

# February forecast: quality holds up well to support tidy close to season

The February forecast for the 2016/17 season, approved by the Zespri Board on 15 February, shows returns strengthening for all categories.

Green was up 13 cents versus December forecast, at \$4.35 per tray. The per-hectare return for Green is \$53,348, driven by exceptional average yields across the industry during the season. The improvement in this forecast was the result of reduced offshore fruit loss and lower-than-expected fruit quality-related costs.

Organic Green posted a gain of 26 cents to \$6.75 per tray, and the average per-hectare return is \$53,470. The improvement was supported by fruit quality holding up well at the end of the season, leading to lower fruit quality claims. The clean finish also allowed for a decrease in promotional expenditure.

The Gold per-tray return increase 22 cents to \$8.52 and the average per-hectare return is \$97,405. A good close to the season supported this pleasing result.

Green14 returns also increased up 10 cents to \$5.69 per tray as we released end of season provisions. This brings the average per-hectare forecast to \$45,049.

The forecast Total Fruit and Service Payment, including the loyalty premium, is \$1,369.7 million.

The Zespri Board also approved a net profit after tax range for the year ended 31 March 2017 of \$71 million to \$74 million.

CEO Lain Jager says, “the 2016/17 season has seen a massive increase in volume from New Zealand, driven by record Green yields. The Green volume, combined with a delayed start to shipping, put pressure on pricing and per tray returns. However, fruit quality held up well at the end of the season, enabling a clean finish with a positive impact on per tray returns. This is the third year in succession that Green returns have been maintained above the \$50,000 per hectare mark.

“The Gold result has been particularly good, with per tray returns increasing even with a near-doubling of SunGold supply. The reception to SunGold in the markets, from partners, customer and consumers, continues to be very positive.”

## AVERAGE ORCHARD GATE RETURN (Fruit and Service Payments plus the loyalty premium, less post-harvest costs)

POOLS (FRUIT CATEGORIES)	2015 SEASON FINAL	DECEMBER 2016 FORECAST (E4)	FEBRUARY 2017 FORECAST (E5)	VARIANCE BETWEEN DECEMBER 2016 FORECAST (E4) AND FEBRUARY 2017 FORECAST (E5)
Zespri Green	\$56,673 per ha	\$51,824 per ha	\$53,348 per ha	+\$1,524
	\$5.13 per tray	\$4.22 per tray	\$4.35 per tray	+\$0.13
Zespri Organic Green	\$52,917 per ha	\$51,257 per ha	\$53,470 per ha	+\$2,213
	\$7.18 per tray	\$6.49 per tray	\$6.75 per tray	+\$0.26
Zespri Gold	\$71,080 per ha	\$94,762 per ha	\$97,405 per ha	+\$2,643
	\$8.21 per tray	\$8.30 per tray	\$8.52 per tray	+\$0.22
Zespri Green14	\$42,995 per ha	\$44,317 per ha	\$45,049 per ha	+\$732
	\$7.01 per tray	\$5.59 per tray	\$5.69 per tray	+\$0.10

## FRUIT AND SERVICE PAYMENTS (The average amount paid by Zespri to supply entities for a grower's fruit - excluding the loyalty premium)

Total fruit and service payments (across all pools)	\$1,113.4 million	\$1,311.0 million	\$1,333.7 million	+\$22.7m
	\$9.27 per tray	\$9.00 per tray	\$9.16 per tray	+\$0.16
Zespri Green	\$8.26 per tray	\$7.41 per tray	\$7.52 per tray	+\$0.11
Zespri Organic Green	\$9.86 per tray	\$9.26 per tray	\$9.53 per tray	+\$0.27
Zespri Gold	\$11.83 per tray	\$12.05 per tray	\$12.27 per tray	+\$0.22
Zespri Green14	\$10.22 per tray	\$9.07 per tray	\$9.15 per tray	+\$0.08

# The industry celebrates the Zespri brand turning 20

It's your last chance to purchase tickets for the industry events to mark the 20<sup>th</sup> anniversary of the Zespri brand.

During the week from 6 to 10 March we have five events, the whole industry can be part of. Come and to join us!

Zespri Tours and Events Manager Nicky Geary says, “It’s going to be an exciting week for our industry and we have something for everybody: for women in the kiwifruit industry wanting to build networks and be inspired, those wanting to talk about sustainability in action or to hear about the global economic, trade and agribusiness context of our business. Maybe you are the competitive type and enjoy a team challenge, or it could be that you want to dress-up and celebrate with friends and colleagues at the Gala Dinner and Fresh Carriers Hayward Medal on the Friday night. We are really looking forward to some great events.”

### A reminder of the programme for the week:

**Monday 6 March**  
*Women in Kiwifruit, ASB Arena from 9am to 1.30pm*

Facilitated by Zespri Director Teresa Ciprian we have key note speakers, Ranjna Patel, Rebecca Keoghan and Karen and Kasey Bird with a cooking demonstration. Don't miss out ladies, get your tickets [www.zesprievents.co.nz/womeninkiwifruit](http://www.zesprievents.co.nz/womeninkiwifruit).

**Thursday 9 March**  
*Industry Challenge, Paengaroa School field from 11am to 4pm*

We have 16 teams from across the industry gearing up to compete for the cup in a series of ‘Top-Town’ style physical and team challenges. Spectators are warmly welcome.

**Friday 10 March**  
*Sustainability Breakfast, ASB Arena from 7am to 8.50am*

Sustainability is an ever-increasing focus for customers and consumers around the world. In this session, you will hear from:

- **Simon Harvey**, sustainability consultant
- **Jayson Benge**, Kiwifruit Research Manager for The NZ Sustainability Dashboard Project
- **Alice Moore**, Zespri Global Marketing Manager for Organics

- **Faumuina Felolini Maria Tafuna’i**, an international communications consultant specialising in indigenous empowerment
- **Leighton Oats**, General Manager of Operations and Technical at BayGold
- **Rachel Brodie**, Sustainability Coordinator at Trevelyans.
- **Haki McRoberts** and **Rongo Puha**, both with the Te Kaha Growers Incorporated in the Eastern Bay of Plenty.
- **Catherine Richardson**, Quality Manager at Zespri.

**Friday 10 March**  
*2017 Momentum Conference, ASB Arena from 9am to 6pm*

What a line up!!

- **Crawford Falconer** Global Trade expert – Canterbury University
- **Ian Proudfoot** Agri-busines Futurist from KPMG
- **Lain Jager** Zespri CEO
- **Michael Every** Global Economist for Rabobank
- **Steven Martina**, CEO from The Greenery, a leading global producer and Zespri customer
- **Zespri’s** Carol Ward, Dan Mathieson and Simon Limmer.

**Friday 10 March**  
*Industry Gala Dinner and Fresh Carriers Hayward Medal, ASB Arena from 7pm to 11.45pm*

This is our kiwifruit industry’s event of the year and your chance to connect with people and celebrate the contributions people have made to our industry.

**JUST CONFIRMED! ALL BLACK LEGEND JOHN KIRWAN IS OUR KEYNOTE GUEST SPEAKER AT THE INDUSTRY GALA DINNER!**  
**Get your tickets now [www.zesprievents.co.nz](http://www.zesprievents.co.nz) ticket sales close Sunday 5 March 2017. If you need help booking tickets please call the event team on 07 572 7681.**





# From the markets

## Spain medical visits used to strengthen brand message

Zespri **Spain** visited 600 care physicians and pediatricians in Madrid and Barcelona, to measure their interest in our brand messages and readiness to recommend kiwifruit to patients.

The team used materials that enable them to strengthen the brand message:

- Firstly, at the beginning of the New Zealand season 2016, the team talked about Zespri SunGold and its vitamin C content.
- Secondly, in October 2016 the team strengthened messages on digestive regularity and healthcare with Zespri Green.
- Now, in February 2017 the team is circulating a leaflet on the benefits of Zespri Kiwifruit to athletes. This includes a recently published

article from Spanish journal Nutrición Hospitalaria “Beneficios nutricionales y sanitarios asociados al consumo del kiwi” (The nutritional and health benefits associated with kiwifruit consumption) produced by the Nutrition and Food Science Department of the Universidad Complutense in Madrid. This will allow Zespri Spain to promote the nutritional value of our super fruit in more detail.

- The results so far show a favourable predisposition towards Zespri visits and have associated Zespri Kiwifruit with specific benefits for their patients. Readiness to recommend has increased by 23 percent over the previous year and pediatricians are the most interested target for information provided, actively recommending fruit to their young patients.



Print materials used to strengthen brand message during medical visits



## Kiwifruit-“no longer an exotic fruit”

The **India** Food Forum is a 360-degree format of conference, exhibition, networking and industry awards connecting all key stakeholders of the food and grocery retail businesses.

Zespri Market Manager India, Ritesh Bhimani was part of a rapid-fire Q&A expert panel, together with the Buying and Merchandising Head (Fruits and Vegetables), Heritage Fresh - a popular retail store from South of India.

They spoke about ‘driving retail shelves to higher profitability’, demonstrated through the success story of the rising acceptance of kiwifruit in South India and soaring sales at Heritage Fresh.

