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2

THE CHALLENGE OF AGRICULTURAL CO-OPERATIVES
INTERNATIONALISATION:
CASE STUDIES OF FONTERRA AND ZESPRI

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ABSTRACT

Internationalisation of agricultural co-operatives is a worldwide trend that has been identified by several studies as one of the key challenges co-operatives are currently facing. The main question that this paper aims to answer is: how can agricultural co-operatives internationalise without generating conflicts with or distancing themselves from their members? Starting with a comprehensive literature review of the internationalisation of agricultural co-operatives globally, the paper introduces a new descriptive model for determining internationalisation of co-operatives. Using the mentioned model, the paper develops in detail the case studies of two New Zealand co-operatives: Fonterra, a pure co-operative in the dairy industry and Zespri, a co-operative hybrid in the kiwifruit industry, and their internationalisation situation. Based on a cross-case comparison the paper finally outlines the risks, potential conflicts and critical factors these two co-operatives face in their internationalisation process.

Keywords: agricultural co-operatives, internationalisation, international business, agribusiness, dairy industry, kiwifruit, Fonterra, Zespri.

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TABLE OF CONTENTS

CHAPTER ONE: INTRODUCTION.....	1
1.1 Background.....	1
1.2 Problem statement.....	2
1.3 Objectives of the research.....	4
1.4 Relevance of the research.....	5
1.5 Limitations of the research.....	6
1.6 Thesis outline.....	7
CHAPTER TWO: LITERATURE REVIEW.....	8
2.1 Agricultural co-operatives.....	8
2.1.1 Background: Definition and principles.....	8
2.1.1.1 Types of agricultural co-operatives.....	11
2.1.1.2 Marketing co-operatives.....	12
2.1.1.3 Agricultural co-operatives in New Zealand.....	13
2.1.2 Unique characteristics of co-operatives.....	14
2.1.3 Changes in the international scene for co-operatives.....	16
2.1.4 International trends in agricultural co-operatives.....	17
2.1.5 Emergence of new co-operative models.....	20
2.1.6 Future opportunities and challenges.....	23
2.2 Internationalisation of business.....	25
2.2.1 Internationalisation motivations.....	25
2.2.1.1 International, multinational, global, and transnational: differences.....	27
2.2.2 Barriers to internationalisation.....	28
2.2.3 Theories of business internationalisation.....	30
2.2.4 Forms of market entry (service mode).....	32
2.2.5 Internationalisation of the value chain.....	33
2.2.6 Globalisation of markets and businesses.....	34
2.2.7 International business strategies.....	36
2.2.8 Structure and organisation in international business.....	39
2.2.9 The internationalisation challenge: worldwide learning.....	41
2.3 Internationalisation of agricultural co-operatives.....	41

2.3.1 The choice of internationalisation.....	42
2.3.2 Reasons for internationalisation of agricultural co-operatives	44
2.3.2.1 General reasons for internationalisation of co-operatives	44
2.3.2.2 Co-operatives' specific advantages for internationalisation	45
2.3.3 Problems and barriers of co-operatives internationalisation.....	47
2.3.4 Forms of co-operatives internationalisation.....	50
2.3.4.1 Exporting.....	53
2.3.4.2 Foreign Direct Investments (FDI).....	54
2.3.4.3 Knowledge agreements.....	55
2.3.4.4 International alliances	55
2.3.4.5 Transnational co-operatives.....	56
2.3.5 Remaining challenges and opportunities in internationalisation	58
2.3.6 Potential conflicts.....	59
2.3.7 Case study research.....	61
CHAPTER THREE: METHODOLOGY	66
3.1 Research method.....	66
3.2 Research design	66
3.2.1 Study protocol.....	67
3.2.2 Issues of research quality	68
3.2.3 Ethical considerations	68
3.3 Selection of participants.....	69
3.4 Data collection	70
3.4.1 Semi-structured interviews construction.....	72
3.5 Data analysis procedures.....	73
3.5.1 Development of a model of internationalisation of agricultural co-operatives ...	73
3.6 Presentation of results	75
3.7 Summary	75
CHAPTER FOUR: FONTERRA CO-OPERATIVE GROUP CASE STUDY	77
4.1 Company overview	77
4.2. History.....	79
4.3 Environment.....	80
4.3.1 World dairy industry situation	81

