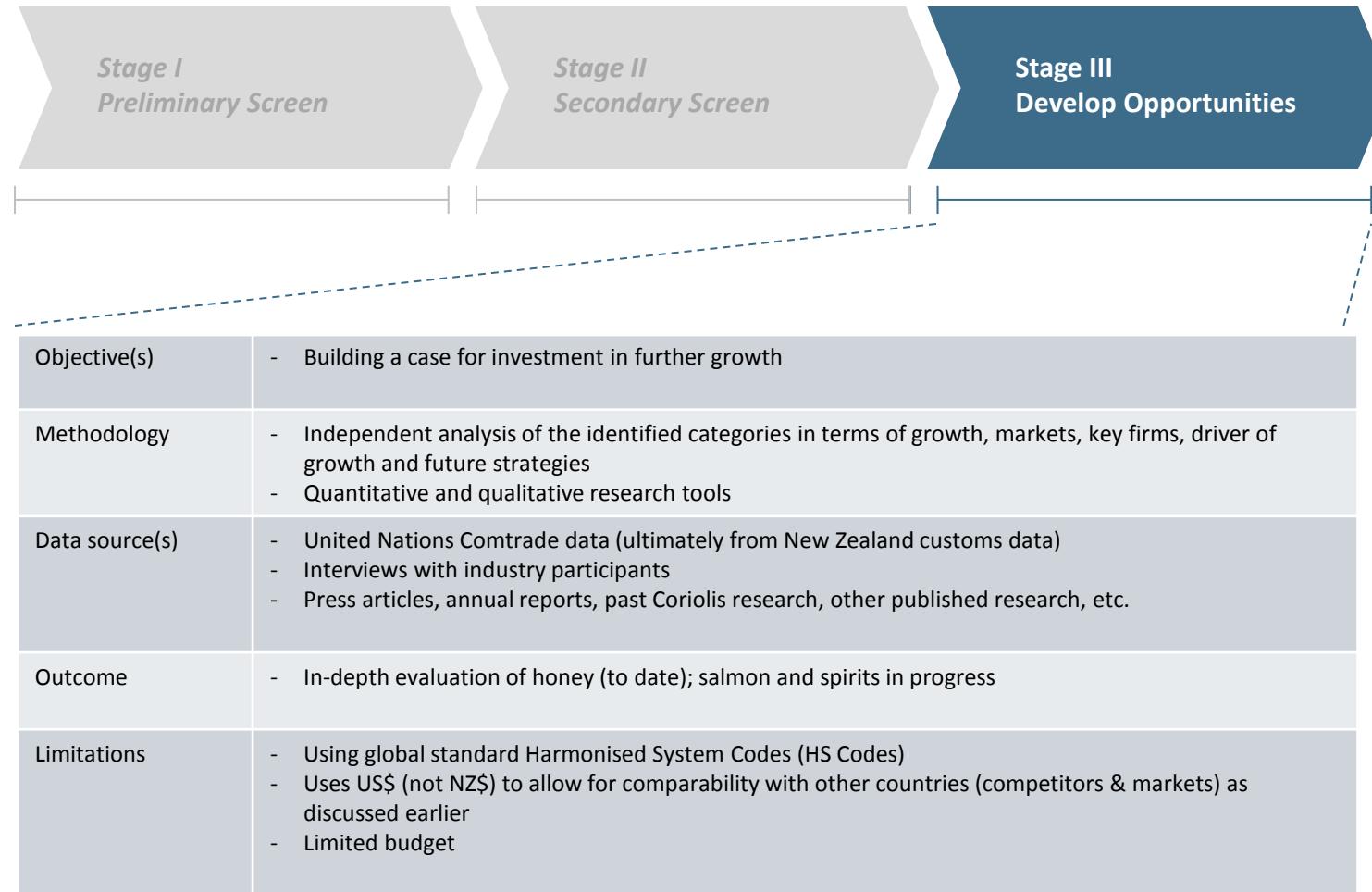
Value of NZ imports vs. exports of select categories
(US\$; 2010)



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

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	
	Pet food	
	Cherries	
Better	Chocolate	
	Frozen French Fries	<i>Potential further/future analysis</i>
	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)

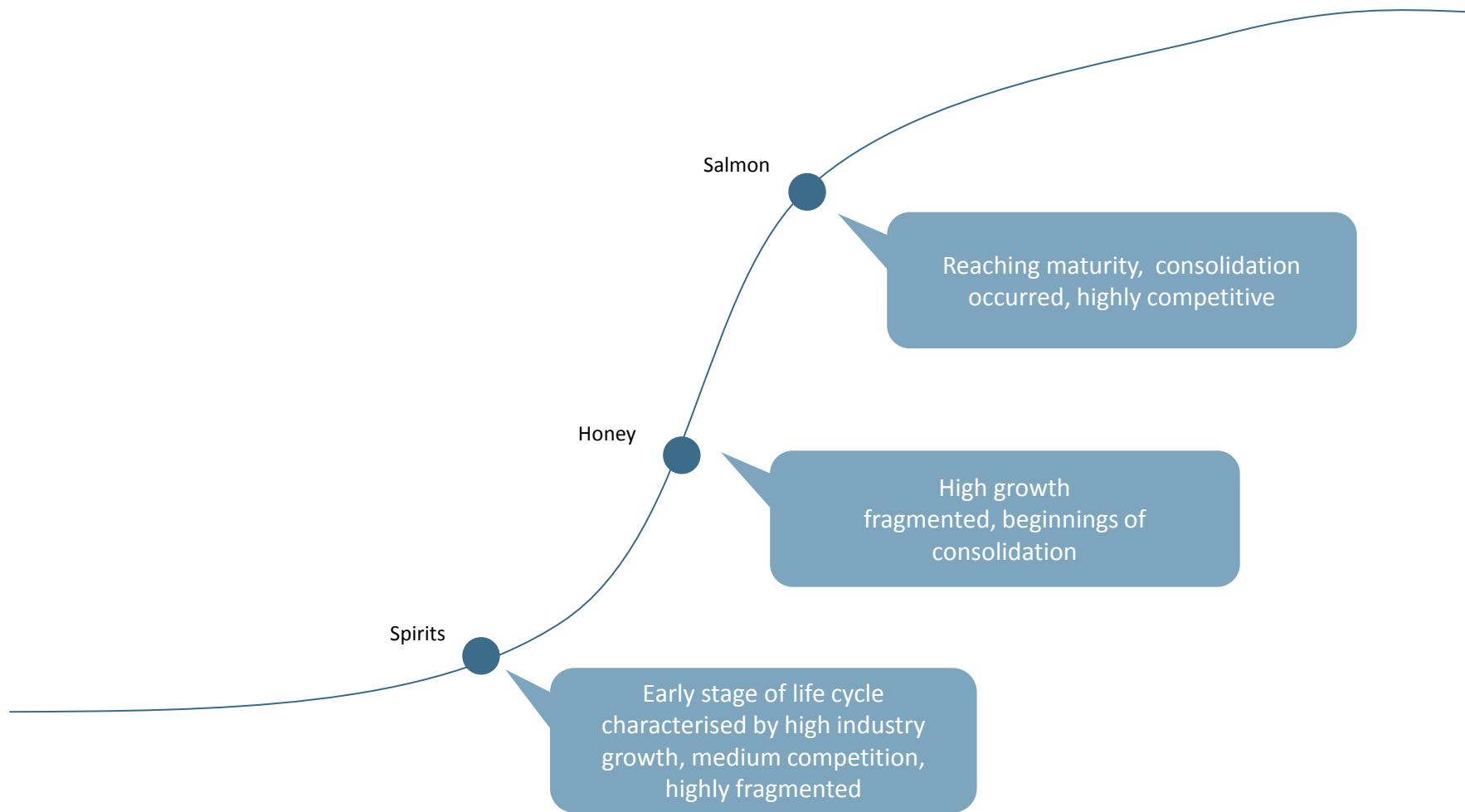




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STAGE II – QUANTITATIVE RESULTS – BASIC FOODSTUFFS*

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 Confct.
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 Pre Beans	Jams & Jellies	Fruit 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
Global	\$16,059	\$21,215	\$4,913	\$461	\$2,073	\$2,099	\$2,101	\$2,599	\$10,790	\$1,083	\$22,970
5y CAGR (US\$; 05-10)											
NZ	4%	13%	9%	4%	22%	19%	6%	23%	14%	117%	13%
Global	10%	8%	10%	12%	9%	8%	6%	2%	6%	16%	8%
Absolute 5y growth (05-10)											
NZ	+\$9	+\$50	+\$21	+\$4	+\$23	+\$9m	+\$13	+\$5	+\$12	+\$10	+\$21
Global	+\$6,115	+\$7,090	+\$1,885	+\$194	+\$729	+\$680	+\$567	+\$282	+\$2,620	+\$560	+\$7,078
\$/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
Global	\$4.98	\$2.85	\$0.89	\$0.90	\$1.68	\$1.13	\$2.64	\$0.00 ¹	\$0.96	\$1.48	\$6.72
Global share of trade											
Top 3 importers	26%	30%	32%	36%	29%	34%	34%	41%	50%	46%	38%
Top 3 exporters	33%	30%	63%	59%	31%	26%	29%	61%	46%	40%	52%
New Zealand	0.3%	0.5%	1%	6%	2%	0.7%	2%	0.3%	0.2%	2%	0.2%
Possible size of the prize	\$200-300	\$300+	\$200-300	\$0-50	\$50-100	\$50-80	\$100-150	\$40-50	\$100+	\$50-200+	\$300+

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

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) - Premium for fresh - innovation key element in packaging and processing to enable fresh product to reach market
Strongly growing demand	- Global salmon aquaculture has consolidated one key farmed species (Atlantic Salmon) due to productivity		
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 - Marine Harvest (Nor.; global #1) - Leroy (Norway; global #2) - Cermaq (Norway; global #3) - SalMar (Norway; global #4) - Greig; (Norway; global #6)
Leverage country image	- Largest return for area used compared with other aquaculture species	- Emergence of new regions in Russia, Northern China and Northern Korea	
Able to differentiate	- Almost no imports of fresh salmon into NZ (for unclear reasons)	- Pacific Salmon highly susceptible to disease if it arrives	
Trade Access	- NZ exports to Japan , Australia , and the USA; NZ is effectively the exclusive importer into Australia of fresh salmon		- Update available Atlantic Salmon genetics in country to new, improved Norwegian genetics
Overall			

CHICKEN, CUTS & OFFAL, FROZEN [020714]

