Zespri™ KIWIFRUIT

2025 GROWER PAYMENTS

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INTRODUCTION

TIM MACKLE

Hi everyone,

Having enjoyed positive growing conditions in the lead up to this season's harvest, we're expecting another good crop this year and a moderate increase in volume.

With demand for our fruit remaining strong, our focus will be on maximising the value we can return to growers.

Strong planning has given us a good foundation to work from. We've prepared for a number of scenarios to ensure that we can deliver consistently good quality fruit throughout the season, and make use of the insights we gained last season in managing such a large volume of fruit. This includes getting fruit to market early so we're taking advantage of early season sales opportunities, and a focus on avoiding capacity constraints throughout the season by incentivising a smooth flow of fruit.

The 2025/26 incentive payments (Taste Zespri Payments, KiwiStart Premium and Supplier Accountability) and Service Payments (Time Payments and Pack Payments) have been established with this in mind, ensuring we have the right measures in place to be able to reward a good supply of early season fruit, incentivise fruit that stores well and maximise post-harvest capacity.

As always, we've worked closely with the Industry Supply Group, New Zealand Kiwifruit Growers Incorporated (NZKGI) and the Industry Advisory Council to make sure these payments and incentives are fair and relevant for the season.

This booklet provides more specific details on the grower payment process, calculations and timings and please feel free to contact your Grower Relations Manager or our Support Services team on 0800 155 355 if you have additional questions.

Thanks for all of your efforts and I look forward to working with you as we deliver another successful season.

Tim Mackle
Acting Chief Operating Officer

Note: Payment mechanisms are reviewed annually and are a result of industry consultation. They must be accepted by the Industry Supply Group (ISG), New Zealand Kiwifruit Growers Incorporated (NZKGI) and the Industry Advisory Council (IAC) before they're incorporated into the annual Supply Agreement. A copy of the Supply Agreement is available on the Canopy website (canopy.zespri.com): Supply & Operations>Packing, Storing & Exporting>Supply Agreement.

STANDARD SUPPLY

What is Zespri Class 1 Standard Supply?

Kiwifruit must meet certain grade and size standards to be accepted into inventory as Standard Supply (refer to *Quality Manual – Grade standards*).

Zespri must procure all fruit deemed standard supply as a provision of the Supply Agreement.

However, Zespri can also procure targeted fruit volumes outside the standard specification to meet additional market demand as Non-Standard Supply (NSS). This includes Class II, SunGold 39s (Y, T, and R band). For Non-Standard Supply the market return less costs is reflected in the fruit return.

Grade standards include a Minimum Taste Standard (MTS) for each variety (refer to the Quality Manual - Standard for Clearance, Storage & Loadout).

Minimum Taste Standards (Mainpack)

ZESPRI GREEN KIWIFRUIT	ZESPRI ORGANIC GREEN KIWIFRUIT	ZESPRI SWEET GREEN KIWIFRUIT
15.5%	15.5%	16.2%

ZESPRI SUNGOLD KIWIFRUIT	ZESPRI ORGANIC SUNGOLD KIWIFRUIT	ZESPRI RUBYRED™ KIWIFRUIT
16.1%	16.1%	17.2%

The KiwiStart MTS levels differ from modified maturity criteria to support an acceptable consumer experience.

Zespri SunGold and Zespri Organic SunGold Kiwifruit size 39s have a higher dry matter threshold of 16.6 percent to support an acceptable consumer experience, given the natural variability in the small Zespri SunGold Kiwifruit sizes.

WHERE DO GROWER PAYMENTS COME FROM?

The Supply Agreement determines the flow of funds from revenue earned in the markets, the deduction of costs, and the calculation of Fruit and Service Payments. The following chart illustrates how these transactions flow through to grower payments.

Zespri sells fruit.

▼

Pool promotion costs are deducted.

▼ ▼ ▼

Zespri's in-market direct costs are deducted
e.g. freight, discharge, duty and customs etc.

▼ ▼ ▼

Zespri onshore direct costs are deducted
i.e. PVR royalties, insurance, commodity levies,
supply chain operations.

▼ ▼ ▼

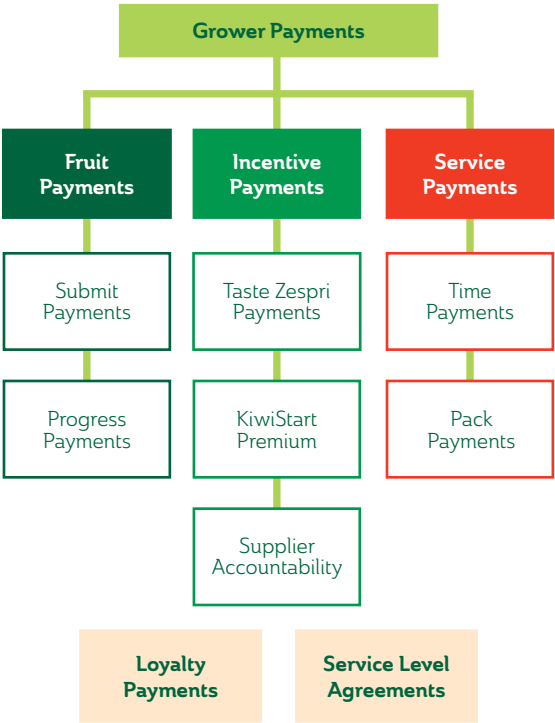
Zespri Margin is deducted i.e. overheads,
R&D costs and Capex.

