

# MAKE YOUR HEALTHY irresistible

#### ZESPRI INTERNATIONAL LIMITED

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**TO:** Gisborne District Council

Cc: Eastland Port Limited

**DATE:** 25 October 2022

**SUBJECT:** Eastland Port Twin Berth Stage 2 Application

**SUBMITTED BY:** Zespri International Limited ("Zespri")

## 1. INTRODUCTION

Zespri is the world's largest marketer of kiwifruit, accounting for about one third of global kiwifruit trade. Zespri is 100 percent owned by current and former kiwifruit growers and has a global team of more than 800 based in Mount Maunganui and throughout Asia, Europe and the Americas. Our purpose is to help people, communities and the environment around the world thrive through the goodness of kiwifruit, and we work with 2,800 growers in New Zealand and 1,500 growers offshore to provide consumers with fresh, healthy and great-tasting Zespri™ Green, RubyRed™ and SunGold™ Kiwifruit. In 2021/22, we supplied over 200 million trays of kiwifruit to consumers in more than 50 markets, and recorded global operating revenue of NZ\$4.47 billion. Zespri is committed to sustainability, with areas of improvement identified right through the supply chain including our pledge that by 2025 we will use 100 percent reusable, recyclable or compostable packaging, do more to help the environment, and to become carbon positive by 2035. Zespri has a comprehensive community investment programme built around ensuring we are contributing towards a happy and healthy community, a sustainable environment, and a skilled and innovative industry. We partner with a number of organisations whose work supports this and we believe that as our industry grows, so too must the contribution we make to our communities.

## 2. EXECUTIVE SUMMARY

- 2.1 Zespri supports the approval of Eastland Port Limited's consent applications allowing the upgrade and extension of Gisborne Port.
- 2.2 This extension will unlock future economic growth and increase port capacity, providing job opportunities for the local community and giving the business sector confidence to invest in Tairāwhiti regional development. It also supports future industry growth.
- 2.3 The upgrade will put Eastland Port in a strong position to capitalise on the proposed transhipping opportunities outlined in the *New Zealand Freight and Supply Chain Issues Paper* aimed to decarbonise the New Zealand supply chain.
- 2.4 Similarly the upgrade will increase port capacity and the bigger berth creates opportunities for bigger ships with lower carbon emitting technologies to call at Eastland Port.



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#### 3. BACKGROUND

- 3.1 Zespri is a global business with ambitious growth targets, driven by a strong set of values and a desire to continue to grow the kiwifruit industry in a way that is good for people, communities and the environment.
- 3.2 The industry is growing strongly as is its use of shipping to get fruit to market. Alongside containers, charter vessels are used to ship New Zealand-grown Zespri fruit to market. This year 72 charter sailings are planned, helping to transport over 172 million trays of New Zealand kiwifruit to over 50 markets around the world. With upgraded port infrastructure and the right settings in place, the size of the opportunity for our industry and our growing communities out to 2030 is immense projections show the kiwifruit industry could experience twofold volume growth and up to threefold value growth, meaning that by 2030 depending on the industry's ability to meet that level of demand, including addressing supply chain constraints including shipping.

## Scale of maritime freight in Tairāwhiti region

- 3.3 Tairāwhiti region growers produced 5.6 million trays of kiwifruit last year with the Zespri SunGold Kiwifruit variety making up 95 percent of the crop. SunGold is a product that is rapidly growing global market demand, attracting new consumers and generating high returns to growers and communities. Industry returns to Poverty Bay were around NZD\$89 million, supporting provincial development, local jobs and community investment.
- 3.4 Eastland Port is a crucial part of the Zespri supply chain as currently half of the Poverty Bay kiwifruit supply (over 2.5 million trays) is shipped via reefer vessel from Eastland Port directly to export markets.
- 3.5 Moving forward there will be more horticultural demand for fruit to be shipped from Eastland Port as more plantings come into production alongside plans for future growth.

## 4. GROWTH AND DIVERSIFICATION

- 4.1 The Eastland Port currently has one large berth predominantly used for forestry as it makes up 97 percent of the Port's customer base and a second smaller berth that is currently under reconstruction. Access to twin large berths in future will be necessary as increasing volumes of perishable produce (kiwifruit, apples, squash, etc.) are expected to be shipped from the Eastland Port. The extension of the twin berths will unlock future growth, support the growth of a variety of industries and better address future demand for Eastland Port.
- 4.2 The port upgrade will enable greater access for bigger ships attracting new shipping customers, diversifying the customer base and mitigating commercial risk. Exporting industries are subject to the likes of biosecurity threats and labour shortages which affect market access and the ability to export at maximum return and have the ability to negatively impact the Port's export volumes as well as fluctuations in commodity prices; hence diversification of the cargo base is in the interests of Eastland Port and the local community.

#### 5. SUSTAINABILITY AND SUPPLY CHAIN RESILIENCE

- 5.1 The upgrade will put Eastland Port in a strong position to capitalise on the proposed transhipping opportunities outlined in the *New Zealand Freight and Supply Chain Issues Paper* aimed to decarbonise the New Zealand supply chain.
- 5.2 The upgrade would also support Zespri and other exporters from a supply chain resilience perspective. Forecasted weather conditions related to climate change impact will cause disruptions to maritime supply chain networks. With the likes of rougher seas and increased likelihood of tropical storms, for example, it increases the likelihood of shipping delays and damage to port infrastructure as a result. The upgrade presents an opportunity to mitigate risk when other ports, i.e. the Port of Tauranga are unable to operate on a temporary basis.
- 5.3 Lastly Zespri has identified shipping as an opportunity to reduce our international maritime emissions with a goal to achieve a carbon positive status by 2035. Having bigger twin berths provides the opportunity for new and bigger ships with lower carbon emitting technologies to call at Eastland Port.

Zespri International Limited October 2022

For further information, please contact:
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