4.3.2	Main competitors in world markets	83
4.3.3	New Zealand dairy industry situation	84
4.3.4	Local dairy companies	87
4.4	Current situation.....	89
4.4.1	Mission statement and strategy.....	89
4.4.1.1	Adding value: NZDB's and now Fonterra's strategy	90
4.4.1.2	Strategy review	91
4.4.2	Business structure	92
4.4.3	Statistics and key figures	93
4.4.4	Organisational structure	95
4.4.5	Capital structure and financing	98
4.4.5.1	Capital structure components.....	99
4.4.5.2	New economic indicators.....	100
4.4.5.3	Capital structure review	101
4.4.6	Governance structure	102
4.4.6.1	Executive Management.....	104
4.4.6.2	Board of Directors.....	104
4.4.6.3	Shareholders' Council.....	106
4.4.6.4	Board and Council interaction	108
4.4.7	Knowledge creation and Research & Development (R&D).....	108
4.4.7.1	Knowledge Creation	108
4.4.7.2	Research and Development (R&D)	110
4.5	Fonterra's internationalisation	113
4.5.1	Business internationalisation	113
4.5.1.1	Exchange rate influence.....	115
4.5.1.2	Foreign Market Service Modes (FMSM)	116
4.5.2	Knowledge and capabilities internationalisation	125
4.5.2.1	Core capabilities.....	125
4.5.2.2	Capabilities internationalisation.....	126
4.5.2.3	Knowledge internationalisation	128
4.6	Integrative structures.....	129
4.6.1	Governors/farmers interface	129

4.6.2 Company /farmers interface.....	132
4.7 Integrative mechanisms	134
4.7.1 Communication.....	134
4.7.1.1 Face to face communication mechanisms.....	137
4.7.1.2 Printed communication mechanisms	138
4.7.1.3 Electronic communication mechanisms	140
4.7.1.4 Other communication mechanisms.....	140
4.7.2 Education and up-skilling	141
4.7.2.1 Industry Training and Personal Development program.....	143
4.8 Implications of the internationalisation strategy adopted	144
4.8.1 Advantages.....	144
4.8.2 Risks and potential conflicts	148
CHAPTER FIVE: ZESPRI GROUP CASE STUDY	173
5.1 Company overview	173
5.2 History.....	174
5.3 Environment.....	176
5.3.1 World kiwifruit industry	176
5.3.2 Main competitors	179
5.3.3 New Zealand kiwifruit industry situation	180
5.3.3.1 Eventual deregulation	182
5.4 Current situation.....	184
5.4.1 Mission statement and strategy.....	184
5.4.1.1 The strategy of becoming a year-round marketer of kiwifruit.....	186
5.4.2 Business structure	187
5.4.3 Statistics and key figures	188
5.4.4 Organisational structure	190
5.4.5 Governance structure (overview).....	192
5.4.5.1 New Zealand Kiwifruit Growers Incorporated (KGI)	195
5.4.6 Capital structure.....	196
5.4.6.1 Evolution of the capital structure.....	198
5.4.7 Knowledge creation and Research & Development (R&D).....	199
5.4.7.1 Zespri Innovation.....	200

5.5 Zespri's internationalisation.....	202
5.5.1 Business internationalisation	202
5.5.1.1 Foreign Markets Service Modes (FMSM).....	204
5.5.2 Knowledge and capabilities internationalisation	209
5.5.2.1 Zespri's core capabilities	209
5.5.2.2 Capabilities internationalisation.....	211
5.5.2.3 Knowledge internationalisation	212
5.6 Integrative structures.....	213
5.6.1 Governors/growers interface.....	213
5.6.2 Company/growers interface	214
5.7 Integrative mechanisms	216
5.7.1 Communication.....	216
5.7.1.1 Face to face communication mechanisms.....	219
5.7.1.2 Printed communication mechanisms	220
5.7.1.3 Electronic communication mechanisms	221
5.7.1.4 Other communication mechanisms.....	222
5.7.2 Members education and up-skilling.....	222
5.8 Implications of the internationalisation strategy adopted	225
5.8.1 Advantages.....	225
5.8.2 Risks and potential conflicts	229
CHAPTER SIX: CROSS CASE ANALYSIS	243
6.1 Comparative analysis: Fonterra and Zespri	243
6.1.1 General similarities and differences.....	244
6.1.2 Internationalisation process	246
6.1.3 Risks and potential conflicts of the internationalisation strategy	250
6.2 Critical factors in the internationalisation of agricultural co-operatives	255
6.2.1 Organisational structure.....	255
6.2.2 Company and supplier-shareholders relationship.....	256
6.2.3 Governance structure	258
6.2.4 Knowledge creation and R&D.....	260
6.2.5 Capital structure and financing	261
6.2.6 Communication.....	264