▼ ▼ ▼

Total Fruit, Service and Incentive payments.

Grower Payments are categorised under three payment groups: Fruit, Incentive, and Service Payments. These groups cover the major payment programmes used to secure Zespri Class 1 Standard Supply of Zespri Kiwifruit. These payments are made to Growers via contract with their supplier. Please refer to the Supply Agreement or the NZKGI's Supply Agreement Guidelines for more information.

GROWER PAYMENTS



It's important that growers understand their supply entity pooling rules, as these will determine how (or if) these payments are on-paid to them as Grower Payments. Fruit, Service and Incentive Payments are reported monthly in Kiwiflier and by KPIN in the Payment Reporting Summary on the Industry Portal.

2024/25 SEASON GROWER PAYMENT PORTIONS – TOTAL FRUIT AND SERVICE PAYMENTS

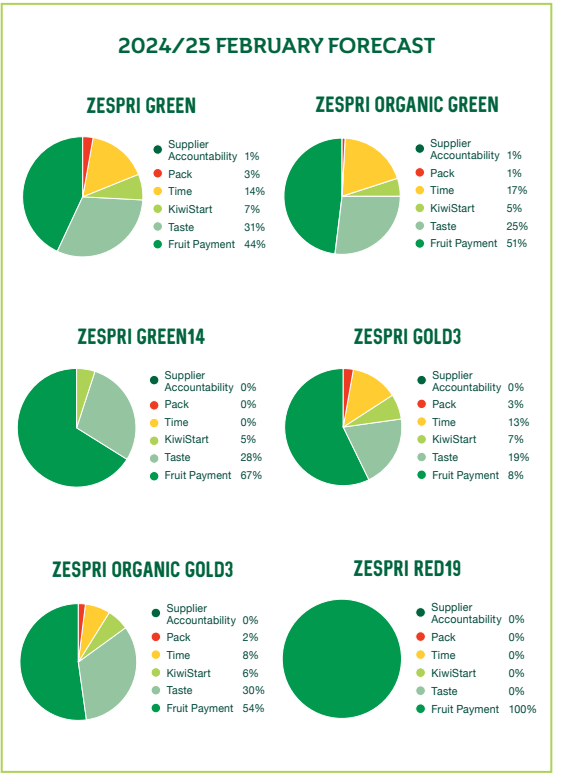


Image captured from Kiwiflier March 2025.

PAYMENT TIMING

The timing of payments is driven by the availability of cashflow within the seasonal cycle. From April through September, our borrowing facility partially funds payments (if required). From October onwards, they're funded from net cash flows from sales.

The chart below shows estimated payment timings for the 2025/26 season:

Payment Timings	Submit	Progress	KiwiStart	Taste Zespri	Supplier Accountability	Pack and Time	Loyalty
April 2025	●					●	
May 2025	●					●	
June 2025	●					●	
July 2025		●		●	●	●	
August 2025		●	●	●	●	●	
September 2025		●		●	●	●	
October 2025		●	●	●	●	●	
November 2025		●		●	●	●	
December 2025		●		●	●	●	
January 2026[ABC]					●		●
February 2026		●					
March 2026		●					
April 2026		●					
May 2026[B]							
June 2026		●					●

A. The first instalment of the 2025/26 season Loyalty Payment will be paid in January 2026.

B. There is no fruit payment in January and May 2026.

C. The possibility of a June progress payment is being discussed at the time of printing.

FRUIT PAYMENTS

Submit Payments | Progress Payments.

Fruit payments make up approximately half of all Grower Payments.

SUBMIT PAYMENTS

Submit Payments are paid when the fruit is submitted by post-harvest into the Zespri inventory (and reversed on fruit loss).

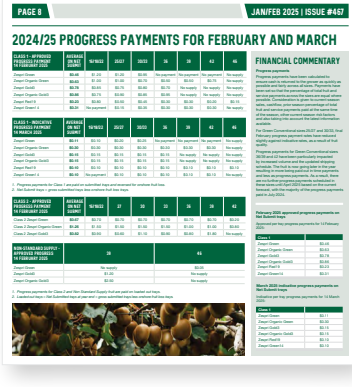
	Rate per tray
Class 1 Green (Sizes 18-39)	$2.75
Class 1 Green (Size 42)	$2.55
Organic Green	$3.00
Sweet Green	$2.95
SunGold	$3.60
Organic SunGold	$3.95
RubyRed (sizes 16-42)	$5.10
RubyRed (size 46)	$4.20

Submit Payments are made weekly until the end of June, then monthly (on the 15th of every month) from July onwards.

PROGRESS PAYMENTS

Progress Payments for Class 1 fruit are based on a calculation of all trays submitted into post-harvest inventory (reversed on fruit loss). Discretionary monthly payments will be made from July 2025 onwards, and the possibility of a June progress payment is also being considered. Progress payments are calculated to ensure that revenue earned in the markets, less the costs incurred, is returned to growers as quickly as possible and fairly across all sizes. The final Progress Payment is calculated and paid by the end of the first full week of June after finalising the season return.

