

24 March 2026

**From:** New Zealand plant Producers Inc (NZPPI)

**To:** Garden Retailers

**RE: Open letter to garden retailers - Managing the fuel price crisis**

Our industry is currently facing a rapid and unprecedented increase in transport costs driven by the outbreak of war in the Middle East. The price of diesel has more than doubled in the past three weeks, effecting supply chains and the viability of trade across the industry.

As the industry body representing plant producers, NZPPI is writing to open a constructive dialogue with garden retailers to find a solution to this crisis. Our objective is to ensure the continuity of the supply of plants to retailers and the long-term sustainability of the industry.

We are aware that a number of garden retailers are working with their suppliers and have agreed on solutions. We acknowledge and appreciate this cooperation and ask other retailers for prompt action.

Diesel is essential to the production and distribution of plants. Its use cannot be substituted or deferred. Diesel costs have escalated sharply to the point where it is currently uneconomic to distribute plants.

Government forecasts indicate fuel availability is stable over the coming weeks, however the cost of transport fuel to a point where it is a critical risk to the industry. These pressures are affecting all suppliers and transport operators and requires a coordinated response across the whole industry, including producers, transporters and retailers.

NZPPI does not advocate for, or seek to influence retail pricing decisions. We respect that pricing is a commercial matter between individual businesses. However, we do advocate for the industry in a crisis. In this case we are advocating for fair, timely, and good-faith engagement between plant producers and retailers, avoiding placing the full burden of the crisis on suppliers where it is clearly outside their control.

Through our work with government and the primary industries, we are aware that this issue is impacting all horticulture sectors. They are working collaboratively with their retailers in good faith to deal with the crisis. We request that garden retailers follow the same good faith principles:

- Responding promptly to supplier requests for short term pricing reviews relating to the fuel crisis.
- Accepting temporary price increases and surcharges linked to fuel costs.
- Accept government and industry data regarding the impacts, avoiding requesting detailed justification and analysis from individual suppliers.
- Ensure all discussions related to the crisis are conducted fairly and without undue delay.

Plant producers are committed to maintaining supply, quality, and service. However, the current scale and speed of fuel cost increases cannot be absorbed without jeopardising business and industry viability.

Without mechanisms for producers to recover these excessive fuel costs, there is a real risk of reduced supply availability and disruption to retail programmes. There are longer-term impacts on the sustainability of businesses and the plants supply base.

We ask retailers to engage immediately and constructively with suppliers that raise fuel-related cost pressure and apply good-faith, pragmatic solutions during the crisis.

NZPPI will continue to work with government and other primary industry groups to monitor the response to the crisis and will share relevant information. We are available to support constructive dialogue at an industry level.

This is a time for collaboration. The strength of our industry has always been built on trust and partnership. By working together we can navigate this crisis and maintain a thriving and sustainable industry.

Yours sincerely,



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**NZ Plant Producers Inc**

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