“Kiwifruit is no more an exotic fruit for us in South of India. We sell only Zespri because of its better quality and customer acceptance. 30 percent of our fruit category growth in 2016 came from Zespri and the volumes have grown by 600 percent from 2015, thanks to Zespri’s support and marketing efforts with in-store promotion, innovative displays, co-branded newspaper ads, customer awareness camps etc”, said a spokesperson from Heritage Fresh.

The evolution of modern trade in India has thrown up new challenges for food companies like Zespri. Strong partnerships with retail stores is the way to grow and gain benefits that modern trade offers.



Zespri Market Manager India, Ritesh Bhimani was part of a rapid-fire Q&A expert panel at the India Food Forum



## Top 5 www.zespricanopy.com PAGES

1. Industry Portal
2. Up-2-Date
3. Crop Protection
4. Annual Registrations
5. 2017 G3 Licence Release

## Bringing the orchard to life at Berlin Fruit Logistica

Berlin Fruit Logistica is the main trade show of the year for the fruit industry, and Zespri senior executives and market-facing staff made the most of the three-day conference to make plans with customers and distributors from around the world for the season ahead.

The theme of our stand this year was ‘experience’ and the stand was set up to bring the whole journey to life for our customers from the orchard to the packhouse, port and beyond. The large oval screens showed scenes from Zespri’s New Zealand orchards and, for the first time, our customers could also don virtual reality goggles to walk around an orchard and experience the New Zealand sun, rich soils and lush vines for themselves.



A trade customer takes a virtual orchard tour at the Zespri stand in Berlin Fruit Logistica earlier this month



Zespri stand at Berlin Fruit Logistica

## Zespri global supply season summary

The transition to non-New Zealand supply has largely gone well albeit with a later start than previous seasons. Total non-New Zealand sales as of ISO week 7 were 10.9 million trays.

Sales of Gold3 from Italy to European and Asian markets are complete, with around 3.9 million trays of sales delivered, versus 2.3 million trays in 2015/16. Although fruit quality has been challenging, taste has been excellent. France supply outperformed last year as volumes increased 70 percent from 197,000 trays to 310,000 trays.

In **South Korea**, sales for Jeju Gold have remained strong throughout the season. In-store sampling promotion ran at 115 retail outlets

nationwide and ISO week 3 was a particularly big sales week with the Lunar New Year.

Zespri Green is moving strongly, with overall good quality driving sales. Green sales are forecast to hold steady, down by 2 percent versus last year with just over 11 million trays.

Marketing support activities included a campaign on national radio in **Belgium** and the **Netherlands** featuring the vitality and vitamin C content of kiwifruit. In **Spain**, Zespri ran a multimedia campaign with TV and online video, supplemented by an instore media campaign, creating extra visibility for the Zespri brand at six retailers. This helps to influence the purchase decision both at home and at the time of the shopping decision.

The Chinese New Year period in **Southeast Asia** has traditionally been dominated by pomelos, kumquats and mandarins at retail

level due to their symbolic link to luck and prosperity. In a bid to win over market share in the fruit bowl as well as shelf space, Zespri launched the first Chinese New Year promotional pack in Singapore - a unique gift pack that is a conversation starter symbolising good health and fortune and allows people to share a delicious moment together.



Chinese New Year promotional pack - symbolising good health and fortune.

## French grower tour

This week, Zespri and New Zealand growers hosted a group of 11 SunGold growers from Europe to exchange best practice growing for top production. The 10 **French's** and one Italian grower spent most of their time outside of the Bay of Plenty, as the Auckland, Waikato and Gisborne areas have more in common with their growing environment back in Europe.

Most of those French growers plan to plant their Gold3 orchards over the next two years in the southwest

of France and are investing now in the time to understand the opportunities and challenges of Gold3 before they start work.

Céline Cazy Zespri Orchard Programme Assistant - France, Global Supply says New Zealand growers have been very generous in sharing their experience and the visits covered everything from pre-planting planning to cropping mature blocks getting high fruit quality.

“Soil management has been a key theme of the trip, with our French

growers keen to figure out what they can do to create the healthiest soil to establish vine growth. Seeing the orchards in Gisborne was very encouraging for them, as they could see how growers can get a good crop off heavy soils and how important it is to apply compost and harvest at the right time,” say Céline.

Grower tours are definitely a powerful tool for extension and OPC Europe is looking forward to more of these exchanges between France and Italy in the future.



European growers visit an orchard in Gisborne to learn about soil quality



# 2017 Gold3 licence release: summary of mechanism and process

Applications for the 2017 Gold3 Licence Release open on 1 March 2017. A copy of the Licence Application Overview and Rules (LAOR) was posted on the Canopy on 15 February giving growers the opportunity to familiarise themselves with the process—which is largely similar to 2016.

Cooney Lees Morgan will now validate bids after 5pm, 15 March. In previous seasons, validation was carried out during the application window. As a result, the Evaluation Panel will not convene until 13 April, to make allocations, after the previously published date of 30 March.

As soon as possible after the Evaluation Panel convene and allocation of licences has been made, all bidders will be notified the outcome of their bid.

Easter falls on 14 April so we have allowed enough time over this period when banks are closed for the public holidays for successful bids to arrange the transfer of funds to cover their deposits. Deposit cheques will be banked on 21 April.

Growers are urged to carefully consider their bid before submitting it to Cooney Lees Morgan. If growers are bidding for a **combination** of Hayward cutover and new developments, finishing off rows or replacing shelter belt, they are urged to seek advice to ensure that their bids are structured correctly. Once bids are received by Cooney Lees Morgan, bidders will not be able to revoke or change the bid price or area.

Licence allocation timeline:

Date	Action
15 February	Licence Application Overview and Rules published
1 March	Application process opens: available online via Industry Portal
15 March	Closing date for bids – applications must be received by Cooney Lees Morgan prior to 5.00pm
16 March	Validation and collation of all bids by Cooney Lees Morgan begins
12 April	Validation of all bids by Cooney Lees Morgan completed
13 April	Evaluation Panel makes decisions regarding allocation of licences and successful bidders notified as soon as possible thereafter
14 - 17 April	EASTER BREAK
21 April	Deposit cheques banked
28 April	Licence packs distributed
28 July	Balance of settlement monies due

2017 Online Licence Application

This year the Licence Application Overview and Rules will not be posted to growers as in previous years but instead are available online via the Industry Portal. Alternatively growers can view and download the application forms from the Canopy website.

There are several prepopulated fields on the application form. These are, the full legal entity name of the bidder, contact details and KPIN details. A copy of your application with these fields completed will then be emailed to you, to view and finalise your bidding details, such as area, price, budwood requirements etc. Once this is done it is ready to be posted along with your deposit cheque. Please note that the online application option will only show on your Industry Portal homepage from 1 March and will only be available until 5pm on 15 March.

If you prefer to complete your application as in previous years, then do so by downloading a LAOR (preferably in colour) from the Canopy website Canopy > Growing Kiwifruit > Zespri® Variety Licences > Licence Allocation.

Both options still require the applicant to print and post a hard copy of their application form along with their deposit payment to Cooney Lees Morgan before 5pm on 15 March.

For applications online via the Industry Portal, log onto Canopy. If you haven’t already added the Industry Portal to your favourites, do so by clicking the “Edit” button on the Favourites panel. Once you have the Industry Portal in your favourites, click on it and it will take you to your Industry Portal landing page and click on the Online Licence tab as shown below-only available from 1 March to 15 March.



You will then be prompted with some questions to determine which process you would like to bid under, which entity and which KPIN you will be bidding for. The questions you will see are illustrated below.

Question 1- Choose the type of bid application form you would like to receive. To apply under the Restricted category, specify a KPIN and only bid for the area equivalent or less than the area planted in producing Hayward or Green14.

Gold Licence Application Form Request

1. Choose the type of bid application form you'd like to receive \*

Note: to apply under the Restricted category you must specify a KPIN and can only bid for an area equivalent or less than the area planted in producing Hayward or Green14

Restricted

Unrestricted

Question 2- Chose the entity of the Licence holder by selecting on the drop down menu. If you do not see the bidding entity you wish to apply under, in the drop down please contact the Zespri Contact Centre on 0800 155 355.

2. Choose the entity on behalf of which the application will be made (this will be the licence holder) \*

Note: If you don't see the bidding entity you wish to apply under in the drop down, please call or email the Zespri Grower Contact Centre on 0800 155 355 or email new.cultivars@zespri.com

Bidding Entity

Question 3- Select a KPIN. If applying under an Unrestricted category and unsure of the KPIN at this time, you can choose to specify this at a later date.

3. Choose the KPIN \*

KPIN

Question 4 - Select a contact person for the application -

4. Choose the contact person for the application \*

Note: this is the person that Cooney Lees will contact to follow up on the application, and to advise the outcome of the application

Contact

Question 5- Enter an email address to send the application form to-

5. Please enter the email address to send the application form to \*

Email \*

Submit the form- A confirmation message will be displayed.-

SUBMIT

Gold Licence Application Form Request

Thank you for submitting your information. Our system will now generate an Application Form that will be emailed to you together with a copy of the 2017 Licence Application Overview and Rules (2017 LAOR). If you do not receive an email within a few minutes of reading this message, please call or email the Zespri Grower Contact Centre on 0800 155 355 or email new.cultivars@zespri.com

If you wish to submit multiple bids under the same bid type and using the same bidder information, you can simply print out and complete multiple copies of the form that will be emailed to you.

Otherwise, if you wish submit any further bids using a different bid type or different bidder information, you must repeat the process.