You can find the Class 1 Progress Payments by size in the *Kiwiflier* each month.



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2024/25 PROGRESS PAYMENTS FOR FEBRUARY AND MARCH

CLASS 1 - APPROVED PROGRESS PAYMENT TO 12 FEBRUARY 2025	AVERAGE ON NOT SUBMIT	18/19&22	20&27	28&33	36	39	42	46
Zespri Green	$0.48	$1.20	$1.20	$0.95	No payment	No payment	No payment	No supply
Zespri Organic Green	$0.55	$1.20	$1.00	$0.75	$0.50	$0.50	$0.75	No supply
Zespri Gold1	$0.65	$0.60	$0.75	$0.85	$0.70	No supply	No supply	No supply
Zespri Organic Gold1	$0.95	$0.75	$0.80	$0.85	$0.95	No supply	No supply	No supply
Zespri Red19	$0.25	$0.60	$0.60	$0.45	$0.30	$0.30	$0.05	$0.15
Zespri Green4 4	$0.25	No payment	$0.15	$0.10	$0.10	$0.10	$0.05	No supply

CLASS 1 - INDICATIVE PROGRESS PAYMENT TO MARCH 2025	AVERAGE ON NOT SUBMIT	18/19&22	20&27	28&33	36	39	42	46
Zespri Green	$0.41	$0.10	$0.20	$0.25	No payment	No payment	No payment	No supply
Zespri Organic Green	$0.50	$0.30	$0.30	$0.30	$0.30	$0.30	$0.30	No supply
Zespri Gold1	$0.65	$0.15	$0.15	$0.15	$0.15	No supply	No supply	No supply
Zespri Organic Gold1	$0.65	$0.15	$0.15	$0.15	$0.15	No supply	No supply	No supply
Zespri Red19	$0.40	$0.10	$0.10	$0.10	$0.10	$0.10	$0.10	$0.10
Zespri Green4 4	$0.10	No payment	$0.10	$0.10	$0.10	$0.10	$0.10	No supply

1 Progress payments for Class 1 are paid on submitted trays and reversed for onshore fruit loss.
2 Not Submit trays = gross submitted trays less onshore fruit loss trays.

CLASS 2 - APPROVED PROGRESS PAYMENT TO FEBRUARY 2025	AVERAGE ON NOT SUBMIT	18/19&22	27	28	33	36	39	42
Class 2 Zespri Green	$0.07	$0.10	$0.15	$0.15	$0.15	$0.15	$0.15	$0.07
Class 2 Zespri Organic Green	$1.00	$1.00	$1.00	$1.00	$1.00	$1.00	$1.00	$0.60
Class 2 Zespri Gold1	$0.60	$0.60	$0.60	$1.10	$0.90	$0.60	$1.00	No supply

NON-STANDARD SUPPLY APPROVED PROGRESS PAYMENT TO FEBRUARY 2025	39	46
Zespri Green	No supply	$0.05
Zespri Gold1	$1.30	No supply
Zespri Organic Gold1	$2.50	No supply

1 Progress payments for Class 2 and Non-Standard Supply fruit are paid on loaded out trays.
2 Indicative trays = Net Submitted trays at year end / gross submitted trays less onshore fruit loss trays.

FINANCIAL COMMENTARY

Progress payments

Progress payments have been calculated to ensure costs is returned to the grower as quickly as possible and fairly across all sizes. Costs have been set so that the percentage of total fruit and service payments across the sizes are equal where possible. Costs include operating costs, marketing sales, cashflow, prior season percentage of total fruit and service payments paid at the same time of year, and forecast operating costs for the year and also taking into account the latest information available.

As at the Conventional week 20/27 and 20/33, the February progress payment rates have reduced slightly against indicative rates, as a result of fruit quality.

Progress payments for Green Conventional sizes 36 and 39 have been increased in February by increased volume and the updated shipping schedule. The fruit is now going later in the year and is being shipped on slower vessels. Costs and lines, as progress payments, the result, there are no further progress payments scheduled in March 2025 for Class 1 Green. Costs are forecast, with the majority of the progress payments paid in July 2024.

February 2025 approved progress payments on Not Submit trays

Approved per tray progress payments for 12 February 2025.

Class 1	
Zespri Green	$0.48
Zespri Organic Green	$0.63
Zespri Gold1	$0.65
Zespri Organic Gold1	$0.95
Zespri Red19	$0.23
Zespri Green14	$0.31

March 2025 indicative progress payments on Not Submit trays

Indicative per tray progress payments for 12 March 2025.

Class 1	
Zespri Green	$0.11
Zespri Organic Green	$0.50
Zespri Gold1	$0.15
Zespri Organic Gold1	$0.15
Zespri Red19	$0.13
Zespri Green14	$0.10

ONSHORE FRUIT LOSS

Fruit loss reversals occur when recorded onshore fruit loss is processed by the post-harvest facility. Submit and Class 1 Progress Payments are subject to reversals for onshore fruit loss.