QUANTITATIVE

Quantitative Scorecard	Global market Major importing countries						Key NZ metrics				Value 2010	10y CAGR (00-10)	
Export value (US\$m; 10)		Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)						
- NZ \$15m		Hong Kong SAR	17%	\$1,468	29%	\$1,049	\$1.50	# of poultry farm enterprises				215	
- Global \$10,663m		Japan	12%	\$1,082	5%	\$244	\$2.60	Poultry meat production (t; 000)				136	
5y CAGR (US\$; 05-10)		China	11%	\$919	23%	\$596	\$1.78	# of large chicken processing plants				7	
- NZ 37%		Russian Federation	9%	\$749	2%	\$57	\$1.28	# poultry enterprises				26	
- Global 11%		United Kingdom	5%	\$469	-5%	-\$140	\$4.01	# of people employed				3,350	
Absolute 5y growth (05-10)		France	3%	\$303	12%	\$134	\$2.47	Key NZ firms				Key NZ firms	
- NZ +\$12m		Netherlands	3%	\$271	-1%	-\$20	\$1.33	Turnover (NZ\$m; 10)				Turnover (NZ\$m; 10)	
- Global +\$4,314m		Germany	3%	\$269	-2%	-\$25	\$2.41	Empl. (#; 10)				Empl. (#; 10)	
\$/kg (US\$; 10)		Mexico	2%	\$209	8%	\$66	\$1.06	Ownership				Ownership	
- NZ \$4.29		Saudi Arabia	2%	\$183	39%	\$148	\$2.50	Tegel				HK; private equity	
- Global \$1.38		Singapore	2%	\$175	10%	\$67	\$2.04	Inghams				AU; private	
Global share of trade:		Ukraine	2%	\$159	21%	\$97	\$1.12	Van Den Brinks				NZ; private	
- Top 3 importers 40%		Rep. of Korea	2%	\$159	14%	\$78	\$1.73	Turk's				NZ; private	
- Top 3 exporters 68%		Other	26%	\$2,268	6%	\$536	\$1.49	Santa Rosa				NZ; private	
Possible size of the prize \$50-150m		World		\$8,682	8%	\$2,886	\$1.68	Other smaller/niche processors (Heuvels, Crozier's, Canterbury Valley, etc.)					
Major exporting countries								New Zealand exports by destination					
- NZ \$4.29		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 \$1.38		Brazil	33%	\$3,531	10%	\$1,296	\$1.79	Australia	78%	\$12	N/A	\$12	\$8.97
Global share of trade:		USA	27%	\$2,851	9%	\$1,009	\$1.01	Fiji	10%	\$1	-7%	-\$1	\$1.34
- Top 3 importers 40%		Netherlands	8%	\$902	8%	\$293	\$1.68	Cook Isds	4%	\$1	-1%	-\$0	\$2.81
- Top 3 exporters 68%		Hong Kong SAR	8%	\$844	40%	\$688	\$1.17	Papua New Guinea	4%	\$1	94%	\$1	\$1.32
- New Zealand 0.1%		Poland	2%	\$208	18%	\$116	\$1.44	Hong Kong SAR	1%	\$0	N/A	\$0	\$0.87
Possible size of the prize \$50-150m		China	2%	\$198	14%	\$96	\$1.99	Other	3%	\$1	2%	\$0	\$2.16
		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	New Zealand imports					
		Other	9%	\$930	19%	\$535	\$1.48	None allowed					
		World		\$10,663	11%	\$4,314	\$1.38						

Qualitative Scorecard Global	Market structure and situation Global	Nature of challenge	
		Leveragable existing NZ factors	Potential sources of value creation
Large global market	- Large players globally, consolidated market	- Innovative new products (e.g. chicken bacon)	- High end value added chicken products (e.g. chicken bacon)
Strongly growing demand	- Requires: low cost labour, ready source of grain, large factories, facilities	- NZ is a main protein supplier into Asia with an existing reputation	
Asian opportunity	- Single global production system for chicken being executed by all players	- Biosecure domestic market	
Premium for quality	- Strong economies of scale; large plants with lower costs	- Unique access into biosecurity protected Australian market	
Rich countries do it	- Battle of Brazil vs. USA		
Capital Intensive	- Disease outbreaks play a major part in the demand and supply of chicken globally		
New Zealand	New Zealand	Challenges/limitations to growth	Potential role for government
Large # of firms	- Chicken introduced to country by early whalers	- New Zealand is not a low cost producer of grains	- Negotiate with governments to access other biosecurity protected markets
Required skills	- Primarily a duopoly; Tegel and Inghams		
Leverage country image	- Only export into Australia and Japan, this is cooked product only	- No ready source of low cost labour compared to for example Mexico	
Able to differentiate	- NZ has very few bird diseases and is not in the flight path of migratory birds, limiting exposure to disease (exception are the Godwits)	- Further growth in niche possible; ability to transition to scale unclear	
Trade Access			
Overall			

Quantitative Scorecard	Global market Major importing countries						Key NZ metrics				Value 2010	5y CAGR (05-10)
	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# of registered producers (#)	Production (t)				
Export value (US\$m; 10)												
- NZ	\$70m	USA	21%	\$305	17%	\$166	\$2.67			~600	TBD	
- Global	\$1,385m	Germany	20%	\$289	12%	\$121	\$3.23	Production (t)	12,553		TBD	
5y CAGR (US\$; 05-10)		United Kingdom	7%	\$104	10%	\$41	\$3.31					
- NZ	22%	Japan	7%	\$100	12%	\$43	\$2.51					
- Global	15%	France	6%	\$96	17%	\$52	\$3.78					
Absolute 5y growth (05-10)		Italy	4%	\$53	15%	\$27	\$3.67					
- NZ	+\$45m	Belgium	3%	\$50	20%	\$30	\$2.30					
- Global	+\$683m	Saudi Arabia	3%	\$48	10%	\$18	\$3.77					
\$/kg (US\$; 10)		Spain	3%	\$38	12%	\$16	\$2.15	Key NZ firms	Turnover (NZ\$m; 10)	Empl. (#; 10)	Ownership	
- NZ	\$10.67	Switzerland	2%	\$35	13%	\$16	\$4.46	Comvita	\$85m	xx-xx	NZ; public listed; NZX	
- Global	\$3.17	Netherlands	2%	\$33	13%	\$15	\$3.45	Honey Mark	\$11m	N/A	NZ; co-operative	
Global share of trade:		Poland	2%	\$31	30%	\$23	\$2.67	Arataki	\$10m	40	NZ; private	
- Top 3 importers	48%	Indonesia	2%	\$28	72%	\$27	\$1.83	Manuka Health	N/A	N/A	NZ; private	
- Top 3 exporters	34%	Other	18%	\$259	15%	\$130	\$3.53	Watson and Sons	N/A	60	NZ; private	
Possible size of the prize	\$150-200m	World		\$1,471	15%	\$726	\$3.03	Other smaller				
		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)
		China	13%	\$183	16%	\$95	\$1.80	United Kingdom	32%	\$23	22%	\$14
		Argentina	13%	\$173	6%	\$45	\$3.03	Hong Kong SAR	11%	\$8	36%	\$6
		Germany	8%	\$110	6%	\$30	\$5.35	Australia	11%	\$8	16%	\$4
		Mexico	6%	\$85	22%	\$53	\$3.20	Japan	10%	\$7	13%	\$3
		Spain	6%	\$82	24%	\$54	\$3.79	Singapore	9%	\$7	16%	\$3
		New Zealand	5%	\$70	22%	\$45	\$10.67	Germany	5%	\$4	24%	\$3
		Hungary	4%	\$61	7%	\$18	\$4.39	USA	5%	\$4	26%	\$3
		India	4%	\$56	28%	\$40	\$3.01	Canada	3%	\$2	59%	\$2
		Canada	4%	\$56	18%	\$31	\$3.71	Other	13%	\$9	33%	\$7
		Brazil	4%	\$55	24%	\$36	\$2.95	World	100%	\$70	22%	\$45
		Belgium	4%	\$49	27%	\$34	\$2.66					\$10.67
		Romania	3%	\$42	27%	\$29	\$3.81	New Zealand imports				
		Italy	2%	\$31	19%	\$18	\$4.49	Total (only Aus/P.I.)	\$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) - Ongoing scientific research into health properties of manuka honey
Strongly growing demand	●	- China is the largest exporter (primarily as industrial honey)	- Further development of medicinal products to the medical sector - Industry consolidation - Further research to identify the active ingredients in honey - Greater promotion and distribution to Asia
Asian opportunity	○	- Highly fragmented industry globally	
Premium for quality	●		
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 - Government single desk 1930's-80's (Honey Marketing Authority)	- Identification of active chemical in honey threatens the supply of raw product to the medical sector (e.g. willowbark vs. aspirin) - Disease monitoring and control (e.g. American foulbrood, varroa mite)
Required skills	●	- NZ receives a substantial premium	
Leverage country image	●	- Highly fragmented industry – based on private businesses and co-ops	
Able to differentiate	●	- Strong growth in medicinal based honey products -	
Trade Access	○	- PGP invests \$1.7m in research for medicinal manuka honey -	
Overall	●	- Failed bid for Comvita by Cerebos NZ	

Quantitative Scorecard	Global market Major importing countries						Key NZ metrics				Value 2010	5y CAGR (05-10)
	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (2010)	\$/kg	# of growers (#) ^b	Planted area (ha) ^b	# of exporters (#) ^b	Production (t) ^a	97	TBD
Export value (US\$m; 10)												
- NZ	\$83m	USA	11%	\$288	3%	\$38	\$0.74				97	TBD
- Global	\$3,066m	United Kingdom	9%	\$234	12%	\$103	\$0.64				5,263	TBD
5y CAGR (US\$; 05-10)		Russian Federation	7%	\$199	12%	\$85	\$0.34				25-30	TBD
		Malaysia	7%	\$190	13%	\$87	\$0.41				188,200	TBD
Absolute 5y growth (05-10)		Germany	6%	\$167	9%	\$61	\$0.68					
		Japan	6%	\$166	10%	\$65	\$0.49					
		Canada	5%	\$149	13%	\$68	\$0.92					
		Saudi Arabia	5%	\$130	25%	\$87	\$0.41					
		Brazil	4%	\$107	36%	\$85	\$0.45					
		Netherlands	3%	\$87	26%	\$59	\$0.55					
		Belgium	3%	\$75	8%	\$24	\$0.61					
		France	3%	\$71	11%	\$29	\$0.68					
		Sri Lanka	2%	\$65	25%	\$43	\$0.38					
		Other	30%	\$812	15%	\$410	\$0.38					
		World		\$2,738	13%	\$1,243	\$0.47					
\$/kg (US\$; 10)		Major exporting countries						New Zealand exports by destination				
		Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (2010)	\$/kg	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (2010)
		Netherlands	21%	\$632	24%	\$415	\$0.42	Netherlands	17%	\$14	27%	\$10
		India	15%	\$465	25%	\$313	\$0.37	United Kingdom	16%	\$13	3%	\$2
		USA	8%	\$261	12%	\$115	\$0.72	Japan	13%	\$11	0%	-\$0
		Mexico	8%	\$255	-2%	-\$30	\$0.78	Malaysia	8%	\$7	51%	\$6
		China	8%	\$251	16%	\$133	\$0.39	Indonesia	8%	\$6	41%	\$5
		Egypt	8%	\$231	N/A	\$231	\$0.45	Belgium	5%	\$4	2%	\$0
		Spain	4%	\$124	11%	\$52	\$0.55	Fiji	4%	\$4	12%	\$2
		Argentina	3%	\$103	28%	\$73	\$0.42	France	4%	\$3	62%	\$3
		New Zealand	3%	\$83	14%	\$39	\$0.47	Other	25%	\$21	19%	\$12
		France	3%	\$81	12%	\$36	\$0.74	World	100%	\$83	14%	\$39
		Poland	2%	\$60	10%	\$23	\$0.51					
		Germany	2%	\$48	18%	\$27	\$0.53	New Zealand imports				
		Iran	2%	\$47	71%	\$44	\$0.35	Total		\$0.4	-5%	-\$0.1
		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	- Netherlands, India and US are major exporting countries; USA and Mexico receive a premium	- Reputation for quality NZ vegetables and fruit	- Increase productivity/ha and overall quality to increase volume of Class 1 product
Strongly growing demand	- Onion industry is highly mechanised with low labour requirements	- New variety breeding capabilities of Plant and Food Research	- Further processing of onions
Asian opportunity	- Consolidation due to needs for economies of scale to develop new varieties, R&D		- Targeting new varieties of onions to differentiate offer and command a premium (e.g. sweeter variety)
Premium for quality			- Investigate retail branded offer to Asia and key markets
Rich countries do it			- Development of Asian markets
Capital Intensive			- Industry cohesion and consolidation
New Zealand	New Zealand	Challenges/limitations to growth	Potential role for government
Large # of firms	- Onions introduced to country by early settlers; NZ started exporting onions in the 1960s	- Onions globally a commodity with limited country or brand identification	- Tariff reductions into EU (currently 9.6%)
Required skills	- NZ exports to a large number of countries in Europe and Japan	- NZ needs economies of scale to reinvest	- Ensure quality standards for NZ products
Leverage country image	- NZ's third largest horticultural export crop, exported to 20 countries	- New variety, breeding lines and seeds research currently offshore; NZ does not have the capital to invest	
Able to differentiate	- Most onions are a bulk commodity item, shipped in bulk and repackaged in Europe (e.g. Netherlands, UK)	- NZ limited sunlight hours per annum compared to competition in USA and Mexico	
Trade Access	- Major production in Pukekohe, South of Auckland	- EU growers subsidised	
Overall	- New Integrated Pest Management to manage diseases		