CLOSE

An email will be sent to the nominated email address, as supplied in question five.

If you wish to bid under both processes (Restricted and Unrestricted) you simply carry out the same steps as listed above but choose the other bid type at question one.

If you wish to make multiple bids under the one process for the same legal entity and same KPIN (e.g. five bids under the Restricted), you can either carry out the above steps five times or alternatively, do it once and photocopy the application forms before you continue to state your bid area and price.

Attached to the email that you receive once you hit “submit” will be your personalised application form, together with a copy of the 2017 Licence Application Overview and Rules (2017 LAOR)

The email will also list the steps on what to do next.

- Read the 2017 LAOR (we recommend you also print or save a copy for your records)
- Print out the application form
- Check the details on the application form that have been prepopulated from our database using the information you provided online. If you need to make any corrections, please make these neatly and initial them
- Complete the remainder of the application form, following the instructions on the form
- Sign the application form and have your signature witnessed by an independent adult

Enclose a cheque for your deposit, and either post or hand deliver to Cooney Lees Morgan at the address and following the instructions provided. Your application must be received by Cooney Lees Morgan by **5pm 15 March**.

Note: Emails can take up to three minutes to arrive in your inbox once the form has been submitted.

For assistance with the online licence application, LAOR download or any other questions relating to the application process please call or email the Zespri Grower Contact Centre on **0800 155 355** or via email to **contactcanopy@zespri.com**

# Financial Commentary

## Progress Payments

Progress payments have been calculated to ensure cash is returned to the grower as quickly as possible and fairly across all sizes. Payments have been set so that the percentage of total fruit and service payments across the sizes are equal where possible. The rates have been set without direct reference to the size ratios.

Sizes will not receive a progress payment where the percentage of total fruit and service payments paid to date are higher than the other sizes in the same pool.

## March 2017 Approved Progress Payments on Net Submit Trays

Per-tray progress payments for 15 March 2017 have also been approved:

Class 1	
Zespri Green	\$0.23
Zespri Organic Green	\$0.41
Zespri Gold	\$0.27
Zespri Gold3 & Organic Gold3	\$0.33
Zespri Green14	\$0.20

## April 2017 Indicative Progress Payments on Net Submit Trays

Per-tray progress payments for 13 April 2017  
have also been approved:

Class 1	
Zespri Green	\$0.10
Zespri Organic Green	\$0.10
Zespri Gold	\$0.09
Zespri Gold3 & Organic Gold3	\$0.10
Zespri Green14	\$0.08

## Orchard Gate Return

The OGR calculations reflect the February 2017 forecast fruit loss percentages, post-harvest cost data compiled by Ingham Mora Limited in October 2016, and current productive hectare information.



# Class 1 Fruit and Service Payments and Timings


(Including Loyalty Premium)


The following charts show when Fruit and Service Payments (including Loyalty) are made throughout the season to two decimal points.


Actual payments made YTD as at 15 February 2017 are above the dotted line with the average amount paid.


Payments yet to be made are indicated below the dotted line.


- Advance is paid in the early months when fruit is submitted into inventory.
- Pack and Time, KiwiStart and Taste Zespri is paid on FOBS, i.e. when fruit is shipped. Some of the supplier accountability payments are subject to SLA terms.

Zespri Green									
	ISO Month	Submit	Pack and Time	KiwStart Accountability Intercheck	Taste Zespri	Progress	Loyalty Premium	Total payment / FOB\$ TE	% of Pool Paid YTD
Apr-16	\$2.25	\$0.01						\$2.26	29%
May-16		\$0.07						\$0.07	30%
Jun-16		\$0.07						\$0.07	31%
Jul-16		\$0.04			\$0.19	\$0.21		\$0.44	37%
Aug-16		\$0.12	\$0.17	\$0.31	\$0.12			\$0.71	46%
Sep-16		\$0.19			\$0.25	\$0.33		\$0.78	56%
Oct-16		\$0.31	\$0.19	\$0.17	\$0.35			\$1.01	69%
Nov-16		\$0.48	\$0.04	\$0.43	\$0.14			\$1.09	83%
Dec-16		\$0.21	\$0.02	\$0.06	\$0.05			\$0.35	87%
Jan-17			\$0.02				\$0.10	\$0.12	89%
Feb-17		\$0.01	\$0.00	\$0.00	\$0.28			\$0.30	93%
Mar-17				•		\$0.23		•	96%
Apr-17						\$0.10		•	•
May-17						•		•	•
Jun-17							\$0.15	•	100%
Paid YTD	\$2.25	\$1.52	\$0.43	\$1.41	\$1.48	\$0.10		\$7.19	
Balance to pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.42	\$0.15		\$0.57	
Total fruit and service payments – 2016/17 Actual									\$7.77

Zespri Organic Green									
	ISO Month	Submit	Pack and Time	KiwStart Accountability Intercheck	Taste Zespri	Progress	Loyalty Premium	Total payment / FOBs TE	% of Pool Paid YTD
Apr-16		\$2.25	\$0.00					\$2.25	23%
May-16			\$0.02					\$0.02	23%
Jun-16			\$0.03					\$0.03	24%
Jul-16			\$0.03		\$0.25	\$0.36		\$0.64	30%
Aug-16			\$0.11	\$0.31	\$0.41	\$0.70		\$1.54	46%
Sep-16			\$0.20	\$0.00	\$0.38	\$0.26		\$0.84	54%
Oct-16			\$0.30	\$0.34	\$0.24	\$0.46		\$1.33	68%
Nov-16			\$0.31		\$0.54	\$0.65		\$1.49	83%
Dec-16			\$0.04		\$0.02	\$0.10		\$0.15	85%
Jan-17				-\$0.02			\$0.10	\$0.08	86%
Feb-17			\$0.01		\$0.00	\$0.61		\$0.63	92%
Mar-17				•		\$0.41		•	96%
Apr-17						\$0.10		•	•
May-17						•		•	•
Jun-17							\$0.15	•	100%
Paid YTD		\$2.25	\$1.05	\$0.63	\$1.83	\$3.14	\$0.10	\$9.00	
Balance to pay		\$0.00	\$0.00	\$0.02	\$0.00	\$0.61	\$0.15	\$0.78	
Total fruit and service payments – 2016/17 Actual								\$9.78	

Zespri Green14									
	ISO Month	Submit	Pack and Time	KiwStart Accountability Intercheck	Taste Zespri	Progress	Loyalty Premium	Total payment / FOBs TE	% of Pool Paid YTD
Apr-16	\$2.80	\$0.11						\$2.91	31%
May-16		\$0.21						\$0.21	33%
Jun-16		\$0.11						\$0.11	34%
Jul-16		\$0.02			\$0.66	\$0.18		\$0.86	43%
Aug-16		\$0.01	-\$0.05		\$0.67	\$0.37		\$1.00	54%
Sep-16		\$0.00			\$0.13	\$1.34		\$1.47	70%
Oct-16				\$0.37		\$0.38		\$0.75	78%
Nov-16					\$0.36	\$0.47		\$0.83	87%
Dec-16						\$0.30		\$0.30	90%
Jan-17							\$0.10	\$0.10	91%
Feb-17		\$0.00				\$0.40		\$0.40	95%
Mar-17				•		\$0.20		•	97%
Apr-17						\$0.08		•	•
May-17						•		•	•
Jun-17							\$0.15	•	100%
Paid YTD	\$2.80	\$0.46	\$0.32	\$1.82	\$3.44	\$0.10		\$8.94	
Balance to pay	\$0.00	\$0.00	-\$0.06	\$0.00	\$0.37	\$0.15		\$0.46	
Total fruit and service payments –2016/17 Actual									\$9.40

Zespri Total Gold and Organic Gold										
	ISO Month	Submit	Pack and Time	KiwiStart Accountability Intercheck	Taste Zespri	Progress	Gold OB Premium	Loyalty Premium	Total payment / FOBIS TE	% of Pool Paid YTD
Apr-16	\$2.80	\$0.10							\$2.90	23%
May-16		\$0.14							\$0.14	24%
Jun-16		\$0.22							\$0.22	26%
Jul-16		\$0.06			\$0.90	\$0.37			\$1.32	37%
Aug-16		\$0.24	\$0.24	\$1.25	\$0.52	\$0.02			\$2.28	55%
Sep-16		\$0.33	\$0.01	\$1.20	\$0.56				\$2.10	72%
Oct-16		\$0.20	\$0.31	\$0.14	\$0.52				\$1.18	81%
Nov-16		\$0.09	\$0.01	\$0.93	\$0.08	\$0.01			\$1.12	90%
Dec-16		\$0.00	\$0.00	\$0.01	\$0.07				\$0.08	91%
Jan-17			\$0.01					\$0.10	\$0.11	92%
Feb-17		\$0.00			\$0.00	\$0.36			\$0.36	94%
Mar-17				•		\$0.33	\$0.00		•	97%
Apr-17						\$0.10			•	•
May-17						•			•	•
Jun-17								\$0.15	•	100%
Paid YTD	\$2.80	\$1.39	\$0.59	\$4.43	\$2.49	\$0.03	\$0.10		\$11.83	
Balance to pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.53	\$0.00	\$0.15		\$0.68	
Total fruit and service payments – 2016/17 Actual									\$12.52	

