



Expression of Interest (EOI) sought: Supply Agreement Training for Growers



- *Want to gain a clearer understanding of how the industry is structured commercially?*
- *Want to equip yourself with knowledge to make informed decisions and have the confidence to discuss concepts and proposals regarding the supply arrangements in the kiwifruit industry?*

BACKGROUND

As an advocate for kiwifruit Growers, an objective of NZKGI's Performance & Supply portfolio is to be accountable for increasing transparency, robust KPI's, and reporting on industry performance. An outcome of this objective is NZKGI's commitment to increasing the level of understanding of the commercial arrangements in the industry, specifically the annual Supply Agreement.

NZKGI has developed a successful, independent, Grower focused Learning & Development programme to upskill Growers on the Supply Agreement. The Supply Agreement training has been made available to Growers, Supply Entities, Suppliers and External Consultants to the industry, with excellent feedback being received to date. NZKGI would like to continue to make the training available during 2018/2019.

WHAT IS THE SUPPLY AGREEMENT?

The Supply Agreement relates to the supply of Kiwifruit and Services between Zespri Group Limited (ZGL) and Suppliers. Fundamentally, the Supply Agreement is individual legal agreements between Zespri and each Supplier, but a Grower can be a Supplier in their own right.

HOW DOES A GROWER FIT INTO THE SUPPLY AGREEMENT?

Suppliers and Supply Entities are key parties within the kiwifruit industry supply arrangements, acting as the contractual link between Zespri and Growers. Many of the obligations placed on Suppliers flow to Growers.

WHAT IS THE TRAINING OBJECTIVE?

The objective of the training is to upskill Growers so that they have a clear understanding of how the industry is structured commercially, including the Supply Agreement, and they can have confidence in discussion about concepts and proposals regarding the supply arrangements in the kiwifruit industry.

WHY SHOULD GROWERS ATTEND THIS TRAINING?

The Supply Agreement Training provides Growers with a good understanding of how the industry operates commercially, the role of Supply Entities and Suppliers and, if attendees are Directors or Trustees on a Supply Entity, their roles in governance and managing risk for the Growers. External Consultants to the industry such as Bankers and Insurers will also find the training useful in understanding all facets of the kiwifruit industry supply chain.

Attendees will also gain a greater understanding of the fundamental financial programmes within the industry: taste, kiwistart, time, size, pooling and cashflow so that when there is an industry initiative, they can

understand and debate the concepts with confidence. Additionally, the sessions may trigger some ideas for improvement (from orchard to supply entity).

WHO WILL DELIVER THE TRAINING?

The training will be delivered by Dave Darcy NZ Limited.

TRAINING FEEDBACK

Excellent feedback has been received of the Supply Agreement training by all attendees.

Excerpt from a letter received from a Supply Entity:

"Thanks for the opportunity to be part of the Supply Agreement Training that NZKGI has been an advocate for. The response from all those that attended the course was consistent - the course was excellent. Personnel learnt a lot with so much making more sense to them now.

Top marks also to the presenters who were well prepared and had a high-level understanding of the topics, which they were able to explain in a relaxed manner and in 'plain English'.

A remarkable success!"

Excerpt of Grower feedback from course evaluations:

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Grower Feedback</p> <p>Very insightful training. Gave a really good grounding in how the kiwifruit industry fits together (around the supply agreement) and how and what Growers get paid for.</p>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Grower Feedback</p> <p>Gave me a better understanding of the kiwifruit industry's governance, and confidence that appropriate checks and balances are in place in the interests of Growers.</p>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Grower Feedback</p> <p>I like how participants were encouraged to voice their perspective or opinion. The brainstorming was excellent to share ideas. The sessions were interesting and definitely helped me understand facets of the supply chain.</p>
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HOW MUCH DOES THE COURSE COST?

The training has been split into three 4-hour modules of which Module One is compulsory. Modules Two and Three are optional and come highly recommended. Each 4-hour module is priced at a cost of \$75 (plus GST) per Grower. Hence if a Grower would like to complete all three modules, the total cost would be \$75 x 3 = \$225 (plus GST) per Grower. The ideal course size is 12-15 Growers.

WHERE WILL THE COURSE(S) BE HELD?

Depending on the level of Grower interest received, the course(s) may be run on a regional basis. Flights and

accommodation for instructors (where required) will be additional.

WHAT DOES THE TRAINING COVER?

The course can be structured in three modules to cover the following sessions:

MODULE ONE

Session One

1. The legal structure of the contractual relationships between Zespri, Suppliers, Supply Entities and Growers.
2. Zespri and Supplier responsibilities, obligations and KPIs

Session Two

3. The relationship with the regulations
4. Zespri's obligations to purchase fruit
5. Supply Agreement negotiation process, including variations
6. Methodology of the pools, including sizes, growing method, varieties

MODULE TWO

Session Three

7. Standard cost models; time, kiwistart, pack differential
8. Key areas that relate to Grower equity

Session Four

9. Cashflow - payments, deductions, claw backs, set off
10. Financial risks for Growers
11. Agency and ownership
12. Disputes
13. Service Level Agreements
14. Loyalty agreement and exclusive suppliers.

Session Five

15. Taste

MODULE THREE

Session Six

16. Quality Manual
17. Crop protection programme and non-approved agrichemical use

Session Seven

18. Supplier Accountability
19. Insurance
20. Logistics, shipping, order & supply, port services

EXPRESSION OF INTEREST FORM

Please complete the following form to register your interest in the training. Growers, Supply Entity, Supplier and other Industry personnel are encouraged to attend:

EXPRESSION OF INTEREST: Supply Agreement Training		
Name:	First Name:	<input type="text"/>
	Last Name:	<input type="text"/>
Phone Number:	Home Number:	<input type="text"/>
	Mobile Number:	<input type="text"/>
Email Address:	<input type="text"/>	
KPIN:	<input type="text"/>	
Region:	<input type="text"/>	
I am interested in attending the following sessions:		
MODULE ONE [MANDATORY]	This module is compulsory for any grower wanting to attend the training.	
MODULE TWO [OPTIONAL]	Please tick the appropriate box:	
	Yes	No
	<input type="checkbox"/>	<input type="checkbox"/>
MODULE THREE [OPTIONAL]	Please tick the appropriate box:	
	Yes	No
	<input type="checkbox"/>	<input type="checkbox"/>
PREFERRED TRAINING TIME	Please tick the appropriate box:	
	Yes	No
August 2018	<input type="checkbox"/>	<input type="checkbox"/>
September 2018	<input type="checkbox"/>	<input type="checkbox"/>
October 2018	<input type="checkbox"/>	<input type="checkbox"/>
November 2018	<input type="checkbox"/>	<input type="checkbox"/>
December 2018	<input type="checkbox"/>	<input type="checkbox"/>
January 2019	<input type="checkbox"/>	<input type="checkbox"/>
February 2019	<input type="checkbox"/>	<input type="checkbox"/>
March 2019	<input type="checkbox"/>	<input type="checkbox"/>

MANDATORY

OPTIONAL

OPTIONAL

HOW TO REGISTER AN EXPRESSION OF INTEREST

You can register your Expression of Interest to attend the Supply Agreement training in the following ways:



ONLINE

Complete the online Expression of Interest form at <https://www.surveymonkey.com/r/KSK5MFL>



EMAIL

Complete the Expression of Interest form above and scan and email it to: lynda.mccalman@nzkgi.org.nz



POST

Complete the attached Expression of Interest form and post it to:

Lynda McCalman
 NZKGI
 PO Box 4246
 Mt Maunganui South 3149, BAY OF PLENTY