Quantitative Scorecard	Global market Major importing countries						Key NZ metrics				Value 2010	5y CAGR (05-10)
	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# of growers (#) ^a	Planted area (ha) ^a	Crop volume (t) ^a	133 (09)	TBD	
Export value (US\$m; 10)												
- NZ	\$28m	USA	24%	\$993	6%	\$240	\$1.30					
- Global	\$3,987m	Germany	18%	\$759	6%	\$198	\$2.29					
5y CAGR (US\$; 05-10)		United Kingdom	8%	\$347	4%	\$64	\$2.41					
		France	6%	\$226	4%	\$41	\$1.82					
		Canada	5%	\$216	8%	\$66	\$1.94					
		Netherlands	5%	\$186	6%	\$49	\$1.98					
		Russian Federation	4%	\$164	34%	\$126	\$1.59					
		Italy	4%	\$154	12%	\$66	\$1.82					
		Japan	3%	\$111	4%	\$20	\$4.27					
Absolute 5y growth (05-10)		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					
\$/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)	
		Netherlands	27%	\$1,094	7%	\$313	\$2.54	Japan	65%	\$18	14%	
		Spain	20%	\$786	6%	\$196	\$1.76	Australia	33%	\$9	4%	
		Mexico	15%	\$608	0%	\$9	\$0.94	Canada	1%	\$0	N/A	
		Canada	7%	\$260	16%	\$139	\$2.65	French Polynesia	1%	\$0	36%	
		Israel	5%	\$210	N/A	\$210	\$1.43	New Caledonia	0%	\$0	56%	
		USA	5%	\$194	8%	\$62	\$1.81	Other	0%	\$0	-11%	
		Iran	3%	\$101	96%	\$97	\$1.19	World	100%	\$28	-\$0	
		Italy	2%	\$72	35%	\$56	\$2.20				\$4.66	
		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	New Zealand imports				
		Morocco	1%	\$52	19%	\$30	\$0.89	Total		\$2.7	-2%	
		Other	9%	\$366	14%	\$177	\$1.21			-\$0.3	\$3.65	
Possible size of the prize		World		\$3,987	8%	\$1,308	\$1.60					

Qualitative Scorecard Global	Market structure and situation Global	Nature of challenge	
		Leveragable existing NZ factors	Potential sources of value creation
Large global market	- Major importers are US and EU - Semi exotic newer vegetable to many markets	- 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	- Access into biosecure markets - Packaging to allow for increased shelf-life
Strongly growing demand	- A premium vegetable species but with low production rates		
Asian opportunity	- Key producers are either hot (e.g. Spain, Mexico) or Hothouse (e.g. Netherlands, Canada)		
Premium for quality			
Rich countries do it			
Capital Intensive			
New Zealand	New Zealand	Challenges/limitations to growth	Potential role for government
Large # of firms	- Capsicum introduced by settlers in late 19 th Century - NZ is dependent on two markets (Japan and Australia)	- High costs relative to competitors, additional growth is too costly - 98% of share in two markets	- New market development - Tariff reductions
Required skills	- NZ gets 3x the global price	- Large capital investment required in hot houses; NZ has a high cost structure (in particular compliance costs)	- Ensure quality products and standards to protect key protected markets (e.g. Japan and Australia)
Leverage country image	- Very difficult to export capsicum from NZ due to biosecurity compliance costs	- Shelf life limits transportation distances and times	- 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)
Able to differentiate	- Two key growers (Southern Paprika and NZ Gourmet) account for around ~2/3 of market		
Trade Access			
Overall			

Quantitative Scorecard	Global market Major importing countries						Key NZ metrics				Value 2010	5y CAGR (05-10)
	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# of growers (#) ^c	Planted area (ha) ^c	Crop (t) ^c			
Export value (US\$m; 10)												
- NZ	\$55m	India	26%	\$432	17%	\$236	\$0.68			400	TBD	
- Global	\$1,869m	China	11%	\$177	28%	\$125	\$0.32			140,720	TBD	
5y CAGR (US\$; 05-10)		Italy	6%	\$96	4%	\$16	\$0.58			59,000	TBD	
		United Kingdom	4%	\$68	8%	\$21	\$0.81					
		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					
Absolute 5y growth (05-10)		Netherlands	2%	\$29	-8%	-\$16	\$0.47					
		France	2%	\$27	7%	\$8	\$1.10					
		Canada	2%	\$25	5%	\$5	\$0.48					
		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				
		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)	
		Canada	42%	\$791	14%	\$375	\$0.28	Australia	36%	\$20	7%	
		USA	12%	\$217	17%	\$119	\$0.40	Japan	10%	\$6	2%	
Global share of trade:		Belgium	7%	\$137	5%	\$31	\$1.10	USA	9%	\$5	-1%	
		France	7%	\$122	1%	\$8	\$0.37	South Africa	5%	\$3	1%	
		Australia	3%	\$60	15%	\$30	\$0.31	China	4%	\$2	-3%	
		New Zealand	3%	\$55	6%	\$13	\$1.17	Thailand	3%	\$2	10%	
		United Kingdom	3%	\$47	4%	\$8	\$0.85	United Kingdom	3%	\$1	-5%	
		Tanzania	2%	\$46	25%	\$31	\$0.55	Germany	2%	\$1	-2%	
		Ukraine	2%	\$42	11%	\$18	\$0.27	Other	29%	\$16	14%	
		Sweden	2%	\$40	5%	\$9	\$0.95	World	100%	\$55	6%	
		Russian Federation	2%	\$35	25%	\$23	\$0.23				\$13	
		Spain	1%	\$28	31%	\$20	\$0.95	New Zealand imports				
Possible size of the prize		Hungary	1%	\$27	7%	\$8	\$1.03	Total	\$1	16%	+\$1	
\$70-100m		Other	12%	\$221	12%	\$96	\$0.62				\$1.44	
		World		\$1,869	12%	\$791	\$0.38					

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 	<ul style="list-style-type: none"> - Science research into new cultivars and pest and disease management 	<ul style="list-style-type: none"> - Develop NZ as a low cost option for growing and processing vegetables
Strongly growing demand	<ul style="list-style-type: none"> - The world export market is growing at a 5 Yr CAGR of 12% 	<ul style="list-style-type: none"> - Cropping management skills and systems to ensure high quality products 	<ul style="list-style-type: none"> - Extending into high value markets (e.g. USA and Germany)
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 	<ul style="list-style-type: none"> - Most decisions made out of NZ at head office, NZ often a division of larger business 	<ul style="list-style-type: none"> - Maintain and increase access into key markets; FTA's
Required skills	<ul style="list-style-type: none"> - NZ receives a significant premium for peas but has been growing at a slower pace than the global average 	<ul style="list-style-type: none"> - Limited research and science funding 	<ul style="list-style-type: none"> - Maintain NZ position as an easy place to do business
Leverage country image		<ul style="list-style-type: none"> - Increasing volume while maintaining premium 	<ul style="list-style-type: none"> - Mechanism to improve compliance efficiencies, streamline processes; and reduce duplication and costs of compliance
Able to differentiate	<ul style="list-style-type: none"> - 36% of peas are exported to Australia, followed by Japan and the USA 	<ul style="list-style-type: none"> - Increasing efficiencies to increase returns to all players 	
Trade Access	<ul style="list-style-type: none"> - Peas have a long history in NZ linked to the development of the process vegetable industry 		
Overall	<ul style="list-style-type: none"> - Peas are primarily grown in Canterbury 		

Quantitative Scorecard	Global market Major importing countries						Key NZ metrics				Value 2010	5y CAGR (05-10)	
	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# of growers (#)	Planted area (ha)	# of registered packhouses (#)	# employed in processing YYY	# of registered exporters (#)		
Export value (US\$m; 10)													
- NZ	\$38m	USA	38%	\$617	10%	+\$231	\$1.79				1,600	TBD	
- Global	\$1,455m	France	11%	\$186	2%	+\$17	\$1.99				5,097	TBD	
5y CAGR (US\$; 05-10)		Netherlands	9%	\$153	19%	+\$89	\$1.84				20 (09)	TBD	
- NZ	6%	Japan	7%	\$121	15%	+\$61	\$2.71				YYY	TBD	
- Global	10%	Canada	5%	\$80	21%	+\$50	\$2.25				12 (09)	TBD	
Absolute 5y growth (05-10)		Spain	4%	\$64	18%	+\$35	\$1.94						
- NZ	+\$9m	UK	4%	\$63	-4%	-\$16	\$1.80						
- Global	+\$538m	Germany	4%	\$59	12%	+\$26	\$2.18						
		Italy	3%	\$41	46%	+\$34	\$1.65						
		Australia	2%	\$34	7%	+\$10	\$3.69						
		Other	14%	\$222	15%	+\$113	\$1.59						
		TOTAL	100%	\$1,639	11%	+\$650	\$1.88						
\$/kg (US\$; 10)	Major exporting countries						New Zealand exports by destination						
- NZ	\$3.67	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	\$1.34	Mexico	41%	\$594	10%	+\$228	\$1.82	Australia	93%	\$35	7%	+\$10	\$3.72
Global share of trade:		Chile	13%	\$185	2%	+\$14	\$1.71	Japan	4%	\$2	-6%	-\$1	\$3.01
- Top 3 importers	58%	Spain	8%	\$114	7%	+\$32	\$2.14	Other	3%	\$1	-6%	-\$0	\$3.24
- Top 3 exporters	62%	Peru	6%	\$84	29%	+\$61	\$1.42	TOTAL	100%	\$38m	6%	+\$9m	\$3.67
- New Zealand	3%	Israel	5%	\$75	5%	+\$17	\$1.02						
Possible size of the prize	\$150-250m	USA	3%	\$49	38%	+\$40	\$1.73						
		South Africa	3%	\$44	5%	+\$9	\$0.86						
		Italy	2%	\$39	112%	+\$38	\$1.62						
		New Zealand	3%	\$38	6%	+\$9	\$3.67						
		Kenya	2%	\$22	14%	+\$11	\$1.08						
		Other	6%	85\$	0%	+\$0	\$1.66	New Zealand imports					
		TOTAL	100%	\$1,455	10%	+\$538	\$1.34	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) 	<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	<ul style="list-style-type: none"> - Currently relatively minor fruit (0.6% of global consumption) but global per capita consumption growing at 2%/year 		
Asian opportunity	<ul style="list-style-type: none"> - Major consumers are primarily major producers (familiarity creating demand for year round supply) 		
Premium for quality	<ul style="list-style-type: none"> - Quality to consumer determined in large part by product damage along total supply chain 		
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 	<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	<ul style="list-style-type: none"> - Produced primarily from Gisborne north; BOP and Far North key regions - Packed primarily by kiwifruit packers in off season 		
Able to differentiate	<ul style="list-style-type: none"> - Unique access through Australia's biosecurity giving high returns 		
Trade Access	<ul style="list-style-type: none"> - NZ has a narrow window in the Southern Hemisphere season to itself 		
Overall			