Zespri Hort16A and Organic Hort16A										
	ISO Month	Submit	Pack and Time	KiwiStart Accountability Intercheck	Taste Zespri	Progress	Gold OB Premium	Loyalty Premium	Total payment / FOBS TE	% of Pool Paid YTD
	Apr-16	\$2.80	\$0.13						\$2.93	26%
	May-16		\$0.13						\$0.13	27%
	Jun-16		\$0.26						\$0.26	29%
	Jul-16		\$0.02		\$0.98	\$0.28			\$1.28	41%
	Aug-16		\$0.02	\$0.40	\$1.04	\$0.12			\$1.59	55%
	Sep-16		\$0.19		\$0.79	\$0.85			\$1.84	71%
	Oct-16		\$0.02	\$0.71		\$0.23			\$0.96	80%
	Nov-16				\$0.70	\$0.25			\$0.96	88%
	Dec-16		\$0.00			\$0.09			\$0.09	89%
	Jan-17							\$0.10	\$0.10	90%
	Feb-17		\$0.00			\$0.56			\$0.56	95%
	Mar-17			•		\$0.27			•	97%
	Apr-17					\$0.09			•	•
	May-17					•			•	•
	Jun-17							\$0.15	•	100%
	Paid YTD	\$2.80	\$0.76	\$1.11	\$3.51	\$2.39	\$0.00	\$0.10	\$10.68	
	Balance to pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.43	\$0.00	\$0.15	\$0.58	
	Total fruit and service payments – 2016/17 Actual									\$11.26

Zespri Gold3 and Organic Gold3									
ISO Month	Submit	Pack and Time	Kiwistart Accountability Intercheck	Taste Zespri	Progress	Gold OB Premium	Loyalty Premium	Total payment / FOBS TE	% of Pool Paid YTD
Apr-16	\$2.80	\$0.10						\$2.90	23%
May-16		\$0.14						\$0.14	24%
Jun-16		\$0.22						\$0.22	26%
Jul-16		\$0.06		\$0.90	\$0.37			\$1.33	36%
Aug-16		\$0.25	\$0.23	\$1.26	\$0.54	\$0.02		\$2.30	55%
Sep-16		\$0.33	\$0.01	\$1.22	\$0.55			\$2.11	72%
Oct-16		\$0.21	\$0.30	\$0.15	\$0.53			\$1.19	81%
Nov-16		\$0.09	\$0.01	\$0.94	\$0.08	\$0.01		\$1.13	90%
Dec-16		\$0.01	\$0.00	\$0.01	\$0.07			\$0.08	91%
Jan-17			\$0.02				\$0.10	\$0.12	92%
Feb-17		\$0.00		\$0.00	\$0.36			\$0.35	94%
Mar-17			•		\$0.33	\$0.00		•	97%
Apr-17					\$0.10			•	•
May-17					•			•	•
Jun-17							\$0.15	•	100%
Paid YTD	\$2.80	\$1.41	\$0.57	\$4.47	\$2.50	\$0.03	\$0.10	\$11.87	
Balance to pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.53	\$0.00	\$0.15	\$0.69	
Total fruit and service payments – 2016/17 Actual								\$12.56	

- Progress will be paid in the remaining months at levels subject to Zespri Management approval.
- Average payments per TE are based on the 2016/17 actual trays and actual payments to date.
- YTD amounts for Pack and Time may move from previous *Kiwifliers* due to SLAs being paid late in a month

**Note 1:** The submit and progress payments detailed in the tables are based on net submit trays.

**Note 2:** Rates per TE of \$0.00 have values of less than \$0.005.



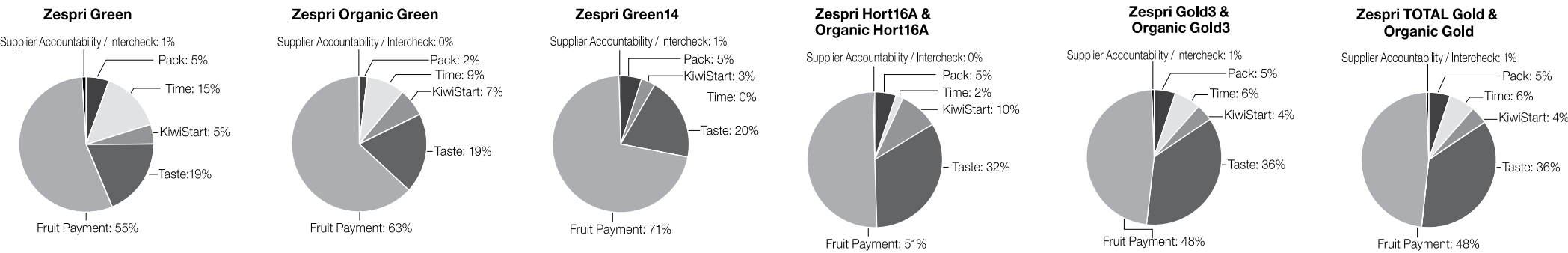
# 2016/17 Season Return Analysis

Class 1 - Approved Progress Payment 15 March 2017	Average on Net Submit	Average on trays paid	16/18/22	25/27	30/33	36	39	42
Zespri Green	\$0.23	\$0.23	\$0.19	\$0.29	\$0.20	\$0.24	\$0.24	\$0.08
Zespri Organic Green	\$0.41	\$0.41	\$0.36	\$0.32	\$0.29	\$0.51	\$0.51	\$0.37
Zespri Gold & Organic Gold	\$0.27	\$0.30	No Payment	\$0.33	\$0.30	\$0.32	\$0.20	No Supply
Zespri Gold3 & Organic Gold3	\$0.33	\$0.34	\$0.31	\$0.36	\$0.35	\$0.36	\$0.21	No Payment
Zespri Green14	\$0.20	\$0.20	\$0.39	\$0.51	\$0.46	\$0.11	\$0.11	No Payment

Class 1 - Indicative Progress Payment 13 April 2017	Average on Net Submit	Average on trays paid	16/18/22	25/27	30/33	36	39	42
Zespri Green	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
Zespri Organic Green	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
Zespri Gold & Organic Gold	\$0.09	\$0.09	No Payment	\$0.10	\$0.10	\$0.10	\$0.10	No Supply
Zespri Gold3 & Organic Gold3	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
Zespri Green14	\$0.08	\$0.08	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	No Payment

**Notes**  
1. Progress payments are paid on submitted trays and reversed for onshore fruit loss.  
2. Net submit trays = gross submitted trays less onshore fruit loss trays.

## 2016/17 Season Grower Payments Portions – Total Fruit and Service Payments February forecast



## Briefs

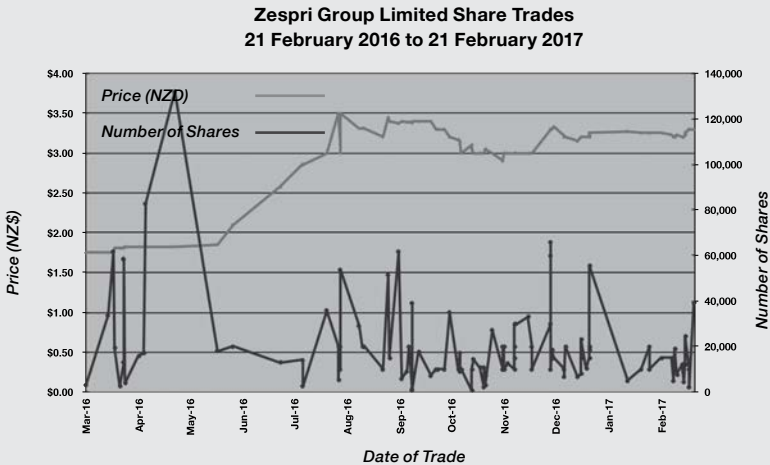
### Share Briefs

As at **21 February** the last Zespri share price trade was **\$3.30** traded on **20 February**. There were nine buyers at **\$3.27, \$3.25, \$3.20, \$3.18, \$3.15, \$3.12, \$3.10, \$3.07** and **\$3.05**. There were eight sellers at **\$3.32, \$3.35, \$3.39, \$3.40** and **\$3.50**.

To trade Zespri shares please contact one of the registered Unlisted brokers – See [canopy.zespri.com/EN/grow/zespri/Shares](http://canopy.zespri.com/EN/grow/zespri/Shares) for more information.

For all other general shareholder enquiries, please contact the Zespri Grower Contact Centre on 0800 155 355.

The graph below shows the price per share that has been traded with Unlisted and the corresponding number of shares for each trade.



- Want to see current buyers and sellers?**
- To get a list of the price for current buyers and sellers and the associated shares go to [www.unlisted.co.nz](http://www.unlisted.co.nz). The Zespri Group Limited listing code is 'ZGL'. The Unlisted website shows:
- The Unlisted website shows:
- Latest Prices: and
  - Market Depth: to see the parcels of shares for sale and the parcels and price that buyers are seeking; and,
  - Last 10 trades: and
  - Market Announcements.

Below is the current Market Depth information as at **21 February 2017**.

