

Foodstuffs North Island Limited - Produce Media Service Standard

Clause 11 of the Grocery Supply Code concerns transport and logistics of groceries. It provides:

(1) The retailer must not directly or indirectly—

(a) require a supplier to use a particular transport or logistics service; or

(b) impose unreasonable service standards in respect of transport or logistics.

(2) Subclause (1) does not prevent a retailer imposing reasonable service standards in respect of transport or logistics.

The Commerce Commission released guidance in March 2026 on clause 11 of the Grocery Supply Code. This guidance is available on the Commerce Commission's website. In the guidance, the Commerce Commission provides its view that containers used to transport groceries (typically pallets and crates) are logistics services for the purposes of clause 11 of the Grocery Supply Code.

Further to the Commerce Commission's guidance on clause 11 of the Grocery Supply Code, this document is Foodstuffs North Island Limited's reasonable service standard in relation to its requirements for suppliers of crates, bins and pallets used in the transport of fresh produce (referred to in this service standard as **Produce Media**) in the FSNi network of stores and distribution centres.

Please direct any questions in relation to this document to legal@foodstuffs.co.nz.

	Service Standard	Rationale for Service Standard
1.	Produce Media supplier to collect Produce Media from Foodstuffs Distribution centres or Depots in Whangarei, Auckland, Palmerston North, Taranaki, Hawkes Bay and Wellington, unless agreed by Foodstuffs that it will deliver Produce Media back to supplier for any given site(s).	Efficiency Ensure that returns are as efficient as possible given the distributed geography of stores and to leverage existing transport fleet who return Produce Media to these central points for resupply to growers. We are open to suppliers collecting crates from each store if this is their preference. This would need to happen six days a week to ensure Produce Media is not being stored at stores and disrupting the supply chain. If this option was chosen, then this would apply to all stores (including Four Square stores) in the North Island.
2.	Produce Media supplier to collect Produce Media from FSNI locations within designated 2-hour window, six days a week. Foodstuffs will provide return equipment lift counts by 2.30pm on the prior day so that loads can be arranged and collected in line with the pick-up schedule which may be amended with consultation from time to time. This service standard includes the Christmas period and reflects when our sites are open for suppliers to collect and return Produce Media. Produce Media pick up quantities advised by FSNI prior day (by 2.30pm) that are not collected by the Produce Media supplier within the pickup window may incur a \$0.03 per unit, per day, holding cost fee.	Safety and Efficiency Produce Media takes up a significant amount of space even when collapsed and stacked and there is insufficient space at our sites for us to store Produce Media on behalf of suppliers. Unarranged storage of Produce Media at our sites causes issues in the manoeuvrability of vehicles and people in a fast-paced environment, creating a hazard. The two-hour window ensures that the site has Produce Media available to be picked up and that the trucks collecting Produce Media are not delayed by produce being received into the distribution centre or depot sites. Regarding the per day holding cost fee, the sites are very limited for space and any scenario where returned crates are not collected within 24 hours will result in safety and other operational issues and restrict the return of other Produce Media, slowing down the supply chain. This standard will also minimise delays to wash the crates/bins and reissue the Produce Media to growers.
3.	Crates and bins must be interlockable with other crates and bins that meet the standard. Crates should support both column and cross stacking with strong interlocking design to ensure load stability during stacking and during transport.	Safety and Efficiency This is reasonable because it delivers safety to our DC and store teams as the pallet of product is unlikely to move on the pallet and create a hazard to our teams. It will also enable the lifting of the product in a safe manner. The produce crates must also stack by height of the crate so that crate heights align with other crate heights.
4.	The Produce Media supplier must have an overall stock to supply to Foodstuffs' 6 million crate transactions per annum (a transaction being the supply and return of a crate to FSNI).	Productivity and Efficiency To ensure that enough Produce Media is in circulation to support growers during the peak season.