Quantitative Scorecard	Global market Major importing countries						Key NZ metrics				Value 2010	5y CAGR (05-10)
	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (2010)	\$/kg	# of growers (#) ^b	Planted area (ha) ^b	# of registered packhouses (#) ^b	19 (11)	TBD	
Export value (US\$m; 10)	Russian Federation	14%	\$154	29%	\$111	\$1.98				80	TBD	
- NZ	Canada	12%	\$131	16%	\$68	\$4.80				645 (11)	TBD	
- Global	Hong Kong SAR	11%	\$124	42%	\$103	\$6.06				37 (11)	TBD	
	Japan	8%	\$94	0%	-\$1	\$8.57						
5y CAGR (US\$; 05-10)	Germany	8%	\$89	-3%	-\$12	\$2.29						
	China	8%	\$89	142%	\$88	\$7.93						
- NZ	USA	7%	\$83	16%	\$44	\$4.11						
	United Kingdom	6%	\$67	-2%	-\$8	\$4.22						
- Global	Rep. of Korea	3%	\$33	30%	\$24	\$8.70						
	Netherlands	3%	\$31	2%	\$3	\$1.75						
Absolute 5y growth (05-10)	Italy	3%	\$31	6%	\$7	\$3.30						
	Belgium	2%	\$20	6%	\$5	\$2.99						
- NZ	Australia	2%	\$19	15%	\$9	\$6.48						
	Other	15%	\$165	11%	\$66	\$2.91						
- Global	World		\$1,131	13%	\$507	\$3.53						
\$/kg (US\$; 10)	Major exporting countries						New Zealand exports by destination					
- NZ	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (2010)	\$/kg	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (2010)	
	USA	30%	\$356	10%	\$135	\$5.54	Taiwan	39%	\$7	7%	\$2	
- Global	Chile	25%	\$301	31%	\$224	\$6.79	Hong Kong SAR	19%	\$3	271%	\$3	
	Turkey	12%	\$148	10%	\$54	\$2.26	Thailand	13%	\$2	35%	\$2	
Global share of trade:	Spain	6%	\$68	7%	\$20	\$2.78	Rep. of Korea	10%	\$2	8%	\$1	
	Hong Kong SAR	3%	\$34	97%	\$33	\$4.93	Singapore	6%	\$1	52%	\$1	
- Top 3 importers	Canada	2%	\$30	21%	\$18	\$5.70	Other	13%	\$2	0%	-\$0	
	Netherlands	2%	\$24	12%	\$10	\$4.17	World	100%	\$18	14%	\$9	
- Top 3 exporters	Italy	2%	\$23	-9%	-\$13	\$4.42					\$11.31	
	Greece	2%	\$20	21%	\$12	\$2.73						
- New Zealand	France	2%	\$19	-6%	-\$7	\$3.60						
Possible size of the prize	Hungary	2%	\$19	21%	\$12	\$0.93						
\$30-100m	New Zealand	2%	\$18	14%	\$9	\$11.31	New Zealand imports					
	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	

Note: Some totals may not add due to rounding; Exports are as reported by sender and US\$ FOB; imports are as reported by receiver and US\$ CIF; Source: UN Comtrade; various other published sources; Coriolis estimates and analysis; b Industry body

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

BERRIES (EX-STRAWBERRIES) [081040, 081090, 081120]

QUANTITATIVE

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 (2010)	\$/kg	# of growers (#) ^c		130	TBD				
- NZ	\$31m	USA	17%	\$644	16%	\$339	\$2.46	Planted area (ha) ^c		2,482	TBD				
- Global	\$3,285m	China	13%	\$506	27%	\$351	\$0.67	# of registered packhouses (#)		TBD	TBD				
5y CAGR (US\$; 05-10)		Germany	9%	\$333	11%	\$136	\$2.11	Crop volume (t) ^c		166,000	TBD				
- NZ		United Kingdom	6%	\$237	13%	\$105	\$3.77								
- Global		Russian Federation	6%	\$236	21%	\$143	\$0.90								
5y CAGR (US\$; 05-10)		Hong Kong SAR	6%	\$233	14%	\$114	\$0.55								
- NZ		Canada	6%	\$228	19%	\$132	\$2.85	Key NZ firms		Turnover (NZ\$m; 10)	Empl. (#; 10)				
- Global		France	5%	\$189	7%	\$52	\$2.57								
Absolute 5y growth (05-10)		Netherlands	5%	\$188	13%	\$88	\$2.63	ENZA Food Processors							
- NZ		Indonesia	3%	\$107	27%	\$74	\$1.20	Just the Berries							
- Global		Italy	2%	\$85	12%	\$36	\$2.16	Glaxo-SK							
Absolute 5y growth (05-10)		Belgium	2%	\$85	9%	\$29	\$2.53								
- NZ		Austria	2%	\$62	15%	\$31	\$1.91								
- Global		Other	17%	\$629	13%	\$288	\$1.37								
- NZ		World		\$3,762	15%	\$1,918	\$1.34								
\$/kg (US\$; 10)															
Major exporting countries						New Zealand exports by destination									
- NZ		Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (2010)	\$/kg	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)				
\$6.81		Chile	16%	\$522	22%	\$332	\$4.19	Australia	47%	\$14	22%				
\$1.40		Thailand	9%	\$285	15%	\$141	\$0.57	Malaysia	21%	\$7	14%				
Global share of trade:		USA	8%	\$278	19%	\$160	\$2.57	USA	7%	\$2	-4%				
- Top 3 importers		Spain	7%	\$237	20%	\$140	\$1.79	Japan	6%	\$2	-9%				
39%		Netherlands	7%	\$223	17%	\$123	\$3.40	Singapore	4%	\$1	10%				
- Top 3 exporters		Serbia	6%	\$189	12%	\$80	\$2.14	China	3%	\$1	15%				
33%		Poland	6%	\$183	21%	\$112	\$1.72	Thailand	3%	\$1	13%				
- New Zealand		Hong Kong SAR	5%	\$171	20%	\$103	\$0.47	Hong Kong SAR	2%	\$1	-15%				
0.9%		Canada	4%	\$124	5%	\$27	\$2.03	Other	6%	\$2	-13%				
Possible size of the prize		Argentina	3%	\$112	31%	\$84	\$7.48	World	100%	\$31	7%				
\$100-150m		China	3%	\$109	29%	\$79	\$0.82			\$9	\$6.81				
		Belgium	3%	\$91	11%	\$37	\$2.59	New Zealand imports							
		Turkey	2%	\$60	43%	\$50	\$0.95	Total		\$4	12%				
		Other	21%	\$702	5%	\$159	\$1.29			+\$2	\$2.75				
		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	- 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)	- 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	- 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	- Berries are exported fresh, and frozen/pulp for ingredients in baking, beverages, etc.		
Asian opportunity	- North America dominates the global fresh blueberry market (declining value)		
Premium for quality			
Rich countries do it			
Capital Intensive			
New Zealand	New Zealand	Challenges/limitations to growth	Potential role for government
Large # of firms	- Introduced by settlers in early 19 th 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).	- Increasing scale to gain economies of scale - Cost of new variety development prohibitive	- 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	- 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		
Able to differentiate			
Trade Access	- NZ receives a significant premium for berries (\$6.81/kilo) - Almost half of NZ berries are exported to Australia		
Overall			

BEEF JERKY / PREP/PRES BOVINE MEAT [160250]

QUANTITATIVE

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	\$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						
5y CAGR (US\$; 05-10)		Canada	8%	\$132	10%	\$50	\$4.89						
		Germany	7%	\$115	13%	\$53	\$4.61						
		Italy	5%	\$88	12%	\$38	\$6.73						
		Netherlands	5%	\$84	5%	\$18	\$4.91						
		Japan	4%	\$72	-8%	-\$39	\$6.04						
		France	4%	\$68	9%	\$23	\$4.72						
		Belgium	3%	\$52	6%	\$14	\$4.55						
Absolute 5y growth (05-10)		Hong Kong SAR	3%	\$51	14%	\$25	\$2.79						
		Sweden	3%	\$42	9%	\$15	\$4.72						
		Ireland	3%	\$42	8%	\$13	\$3.44						
		Switzerland	2%	\$28	48%	\$24	\$11.07						
		Other	21%	\$340	8%	\$111	\$3.76						
		World		\$1,639	2%	\$162	\$4.47						
\$/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)
		Brazil	25%	\$498	-1%	-\$27	\$4.01	USA	43%	\$36	16%	\$19	\$12.53
		Ireland	10%	\$195	2%	\$16	\$3.73	Australia	23%	\$19	18%	\$11	\$6.42
Global share of trade:		Germany	10%	\$190	11%	\$77	\$5.20	Japan	11%	\$9	-4%	-\$2	\$7.43
		Argentina	9%	\$177	-1%	-\$8	\$3.88	Philippines	4%	\$4	27%	\$2	\$5.90
		USA	7%	\$141	13%	\$63	\$4.37	French Polynesia	3%	\$3	26%	\$2	\$5.10
		Belgium	5%	\$102	13%	\$46	\$5.70	Rep. of Korea	3%	\$2	5%	\$0	\$1.86
		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	Total		\$16	4%	+\$3	\$4.92
Possible size of the prize		Netherlands	2%	\$42	2%	\$4	\$4.34						
		Other	14%	\$277	3%	\$37	\$3.02						
		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	<ul style="list-style-type: none"> - Traditional dried meat products exist around world (jerky, biltong, pemmican, etc.) 	<ul style="list-style-type: none"> - Absence of a number of bovine diseases 	<ul style="list-style-type: none"> - Further investment
Strongly growing demand	<ul style="list-style-type: none"> - Global trade is from major meat producing countries 	<ul style="list-style-type: none"> - Abundant supply of raw materials currently being exported as manufacturing beef 	<ul style="list-style-type: none"> - Development of UK market (displace Irish supply)
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"> - Jack Link's (USA) greenfields investment in 2002 - NZ supplies ½ 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
Required skills			<ul style="list-style-type: none"> - Attract further investment by major beef jerky manufacturers <ul style="list-style-type: none"> - Oberto (USA) - ConAgra/Slim Jim (USA) - Marfrig/Marfood (Brazil)
Leverage country image			
Able to differentiate			
Trade Access			
Overall			

Quantitative Scorecard	Global market Major importing countries						Key NZ metrics				Value 2010	5y CAGR (05-10)		
	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# employed in processing				N/A	N/A		
Export value (US\$m; 10)	- NZ	\$37m	Japan	26%	\$973	-0%	# of enterprises				N/A	N/A		
	- Global	\$4,352m	United Kingdom	7%	\$281	22%					N/A	N/A		
	5y CAGR (US\$; 05-10)		USA	7%	\$249	8%								
			Italy	6%	\$244	1%								
			France	6%	\$219	5%								
			Germany	4%	\$154	6%								
			Spain	3%	\$129	8%								
			Hong Kong SAR	3%	\$109	18%								
			Belgium	3%	\$101	9%								
	Absolute 5y growth (05-10)		Australia	3%	\$96	14%								
\$/kg (US\$; 10)	- NZ	+\$17m	Singapore	2%	\$85	4%								
	- Global	+\$1,083m	Russian Federation	2%	\$71	10%								
			South Korea	2%	\$69	6%								
			Other	26%	\$975	7%								
			World	\$3,754		5%								
	Major exporting countries						New Zealand exports by destination							
	Global share of trade:	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)	
		China	38%	\$1,672	8%	\$540	\$4.58	Australia	75%	\$28	18%	\$16	\$4.60	
		Germany	10%	\$447	9%	\$159	\$4.12	USA	6%	\$2	4%	\$0	\$4.75	
		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	
		Poland	4%	\$169	31%	\$126	\$3.71	Cyprus	3%	\$1	34%	\$1	\$3.98	
		Denmark	4%	\$164	3%	\$20	\$5.72	Belgium	2%	\$1	N/A	\$1	\$9.11	
		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	
Possible size of the prize \$100-150m	USA	2%	\$91	5%	\$21	\$3.65	World	100%	\$37	13%	\$17	\$4.56		
	Japan	2%	\$90	5%	\$21	\$10.20	New Zealand imports							
	Morocco	2%	\$85	6%	\$23	\$7.22	Total	\$10		18%	+\$6	\$4.18		
	Netherlands	1%	\$64	4%	\$12	\$5.80								
	Other	17%	\$760	-1%	-\$58	\$3.62								
World						\$4,352	6%	\$1,083	\$4.25					