Quote Line at Wed 22 August 13:32:00								
Code	Bid (\$)	Offer (\$)	Last (\$)	At	High (\$)	Low (\$)	Volume	Value (\$)
ZGL	3.270	3.32	3.30	20/02/17 12:11	-	-	0	0.00

Market Depth					
BIDS			OFFERS		
Orders	Quantity	Price (\$)	Price (\$)	Quantity	Orders
1	15,000	3.270	3.320	15,000	1
1	30,000	3.250	3.350	30,000	1
1	40,000	3.200	3.390	9,680	1
1	20,000	3.180	3.400	48,040	1
1	15,000	3.150	3.500	89,690	4
1	10,000	3.120			
1	10,000	3.100			
1	25,000	3.070			
1	30,000	3.050			

Last 10 Trades				
	Date/Time	Quantity	Price (\$)	Value (\$)
	20/02/17 12:11	39,295	3.30	129,673.50
	17/02/17 16:14	2,000	3.30	6,600.00
	17/02/17 14:18	2,000	3.30	6,600.00
-	17/02/17 14:18	10,000	3.30	33,000.00
-	15/02/17 16:28	24,740	3.25	80,405.00
-	15/02/17 16:28	12,260	3.23	39,599.80
-	14/02/17 9:35	4,460	3.20	14,272.00
-	13/02/17 12:46	12,000	3.20	38,400.00
-	10/02/17 16:48	7,740	3.23	25,000.20
	9/02/17 16:06	19,080	3.20	61,056.00

**Director share trading**  
For the month of February (as at **21 February**), there were **50,000** shares traded by entities associated with Zespri Directors. See the Canopy for details: Canopy > Growing Zespri Kiwifruit > Working with Zespri > Shares. Alternatively search for 'Director Shares' using the search function.

# Full Year Forecast Return and Orchard Gate Return (OGR) - industry average only

	2016/17 - February forecast							2015/16 Actual							
	Zespri Green	Zespri Organic Green	Zespri TOTAL Gold & Organic Gold	Zespri Hort16A & Organic Hort16A	Zespri Gold3 & Organic Gold3	Zespri Green14	All Pools	Zespri Green	Zespri Organic Green	Zespri TOTAL Gold & Organic Gold	Zespri Hort16A & Organic Hort16A	Zespri Gold3 & Organic Gold3	Zespri Gold9 & Organic Gold9	Zespri Green14	All Pools
Full Year Return															
Total forecast:															
Total trays supplied (m)	90.7	3.9	48.5	1.7	46.8	1.5	145.7	80.7	3.9	32.6	4.4	27.5	0.7	1.4	120.1
Kilograms supplied (m)	318.5	13.7	168.8	5.3	163.6	5.3	510.1	283.5	13.6	112.1	13.6	96.1	2.5	4.7	419.6
Average size per tray	32.5	35.1	29.9	31.7	29.8	36.1		32.5	34.5	30.8	31.7	30.6	34.2	35.9	
Fruit payments (\$m)	376.6	23.6	283.8	9.6	274.1	10.1	700.0	427.9	24.7	175.5	25.0	147.2	3.3	8.7	645.8
Fruit incentives (\$m)	167.3	9.7	243.5	7.9	235.6	3.2	423.8	114.7	9.4	165.4	19.8	141.6	3.9	4.6	294.1
Service costs (\$m)	137.7	4.1	67.3	1.3	66.0	0.7	209.9	124.1	4.2	44.4	4.9	38.8	0.8	0.6	173.5
Fruit and service payments excl. loyalty premium (\$m)	681.7	37.5	594.6	18.7	575.7	14.0	1,333.7	666.8	38.3	385.4	49.7	327.6	8.0	13.9	1,113.4
Total forecast per tray (\$):															
Submit payment	2.25	2.25	2.80	2.80	2.80	2.80		2.25	2.25	2.80	2.80	2.80	2.80	2.80	
Progress payments (including Organic Gold Premium)	1.90	3.75	3.05	2.82	3.06	3.81		3.05	4.11	2.59	2.40	2.64	2.00	3.54	
Total fruit payments per net submit trays	4.15	6.00	5.85	5.62	5.86	6.61		5.30	6.36	5.39	5.20	5.44	4.80	6.34	
KiwiStart <sup>1</sup>	0.35	0.64	0.52	1.08	0.50	0.31		0.25	0.43	0.52	0.48	0.54	0.00	0.09	
Taste Zespri	1.41	1.83	4.43	3.51	4.47	1.82		1.20	1.95	4.49	4.03	4.54	5.46	3.34	
Supplier Accountability / Intercheck	0.08	0.01	0.07	0.04	0.07	-0.05		-0.03	0.03	0.07	0.04	0.08	0.06	-0.02	
Fruit incentives	1.85	2.48	5.02	4.63	5.04	2.09		1.42	2.41	5.08	4.54	5.15	5.52	3.41	
Pack Type	0.41	0.18	0.63	0.56	0.63	0.46		0.45	0.21	0.58	0.66	0.58	0.17	0.46	
Time Payment	1.11	0.87	0.76	0.20	0.78	0.00		1.09	0.88	0.78	0.47	0.83	0.93	0.00	
Service costs	1.52	1.05	1.39	0.76	1.41	0.46		1.54	1.09	1.37	1.13	1.41	1.09	0.46	
Class 1 forecast fruit and service payments per net submit trays	7.52	9.53	12.27	11.01	12.31	9.15		8.26	9.86	11.83	10.87	12.00	11.42	10.22	
Loyalty Premium	0.25	0.25	0.25	0.25	0.25	0.25		0.25	0.25	0.25	0.25	0.25	0.25	0.25	
Class 1 fruit and service payments with loyalty per net submit trays	7.77	9.78	12.52	11.26	12.56	9.40		8.51	10.11	12.08	11.12	12.25	11.67	10.47	
Less: onshore fruit loss	-0.21	-0.11	-0.11	-0.04	-0.11	-0.13		-0.29	-0.18	-0.14	-0.08	-0.13	-0.89	-0.04	
Fruit loss percentage <sup>2</sup>	2.76%	1.16%	0.87%	0.34%	0.89%	1.36%		3.74%	1.81%	1.12%	0.70%	1.05%	7.61%	0.41%	
Class 1 fruit and service payments per gross submit trays	7.55	9.66	12.41	11.23	12.45	9.27		8.22	9.92	11.95	11.04	12.12	10.78	10.43	
Plus Class 2 Return	0.08	0.15	0.05	0.04	0.05	0.05		0.13	0.22	0.08	0.06	0.08	0.08	0.05	
Plus Non-Standard Supply (NSS) <sup>3</sup>	0.01	0.02	0.00	0.05	0.00	0.01		0.01	0.01	0.03	0.07	0.02	0.02	0.02	
Plus Other Income (Non dividend) <sup>4</sup>	0.01	0.00	0.00	0.00	0.00	0.01		0.01	0.02	0.01	0.00	0.01	0.00	0.00	
Average revenue per gross submit trays	7.65	9.83	12.46	11.32	12.50	9.35		8.37	10.18	12.06	11.17	12.23	10.88	10.50	
LESS: post-harvest costs deducted															
Base packing and packaging	-1.44	-1.52	-2.08	-2.33	-2.07	-2.19		-1.40	-1.47	-2.10	-2.16	-2.09	-2.25	-2.09	
Pack differential	-0.40	-0.18	-0.62	-0.56	-0.62	-0.45		-0.43	-0.21	-0.58	-0.66	-0.57	-0.15	-0.48	
Base cool storage	-0.78	-0.79	-0.78	-0.71	-0.78	-0.80		-0.74	-0.77	-0.75	-0.67	-0.76	-0.70	-0.77	
Logistics	-0.14	-0.14	-0.15	-0.22	-0.15	-0.15		-0.13	-0.14	-0.14	-0.16	-0.14	-0.15	-0.14	
Time and CC/RK charges	-0.54	-0.46	-0.31	-0.05	-0.32	-0.08		-0.53	-0.40	-0.28	-0.20	-0.29	-0.37	-0.01	
Total post-harvest costs per gross submit trays	-3.30	-3.08	-3.94	-3.87	-3.94	-3.66		-3.24	-3.00	-3.85	-3.84	-3.86	-3.62	-3.49	
OGR per gross submit trays	4.35	6.75	8.52	7.45	8.56	5.69		5.13	7.18	8.21	7.32	8.38	7.26	7.01	
Average industry yield per productive hectare <sup>5</sup>	12,261	7,925	11,429	10,597	11,462	7,921		11,048	7,373	8,653	11,155	8,321	10,344	6,135	
Number of productive hectares	7,604	502	4,277	161	4,116	195		7,614	537	3,806	394	3,339	73	223	
OGR per hectare	\$53,348	\$53,470	\$97,405	\$78,925	\$98,058	\$45,049		\$56,673	\$52,917	\$71,080	\$81,707	\$69,703	\$75,089	\$42,995	
Average kilogram per tray <sup>6</sup>	3.51	3.49	3.48	3.13	3.50	3.46		3.51	3.49	3.44	3.13	3.50	3.48	3.48	
OGR per kilogram	1.24	1.93	2.45	2.38	2.45	1.64		1.46	2.05	2.39	2.34	2.40	2.09	2.02	

Notes

1. KiwiStart includes Priority Premium payments. These are period one to week 18 related payments that apply to fruit shipped in the applicable weeks and vessels.