6.2.7 Education	266
CHAPTER SEVEN: CONCLUSIONS AND RECOMMENDATIONS	270
7.1 Conclusions.....	270
7.1.1 Risks and potential conflicts	272
7.1.2 Critical factors.....	274
7.2 Recommendations.....	276
REFERENCES	278

LIST OF TABLES

Table 1: Principles ruling different forms of co-operatives.....	9
Table 2: Agricultural co-operatives world situation by continent	11
Table 3: Agricultural co-operatives importance indicators of selected countries in Europe and North America	11
Table 4: Types of international strategies.....	37
Table 5: Configuration of assets and capabilities in multinational companies according to their strategic orientation.....	40
Table 6: Internationalisation of agricultural co-operatives in selected European countries.	43
Table 7: European examples of transnational co-operatives, 1998.	65
Table 8: Case studies' interview structure.....	71
Table 9: Top 10 retailers' global sales (Figures in US\$ billion, year 2000)	82
Table 10: World's top 20 dairy companies (dairy sales in US\$ billions)	84
Table 11: New Zealand dairy industry statistics, key figures.....	87
Table 12: New Zealand dairy co-operatives payout to suppliers 2001-2002.	88
Table 13: Fonterra's revenues by business unit and region (season 2001-2002).....	94
Table 14: Fonterra's top 10 export destinations (2002)	117
Table 15: European transnational dairy co-operatives (1998).....	124
Table 16: World production of major fruits.....	177
Table 17: Kiwifruit production, exports and imports of selected countries	178
Table 18: Market shares and net revenues of the top four listed fruit traders	179
Table 19: New Zealand horticultural exports (NZ\$ million, FOB).	181
Table 20: Zespri Group revenues by source/region and season	189
Table 21: Zespri revenues by product (season 2001-2002).....	189
Table 22: Comparative analysis of net prices and profits of kiwifruit growers from selected countries (figures in US\$/kg).....	211
Table 23: Summary of FMSMs used by Fonterra and Zespri	247
Table 24: Summary of risks and potential conflicts faced by Fonterra and Zespri in their internationalisation process.....	252

LIST OF FIGURES

Figure 1: Basic taxonomy of legal forms of organisations	15
Figure 2: Model of FMSM used by international agricultural co-operatives	76
Figure 3: Fonterra's revenues by business unit and region (season 2001-2002).	94
Figure 4: New Zealand dairy farmers milk payout by season (1981 to 2002).	95
Figure 5: Fonterra Co-operative Group organisational structure.....	97
Figure 6: Fonterra's governance structure.....	103
Figure 7: Fonterra's R&D system.....	111
Figure 8: Fonterra R&D global network.....	170
Figure 9: Fonterra in the world	171
Figure 10: Shareholder Services organisational structure (as August 2002).....	172
Figure 11: Kiwifruit supply season of selected countries.....	178
Figure 12: Zespri Group organisational structure.....	190
Figure 13: Zespri governance structure.	195
Figure 14: Zespri Innovation R&D diagram.....	202
Figure 15: Zespri's export revenues, 2001-2002 (NZ\$ million).....	205
Figure 16: Zespri in the world	242

LIST OF APPENDICES

Appendix 1: Information sheet	291
Appendix 2: Consent form.....	292
Appendix 3: Costs of Milk Production for IFCN member country typical farms	294