Qualitative Scorecard Global	Market structure and situation Global	Nature of challenge	
		Leveragable existing NZ factors	Potential sources of value creation
Large global market	- Major exporters are major tropical fish producers/processors (e.g. China, Ecuador, Thailand) and Northern European (e.g. Germany, Poland, Denmark)	- Southern Hemisphere unique fish species	- Further development of Japanese market (25% global imports but only 4% of NZ exports)
Strongly growing demand	- Japan - largest single import market (25% of global imports) – is shrinking		
Asian opportunity	- Other key importing markets are primarily rich Northern Hemisphere		
Premium for quality			
Rich countries do it			
Capital Intensive			
New Zealand	New Zealand	Challenges/limitations to growth	Potential role for government
Large # of firms	- Most NZ exports (75%) to Australia	- Relatively small scale globally - Major domestic fish processors lack consumer brands in key markets	- 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 Major importing countries						Key NZ metrics				Value 2010	10y CAGR (00-10)		
	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# employed in processing							
Export value (US\$m; 10)	Pakistan	8%	\$789	22%	\$496	\$0.66	# of enterprises (C118-100)				220	1%		
	Italy	8%	\$779	8%	\$245	\$0.64					4	3%		
	USA	7%	\$750	46%	\$636	\$0.86								
	Indonesia	4%	\$422	6%	\$111	\$0.74								
	Belgium	4%	\$362	-17%	-\$573	\$0.53								
	Sri Lanka	3%	\$338	20%	\$201	\$0.66								
	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	Key NZ firms Turnover (NZ\$m; 10) Empl. (#; 10) Ownership							
	France	2%	\$240	3%	\$37	\$0.79								
	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							
	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)		
	Brazil	25%	\$3,455	18%	\$1,918	\$0.49	New Caledonia	27%	\$5	18%	\$3	\$0.80		
	France	10%	\$1,352	0%	\$14	\$0.63	French Polynesia	18%	\$4	12%	\$2	\$0.76		
Global share of trade:	Thailand	9%	\$1,284	29%	\$923	\$0.53	Solomon Isds	17%	\$3	36%	\$3	\$0.79		
	Germany	5%	\$673	-2%	-\$59	\$0.63	American Samoa	7%	\$1	8%	\$0	\$0.97		
	India	4%	\$586	101%	\$568	\$0.47	China	6%	\$1	N/A	\$1	\$0.58		
	Belgium	4%	\$500	-4%	-\$127	\$0.64	Other	25%	\$5	29%	\$3	\$0.69		
	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	New Zealand imports							
Possible size of the prize \$30-50m	Algeria	2%	\$231	N/A	\$231	\$0.63	Total		\$14	6%	+\$4	\$0.76		
	Other	27%	\$3,657	7%	\$1,034	\$0.66								
	World		\$13,744	11%	\$5,482	\$0.58								

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

Quantitative Scorecard	Global market Major importing countries						Key NZ metrics				Value 2010	10y CAGR (05-10)
	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)						
Export value (US\$m; 10)		<i>Uses confectionery (chocolate & sugar confectionery)</i>										
- NZ	\$46m	USA	18%	\$1,239	2%	\$143	# employed in processing					
- Global	\$7,474m	Germany	8%	\$531	4%	\$87	1,550					
5y CAGR (US\$; 05-10)		United Kingdom	7%	\$476	4%	\$93	0%					
- NZ	8%	France	5%	\$345	4%	\$63						
- Global	7%	Canada	4%	\$307	8%	\$94						
Absolute 5y growth (05-10)		Belgium	3%	\$230	7%	\$66						
- NZ	+\$14m	Netherlands	3%	\$211	4%	\$36						
- Global	+\$2,144m	Russian Federation	3%	\$198	13%	\$91						
Poland		Sweden	3%	\$174	2%	\$19						
Hong Kong SAR		Hong Kong SAR	2%	\$162	4%	\$27						
Italy		Italy	2%	\$157	2%	\$18						
Australia		Australia	2%	\$152	9%	\$51						
Other		Poland	2%	\$136	16%	\$71						
World		Other	37%	\$2,536	6%	\$669						
World		World	100%	\$6,854	5%	\$1,528						
\$/kg (US\$; 10)		Major exporting countries						New Zealand exports by destination				
- NZ	\$4.56	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)
- Global	\$2.37	Germany	11%	\$809	7%	\$226	\$3.68	Australia	90%	\$41	9%	\$14
Global share of trade:		Belgium	8%	\$567	8%	\$174	\$3.11	United Kingdom	4%	\$2	9%	\$1
Top 3 importers		China	6%	\$464	17%	\$255	\$2.54	USA	2%	\$1	-9%	-\$1
Top 3 exporters		Mexico	6%	\$447	5%	\$105	\$0.56	Hong Kong SAR	1%	\$0	39%	\$0
New Zealand		Netherlands	5%	\$389	6%	\$96	\$4.02	Cook Isds	1%	\$0	7%	\$0
Possible size of the prize		Spain	5%	\$377	2%	\$31	\$3.50	Other	2%	\$1	3%	\$0
\$150-200m		Canada	5%	\$375	1%	\$17	\$2.70	World	100%	\$46	8%	\$14
		USA	5%	\$338	8%	\$107	\$2.94					\$4.56
		Turkey	3%	\$229	19%	\$131	\$2.57					
		Poland	3%	\$209	14%	\$98	\$4.21					
		United Kingdom	3%	\$202	-1%	-\$16	\$4.34					
		Ukraine	2%	\$180	20%	\$109	\$1.79	New Zealand imports				
		Colombia	2%	\$171	6%	\$42	\$1.84	Total		\$61	12%	+\$26
		Other	36%	\$2,717	7%	\$767	\$2.94					\$4.10
		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	- Major importers are predominantly USA, Canada and Europe	- Unique New Zealand flavours	- Consolidation of smaller NZ firms into scale entity
Strongly growing demand	- Major exporters are rich Northern Hemisphere countries (quality/defensible) and China/Mexico (bulk/undifferentiated)	- Manuka honey (e.g. Comvita's cold preventing lollipops)	- New market development (90% Australia currently)
Asian opportunity	- Some product/production defensibility around product/process manufacturing technology		
Premium for quality	- Global market has strong presence of major multinationals (Kraft, Nestle, Mars) and strong focused specialists (Perfetti)		
Rich countries do it	- Japanese & Korean manufacturers growing (Lotte, Meiji, Morinaga)		
Capital Intensive			
New Zealand	New Zealand	Challenges/limitations to growth	Potential role for government
Large # of firms	- Long history of production by small producers	- Highly dependent on actions/decisions of single firm (Kraft/Cadbury)	- Attract further investment by major confectionery manufacturers
Required skills	- Most major producers historically acquired by Cadbury in industry consolidation	- Scale of second tier firms	- Ferrero (Italy)
Leverage country image		- Lack of unique/defensible products and technologies	- Perfetti (Italy)
Able to differentiate			- Meiji (Japan)
Trade Access			- Lotte (Korea)
Overall			- Storck (Germany)
			- CSM (Netherlands)
			- Haribo (Germany)

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

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

BISCUITS [190530/190590] SWEET & SAVOURY BISCUITS

QUANTITATIVE

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

Qualitative Scorecard Global	Market structure and situation Global	Nature of challenge	
		Leveragable existing NZ factors	Potential sources of value creation
Large global market	- Major importers are predominantly USA, Canada and Europe (Japan only non-Western market in top list)	- Unique NZ flavours	- Consolidation of smaller firms into scale entity
Strongly growing demand	- Major exporters are also rich Northern Hemisphere countries	- Safe and secure raw materials; low cost producer of many ingredients (e.g. oats)	- Grow exports to Asia (currently 10%+ of exports and growing strongly (x Japan))
Asian opportunity	- Production technology capital intensive and reasonably defensible		
Premium for quality			
Rich countries do it			
Capital Intensive			
New Zealand	New Zealand	Challenges/limitations to growth	Potential role for government
Large # of firms	- Long history of production and exports (e.g. 19 th Century exports of ships biscuits)	- Still highly dependent on Australian market (~80% of exports)	- Maintain and build trade access
Required skills	- Nabisco (global #1) acquired Griffins in 1962; sold in 1990 to Danone; sold in 2006 to PEP; currently for sale		
Leverage country image	- Griffins consolidated industry over 20th Century; Arnotts exited NZ production in 90's		
Able to differentiate	- Second tier of growing players primarily niche and sub-scale		
Trade Access	- Two main competitors in NZ are Griffins (NZ) and Campbells/Arnotts (imported from Australia)		
Overall			

Quantitative Scorecard	Global market Major importing countries						Key NZ metrics				Value 2010	10y CAGR (00-10)	
	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# of potato growers		Planted potato area (ha)		230 (10)	-5% (97-07)	
Export value (US\$m; 10)							# employed in processing				10,050 (07)	-3% (97-07)	
- NZ	\$60m	USA	14%	\$653	4%	\$122	# of manufacturers				est. 1,000 (?)	N/A	
- Global	\$4,913m	Japan	9%	\$405	9%	\$146	Key NZ firms				est. 5+	N/A	
5y CAGR (US\$; 05-10)		France	9%	\$398	8%	\$125	Turnover (NZ\$m; 10)				Ownership		
- NZ	9%	United Kingdom	8%	\$363	6%	\$90	Heinz Watties		\$712m	1,900	USA		
- Global	10%	Italy	6%	\$251	11%	\$100	McCain NZ		\$211m	500	Canada		
Absolute 5y growth (05-10)		Netherlands	5%	\$245	37%	\$194	Simplot NZ		\$60m	100+	USA		
- NZ	+\$21m	Germany	5%	\$244	7%	\$68	Talley's		\$75m	500	NZ; private		
- Global	+\$1,885m	Brazil	4%	\$192	28%	\$137	Fresher Foods		\$14m	50	NZ; private		
\$/kg (US\$; 10)		Mexico	3%	\$118	5%	\$23	New Zealand exports by destination						
- NZ	\$0.88	Saudi Arabia	2%	\$108	15%	\$54	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	
- Global	\$0.89	Canada	2%	\$108	18%	\$60	Australia	52%	\$31	16%	\$16	\$0.77	
Global share of trade:		Spain	2%	\$90	5%	\$19	Malaysia	17%	\$10	18%	\$6	\$1.22	
- Top 3 importers	32%	Belgium	2%	\$84	12%	\$37	Singapore	7%	\$4	56%	\$4	\$0.92	
- Top 3 exporters	63%	Other	28%	\$1,259	12%	\$541	Japan	7%	\$4	10%	\$2	\$1.02	
Possible size of the prize	\$200-300m	World	100%	\$4,518	10%	\$1,715	Papua New Guinea	4%	\$3	26%	\$2	\$0.92	
		Major exporting countries						French Polynesia	4%	\$2	7%	\$1	\$1.06
		Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	Thailand	2%	\$1	-12%	-\$1	\$0.88	
		Netherlands	26%	\$1,259	8%	\$386	Other	7%	\$4	-19%	-\$7	\$0.93	
		Belgium	21%	\$1,030	17%	\$551	World	100%	\$60	9%	\$21	\$0.88	
		Canada	16%	\$802	4%	\$133	New Zealand imports						
		USA	16%	\$797	13%	\$355	Total		\$21	25%	+\$14	\$1.54	
		France	6%	\$303	10%	\$116							
		Germany	4%	\$190	14%	\$92							
		Argentina	3%	\$134	20%	\$80							
		Poland	2%	\$109	12%	\$48							
		New Zealand	1%	\$60	9%	\$21							
		United Kingdom	1%	\$44	4%	\$8							
		Austria	1%	\$43	11%	\$18							
		Egypt	1%	\$34	N/A	\$34							
		China	0%	\$24	26%	\$16							
		Other	2%	\$85	8%	\$28							
		World		\$4,913	10%	\$1,885							