2. Fruit loss percentage includes ungraded fruit inventory losses.

3. Zespri does not procure NSS in all categories, returns are as reported in the Ingham Mora post harvest survey.

4. Other income may include any Service Level Agreement payments, Class 3 income and interest.

5. The average industry yield per hectare equals Class 1 volumes submitted divided by productive hectares. Productive hectares includes all hectares described by growers as producing vines. The OGR may be distorted by the inclusion of orchards in the first years of production in the calculation.

6. Average kilograms per tray are derived using the individual size conversions published in the specific season's Pack Conversion Guide. The finalised Time and KiwiStart Rates are established at the August forecast but are not reflected until the October forecast - this results in an amendment to KiwiStart and Time, and a corresponding amendment to fruit payments.



# Making the harvest decision

This field day round has been timed to coincide with when growers first start contemplating harvest.

This is one of the key decisions an orchardist makes but sometimes it feels a bit mysterious. Timing harvest to optimise your OGR is the ultimate result, but there are many factors that come in to play when making the decision on when to harvest. Depending on which variety you're growing, where your orchard is located, and whether you're aiming for KiwiStart or long storage, the decisions you need to make will be different.

**We will focus on:**

- Industry week 9 monitoring results – what are they telling us about the season ahead
- Clearance reporting - what to look for and what do the indicators mean.
- The new OPC OGR App – how to use it, what does it tell us

- What risks, constraints and other considerations may influence your harvest timing
- We will also be discussing the harvest decisions of a couple of growers and their packhouse reps at each field day. Using a series of actual monitoring results, we will look at what this information is telling us and consider the different implications of three different harvest timings.
- Attendees will be asked to follow hygiene practices as outlined below and respect the wishes of the orchard owner at all times.**
- Vehicles to be parked off the orchard as directed
  - Plant material must not enter or be removed from the orchard
  - Attendees must remain with the group whilst in the orchard
  - Wear off-orchard clothing

OPC Field Day SCHEDULE – March/April 2017			
Date	Region	Time	Field Day Address
Monday 13 March	Hawke's Bay	3-5pm	Kiwi Grove, 171 Eriksen Road Napier
Tuesday 14 March	Auckland	10am-12pm	Silervale Orchard, 116 Cuff Road, Patumahoe
Wednesday 15 March	Whangarei	10am-12pm	Two Thumbs Estate, 567 SH1, Kauri, Whangarei
Thursday 16 March	Kerikeri	10am-12pm	Bates Estate, 43 Bluegum Lane, Kerikeri
	Gisborne	10am-12pm	Greens Orchard, 799 Matawai Road
Friday 17 March	Opotiki	10am-12pm	Lissadell Orchard, 87 Tablelands Road, Opotiki
Tuesday 21 March	Paengaroa/ Pukehina/ Edgecumbe	10am-12pm	Panea Orchard, Cnr SH 33 and Partridge Lane, Paengaroa
Wednesday 22 March	Tauranga/ Te Puna	10am-12pm	Rimu Ridge Orchard, 49 Morton Road, Aongatete
Thursday 23 March	Katikati/ Waihi	2-4pm	MacMillan Orchard, 92 Pukakura Road, Katikati
Friday 24 March	Te Puke	10am-12pm	Chisnall Orchard, 265 No 3 Road, Te Puke
Tuesday 4 April	Waikato	10am-12pm	Treblands, 5022 Ohaupo Road, Te Awamutu
Wednesday 5 April	Wanganui	10am-12pm	Cooper Coolpack, 8 Riverbank Road, Wanganui East
Friday 7 April	Nelson	10am-12pm	Thomas Bros Orchard, 197 Dehra Doon Road, Riwaka

# Orchard health and safety and maturity clearance sampling

Zespri has written to all growers about grower health and safety obligations for all orchard visitors with specific reference to maturity clearance samplers. The letter, sent by email and available on the Canopy, includes details of the maturity clearance orchard risk notification process.

The Health and Safety at Work Act 2015 introduced new obligations on persons conducting a business or undertaking (PBCUs). As an orchard owner or leaseholder, growers are considered a PCBU under the Act. The primary duty of care under the legislation requires a PCBU to ensure, so far as is reasonably practicable, the health and safety of the PCBU's workers (while at work); and other people who are influenced or directed by the PCBU in carrying out work.

Zespri, on behalf of the kiwifruit industry, contracts Eurofins Bay of Plenty Ltd (formerly Agfirst Bay of Plenty Ltd) to sample every orchard prior to harvest to ensure maturity clearance criteria are achieved and to assess dry matter for Taste payments. Zespri and Eurofins have agreed that prior to visiting orchards, samplers must be appropriately trained to fulfil their role including relevant health and safety training and specific equipment training. However, an important element of the samplers being able to conduct their roles safely is the requirement for them to be made aware of specific orchard risks and their controls.

The letter details how the specific orchard risk information is to be provided by the grower through their postharvest provider to Eurofins BOP, how risk information can be updated and how that information will be used by maturity clearance samplers. In line with the duties of PCBUs, growers need to be responsible for providing high-quality orchard specific information for the maturity clearance process. If you have any questions regarding this letter please contact either Eurofins BOP on (07) 549 1044 or the Zespri contact centre on 0800 155 355.



# OPC calculators

OPC have developed two calculators to help predict size and dry matter for your crop.

**OPC Fresh Weight & Dry Matter Calculator**

The OPC Fresh Weight & Dry Matter Calculator app provides an estimated average fruit weight, count size, dry matter and TZG for Hayward, Green14 and Hort16A. Although it can be used with Gold3, the TZG calculation is no longer accurate due to taste by size changes. You can use this app via Canopy, or download to Apple or Android devices.

**OPC OGR Estimator**

The new OPC OGR Calculator takes into account more variables than the Fresh Weight & Dry Matter Calculator, and can be used for Gold3, Hayward and Green14. This calculator gives an estimated OGR for up to three target harvest dates, and takes into account KiwiStart and storage payments. This calculator will be available soon via Canopy.



# OPC Tech Tips

## Key on-orchard activities for March:

- Monitor how well trunk girdles are healing. With very dry weather in many growing regions, we're seeing girdles healing relatively slowly. Consider this when deciding whether to girdle again as it's important any girdle is healed before harvest. Don't trunk girdle sick or stressed vines.
- Continue to keep a close eye on soil moisture. Even if there's been rain recently, soil moisture deficits can build quickly with high temperatures.
- As crops continue to size, canopy structures come under significant pressure, particularly

when the canopy is wet as it's much heavier. If there are areas that have the potential to collapse, add extra supports to keep the crop and those working under it safe.

## Key pre-harvest tasks – don't leave them till the last minute!

- Small or sun-exposed Gold3 fruit can be a source of variability. Remove these prior to harvest to reduce delays.
- Ensure tracks are graded, signage is up to date, and you're aware of any health and safety issues that need to be sorted or workers need to be wary of.

- Assess reject levels on vines and thin appropriately to improve the efficiency of harvest and post-harvest operations. Removing six to seven fruit a minute makes the job worthwhile.
- Review maturity areas - are they as uniform as possible? Uniformity helps with clearance and storage, which makes your life much easier and helps the packhouse too!
- Keep your spray diary up to date, to avoid the last minute rush (and stress!). You can run a test audit to check that everything is OK. If there are any issues, get in touch with the crop protection team on spraydiary@zespri.com
- Now's the time to start removing weeds in loadout areas to manage wheatbug

populations, which can cause significant issues getting fruit into the USA.

## Key crop protection reminders:

- If you've got non-producing blocks you're spraying, be very careful using the same sprayer for your producing blocks. There's nothing worse than getting residues on your crop because you didn't clean the tank properly!
- Follow canopy work with a protective spray. Ensure the sprayer is constantly adjusted to get good coverage. The target and water rates should be matched to canopy development.



# Zespri support makes beaches safer this season

The partnership between the Zespri and Surf Life Saving New Zealand's Eastern Region reaches a one-year milestone, coinciding with 29 young lifeguards from 14 of the 19 clubs in the region attending the Zespri Intermediate Lifeguard School in Whiritoa, which is part of a \$400,000 commitment by Zespri to the region's clubs over a three-year period.

Zespri has so far provided free education for 214 Eastern Region lifeguards, allowing clubs to send candidates for further training in first aid, Inflatable Rescue Boat (IRB) skills and leadership and lifesaving development.

The support has been in many other areas too; in the last year, all 19 clubs have received four Zespri rescue tubes each, while Whangamata (Coromandel), Mount Maunganui (Bay of Plenty) and Waikanae (Gisborne) each received \$5,000 towards new lifesaving equipment for winning their respective regional club of the year titles at their annual awards ceremony. Three Eastern Region lifeguards were also awarded scholarships to attend the National Lifeguard School in Whangamata last year.

Eastern Region club chairs chairman Paul Treanor said the skills lifeguards had spent all winter honing had been put into immediate

effect on the region's beaches so far this summer.

"Zespri's support, particularly in the lifeguard education space, has made a real and tangible difference to the quality of lifeguards on our beaches," Treanor said. "Our clubs are not only dedicated to keeping our beaches safer but also to developing and nurturing our members, which ties in beautifully with what Zespri is hoping to achieve."

Zespri's General Manager Grower and External Relations Dave Courtney is delighted the partnership is working as intended, with around 85 percent of Zespri Kiwifruit grown in the three regions and many growers having close ties with their local beaches.