Reversals for fruit loss are where any Submit or Class 1 Progress Payments made earlier in the season on fruit that is subsequently lost (for example, due to deterioration, the fruit is no longer suitable for export) are deducted from the Progress Payments made to the Supplier after the fruit loss occurs. In other words, by the end of the season, Zespri has only paid Submit and Class 1 Progress Payments on the 'net submit' trays (gross trays submitted less fruit loss trays).

INCENTIVE PAYMENT

Taste Zespri Payments | KiwiStart Premium Supplier Accountability Payments/Penalties

Incentive Payments aim to align our quality standards with the taste preferences of our customers and consumers, helping guarantee that Zespri and the New Zealand kiwifruit industry remain the globally preferred brand and supplier of kiwifruit.

TASTE ZESPRI PAYMENT

Taste drives consumer demand and sales rates for Zespri Kiwifruit through sampling (trial), repeat purchases and positive referrals as consumers share their experiences. We've established thresholds for all commercial varieties based on consumer research and a payment mechanism that promotes growing and harvest behaviours to optimise quality, dry matter and fruit utility across our supply chain.

Taste Zespri Payments are paid against trays supplied when the fruit is shipped.

Zespri RubyRed™ Kiwifruit is naturally a high dry matter variety, and there will be no taste payments for Zespri RubyRed™ Kiwifruit for the 2025/26 season.

Minimum Taste Standard (MTS)

The Minimum Taste Standard (MTS) specifies the minimum percent of dry matter required by variety* for fruit to be accepted into inventory. This standard ensures that poor-tasting fruit is kept out of the markets.

Taste Zespri Grade (TZG)

- **What is TZG?**

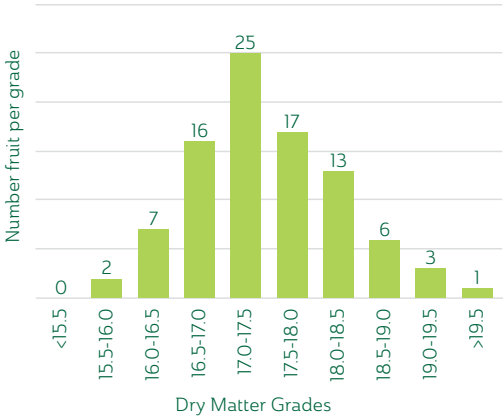
Taste Zespri Payments rewards growers for producing delicious fruit and helps us to keep the premium perception of the Zespri brand. TZG is a value assigned to kiwifruit based on dry matter, measured from samples. This value is between 0 and 1.00 for Green, Organic Green and Sweet Green, with Zespri SunGold Conventional and Organic Kiwifruit between 0 and 0.86. Samples are collected from maturity areas, which are similar areas within an orchard (from a dry matter and fruit maturity perspective) that can comprise of orchard blocks or parts of blocks. Once dry matter has been measured for each fruit in the sample, it is converted into TZG using grade values.

We calculate TZG based on a 90-fruit orchard sample for all varieties and an additional 60-fruit small-size targeted sample for SunGold and Organic SunGold. TZG for SunGold and Organic SunGold is calculated and reported by maturity area and fruit size, whereas other varieties are reported on maturity area level only. TZG forms the basis of grower taste payments for all varieties except Zespri RubyRed™ Kiwifruit.

- **How is TZG calculated?**

The Green Kiwifruit example on page 16 illustrates how we calculate TZG using a 90-fruit sample. Each fruit has dry matter measured and is assigned a dry matter grade.

Dry Matter



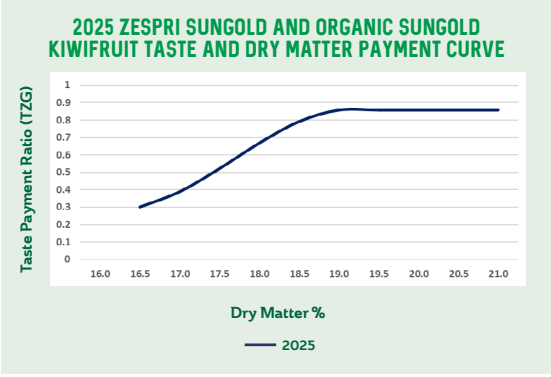
Taste Zespri Grade (TZG) - Green

% Fruit x Grade Value	Fruit Per Grade (% of the 90-fruit sample)	Fruit Per Grade (from graph above)	Grade Value[1]	Dry Matter Grade
0.0	0.0	0	0	<15.5
0.2	2.2	2	0.1	15.5-16.0
1.9	7.8	7	0.25	16.0-16.5
8.0	17.8	16	0.45	16.5-17.0
18.1	27.8	25	0.65	17.0-17.5
16.1	18.9	17	0.85	17.5-18.0
13.0	14.4	13	0.9	18.0-18.5
6.3	6.7	6	0.95	18.5-19.0
3.2	3.3	3	0.97	19.0-19.5
1.1	1.1	1	1	>19.5
		90		Fruit Count
0.68				TZG

TZG = 0.68 which is equal to 68% of the Maximum Taste Payment (MTP).

