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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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