MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

Meeting with the New Zealand Food and Grocery Council

To:	Hon Nicola Willis – Minister for Economic Growth
Attendees:	Raewyn Bleakley – Chief Executive of the New Zealand Food and Grocery Council.
Time and Date:	Thursday 30 April 2026, 10:00 am,
Location	E.W. 7.02

Agenda

Item	Suggested speaking notes
1. Impacts of fuel prices on NZFGC members	• Advice suggests that we don't expect to see prolonged fuel supply disruption, but we are likely to see higher prices in the medium to long term. • Since the start of the war, what kind of average price increases have your members seen in costs to manufacture and supply grocery products? • What have your members done to respond to higher prices – have they changed production or logistics? What will be a tipping point in price for considering changes? • How have the major supermarkets responded? • The Commerce Commission is responsible for the Grocery Supply Code. I encourage you to raise concerns with them.

Out of scope

Approved by: Matthew Mitchell – Manager, Market Performance, Building, Resources and Markets, MBIE

Supporting notes

1. You are meeting with Raewyn Bleakley, Chief Executive of the New Zealand Food and Grocery Council (NZFGC), to discuss impacts of the fuel supply disruption on New Zealand's food suppliers. The meeting will take place on Thursday 30 April, at 10:00 am, at your office.

High fuel prices are contributing to higher input costs for food suppliers

2. Increased fuel prices are contributing to higher input costs for growing, manufacturing, packaging and transporting food.

3. We understand that food suppliers are particularly concerned about the extra costs that transport and logistic companies are charging, including increases to the Fuel Adjustment Factor (FAF). The FAF is a common feature of many logistic contracts, and is a surcharge used by logistic companies to cover additional costs due to volatile fuel prices. We have heard that FAFs can be reset as frequently as on a weekly basis, allowing logistics companies to pass through fuel costs quickly.

Some suppliers may struggle to increase prices charged to the major supermarkets

4. As you are aware, many New Zealand food suppliers suffer from a weak bargaining position when negotiating terms with major New Zealand supermarkets. This can make it difficult for suppliers to negotiate higher prices for their goods to cover increased costs.

5. The Grocery Supply Code (**the Code**) is regulation made under the Grocery Industry Competition Act 2023 designed to address this imbalance in bargaining power. It places several obligations on regulated retailers (Foodstuffs North Island, Foodstuffs South Island and Woolworths) to ensure these retailers treat their suppliers fairly.

6. The Code includes an obligation that regulated retailers respond to any request for price increases from suppliers within 30 days and swiftly settle any negotiations. However, this provision does not apply if a product has been subject to the same request within the last six-months (except in the case of fresh produce).

7. This does not prevent suppliers from seeking to renegotiate earlier than six months. If suppliers do choose to renegotiate earlier, the specific obligations in the Code relating to price increase requests do not apply. However, the retailer is still required to act in good faith, as per its general obligations under the Code.

8. The Commerce Commission (the Commission) is responsible for amending, monitoring and enforcing compliance with the Code. If NZFGC has any concerns relating to compliance with the Code, or the content of the Code, you could note that these issues are best raised with the Commission. Suppliers can report concerns through the Commission's anonymous reporting tool or can take complaints to the independent grocery dispute resolution scheme.

9. The Commission has been engaging with industry on the issue of fuel-related price increase requests and has written to the major retailers. The Commission has advised that Foodstuffs North Island has recently set up a process to consider price increases from suppliers due to fuel costs and Woolworths has recently increased their capacity to deal with pricing requests in a timely manner.

10. The Commission has noted the balance needed to ensure prices reflect genuine long-run increased costs of supply, and noted risks that prices remain high, after fuel prices come down.

11. After the Commission review of the Code in 2025, the amended Code will come into force on 1 May. The Commission will be running training to support transition to the new code.

Out of scope

Fuel update

17. Updated as of 28 April at 10:08 am:

- The national average diesel price has dropped 55 c/L over 14 days – an average decline of around 4 cents per day. While diesel prices are still elevated, the national average diesel price has been lower than Premium 95 since the end of last week.

Fuel	Prices on 28 April as at 10:08	Change since 27 April	Change since start of war[1]
Regular 91	$3.28/L	down $0.01/L (-0.3%)	up $0.72/L (+28%)
Premium 95	$3.48/L	no change	up $0.75/L (+27%)
Diesel	$3.35/L	down $0.03/L (-0.9%)	up $1.47/L (+78%)

[1] Based on the weekly national average fuel price for the week of 23 February - 1 March 2026, calculated by MBIE and published publicly. Daily prices and day-on-day changes use provisional data from Gaspy and may vary from MBIE’s published weekly figures.