Qualitative Scorecard Global	Market structure and situation Global	Nature of challenge	
		Leveragable existing NZ factors	Potential sources of value creation
Large global market	- "French" fries originated in Belgium (patat) and Netherlands (friet) (today ~50% global exports)	- Existing major players in NZ	- Create position of NZ as trusted supplier of potatoes to E/SE Asia
Strongly growing demand	- Frozen french fried developed in US by J.R. Simplot; in 1967 McDonalds replaced fresh cut with frozen	- Safe and secure supply of raw materials	- Further greenfields investment
Asian opportunity	- Global spread driven by spread of primarily US fast food chains (McDonald's, Burger King, Wendy's, etc.)		
Premium for quality	- Market segmented into chain fast food, foodservice and retail pack		
Rich countries do it	- Growing demand in Asian markets driven by spread of Western foods and restaurants		
Capital Intensive			
New Zealand	New Zealand	Challenges/limitations to growth	Potential role for government
Large # of firms	- NZ comparative advantage in potato production (e.g. high yields/hectare) evident for over 100 years	- Alternative land use	- Scientific research to maintain and build NZ comparative advantage
Required skills	- NZ industry controlled by three global french fry firms - 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)	- Introduced diseases into potato crop (e.g. zebra chip) reducing yields, increasing costs and triggering other countries biosecurity bans	- Attract further investment by major frozen french fry manufacturers - Belgium (Agristo, Clareabout, PinguinLutosa) - Netherlands (Aviko) - US (Con-Agra) - Canada (Cavendish, Saint Arneault)
Leverage country image			
Able to differentiate			
Trade Access			
Overall			

SHELLED BEANS PRESERVED [200551]

QUANTITATIVE

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)	# 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						
		Australia	8%	\$39	8%	\$13	\$1.23						
		USA	8%	\$38	1%	\$2	\$1.18						
		Germany	8%	\$37	5%	\$8	\$0.90						
		France	4%	\$17	14%	\$8	\$1.13						
		Canada	3%	\$14	16%	\$7	\$1.59						
		South Korea	2%	\$12	42%	\$10	\$1.12						
		Oman	2%	\$10	25%	\$7	\$2.03						
Absolute 5y growth (05-10)		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						
\$/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)
		Italy	31%	\$145	18%	\$81	\$0.77	Australia	95%	\$25	3%	\$4	\$1.33
		China	22%	\$103	67%	\$95	\$0.93	Singapore	2%	\$1	5%	\$0	\$1.22
		United Kingdom	6%	\$27	1%	\$1	\$1.07	Fiji	1%	\$0	2%	\$0	\$1.18
		New Zealand	6%	\$26	4%	\$4	\$1.33	Rep. of Korea	1%	\$0	24%	\$0	\$1.51
		Belgium	5%	\$22	12%	\$10	\$1.05	Malaysia	1%	\$0	2%	\$0	\$1.14
		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	New Zealand imports					
		Spain	3%	\$13	14%	\$6	\$0.70	Total		\$3	9%	+\$1	\$1.17
		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						
Possible size of the prize		World		\$461	12%	\$194	\$0.90						

SHELLED BEANS PRESERVED [200551]

QUALITATIVE

Qualitative Scorecard Global	Market structure and situation Global	Nature of challenge	
		Leveragable existing NZ factors	Potential sources of value creation
Large global market	- Italy and China are the largest exporters of shelled beans globally; both showing strong growth; 18% and 67% CAGR respectively	- Processing technologies and capabilities - Lower cost of NZ labour	- 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	- Market consolidated and dominated by large multinational processing companies		
Asian opportunity			
Premium for quality			
Rich countries do it			
Capital Intensive			
New Zealand		Challenges/limitations to growth	Potential role for government
Large # of firms	- NZ market for processed vegetables is highly concentrated in the hands of a few top companies (Heinz, McCain's, Simplot) and NZ based Talleys	- Most decisions of supply made outside of NZ due to multinational ownership structure (e.g. Heinz and McCain's)	- Continue work on FTA with key markets
Required skills	- Growers are all contracted to these processors, very little control of market at farm level	- Generally low value product - Grower returns low	
Leverage country image	- NZ is the 4 th largest exporter of shelled beans receiving a premium over most top markets		
Able to differentiate	- 95% of exports are to Australia		
Trade Access			
Overall			

Quantitative Scorecard	Global market Major importing countries						Key NZ metrics				Value 2010	5y CAGR (05-10)	
	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# employed in processing				N/A	N/A	
Export value (US\$m; 10)							# of enterprises				N/A	N/A	
- NZ	\$35m	France	10%	\$165	13%	\$76	# of enterprises				N/A	N/A	
- Global	\$2,073m	USA	10%	\$161	11%	\$64	# of enterprises				N/A	N/A	
5y CAGR (US\$; 05-10)		Germany	9%	\$140	7%	\$40	# of enterprises				N/A	N/A	
- NZ	22%	Russian Federation	6%	\$101	9%	\$36	# of enterprises				N/A	N/A	
Absolute 5y growth (05-10)		United Kingdom	6%	\$96	4%	\$18	# of enterprises				N/A	N/A	
- NZ	+\$23m	Italy	5%	\$83	10%	\$32	# of enterprises				N/A	N/A	
- Global	+\$729m	Australia	3%	\$54	17%	\$29	# of enterprises				N/A	N/A	
		Netherlands	3%	\$53	4%	\$9	# of enterprises				N/A	N/A	
		Belgium	3%	\$50	7%	\$15	# of enterprises				N/A	N/A	
		Japan	3%	\$47	-1%	-\$3	# of enterprises				N/A	N/A	
		Canada	2%	\$39	7%	\$11	# of enterprises				N/A	N/A	
		Sweden	2%	\$29	12%	\$12	# of enterprises				N/A	N/A	
		Spain	2%	\$29	6%	\$8	# of enterprises				N/A	N/A	
		Other	35%	\$555	11%	\$232	# of enterprises				N/A	N/A	
		World		\$1,604	9%	\$579	# of enterprises				N/A	N/A	
\$/kg (US\$; 10)		Major exporting countries						New Zealand exports by destination					
- NZ	\$3.43	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)	
- Global	\$1.68	France	14%	\$282	8%	\$89	\$3.58	Australia	87%	\$31	26%	\$21	
Global share of trade:		Turkey	9%	\$181	0%	\$4	\$4.36	USA	6%	\$2	31%	\$2	
- Top 3 importers	29%	Belgium	8%	\$161	11%	\$65	\$2.09	Malaysia	3%	\$1	16%	\$0	
- Top 3 exporters	31%	Germany	8%	\$158	11%	\$62	\$2.57	Taiwan	1%	\$0	19%	\$0	
- New Zealand	2%	Italy	6%	\$122	9%	\$42	\$1.66	Japan	1%	\$0	-5%	-\$0	
Possible size of the prize	\$50-100m	Chile	5%	\$105	12%	\$46	\$0.83	Hong Kong SAR	1%	\$0	57%	\$0	
		Iran	4%	\$83	119%	\$81	\$2.54	Fiji	0%	\$0	8%	\$0	
		Denmark	4%	\$76	3%	\$11	\$2.48	Singapore	0%	\$0	-11%	-\$0	
		China	4%	\$75	11%	\$30	\$0.92	Other	1%	\$0	-15%	-\$1	
		India	3%	\$64	25%	\$43	\$2.28	World	100%	\$35	22%	\$23	
		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	- Global market primarily rich western countries	- Unique New Zealand flavours	- Industry consolidation (e.g. Barkers acquisition of Anathoth in 2007)
Strongly growing demand	- Strong cultural element; strongly European (bread & spread) - Much of global market is inter-EU	- Growing berry industry - Safe and secure supply of raw materials	- Line extensions/expansions into wider flavour platform
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	- NZ exports growing 2 ½ times global rate - Primarily Australian market to date	- Imported ingredients vs. "Made in New Zealand" - Seasonal gaps in supply - Scale	- Further investment by global manufacturers - US - France - Belgium - Germany
Required skills			
Leverage country image			
Able to differentiate			
Trade Access			
Overall			

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

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 	<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	<ul style="list-style-type: none"> - Does not include citrus, apple, pineapple, grape or tomato or mixed juices; not fermented; includes all other single source fruit & vegetable juices 		
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)	
	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# employed in processing			N/A	N/A		
Export value (US\$m; 10)	USA	11%	\$220	7%	\$64	\$2.10	# of producers				N/A		
	Mexico	8%	\$153	-8%	-\$76	\$3.15							
	Netherlands	5%	\$107	7%	\$32	\$2.69							
	Canada	5%	\$106	19%	\$62	\$2.46							
	Belgium	5%	\$104	5%	\$24	\$2.15							
	Germany	5%	\$101	6%	\$24	\$3.19							
	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							
5y CAGR (US\$; 05-10)	Sweden	3%	\$54	12%	\$23	\$2.68	Key NZ firms Turnover (NZ\$m; 10) Empl. (#; 10) Ownership				Heinz Watties \$783m 1,900 USA		
	Hong Kong SAR	3%	\$54	12%	\$23	\$2.21							
	Mali	3%	\$50	27%	\$35	\$2.30							
	Other	37%	\$724	6%	\$182	\$2.91							
	World	100%	\$1,968	5%	\$450	\$2.66							
	Absolute 5y growth (05-10)												
	\$/kg (US\$; 10)						New Zealand exports by destination						
	Global share of trade:	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)
		USA	15%	\$324	1%	\$17	\$2.30	Australia	91%	\$47	7%	\$13	\$1.81
		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
		Canada	6%	\$129	5%	\$30	\$1.74	Netherlands	1%	\$0	N/A	\$0	\$1.82
		France	5%	\$96	4%	\$17	\$2.36	Singapore	0%	\$0	6%	\$0	\$1.73
		Spain	4%	\$89	4%	\$15	\$2.77	Other	0%	\$0	-15%	-\$0	\$2.30
		Poland	4%	\$76	43%	\$63	\$2.08	World	100%	\$52	6%	\$13	\$1.82
		Switzerland	4%	\$76	5%	\$16	\$6.13	New Zealand imports					
		Italy	3%	\$73	6%	\$19	\$2.36	Total		\$13	11%	+\$5	\$3.73
Possible size of the prize \$100-150m	Guatemala	3%	\$62	7%	\$18	\$1.76							
	Japan	3%	\$55	13%	\$26	\$8.10							
	New Zealand	2%	\$52	6%	\$13	\$1.82							
	Côte d'Ivoire	2%	\$47	9%	\$17	\$2.14							
	Other	35%	\$729	11%	\$296	\$2.89							
	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	●	- Relatively mature global industry using well understood technology (canning)	- Low cost producer of key ingredients (e.g. meat and vegetables) - Trusted supplier of safe and secure foods - Unique NZ flavours - Lamb soups
Strongly growing demand	○	- Aseptic pouch slowly replacing cans	- Further investment by Heinz - New greenfields operations
Asian opportunity	●	- Low/no volume growth for most countries (top 3 are 1-2% CAGR)	
Premium for quality	●		
Rich countries do it	●		
Capital Intensive	●		
New Zealand	New Zealand	Challenges/limitations to growth	Potential role for government
Large # of firms	○	- Watties acquired by Heinz in 1992 - Market is 98% Australia and Japan (suggest this is predominantly Heinz NZ to Heinz AU & Japan)	- Highly dependent on investment decisions of a single firm (Heinz) - Attracting new greenfields investment in soup, particularly from Germany, Netherlands and France
Required skills	○		
Leverage country image	○		
Able to differentiate	○		
Trade Access	○		
Overall	○		

WATER UNSWEETENED [2201-10/90]