*[1] **Note:** Each variety has different grade values. Please see the Canopy website for more details. The percentage of the sample in the grade is multiplied by the grade value, and these are all added up to give the TZG (which is converted from a % to a value from 0.00 to 1.00).*

How is TZG by size calculated for Zespri SunGold and Organic SunGold Kiwifruit?



Within a maturity area, smaller Zespri SunGold kiwifruit tend to have lower dry matter than larger fruit. With this in mind, Zespri SunGold and Zespri Organic SunGold TZG is calculated by count size. The estimated average dry matter for each count size and the variability in dry matter are used for the TZG calculation. The graph above shows the relationship between average dry matter and TZG.

Taste incentive payments for Zespri SunGold and Organic SunGold are capped by size at a maximum TZG of 0.86 for all sizes, which typically reflects the 19% dry matter level above which the consumer response to dry matter begins to plateau. Individual results will vary slightly from these average curves depending on the variability within each maturity area.

What TZG is used for Taste Zespri Payments?

If more than one sample is collected for a maturity area, the best sample will be used for Taste Zespri Payments. For non-gold varieties, the best sample is the sample with the highest TZG. For Zespri SunGold and Organic SunGold Kiwifruit, Zespri calculates which of your clearance samples gives you the most money when overlaid with your actual submit size profile, so you're always getting the best money.

The submit weighted TZG uses the same calculation, but this time using the actual size profile of your crop at packing. Zespri calculates a submit weighted TZG for each of your clearance tests and pays you based on the sample with the highest value, even if it is not the most recent. This also may not be the sample with the highest estimated sample average TZG.

Taste Zespri Payments and Maximum Taste Payment (MTP) Percentages in 2024

The Maximum Taste Payment (MTP) for SunGold was reduced from 60% in 2023 to 45% in 2024, with the aim to ensure that taste and quality are working together, avoiding the impact on fruit quality that may result from growers waiting to harvest fruit that has already reached optimal maturity.

Maximum Taste (MTP) Percentages in 2025

GREEN	ORGANIC GREEN	SWEET GREEN	SUNGOLD	ORGANIC SUNGOLD
60%	60%	60%	45%	60%

EXAMPLES

Zespri calculates the MTP. This is used along with your TZG to calculate actual taste payments for your crop. The table below outlines the indicative MTP rates for the 2025 season.

How Zespri calculates the Maximum Taste Payment (MTP)

	GREEN	ORGANIC GREEN	SWEET GREEN	SUNGOLD	ORGANIC SUNGOLD
	$ per TE	$ per TE	$ per TE	$ per TE	$ per TE
Total Fruit Payment	$5.08	$7.07	$8.42	$9.38	$10.00
+	+	+	+	+	+
Average Taste Payment	$3.64	$3.98	$3.72	$3.38	$6.28
=	=	=	=	=	=
Total Fruit Payment including Taste	$8.72	$11.06	$12.14	$12.76	$16.28
X	X	X	X	X	X
Maximum Fruit Payment Percentage	60%	60%	60%	45%	60%
= Maximum Taste Payment (MTP)	**$5.23**	**$6.63**	**$7.29**	**$5.74**	**$9.77**

**Based on the November 2024 forecast Fruit Value and Taste Payments. The Taste Zespri programme returns for the 2025 season, with the final 2025 season MTP calculated based on the 2025 season August Forecast Fruit Value and Taste Payments. Refer to page 20 for further details on Taste Payment timing.*

How to calculate your Taste Payment

INSERT YOUR FIGURES HERE					
	GREEN	ORGANIC GREEN	SWEET GREEN	SUNGOLD	ORGANIC SUNGOLD
Your TZG (from your 90-fruit orchard sample)				See by size table	See by size table
X	X	X	X		
Maximum Taste Payment (MTP)	$5.23	$6.63	$7.29		
= Your Taste Payment per tray					
X	X	X	X		
Your FOBS trays					
= Your total Taste Payment					

Example: If you are a Green grower with a TZG of 0.70, your Taste Zespri Payment would be 0.70 x $5.23 = $3.66 per tray.

How Zespri calculates Zespri SunGold and Organic SunGold Kiwifruit Taste Payment and size

The following example is based on 14,200 trays of Gold3.

GOLD3 Key: TP = Taste Payment								
Size	**16**	**18**	**22**	**25**	**27**	**30**	**33**	**36**
Your TZG *	0.84	0.81	0.73	0.64	0.59	0.53	0.48	0.42
Multiplied	x	x	x	x	x	x	x	x
MTP	$5.74	$5.74	$5.74	$5.74	$5.74	$5.74	$5.74	$5.74
= Your TP by Size	$4.81	$4.65	$4.19	$3.68	$3.36	$3.07	$2.74	$2.42
Your FOBS trays by size	200	600	1,500	2,050	3,550	3,700	1,550	1,050
Your TP by Size	$963	$2,788	$6,284	$7,538	$11,930	$11,348	$4,253	$2,541

To calculate your average Taste Payment per tray:

1. Multiply your Taste Payment for each size by your tray volumes for each size.
2. Add these figures together to get your total Taste Payment.
3. Divide your total Taste Payment by your total tray volumes (i.e., for all sizes).

In the SunGold example above, the total Taste Payment is $47,645, or $3.36 per tray ($47,645 ÷ 14,200 trays).

