

Market Study into the NZ Grocery Sector Submission

We are fruit growers, and it is a struggle to make a profit at the best of times but especially when the supply is higher than demand. Therefore, during these times, we are forced to accept prices below or at running costs. If we don't accept these prices and terms, then our product will not be stocked, and the supermarkets will go to another marketer and accept a cheaper price. They exercise their buyer power to push the prices down rather than accept a minimum price where the growers aren't having to sell at a loss. We are wearing the cost of such high labour to pick the produce along with many other expenses, but we aren't getting an increase to cover these costs at our end.

They don't care, they haggle for the cheapest price, but they sure put their markup on the produce to cover their costs.

We understand the costs of running a business and operating a store, we are just saying that it's not fair for the grower to make almost nothing or even a loss and others don't. It should be a win-win for all parties. This is a hard pill to swallow when so much money and work has gone into growing crops only to see the marketing companies, packhouses and supermarkets make money.

Just to be clear we have no problem with companies making money, in fact it is a good thing for the economy and when people make money, they spend it, and they spend it in all sectors from retail to construction, so the money goes back to many businesses which keeps them going too. Our issue is that why can't the grower make money from their hard work? It doesn't seem to fair that other companies are making money when the grower (who grows and produces the fruit) is suffering.

I am attaching a recent invoice from a crop of lemons that we picked over the June/July period which averages to just 41c per kg. Supermarkets are currently selling them from \$3.50-\$8.99 per kg!! (see attached photos from each of the 3 of the major supermarkets websites).

All expenses must come off the 41c per kg we receive, such as labour (note: we are paying much higher than the living wage due to the labour shortage), fertilisers, tractor maintenance, diesel, insurance, mortgage, R&M on the land, water charges, cartage, power etc just to name a few so you can see the loss adds up to quite a bit. Not to mention the battles mother nature throws at us.

Sure, sometimes we make some money, but it is not a big profit and when we must accept prices at this low level any small profit just goes out the door.

Please note, I am just using lemons as an example, **this is the same for many other crops such as mandarins, oranges, persimmons and so much more**. The poor grower gets very little from their hard work and yet the supermarkets make millions in profit each year. This must change so it is better for the growers as growers are also consumers too.

We will remain hopeful that this submission and the inquiry from the Commerce Commission will lead to a good outcome as the prices we get paid have barely changed for the past 10 years.

Note: We have removed some identifiable details from the invoice for privacy reasons.

We're making changes to improve our website. On 28th July at 10pm, you'll be logged out of your account. On your next visit, you'll need to log in again with your email and password.


You're shopping from **PAK'SAVE Whakatane** - Choose a timeslot - [Log in or register](#)

PAK'SAVE Search for groceries e.g. milk... \$0.00

Groceries Deals My Lists

Fresh Foods & Bakery Fruit & Vegetables Fresh Fruit

EVERYDAY LOW



Lemons kg
8⁹⁹
KG

Each Weight

1 ea **ADD**


Add to list

Your store is **New World Waikato** - You're collecting from **New World Waikato** - Choose a timeslot - [Log in or register](#)

NEW WORLD Search for groceries e.g. milk... \$0.00

Groceries Specials Everyday Value My Lists

Fresh Foods & Bakery Fruit & Vegetables Fresh Fruit



Lemons kg
5⁹⁹
KG

1 ea **ADD**

Add to list



\$48.30

Search Groceries



Fresh Produce Lemons

Great for fish dishes, drinks and garnishing.
Approx 5-7 medium lemons per 1kg - but
actual quantity may vary.

Loose Per kg

\$3⁵⁰
kg



Home



Shop



List



Specials



Account