QUANTITATIVE

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	
- NZ	\$8m	Hong Kong SAR	16%	\$423	4%	\$83	\$0.00	# of producers				N/A	
- Global	\$2,599m	USA	14%	\$387	0%	\$2	\$0.72					N/A	
5y CAGR (US\$; 05-10)		Japan	11%	\$300	1%	\$21	\$0.63					N/A	
		Germany	8%	\$210	-6%	-\$80	\$0.11						
		Belgium	8%	\$202	2%	\$23	\$0.03						
		United Kingdom	6%	\$164	-4%	-\$38	\$0.27						
		Netherlands	4%	\$112	1%	\$7	\$0.02						
		Switzerland	3%	\$89	3%	\$13	\$0.28						
		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						
		Singapore	1%	\$30	9%	\$11	\$0.14						
		Other	19%	\$513	7%	\$150	\$0.01						
		World		\$2,675	2%	\$217	\$0.00						
\$/I (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)	\$/I (2010)
		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
		China	12%	\$325	0%	\$8	\$0.00	U.A.E.	4%	\$0	40%	\$0	\$0.90
Global share of trade:		Belgium	6%	\$157	3%	\$21	\$0.35	Fiji	4%	\$0	60%	\$0	\$1.33
		USA	4%	\$106	10%	\$40	\$0.46	Japan	2%	\$0	12%	\$0	\$0.87
		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
		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
		Norway	1%	\$38	8%	\$12	\$0.26	World	100%	\$8	23%	\$5	\$0.55
		Georgia	1%	\$30	-1%	-\$2	\$0.48	New Zealand imports					
		Turkey	1%	\$30	-1%	-\$1	\$0.17	Total		\$1	-15%	-\$1	\$0.93
Possible size of the prize		Luxembourg	1%	\$23	-8%	-\$12	\$0.25						
\$40-50m		Other	14%	\$370	-1%	-\$19	\$0.02						
		World		\$2,599	2%	\$282	\$0.00						

WATER UNSWEETENED [2201-10/90]

QUALITATIVE

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 global brands emerged in 19th Century (Evian 1829; Perrier 1898; San Pellegrino 1899; Vittel 1882) 	<ul style="list-style-type: none"> - Positive image of New Zealand with some consumers in some markets, particularly Asia - International association of New Zealand with “pure” and “clean” - Relative isolation of New Zealand geographically and low domestic population leading to water purity - Premium global position of New Zealand wines 	<ul style="list-style-type: none"> - Global beverage majors adding NZ water to their portfolio - Creating a story around New Zealand water
Strongly growing demand	<ul style="list-style-type: none"> - 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) 		
Asian opportunity	<ul style="list-style-type: none"> - Huge range of smaller brands and producers globally 		
Premium for quality	<ul style="list-style-type: none"> - Top 4 markets are U.S., Mexico, China and Brazil 		
Rich countries do it	<ul style="list-style-type: none"> - Global markets are either premium/status beverage (e.g. US) or by safety of tap water (developing world) 		
Capital Intensive	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - Long history of entrepreneurs trying to sell pure NZ water to global markets (at least since 1970's) 	<ul style="list-style-type: none"> - Arriving relatively “late to the game” - Very limited “magic healing spring” heritage on which to draw - Limited track record of premium/superpremium brand development - Lack of scale in bottling - Domestic market/consumers have not embraced product - Highly dependent on two markets (USA and Australia) 	<ul style="list-style-type: none"> - Quality assurance (cf. benzene in Perrier in 1990)
Required skills	<ul style="list-style-type: none"> - Most bottled water sold in NZ produced/distributed by soft drink duopoly (Coca-Cola/Pump/Kiwi Blue; Frucor/H2GO/NZ Natural) 		
Leverage country image	<ul style="list-style-type: none"> - Emergent smaller producers achieving success in last decade (Antipodes (2003); Fine/420 (2005); Eternal (2005); Waiwera (claims 136 year history)) 		
Able to differentiate	<ul style="list-style-type: none"> - Waiwera recently acquired by Russian entrepreneur 		
Trade Access			
Overall			

Quantitative Scorecard	Global market Major importing countries						Key NZ metrics				Value 2010	10y CAGR (00-10)								
	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# of hops growers													
Export value (US\$m; 10)							# employed in production (C121-200)				1,540	0%								
- NZ	\$26m	USA	37%	\$3,748	2%	\$405					15	N/A								
- Global	\$10,790m	United Kingdom	7%	\$661	0%	\$3					370	N/A								
		Italy	6%	\$626	4%	\$102					830	N/A								
		Canada	6%	\$610	11%	\$246														
		France	6%	\$577	5%	\$117														
		Germany	5%	\$521	12%	\$223														
		Spain	2%	\$229	3%	\$33														
		Netherlands	2%	\$206	0%	\$3														
		Ireland	2%	\$192	-2%	-\$17														
5y CAGR (US\$; 05-10)											51	-1%								
- NZ	14%	Australia	2%	\$181	21%	\$112														
- Global	6%	Russian Federation	2%	\$168	14%	\$82														
		Belgium	2%	\$165	8%	\$51														
		Sweden	1%	\$109	7%	\$33														
		Other	20%	\$2,008	8%	\$660														
		World	100%	\$10,002	5%	\$2,053														
Absolute 5y growth (05-10)																				
- NZ	+\$12m	Lion																		
- Global	+\$2,620m	DB Breweries																		
		Harringtons																		
		McCashin's																		
		Moa																		
		<i>Other smaller niche/boutique (Emersons, Epic, Green Man, Founder's, Renaissance, Pink Elephant, many others...)</i>																		
\$/I (US\$; 10)							New Zealand exports by destination													
- NZ	\$0.72	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)									
- Global	\$0.96	Mexico	17%	\$1,876	4%	\$369	\$1.05	Australia	70%	\$18	31%	\$13	TBD							
		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							
		Belgium	9%	\$973	8%	\$298	\$1.39	American Samoa	3%	\$1	25%	\$0	TBD							
		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							
		Ireland	3%	\$354	2%	\$26	\$0.89	World		\$26	14%	\$12	\$0.72							
		Denmark	3%	\$323	0%	\$1	\$1.03													
Possible size of the prize	\$100m+	France	3%	\$304	10%	\$112	\$0.97													
- Top 3 importers	50%	Canada	2%	\$244	0%	\$3	\$0.73													
- Top 3 exporters	46%	Portugal	2%	\$219	16%	\$112	\$0.96													
- New Zealand	0.2%	Czech Rep.	2%	\$201	6%	\$49	\$0.62	New Zealand imports												
		Italy	1%	\$151	15%	\$76	\$0.80	Total		\$39	9%	+\$13	TBD							
		Other	17%	\$1,854	10%	\$687	\$0.68													
		World		\$10,790	6%	\$2,620	\$0.96													

Qualitative Scorecard Global	Market structure and situation Global	Nature of challenge	
		Leveragable existing NZ factors	Potential sources of value creation
Large global market	●	- Most beer produced and consumed in country of origin; relatively little crosses borders	- 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
Strongly growing demand	○	- Global beer industry relatively consolidated in developed world; most produce global brands in multiple markets	- Consolidation of smaller microbreweries - Global ownership of Lion, DB and Independent able to export through their existing network
Asian opportunity	○	- Major beer exporters are independent/non-global beer firms tied to specific countries (e.g. Grupo Modelo/Corona)	
Premium for quality	○	- Craft/boutique beers emerged in UK in 70's and US in 80's; rapid spread; now thousands globally	
Rich countries do it	●		
Capital Intensive	●		
New Zealand	New Zealand	Challenges/limitations to growth	Potential role for government
Large # of firms	●	- Large NZ brewers foreign owned with limited incentive to push and develop exports; appear more interested in producing global brands in NZ	- High domestic taxes on alcohol; no progressive tax element as in competitors
Required skills	●	- NZ beer styles not traditionally unique; no clear point-of-difference in global market	- Limited brewing heritage on which to draw (e.g. vs. Bavaria)
Leverage country image	○	- NZ currently a minor beer exporter (similar in size to Dominican Republic or Estonia); exports primarily to Australia, US and Pacific Islands	
Able to differentiate	○	- 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)	
Trade Access	○	- New Zealand currently imports 50% more beer than in exports (by value) [i.e. a trade deficit in beer]	
Overall	○		

ALCOHOLIC CIDER, FERMENTED RICE-BASED ALCOHOL & OTHER FERMENTED [220600]

QUANTITATIVE

Quantitative Scorecard	Global market Major importing countries						Key NZ metrics				Value 2010	10y CAGR (05-10)				
Export value (US\$m; 10)	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (2010)	\$/kg	# of apple/pear growers (A013-400) Planted area (ha) Apple/pear production (t; 000)									
- NZ \$10m	United Kingdom	20%	\$190	24%	\$124	\$2.32	520 (07)				-10% (97-07)					
- Global \$1,083m	Japan	17%	\$165	20%	\$99	\$1.05	8,765 (07)				-6% (97-07)					
5y CAGR (US\$; 05-10)	USA	9%	\$88	3%	\$10	\$3.14	421 (07)				1% (97-07)					
- NZ 117%	Germany	6%	\$52	3%	\$8	\$1.43	# employed in processing # of producers (#)									
- Global 16%	Denmark	5%	\$45	56%	\$40	\$1.47	N/A				N/A					
Absolute 5y growth (05-10)	Canada	4%	\$36	12%	\$15	\$3.61	N/A				N/A					
- NZ +\$10m	Australia	3%	\$32	23%	\$21	\$2.71	Key NZ firms Turnover (NZ\$m; 10) Empl. (#; 10) Ownership									
- Global +\$560m	Russian Federation	3%	\$30	39%	\$24	\$1.07	Lion	\$605m	1,400	Japan						
	Hong Kong SAR	2%	\$21	18%	\$12	\$4.53	DB Breweries	\$461m	500	Singapore/Netherlands						
	Spain	2%	\$18	6%	\$4	\$1.05	Foster's NZ/Harvest	N/A	N/A	Australia						
	Finland	2%	\$17	2%	\$1	\$1.09	DB (Johnny Arrow, Monteith's); Lion (Isaac's, Speights) Other smaller niche/boutique (Redwood/Old Mout, Benger Gold/Wild Cider, Zeffler Brewing, Distillerie Deinlein, McCashin's, Invercargill, etc.)									
	South Korea	2%	\$17	48%	\$14	\$3.47										
	Ireland	2%	\$16	9%	\$6	\$1.28										
	Other	23%	\$219	7%	\$65	\$1.25										
	World	100%	\$945	14%	\$445	\$1.54										
\$/I (US\$; 10)	Major exporting countries						New Zealand exports by destination									
- NZ \$1.96	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (2010)	\$/kg	Country	Export Share	Exports (US\$m)	5y CAGR (05-10)	5y ABS (2010)	\$/I (2010)				
- Global \$1.48	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				
	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				
	Netherlands	5%	\$55	40%	\$44	\$1.35	Canada	0%	\$0	N/A	\$0	\$4.97				
	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				
	France	5%	\$50	7%	\$15	\$2.01										
	Germany	4%	\$45	13%	\$20	\$1.13										
	South Africa	4%	\$40	67%	\$37	\$1.65										
	Denmark	3%	\$38	50%	\$33	\$1.74										
	USA	3%	\$33	-7%	-\$13	\$1.59	New Zealand imports									
	China	3%	\$32	-3%	-\$5	\$1.21	Total		\$1.4	13%	+\$0.6	\$7.32				
	Other	16%	\$171	5%	\$39	\$0.91										
	World	100%	\$1,083	16%	\$560	\$1.48										

ALCOHOLIC CIDER, FERMENTED RICE-BASED ALCOHOL & OTHER FERMENTED [220600]