If you have taken several samples, Zespri selects the sample with the highest submit weighted TZG to calculate the payment.

Taste Payment timing

Taste Zespri Payments are paid at FOBS (once fruit is loaded on board a ship).

While waiting for a final MTP rate to be set for the season (based on the August 2025 forecast), we use an indicative MTP rate based on the November 2024 forecast, generally used until August 2025.

Taste Zespri Payments are made based on the following schedule:

Month	Payment Details
July	Trays loaded to last Sunday of June x indicative rate x 30 percent
August	Trays loaded to last Sunday of July x indicative rate x 60 percent, less July payment
September	Trays loaded to last Sunday of August x final rate x 80 percent, less July and August payments
October	Trays loaded post the last Sunday of August to last Sunday in September x final rate x 80 percent
November	Trays loaded to last Sunday of October x final rate, less July to October payments
December	Trays loaded post the last Sunday of October to last Sunday in November x final rate

KIWISTART PREMIUM

KiwiStart rates are set to compensate for taste and size foregone for fruit harvested early and to provide a reward for supplying early-season fruit. However, this fruit must still be of good quality and sufficient maturity.

Delivering fruit early to the market is important as it secures shelf space, maximises high-value early season sales volumes, helps reduce late-season quality costs, and effectively utilises industry labour, packing and coolstore capacity.

The KiwiStart rates for 2025 have been set to ensure appropriate weekly increments to facilitate a consistent flow of fruit throughout the harvesting period and minimise in-season changes with the consideration of a grower's cost, benefits (reduction of risk) and potential earnings if they choose to pick outside of the KiwiStart period.

The KiwiStart programme runs from mid-March 2025 to early May 2025 (or ISO weeks 10/11 to 17/18, noting dates may vary depending on variety and the specific seasonal circumstances). The programme's start depends on the kiwifruit's maturity in the season.

Only Green, Organic Green, SunGold and Organic SunGold will receive KiwiStart Payments in 2025. An early Submit Premium Payment will apply for Sweet Green (based on submitted trays). Please note that KiwiStart Payments made during this period are called Period 1 Payments in the Supply Agreement.

KiwiStart standards

To submit fruit into the KiwiStart inventory, growers must ensure their fruit meets specific standards (refer to *Quality Manual – Standard for clearance, storage & loadout*).

KiwiStart fruit is required to meet specified market access requirements and will be conditioned using standard procedures such as transporting fruit at elevated temperatures and using ethylene when necessary.

Fruit that can't be managed using this standard procedure (for example, fruit that has grown in adverse conditions) shouldn't be submitted.

Payment timing

50 percent of KiwiStart Payments will be made no later than 15 August 2025, with the balance paid no later than 15 October 2025.

KiwiStart example

Grower A submitted Green fruit in week 13/14. What does my supplier get paid (in August) on behalf of my KPIN?

Grower A tray volumes:

WEEK 13/14 TRAYS									
Size	**18**	**22**	**25**	**27**	**30**	**33**	**36**	**39**	**Total**
	200	2,000	2,300	2,300	2,400	2,200	1,900	1,000	14,300
Green Indicative KiwiStart Rates Week 13/14 (29 Mar - 04 Apr)									
Size	**18/22**		**25/27**		**30/33**		**36**	**39**	**Total average**
	$2.75		$2.83		$3.00		$2.85	$1.42	$2.80
50 percent of KiwiStart entitlement is paid in August									
Size	**18**	**22**	**25**	**27**	**30**	**33**	**36**	**39**	**Total**
Paid Aug 2025	$275	$2,750	$3,255	$3,255	$3,600	$3,300	$2,708	$710	$19,852

Payment of $19,852 would be paid in August on behalf of Grower A's submit if all KiwiStart criteria had been met.

2025 indicative KiwiStart rates

The 2025 indicative KiwiStart rates for all varieties are published on the Incentive Payments page on Canopy.

Final 2025 KiwiStart Rates

Finalised rates are published following the August 2025 forecast fruit return, payment ratios, and MTP. Each week's average rate consists of the Fruit Payment (by size), Taste Zespri Payment, as well as a commercial premium.

When does KiwiStart fruit have to be shipped?

Fruit eligible for payment will be calculated on submit date but will only receive payment if the fruit is also shipped by the following specific ISO weeks:

- All SunGold and Organic SunGold KiwiStart Maturity Criteria kiwifruit submitted by the end of ISO Week 12 shipped by the end of ISO Week 17.

- All SunGold and Organic SunGold KiwiStart Maturity Criteria kiwifruit submitted in ISO Week 13 shipped by the end of ISO Week 21.
- All other SunGold and Organic SunGold KiwiStart Maturity Criteria kiwifruit and SunGold and Organic SunGold Kiwifruit submitted under a Supply Cap to be shipped by the end of ISO Week 24.
- All Green and Organic Green KiwiStart Maturity Criteria kiwifruit submitted by the end of ISO Week 15 to be shipped by the end of ISO Week 20.
- All Green and Organic Green KiwiStart Maturity Criteria and Modified KiwiStart Maturity Criteria kiwifruit submitted between ISO Week 16 and the end of ISO Week 19 to be shipped by the end of ISO Week 24.
- There are no shipped-by requirements for Sweet Green.