"Promoting sustainability and social responsibility in the communities which support our industry is really important to us and this partnership is a very easy fit for us," Courtney said. "This last year we've been able to work with many outstanding people in the Surf Life Saving community, volunteers who help keep the public safer on local beaches and produce many of our future leaders. We're extremely proud to support our 19 local clubs and look forward to a long and fruitful relationship."



Hot Water Beach lifeguard Taimania Hinds patrols Cathedral Cove during a busy summer season. Photo by Jamie Troughton/Describe Media



New Zealand Kiwifruit Growers Incorporated (NZKGI)  
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# Erin Atkinson crowned BOP Young Grower of the Year

Erin Atkinson, 29, Technical Advisor for Apata Group Limited in Te Puke, has been crowned Bay of Plenty's Young Fruit Grower for 2017 at a special gala dinner in Tauranga.

The day-long competition on Saturday 11 of February at Te Puke Showgrounds, followed by the gala dinner, saw six competitors battle it out in a series of practical and theoretical challenges designed to test the skills needed to run a successful export-focused business.

Erin was awarded a cash prize of \$1,500 and an all-expenses paid trip to compete for the national 2017 Young Grower of the Year title in August. "It was a tough battle against some of the Bay of Plenty and Northland's most capable young growers," said Erin. "I'm looking forward to competing at the national final and will be stepping up my preparation over the next few weeks."

Runner-up went to Danni van der Heijden (23) from Trevelyan's Pack & Cool. Aaron Wright (26) from EastPack was awarded second runner-up. "This competition develops skills and fosters leadership and is an important part of retaining top talent in horticulture which is a rapidly growing industry making a significant contribution to New Zealand's economy. The competitors are a great example of young people who are passionate about the industry's future and their role in it," said Mike Chapman, chief executive of Horticulture New Zealand which runs the

national competition. "The ambitious growth predicted for horticulture is dependent on our ability to attract young growers like Erin who are highly skilled, enthusiastic and able to quickly adapt to change. We wish her all the best as she prepares to compete in the national competition in August."

This year's Bay of Plenty competition was part of the Te Puke Lifestyle A & P Show. One of the highlights of the event included a tug-of-war between the Young Fruit Growers and Young Farmers, with the Young Farmers taking the win.

With six competitors aged under 30, five hailing from the Bay of Plenty and one from Northland, the competition was very well supported by local and national horticulture companies.

"It was fantastic to see so many local organisations recognise the benefits of the competition for the industry by supporting our future leaders," said Kate Longman, Chair of Bay of Plenty Young Fruit Grower Upskilling Inc. "We would especially like to thank all of our sponsors of the Bay of Plenty competition, including our Gold sponsors Zespri, GPS-IT, EastPack and Eurofins Bay of Plenty."

The national Young Grower of the Year competition is an annual competition run by Horticulture New Zealand to select the finest young fruit or vegetable grower in the country. Proudly sponsored by the Horticulture Trust, the winners from five regional events go forward to contest the final. The competition is part of Horticulture New Zealand's strategy to support the growth and development of New Zealand's future horticultural leaders.



Erin Atkinson presented with the award for first place from Bay of Plenty MP Todd Muller at the gala dinner

# Ballance Farm Environment Awards

On Friday 24 February two couples and their orchard practices were recognised at the Ballance Farm Environment Awards. Brian and Jan Barton of Katikati and Leanne and Ian Blackwood of Blackwood Orchard were finalists in the Zespri Kiwifruit Orchard category.

The Ballance Farm Environment Awards recognise and celebrate good farm practices which promote sustainable land management. The judges consider the orchard as a whole but pay particular attention to sustainable profitability, environmental awareness, good business practices as well as social and community responsibility.

When Brian and Jan Barton purchased their 3.86 ha orchard in Katikati in 2002 it was growing 0.83 ha of Hort16A. When Psu-V infected the gold kiwifruit they re-grafted the vines with G3 (SunGold) which has become the property's primary focus.

Brian and Jan cleared pest plants from their orchard and replanted with native species which have become a haven for native wildlife, especially birds. The orchard is managed by a post-harvest company but Brian takes care of the mowing. Brian and Jan say that they choose not to spray their property for weeds which has been beneficial to the health of their kiwifruit vines.

The orchard meets all GAP compliance and has a 70m bore to provide irrigation.

Leanne and Ian Blackwood purchased their 7.95 ha property in 1997. The orchard was

growing Hayward but now grows 4 ha of Gold3 (SunGold), 0.61 ha of Sweet Green (G14) and 3.3 ha of Hayward.

Blackwood orchard has invested in an overhead canopy cover to counter the cold spring conditions that make the orchard vulnerable to Psu-V—which they are managing successfully.

Leanne and Ian have embarked on a zero waste strategy which begins in the house and continues in the orchard.

"We try to consider everything from packaging, to how often we mow the orchard and the need to remove canes from vines that are not producing fruit. All chemical, fertiliser and water usage is monitored on a needs basis."

Their aim is to keep the property in the family through succession planning, develop the orchard in a way that is easy to manage and to grow excellent kiwifruit in a sustainable environment.

Congratulations to Leanne and Ian Blackwood on taking out the Zespri Kiwifruit Orchard award and to Brian and Jan Barton for winning the Farm Stewardship award on the night. Thank you to both entrants for showing us what can be achieved.



# Italian SunGold production to increase to meet rising demand

Zespri will allocate an additional 1,800 hectares of European SunGold licence over the next three years, doubling production of the proprietary kiwifruit variety in Europe. The first 1,200 hectares will be in Italy with the remaining 600 hectares still to be allocated.

Zespri Chief Operating Officer Simon Limmer explains this significant investment to extend Zespri's supply base in Europe is driven by growing year-round demand for Zespri Kiwifruit.

“Twelve-month supply is a key part of Zespri's strategy and this investment aligns our offshore production with the strong increases in New Zealand SunGold volumes, set to double to around 90 million trays over the next five years,” says Mr Limmer.

Zespri President Global Sales & Marketing Daniel Mathieson explains Zespri invested around NZ\$160 million last year in targeted marketing at trade and consumer levels, which benefits the entire kiwifruit category.

“Kiwifruit makes up just 0.22 percent of globally traded fruit: our goal is to grow kiwifruit consumption around the world. Large-scale investments like this help us achieve that goal and meet the very strong consumer demand for this great-tasting, quality fruit, which has brought real excitement to the global kiwifruit category.

Current production of Zespri SunGold in Italy is over 4 million trays this year from 800 producing

SunGold hectares. There are another 850 licenced hectares in the ground which will come into full production in the next few years; the combined volume of the existing 1,650 hectares and the new 1,200 hectares will see Zespri's Italian SunGold volume quadruple to around 15 million trays in the next five years. The volume from the additional 600 hectares would be on top of that.

The new plantings will be staged, with 1,200 hectares to be established in Italy over the next two years and a further 600 hectares planned for Europe in 2019/20.

Zespri has not charged a licence fee for allocation of Gold3 offshore but instead has a commission mechanism that is different than New Zealand, with a 15 percent commission being applied. Non-New Zealand growers do not have the possibility of owning Zespri shares. Our priority is to quickly fill the large surplus of demand, strengthening the platform for New Zealand sales and leveraging our brand investment. Demand for licence is good but Gold3 is not yet performing to New Zealand levels and a licence fee would potentially slow that process. This is because the commercial environment is very different with lower yields than in New Zealand and an inferior market mix generating lower average grower returns. Zespri will continue to assess the possibility for licence fees in the future.



SunGold vines in Lazio in Italy



Picking this season's SunGold crop in France

# Industry Supply Group (ISG) meeting 23 February

The main agenda items are as follows:

- 2017 Supply Agreement
- Supplier Accountability Insurance Schedule 2
- Quality Manual / China Protocols
- G14
- Class 2 Procurement
- Health and Safety

The next meeting will be held on Friday 17 March.

# A reminder on providing appropriate facilities

With harvest rapidly approaching, it is timely for growers to remember their obligations under GLOBALGAP GRASP to provide toilet facilities to anybody working on your orchard.

- Toilets must be available at harvest time within 500 metres from the place of work.
- Toilets must be kept clean and stocked.
- Handwashing facilities must be available and include clean water, soap and something dry their hands with.
- If clean water for hand-washing is not available, then hand sanitiser must be provided.

If the toilet is in a house on the orchard, it must be accessible at all times to anybody working on the orchard. It is not acceptable for the facilities to be locked while harvest is underway.

Not providing appropriate toilet facilities is serious non-compliance in regards to both hygiene and worker welfare.

# Service Level Agreement (SLA) Quarterly Report

Zespri negotiate and enter into Service Level Agreements (SLAs) during the season which will become binding and part of the 2016 Supply Agreement. The below table outlines the SLAs entered into for the 2016 season.

A number of SLAs are rolled over from season to season, for example the Non-Standard Supply and Class 2 Supply SLAs.