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	The supplier must also have sufficient stock of pallets and bins to supply to FSNI approximately 400,000 pallet transactions and 25,000 bin transactions per annum. The demand goes up significantly by 20-40% in Spring and Summer. Produce Media suppliers must be able to supply to meet demand in these peak periods.	
5.	The supplier commits to move Produce Media to where there is grower demand across NZ in order to meet that demand. This will be actioned within 24 hours. In addition, the Produce Media supplier must ensure it can supply crates to growers designated by Foodstuffs during their peak season. This includes all mandatory sizes to be available for growers at all times.	Productivity and Efficiency It is essential that growers have confidence that they can pack their produce and supply Foodstuffs. The measure will be any calls escalated to the Foodstuffs Business Manager. If the Produce Media supplier is unable to consistently supply Produce Media, defined as more than three escalations over a two-week period, Foodstuffs may decline to continue accepting Produce Media from the relevant supplier. This is to ensure the most efficient and reliable supply chain is in place to support growers and Foodstuffs stores. Growers must be able to access media to ensure surety of supply to Foodstuffs stores and therefore need Produce Media supplied in a timely way by Produce Media suppliers.
6.	To ensure continuity of supply of Produce Media to growers, Produce Media suppliers should be able to collect Produce Media, wash, sanitise and reissue within 48 hours of collection from Foodstuffs sites.	Productivity and Efficiency This is to ensure Produce Media is available at all times to growers and therefore Foodstuffs for efficiency reasons. Any delay in access to supply will restrict efficiency in the supply chain.
7.	The Produce Media supplier must be able to support a deposit payments model to ensure appropriate accounting for, and attribution of value to, crates moving through the supply chain. This means that when crates are returned to or collected by crate suppliers, a credit must be issued in favour of Foodstuffs reflecting the value of the crate deposit. Systems must be digital and full reconciliation and statements must be provided to Foodstuffs on a weekly basis, with payment made fortnightly.	Efficiency As Produce Media doesn't have unique identifiers, the deposit model helps minimise loss and incentivises the flow back to suppliers. For efficiency reasons we need to transact digitally with suppliers given the large number of Produce Media that is used on an annual basis.
8.	The Produce Media supplier will ensure that a Hazard Analysis and Critical Control Point (HACCP) plan is in place at all times and from time-to-time Foodstuffs may audit the supplier on reasonable notice to ensure that the Produce	Food Safety Produce Media must be clean so that produce is not contaminated.

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	Media meets food safety standards. The HACCP Plan should ensure Microbial, Chemical and Physical contamination is controlled. The Produce Media suppliers will provide exception reporting for any non-conformances raised and quarterly confirmation that the HACCP plan is in place and being complied with. - Physical contamination: - Post wash and sanitising, crates have been visually verified for obvious contamination relating to foreign labels, vegetable residue, staining, soiling, metal and wood contamination etc. - Dryness of the crate post washing and sanitising is controlled - Cleanliness of crate/bin post wash and sanitation is verified. - Cleanliness of the crates/bin forms part of the Quality Assurance verification via the use of ATP - < 1000 RLU (Hygiena) - Compliance with ISO/TS 22894:2021 - Microbial contamination post wash and sanitation should form part of the Quality Assurance verification utilising - independent laboratory, key analysis: - E Coli - < 100 cfu/Swab - Coliform - < 100 cfu/Swab - Mould - < 100 cfu/Swab - Yeast - < 100 cfu/Swab (Aerobic plate count - < 500 cfu/Swab) - Aerobic Bacteria - < 100 cfu/Swab	
9.	The supplier must provide Produce Media in an acceptable state of repair so that it is able to be used as intended within the supply chain. Foodstuffs will not accept broken or damaged Produce Media.	Efficiency and Safety The Produce Media must be fit for purpose to ensure that produce can be transported through the supply chain and that our teams can safely lift and move the Produce Media when filled with produce. For example: - Pallets must not have loose or missing wood. - The crate or bin must fold correctly, and handles must lock and unlock as designed.
10.	Crates/bins must have appropriate ventilation and temperature control - adequate venting to support airflow, cooling speed, and uniform temperature management — important for shelf life and food safety. Venting must be located on sides of crate/bin.	Food safety and Quality Food safety and quality is a critical factor for customers in fresh produce.
11.	The supplier will make sufficient team members available to manage the	Efficiency Issues must be addressed quickly given the