How does KiwiStart fruit eligible for a Period 1 payment fit into the Taste commercial model?

The taste portion of the Period 1 payment is a commercial model for dry matter foregone (lower TZG) as a result of harvesting early. In addition, the fruit is still eligible for the Taste Zespri programme.

SUPPLIER ACCOUNTABILITY

The industry has implemented this in-market fruit inspection programme to support the supply of high-quality fruit to markets. The overall aim is to incentivise Growers and post-harvest to supply top-quality fruit and reduce offshore quality costs to maximise returns, meaning:

- Suppliers are incentivised for the supply of good quality fruit.
- Suppliers are penalised when fruit of a lesser standard is supplied.

At an industry average OGR level, the Supplier Accountability line may look negligible, but the Supply Accountability model was created to differentiate Supplier performance through incentives and penalties; it is not a pure penalty model. Therefore, growers should talk to their Supplier to understand how their Supplier Entity has performed against the industry average.

SERVICE PAYMENTS

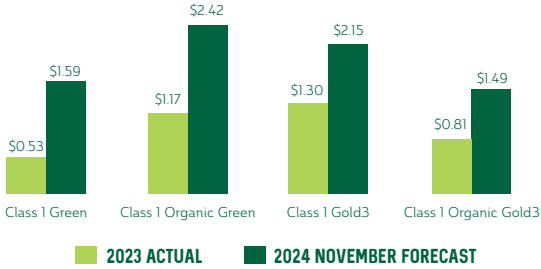
Time Payments | Pack Payments

TIME PAYMENTS

Time Payments compensate for the additional costs associated with storing and supplying kiwifruit throughout the season (coolstorage, condition checking, repacking, fruit loss and foregone taste). The rates also include a premium (storage incentive) to incentivise for producing good-quality, long-storing fruit.

Time payments are generally made by the 15th of every month for fruit shipped by the end of the month prior. The graph below outlines the full-season average time payment made to supply entities over the past two seasons by pool:

AVERAGE TIME PAYMENTS PAID



Key influences on Time Payments include:

The amount of Time Payments paid is influenced by several factors, including:

- Phasing of shipping programmes (early, mid, or late supply), which may also be affected by overall crop volumes. More kiwifruit shipped early results in an overall lower Time Payment. Conversely, more kiwifruit shipped later results in an overall higher Time Payment. This reflects the weekly Time rates paid to compensate and incentivise for costs and risks associated with the week the kiwifruit is shipped.
- Movement in fruit and taste values and actual onshore fruit loss from season to season.
- Inventory movement costs (specifically repack and condition checking) and activity levels undertaken.
- Your supply entities pooling rules for grower payments.

The Time rates can be found on the Service Payments page on Canopy.

How is fruit value calculated?

Fruit value used in the indicative Standard Cost Model (SCM) rates are based on a four-year average. Final time rates will be determined by updating the fruit value in the SCM to the August 2025 forecast fruit value.

Why is taste compensation paid?

Taste Zespri Payments are made on trays shipped, so for trays not loaded out (e.g., onshore fruit loss), no Taste Zespri Payment will be made. This is a cost of supply over time and is recognised as such in the SCM.

How do we know how much to compensate for fruit loss?

Fruit loss compensation will be based on actual industry fruit loss records averaged over a set number of seasons.

This data is accumulated and volume-weighted by week, creating the predictive fruit loss curve for the coming season.

How does the premium work?

To cover the risk of fruit value or the fruit loss curves used in the calculation of the time rates being different to the actual results at the end of the season, a premium for all categories is added (and is applied to both fruit value compensation and taste compensation). This premium is also referred to as a storage incentive.

PACK PAYMENTS

Pack Payments, also called Pack Differential, form part of the SCM and compensate for the differential cost of packing services carried out for each variety (being packed, cooled, delivered to the wharf and stowed FOB). Pack payments are made weekly until the end of June and then by the 15th of every month for fruit shipped by the end of the month prior from July onwards.

This model ensures no commercial advantage or disadvantage from packing different pack types.

OTHER PAYMENTS

LOYALTY PAYMENTS

Our Loyalty Contract is a grower initiative where growers are paid for entering a rolling contract with Zespri, enabling us to negotiate longer-term contracts for logistics services. This payment is part of our corporate profit share and enabling this structure also helps to provide earlier cash flow to growers by paying an earlier instalment in January after harvest (as opposed to waiting until the season return is finalised in June).

The Loyalty Contract seeks to reflect the long-term cooperative nature of the New Zealand kiwifruit industry. Growers that sign a rolling three-year commitment to supply Zespri receive an additional payment each year per tray as a loyalty payment, with an additional loyalty amount being paid when New Zealand Supply profit (EBIT) exceeds 1% of sales. The loyalty payment is effectively a cooperative-like profit share arrangement that reduces the net margin that NZ growers pay Zespri. With the certainty of supply the loyalty contract brings, Zespri can enter long-term shipping arrangements, engage in long-term foreign exchange hedging on behalf of growers (which has returned over $1 billion of value over the last 20 years), and negotiate seasonal funding agreements that allow Zespri to pay advance payments.