SLA Subject	SLA Description
Collaborative Marketing/ Special Programmes	To supply product to meet collaborative marketing demand and specified requirements
Customer Specific Supply	To provide a customer in Korea with product in requested packaging
Local Market Supply	Distribution opportunity and process allowing registered suppliers to sell Gold and Sweet Green kiwifruit onto the NZ domestic market during the 2016 season through ZGL approved distributors and retailers
	Consolidation of the industries remaining Sweet Green part pallets at a designated coolstore to sell on the domestic market
Market Specific Supply	To secure a volume of Zespri Green Conventional and SunGold for shipping which has been pre-cleared for Australia
	To provide product to markets with specific labelling/packaging requirements
	To utilise carryover fruit labels from the 2015 season
	To source low-pest product for Korea
	To supply product to markets that require additional pest control procedures to be carried out onshore
Non Standard Supply/ Class 2	Supply of NSS and Class 2 to export markets
Trial	To allow pre-commercialised varieties to be packed and stored at postharvest entities for assessment purposes
	To allow the use of segregation technology after initial harvest segregation
	To trial an increased supplier accountability in-market fruit quality framework for Zespri SunGold and Hayward Kiwifruit supplied to specified countries.
	To explore the storage life and market window of SunGold
Generic Services	Supply of generic industry services at generic industry rates i.e. market specific labelling, pack transfers, shared containers
Wharf Services	To supply ECPI donor fruit to the wharf based on previous supply, ability to provide services, and proximity to wharf
Grease Affected Inventory	To manage grease-affected inventory onshore
	To provide donor fruit to replace grease-affected inventory
Quality Withdrawal	The contractor has identified grower lines that could be repacked prior to export and meet export standards in the short term but is likely to deteriorate rapidly post FOBS.
Crop Management	An appropriate mechanism put in place to remove a portion of Class 1 Hayward Conventional class 1 volume that would not be economic to sell at the end of the season

# Grower payments booklet

With this issue of the February *Kiwiflier*, growers will find enclosed the 2017 Grower Payments Booklet. An electronic copy will also be available on the Canopy website.

At the time this booklet was being produced, the Zespri margin negotiations were still underway. This could result in the method of calculation for the Zespri margin and loyalty changing for the 2017 season. An update will be provided on the Canopy as soon as the decision is made.

Contact Industry Liaison Manager Neill Malcon (027 442 3450) or Grower Liaison Managers Sue Groenewald (027 493 1987), Casie Rudnicki (027 271 2695), Tom MacMorran (027 511 2005) or Sylvia Warren (022 101 8550) for further information or to suggest questions.

# Q.&A. from the field

**Q1: I am using ZetaPY on my orchard to help with late season pest pressure. Can I mix any allowed adjuvant with it?**

**A1:** The manufacturers of ZetaPY have said that it should not be supplied with the adjuvant Wetcit, as this tank mixture could lead to pyrethrum residues at harvest. The Allowed Other Compounds List lists all allowed adjuvants however it does not specify product compatibility. If you are unsure about a tank mix, contact the chemical supplier.

**Q2: When will I receive my 2017 Schedule 5 Supply Agreement?**

**A2:** Growers should have received a 2017 Schedule 5 Supply Agreement (yellow form) via post by Monday 20 February. If you haven't received one, you can download from the Canopy or contact the Grower Contact Centre on 0800 155 355 to request a form.

**Q3: I have completed my 2017 grower registration online through the Industry Portal. Why am I still being contacted to complete it?**

**A3:** There are two registrations to be completed, one for your orchard and another for you as a landowner. Some growers are completing their KPIN registrations under the "Orchards" tab on the industry portal but have not done their grower registrations under the "Organisations" tab, which is where the landowner registration sits. Please call the Grower Contact Centre for assistance. Some packhouses are happy to complete registrations on their grower's behalf. To arrange this, growers can email [contactcanopy@zespri.com](mailto:contactcanopy@zespri.com) to give permission to add their packhouse to their grower portal. This gives the packhouse access to see the growers orchard/account details and access to submit their growers registrations on their behalf.

**Q4: Will there be any new pre-commercial block trials in 2017?**

**A4:** Zespri will seek expressions of interest in the March *Kiwiflier* from growers keen to participate in pre-commercial block trials that may start this winter. Each year, the Zespri Board reviews data from the Zespri new variety programme's clonal trials and decides whether to put some of those in to pre-commercial block trials.

**Q5: Can I pay my deposit for my Gold3 Licence application by Electronic Funds Transfer?**

**A5:** Yes. You can pay direct to Cooney Lees Morgan's trust account, but you must write "paid by EFT" and the date of payment on your application form next to where it asks you to enclose a cheque, and you must include in the payment reference details "Zespri", the surname or other entity name of the bidder, and if there is a KPIN associated with the bid "KPINXXXX", XXXX being the KPIN number. The funds deposited by Electronic Funds Transfer must be received into Cooney Lees Morgan's trust account by no later than 5pm 15 March 2017 to be a valid bid. In the event that your bid is unsuccessful, you will be asked to provide your bank account details for return of your deposit. No interest is payable to you on funds held in Cooney Lees Morgan's trust account whether or not your bid is successful.

## Grower contracts (Schedule 5 of 2017 supply agreement) reminder

Schedule 5 of the 2017 supply agreement (grower contracts) has been sent to all growers, if you have not received a copy by 20 February, please call the Grower Contact Centre. This is a yellow form that must be signed and returned to Zespri.

Growers are reminded that your registered supplier must have also signed the schedule 5 form before it is returned to Zespri. The schedule 5 form generates a grower number which is required to request a clearance to pick.

If you have any queries, please contact the Zespri Grower Contact Centre on 0800 155 355 or email [contactcanopy@zespri.com](mailto:contactcanopy@zespri.com).

## Good hygiene practice will prevent further disease incursions



As the kiwifruit industry gears up for harvest, and the corresponding annual influx of overseas workers, it's a great time to consider your orchard and packhouse hygiene practices. Overseas workers – or more accurately, their clothing, footwear and tools – present a clear risk to the biosecurity of our industry.

There are many biosecurity threats present in other growing regions around the world that are not here in New Zealand, and which could have a devastating impact on our industry. FreshPlaza reports that Italy's Verona province is continuing to suffer from what is known as "Verona vine decline". It appears to be caused by root asphyxia and has swiftly decimated around 1,200 hectares in Verona. Symptoms have now been identified in other Italian fruit-growing regions.

There are two important considerations for growers.

1. Make overseas workers aware of the need for excellent orchard hygiene. Make sure they do not bring tools used overseas onto your orchard. Check their footwear was cleaned and sanitised in their home country or at the border – don't take any chances. Wet weather clothing must also be clean

and dry. Harmful organisms may be found in any soil or water-soaked environment.

2. Keep an eye out for any unusual symptoms on your vines. If you observe any sudden plant wilt (for reasons other than the persistent heat this February!) contact us immediately. We have great links to MPI and can quickly distinguish the unusual from the ordinary. We have followed up two reports of suspicious symptoms in recent weeks – thankfully neither of them were found to be linked to biosecurity issues – and we are always keen to hear from anyone else who may have concerns.

KVH ran a simulation of a Brazilian wilt incursion at a December KiwiNet workshop. In the scenario we developed, a worker from Brazil entered the country without declaring that their footwear had recently been used in a rural setting. The footwear was not sanitised and the wilt-causing organism was transferred to a property in the Bay of Plenty. While this was a fictitious scenario, it could easily become a reality without vigilance. Notify KVH immediately should you notice any unusual sudden wilt or similar sudden decline of kiwifruit vines. Contact KVH on 0800 665 825 or email [info@kvh.org.nz](mailto:info@kvh.org.nz)

## Upcoming harvest contractor meetings

It is widely acknowledged that harvest contractors play an important role in the success of the kiwifruit industry, however the requirements placed upon them are greatly increasing.

Zespri would like to offer support to ensure harvest contractors understand the requirements to meet Good Agricultural Practice (GAP), key labour regulatory requirements and customer demands. All harvest contractors are invited to a meeting lead by Zespri Market and Quality Assurance Manager Catherine Richardson to discuss topics including:

- Why audits are required and what is changing in this space including GlobalGAP GRASP requirements
- Labour compliance
- Labour hygiene including the provision of toilets, handwashing etc
- Health and safety requirements
- Where to find resources to help

Meetings will be held at the following times/venues:

Date	Location	Time	Venue
Monday 13 March	Katikati	3-4pm	Katikati Baptist Church, 2 Wedgewood St
Monday 20 March	Opotiki	11am-12pm	Opotiki Golf Club, 14 Fromow Rd
Monday 20 March	Te Puke	3.30-4.30pm	Orchard Church



## Levy On Kiwifruit: Make Your Vote Count

New Zealand Kiwifruit Growers Inc. (NZKGI) support referendum for a compulsory levy on kiwifruit exports except Australia is now underway. The proposed levy would continue to fund the activities of NZKGI.

### Who is entitled to vote?

Voting is open to all growers. For this referendum, a grower is considered to be the "titleholder of kiwifruit", meaning a person that has legal and beneficial title to kiwifruit when it is supplied to an exporter. The grower is sometimes not the owner of land.

New Zealand Kiwifruit Growers Incorporated (NZKGI)  
ph: (07) 574 7139 or toll free on 0800 232 505  
[www.nzkgi.org.nz](http://www.nzkgi.org.nz)

If you have received a ballot pack, please have your say and vote now. If you have not received your ballot pack, contact NZKGI immediately on: 0800 232 505 or [info@nzkgi.org.nz](mailto:info@nzkgi.org.nz).

### Your participation is crucial

Don't miss this opportunity to make sure your vote counts and to have your say. The Minister for Primary Industries will need to see a clear indication of grower support in order to approve a new levy order that will enable this important funding for our industry to continue.

**Voting closes midday, 17 March 2017**