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	administration of all Produce Media transfers and transport, attend weekly reconciliation meetings, and work with Foodstuffs' Fresh customer services and Supply Chain teams to resolve all issues in a timely manner. The supplier must be able to resolve transfer reconciliation issues within 48 hours. All calls from Produce Business Managers must be returned within 24 hours. All calls from DC site staff re media collection must be returned within two business hours.	speed of the produce supply chain and the number of Produce Media items that are circulating.
12.	All credit note queries and disputes must be resolved by the supplier within 30 days.	Efficiency Issues must be addressed quickly given the speed of the produce supply chain and the number of Produce Media items that are circulating.
13.	The supplier will arrange a monthly operational meeting and a quarterly governance meeting to address any variances or operational issues.	Efficiency High cadence of engagement ensures that operational issues are addressed early and potential improvements delivered upon.
14.	Crates and bins must be safely, securely and efficiently foldable and must be manufactured to support safe manual moving, lifting and lowering by hand (e.g. with robust handles and/or hand hold spaces).	Efficiency and Safety Crates and bins must be foldable to ensure they can be stacked at the back of stores in an efficient manner given the space that they take up and can be transported back to DCs and depots as soon as possible ensuring media is returned for washing and reissue to growers.
15.	Crates should be able to be recycled at end of life.	Sustainability Supports waste reduction and end-of-life recycling outcomes.
16.	Crates / bins must be able to accommodate a crate card which will include the information detailed in the Foodstuffs Grocery Supplier Contract (Fresh Produce version). The crate card slot must be large enough to fit Foodstuffs' crate cards, the size of which will depend on the crate type and size and will be advised by Foodstuffs.	Efficiency and Food safety Food safety is at the heart of what we do and identifying produce and ensuring it is traceable is a key component of our supply chain to keep customers safe.
17.	Weight requirements - Produce Media must be robust enough for heavy NZ produce (e.g., watermelons, pumpkins) and long-distance transport and Health & Safety. Target weight maximum is 300kg for a full bin.	Safety and Efficiency Collapsing bins create a hazard for DC and store teams, and product may be damaged and need to be disposed of if the bin fails.

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18.	To ensure that suppliers meet the standards, a contract must be agreed and signed with Foodstuffs. This will require the supplier to comply with these standards and contain other reasonable terms and conditions.	Efficiency There must be clarity of what happens to crates in the supply chain to keep the supply chain efficient and running smoothly. The contract will provide an enforceable framework to provide certainty to both FSNI and each supplier and will set out the commercial terms for the relationship.
19.	Produce Media must be clearly identifiable from no less than 1m distance on any side as belonging to vendor (e.g. unique colour, logo, etc).	Efficiency Efficiency and accuracy of sorting and handling
20.	Produce Media must meet the following size requirements: Small 20 – 23 litre crate LxWxH 600 x 400 x 105-125 (range) – Mandatory size <= 1.5 kg (tare) Medium 36 – 39 litre crate LxWxH 600 x 400 x 180 – 200 (range) – Mandatory size <=1.8 kg (tare) Large 47 – 49 litre crate LxWxH 600 x 400 x 220 – 240 (range) – Mandatory size <=2.0 kg (tare) Extra Large 60 - 65 litre crate LxWxH 600 x 400 x 280 – 300 (range) – Mandatory size <=2.8 kg (tare) ½ Bin LxWxH 1200 x 1000 x 400 – 500 (range) - optional <=40 kg (tare) Full size Bin - Mandatory size LxWxH 1200 x 1000 x 800 – 900 (range) <=46 kg (tare)	Efficiency Standardisation is essential to ensure an efficient supply chain and that product is stacked for transport so that loads to stores are optimised. Suppliers' crates must stack with other crates e.g. 600 x 400mm and also by crate height to ensure safe pallets.

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	Pallet - Mandatory size LxWxH 1200 x 1000 x 150 – 170 (range) <= 30 kg (tare) The crate pool must have enough mandatory crate sizes to support specific categories. e.g. Sufficient Extra-Large crates to meet the harvest volumes of fresh lettuce.	
21.	Produce Media suppliers' crates must be compatible with the ranges of other Produce Media available to be utilised.	Ensures growers have choice of crate but the supply chain is the most efficient possible.