Loyalty as Shares (LaS)

In 2024, the Industry Advisory Council approved a change to the Loyalty Contract to enable Zespri to pay all eligible growers directly, rather than growers being paid loyalty by their post-harvest entity (with the first direct payment made in January 2025). For the second Loyalty Payment in June, eligible growers will have the option to take the Loyalty Payment as either Zespri shares or as cash. From 1 May 2025 offer documents for Loyalty as Shares (LaS) will be available on Canopy, so you can make an informed decision on whether or not to opt-in .

For more information on the LaS and Dividends as Shares (DaS) initiatives please refer to the Share Alignment page on Canopy.

Eligibility for Loyalty Payments

To be eligible for Loyalty Payments, growers must supply all Class 1 kiwifruit from all properties they own or control to Zespri and use the services of post-harvest operators that are registered as Zespri exclusive suppliers for their Class 1 kiwifruit.

Loyalty Payments are made based on Class 1 kiwifruit submitted at the KPIN level. However, the total amount of loyalty funds to be distributed will still be determined by the Class 1 FOBS volume. Growers can view their Class 1 trays in the Grower Payment Report, or the Grower Production Report which can be accessed via the Reports in the Industry Portal (see 'My Quicklinks' from the Canopy homepage).

Loyalty Payments are made to growers who supply collaborative marketing programmes, except third-party Plant Variety Rights (PVR) programmes where revenue flows directly back to the owner (not to the Zespri pool).

Loyalty Payments are generally paid to growers at a minimum of $0.25 per tray equivalent and in two instalments. The first instalment of $0.10 per tray was paid in January 2025 and the remainder will be paid in June 2025. In certain circumstances, unpaid loyalty payments can be deferred or reduced to nil at the discretion of the Zespri Board.

If growers split their crop between multiple post-harvest facilities, they are required to complete a Loyalty Contract for each facility that they pack with (i.e., a Loyalty Contract is required for each grower number).

Further information

A copy of the 2023 three-year rolling contract with full terms and conditions is available on Canopy.

SERVICE LEVEL AGREEMENTS (SLA)

Service Level Agreements (SLAs) are contracted agreements between Zespri and registered suppliers for services during the season that help to deliver top-class kiwifruit (with specific attributes) to the market in a timely manner. A specific rate is generally set out in the agreement and paid to registered suppliers at the end of the programme. SLAs are disclosed to Kiwifruit New Zealand to ensure transparency.

NON-STANDARD SUPPLY (NSS) AND CLASS 2

NSS and Class 2 Supply is fruit outside the Zespri Class 1 specification because of size or external appearance. We purchase NSS fruit through an SLA, depending on market demand and the ability to provide commercially viable returns to growers.

The volume required changes every season - in some seasons, a limit may be placed on the volume procured, and in other seasons (depending on market demand), we will not require any additional product.

Submit Payments are paid when the fruit is loaded out at FOBS by post-harvest. Submit rates for NSS and Class 2 fruit procured are listed in the table below:

Class 2 & NSS Submit payments – paid on FOBS	Rate per tray
Class 2 fruit	$1.70
NSS – SunGold Conventional & Organic	$2.40
NSS – Hayward Conventional & Organic	$1.60

Progress Payments are paid in September, November, and February, with the final Progress Payment calculated and paid by the end of the first full week of June after finalising the season return. For SunGold size 39 fruit procured as NSS Zespri will investigate if a progress payment can be made earlier than September. The payment is calculated based on when the fruit is loaded out at FOBS.

GLOSSARY

CK	Conventional (not organic)
DM	Dry Matter
ECPI	Export Consignment Product Inspections
FOBS	Free On Board, Stowed (i.e. when fruit is shipped)
IAC	Industry Advisory Council
ISG	Industry Supply Group
KISP	Kiwifruit Industry Strategy Project
KPIN	Kiwifruit Property Identification Number
KVH	Kiwifruit Vine Health Incorporated
MTP	Maximum Taste Payment
MTS	Minimum Taste Standard
NSS	Non-Standard Supply
NZKGI	New Zealand Kiwifruit Growers Incorporated
OB	Organic
OGR	Orchard Gate Return
SCM	Standard Cost Model
SLA	Service Level Agreement
TE	Tray Equivalent
TZG	Taste Zespri Grade
Canopy website	canopy.zespri.com

All growers are encouraged to understand Zespri's payment system and their post-harvest operator (supply entity). Online tools are available on Canopy, and questions can be directed to the Zespri Grower Liaison Managers or the Zespri Grower Support Services.

QUESTIONS

If you have further questions, please get in touch with the Zespri Grower Support Services team or a Grower Relations Manager.

Freephone: **0800 155 355**

Email: **contact.canopy@zespri.com**

MORE INFORMATION

Zespri Payment Reports are available on the Industry Portal website. Personalised inventory and taste reports that allow comparisons at an industry or regional level can be found on Canopy via the Industry Portal.

Growers may be contracted into the Loyalty Agreement under an Agency Agreement that Zespri holds with their Registered Supplier. To understand more about Agency Agreements, growers should contact the Grower Support Services team or talk to your post-harvest facility.

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