QUALITATIVE

Qualitative Scorecard Global	Market structure and situation Global	Nature of challenge	
		Leveragable existing NZ factors	Potential sources of value creation
Large global market	- Global data mixes alcoholic apple cider and fermented rice drinks (e.g. Soju, Sake) [inseparable at source]	- Globally competitive apple industry and global NZ apple consumer base	- Get apples through fresh apple trade barriers in a liquid form
Strongly growing demand	- Smaller (US\$1b) global category achieving strong growth (16%) driven by increasing consumer demand in key rich, developed markets	- Premium global position of New Zealand wines	- Strength of Lion Breweries in Australia
Asian opportunity	- Market primarily rich Northern Hemisphere apple eating countries (cider) and inter-Asia (rice based)	- NZ developed apple varieties (Gala; Braeburn), including IP controlled (Jazz)	- Global ownership of Lion, DB and Independent able to export through their existing network
Premium for quality	- Ireland is global market leader (20% share; CAGR 16%); cider strong in Ireland due to preferential tax treatment; C&C/Bulmers dominates market		
Rich countries do it			
Capital Intensive			
New Zealand	New Zealand	Challenges/limitations to growth	Potential role for government
Large # of firms	- 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	- Success currently highly dependant on business decisions of two firms	- Regulation around quality and authenticity
Required skills		- High domestic taxes on alcohol	- Ongoing trade negotiations with key trading markets
Leverage country image		- Government's long-term love/hate relationship with alcohol and hence sector	- Knowledge transfer and skills development
Able to differentiate			
Trade Access			
Overall			

SPIRITS [2208] WHISKEYS + VODKA + LIQUEURS + OTHER

QUANTITATIVE

Quantitative Scorecard		Global market Major importing countries					Key NZ metrics				Value 2010	10y CAGR (00-10)	
Export value (US\$m; 10)		Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# employed in processing (C121-300)					
- NZ	\$47m	USA	26%	\$5,742	5%	\$1,255	\$4.46	# of enterprise units (#) (C121-300)					
- Global	\$22,970m	Germany	6%	\$1,437	6%	\$363	\$5.39						
5y CAGR (US\$; 05-10)		Spain	6%	\$1,358	1%	\$81	\$4.70						
		France	5%	\$1,180	8%	\$360	\$10.64						
		Singapore	5%	\$1,066	19%	\$626	\$16.38						
		Russian Federation	4%	\$957	8%	\$294	\$3.86	Key NZ firms		Turnover (NZ\$m; 10)	Empl. (#; 10)	Ownership	
- NZ	13%	United Kingdom	3%	\$779	-1%	-\$30	\$5.92	Independent		\$414m	300	Japan	
- Global	8%	China	3%	\$703	20%	\$426	\$13.26	Bacardi/42 Below		\$11m	N/A	Bermuda	
Absolute 5y growth (05-10)		Canada	3%	\$665	8%	\$209	\$12.09	VoC		\$2m	25+	NZ; private	
		Japan	3%	\$608	-0%	-\$12	\$4.50						
		Netherlands	2%	\$487	12%	\$206	\$8.47						
		Australia	2%	\$464	9%	\$165	\$16.67						
- NZ	+\$21m	Italy	2%	\$429	3%	\$68	\$7.18	<i>Other smaller (McCashin's; The NZ Whisky Company; Thomson; Broken Shed; Stolen Rum; NZMWC; Southern Distilleries; Distillerie Deinlein; Ti-Toki; etc.)</i>					
- Global	+\$7,078m	Other	29%	\$6,430	8%	\$2,078	\$5.10						
		World		\$22,303	7%	\$6,089	\$5.51						
\$/I (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)	\$/I (2010)
- NZ	\$10.54	United Kingdom	29%	\$6,561	5%	\$1,417	\$7.25	Australia	29%	\$13	0%	-\$0	\$6.58
- Global	\$6.72	France	17%	\$3,939	7%	\$1,125	\$23.38	USA	16%	\$7	25%	\$5	\$10.44
Global share of trade:		USA	6%	\$1,366	12%	\$590	\$7.11	Canada	15%	\$7	27%	\$5	\$19.60
		Singapore	6%	\$1,334	24%	\$874	\$24.00	Viet Nam	10%	\$5	77%	\$4	\$132.37
		Germany	6%	\$1,314	11%	\$550	\$5.86	Rep. of Korea	7%	\$3	8%	\$1	\$31.12
- Top 3 importers	38%	Mexico	4%	\$871	5%	\$187	\$5.49	Other	23%	\$11	18%	\$6	\$9.20
- Top 3 exporters	52%	Ireland	3%	\$763	1%	\$47	\$6.67						
- New Zealand	0.2%	Italy	3%	\$697	5%	\$163	\$7.24						
Possible size of the prize		Sweden	3%	\$655	2%	\$62	\$5.98						
\$300m+		Spain	2%	\$508	6%	\$120	\$4.03						
		Netherlands	2%	\$507	7%	\$151	\$9.65						
		Hong Kong SAR	2%	\$457	14%	\$216	\$60.06	New Zealand imports					
		Canada	1%	\$331	-1%	-\$13	\$2.64	Total		\$94	1%	+\$6	\$11.71
		Other	16%	\$3,669	12%	\$1,589	\$3.39						
		World		\$22,970	8%	\$7,078	\$6.72						

Qualitative Scorecard Global	Market structure and situation Global	Nature of challenge	
		Leveragable existing NZ factors	Potential sources of value creation
Large global market	- Global market large (US\$23b) and growing (CAGR 8%)	- Premium global position of New Zealand wines	- Development of premium NZ-iconic brands/products/tastes
Strongly growing demand	- Most spirits have regional identity (e.g. Ouzo = Greece; Tequila = Mexico)	- New Zealand flavours (kiwifruit, feijoa, manuka honey, etc.)	- Leverage in-market awareness of NZ as a supplier of specific products (e.g. honey, kiwifruit, dairy [Irish Cream])
Asian opportunity	- Major exporters and importers are rich, developed Europe and US (and Mexico) among each other	- Unique NZ flora (e.g. cabbage tree hearts similar to agave hearts)	
Premium for quality	- Asia relatively small but growing market; primarily premium status brands; per capita consumption low	- Indigenous traditions (e.g. tutu "beer")	
Rich countries do it	- Highly branded premium products; low to nil private label	- Immigrants bringing new skills and capabilities	
Capital Intensive	- Large premium players but also many successful independents		
New Zealand	New Zealand	Challenges/limitations to growth	Potential role for government
Large # of firms	- Long history of small scale production (e.g. Scottish immigrants making whisky); mixed track record of success and government interference/prohibition	- Limited history on which to draw	- Regulation around quality and authenticity
Required skills	- Relatively young sector for NZ; Independent Liquor emerged in 80's making alco-pops for domestic market and export	- No New Zealand "identity" spirit	- Ongoing trade negotiations with key trading markets
Leverage country image	- Limited large companies or growth history	- High domestic taxes on alcohol	- Foundation research on industry potential (cf. Romeo Bragato in 1895)
Able to differentiate	- 42 Below listed then acquired by Bacardi	- Government's long-term love/hate relationship with alcohol and hence sector	- Knowledge transfer and skills development
Trade Access	- New generation of firms emerging targeting export		- Consider progressive tax to encourage development of smaller producers
Overall			

Quantitative Scorecard	Global market Major importing countries						Key NZ metrics				Value 2010	10y CAGR (00-10)		
	Country	Import Share	Imports (US\$m)	5y CAGR (05-10)	5y ABS (05-10)	\$/kg (2010)	# employed in processing (C119-200)				770	7%		
Export value (US\$m; 10)	China	13%	\$1,757	10%	\$655	\$1.49	# of enterprise units (#) (C119-200)				80	3%		
	Japan	9%	\$1,312	6%	\$340	\$2.00								
	Germany	8%	\$1,173	5%	\$252	\$1.32								
	United Kingdom	6%	\$846	4%	\$140	\$1.68								
	Italy	5%	\$653	10%	\$240	\$1.18								
	USA	5%	\$647	18%	\$368	\$2.65								
	Canada	5%	\$626	12%	\$263	\$1.77								
	France	4%	\$550	7%	\$165	\$1.37								
	Belgium	3%	\$483	6%	\$117	\$1.37								
	Norway	3%	\$436	15%	\$220	\$1.73								
Absolute 5y growth (05-10)	Netherlands	3%	\$353	5%	\$72	\$1.09	Key NZ firms				Ownership			
	Spain	2%	\$324	10%	\$127	\$1.58					NZ (div of Scales)			
	Denmark	2%	\$317	6%	\$85	\$1.43					NZ; private			
	Other	32%	\$4,368	10%	\$1,691	\$1.16					NZ; private			
	World		\$13,846	9%	\$4,734	\$1.40					NZ; private			
\$/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)		
	Peru	12%	\$1,626	7%	\$475	\$1.48	Australia	22%	\$37	18%	\$20	\$2.35		
	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		
	Germany	9%	\$1,217	11%	\$491	\$1.34	USA	17%	\$28	20%	\$17	\$1.01		
	Netherlands	6%	\$798	7%	\$234	\$1.10	Japan	4%	\$7	-11%	-\$6	\$1.60		
	Thailand	6%	\$762	17%	\$409	\$1.97	Taiwan	4%	\$7	13%	\$3	\$0.87		
	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		
Possible size of the prize \$500m+	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	Total		\$83	8%	+\$26	\$1.76		
	United Kingdom	2%	\$323	13%	\$148	\$1.05								
	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	- Growing pet ownership/spending as child substitute; purchasing decisions made on image not taste	- Existing major players in NZ	- Opportunity to expand exports to Australia and China (high value markets)
Strongly growing demand	- Peru, France, USA & Germany are the leading pet food exporters each with over a \$1b worth of exports	- Safe and secure supply of raw materials	- Expansion of existing operations
Asian opportunity	- China and Japan and EU are the leading importers	- Nutraceuticals/functional foods capabilities (low/no regulation of use in pets leads to high use/claims)	- New products from currently underutilised waste streams
Premium for quality	- Relatively consolidated: top 10 = ~70% global sales	- Wide range of protein inputs (beef, lamb, dairy, seafood)	
Rich countries do it	- Profitable sector encouraging investment by major global F&B multinationals	- Exotic ingredients (a global pet food trend targeting buyer)	
Capital Intensive	- Relatively unregulated (e.g. ingredients, claims) as not consumed by humans		
New Zealand	New Zealand	Challenges/limitations to growth	Potential role for government
Large # of firms	- Tux biscuit invented in NZ by Tiny Moore in 1954; acquired by Purina, itself acquired by Nestle	- Global firms in NZ vulnerable to head office decisions	- Facilitate continued growth of existing NZ-resident mid-sized pet food manufacturers
Required skills	- Category consists of meat based meals and pellets + fish based meals and pellets + dog or cat food for retail	- Finite amount of raw material/ by-product	- Work with existing multinationals (Nestle, Mars, Heinz) to understand and facilitate drivers of further investment
Leverage country image	- 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	- Not a low cost producer of grain	- Attract further investment by new pet food multinationals
Able to differentiate	- Major global category leaders have invested in the pet food category in NZ (Mars, Nestle, Heinz)	- Consolidated category globally with limited room for new market entrants	- Japan (e.g. Unicharm, Nisshin, Nippon Pet)
Trade Access		- International success requires significant investment in brand building	- Europe (e.g. Agrolimen)
Overall			- USA (e.g. Colgate, P&G)

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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, plaice)	\$ 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 Capiscum 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

... 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			
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' wort	\$ 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
Investment NEW ZEALAND 	- Introduction, coordination and communication services	http://www.investmentnz.govt.nz/GetInTouch.aspx
TRADE & ENTERPRISE 	- Trade promotion - Export development	http://www.nzte.govt.nz/about-nzte/pages/new-zealand-offices.aspx
Ministry of Economic Development <i>Manatū Ōhanga</i> 	- Economic Development Policy - Sector Overview	http://www.med.govt.nz www.foodandbeverage.govt.nz
ministry of science + innovation <i>TE PUNĀHA MIRINGA WHAKAHE</i> 	- Research goals & priorities - Scientific research funding	http://www.msi.govt.nz/contact
NEW ZEALAND MINISTRY OF FOREIGN AFFAIRS & TRADE <i>MANATŪ AORERE</i> 	- Trade relationships - Trade policy, including trade negotiations and offshore market access barriers	http://mfat.govt.nz/About-the-Ministry/Contact-us/index.php
MAF 	- Biosecurity - Agricultural production - Food safety	http://www.maf.govt.nz/about-maf/contact-us
Department of Labour <i>TI TARI MAHI</i> 	- 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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