

Final 2016/17 result: record yields drive grower returns

The Zespri Board approved the final 2016/17 results, capping a season of record yields and the largest-ever New Zealand crop.

Zespri sold more fruit faster than ever before. The total volume was 137.7 million trays, which is 18 percent above the previous year and 45 percent greater than two seasons ago. Zespri sold almost double the volume of SunGold compared with 2015/16 and delivered a third season in a row of Green returns of over \$50,000 per-hectare. Volume growth and continued strong investment in marketing and market development helped to lift the total fruit and service payment, including the loyalty premium, by 21 percent to \$1.38 billion.

The Green return was \$4.36 per tray (\$5.13 in 2015/16). The sharp increase in Green volume and a late start to the season owing to delayed maturity put pressure on pricing, but record average yields of 12,281 trays per-hectare helped to achieve average per-hectare returns for the 2016/17 year of \$53,555.

The average return for Organic Green was \$6.86 per tray (2015/16: \$7.18). The average per-hectare return of \$54,427 (2015/16: \$52,917) is a record result for the category.

SunGold again delivered an outstanding result, with an average per tray return for the Gold pool of \$8.64 (2015/16: \$8.21)

despite an increase in supply to 48.5 million trays from 32.6 million trays in 2015/16. Average per-hectare returns increased by 39 percent to \$98,838. The customer and consumer response to SunGold was very positive, supporting our confidence in market demand.

The return per tray for Green14 was \$5.79 (2015/16: \$7.01). However, the average per-hectare return increased to \$45,853, driven by higher average yields as orchards came into full production. Performance was affected by the late maturity that characterised the season and also by quality issues and a small size profile. Zespri is continuing to work with growers to maximise the value of the crop for the 2017/18 season, with allocation to Europe and Japan.

Corporate result

Zespri's net profit after tax more than doubled from \$35.8 million to \$73.7 million, mainly due to licence revenue from the SunGold tender in 2016. This will be realised over a number of years.

The Zespri Board approved the intention to declare a 2017 final fully imputed dividend of 17 cents per share, payable in August 2017. This brings the total dividend to 25 cents a share (2015/16: 24 cents a share).

Zespri's distributable profit range for the 2017/18 financial year is expected to be \$101 million to \$106 million, based on the forecast net profit after tax (NPAT) range announced in April 2017. Zespri expects to distribute dividends within the range of 80 to 90 percent, subject to meeting all financial obligations

including solvency before and after distribution. An interim dividend is normally paid in December and the Board will consider making an additional interim dividend in August 2017.

Zespri Chairman Peter McBride says the results are satisfying, "We can be satisfied overall with performance in the season, with a good result delivered despite the challenges of a sharp increase in supply and a relatively late harvest. The challenge ahead is to continue to deliver long-term value for growers and shareholders through consistent and disciplined implementation of our strategy."

Pools (Fruit Categories)	2016/17 Final (per tray)	2016/17 Final (per-hectare)	2015/16 Final (per tray)	2015/16 Final (per-hectare)
Zespri Green	\$4.36 per tray	\$53,555	\$5.13 per tray	\$56,673
Zespri Organic Green	\$6.86 per tray	\$54,427	\$7.18 per tray	\$52,917
Zespri Gold varieties	\$8.64 per tray	\$98,838	\$8.21 per tray	\$71,080
Zespri Green14	\$5.79 per tray	\$45,853	\$7.01 per tray	\$42,995

900 guests visit New Zealand for Zespri's world-class tours programme

The 2017 Zespri tours programme has seen close to 900 national and international guests visiting Zespri, industry partners and seeing the best of what New Zealand has to offer. The industry collectively hosted wholesalers, distributors, retailers, media, health specialists, growers and educational groups from all around the world this season, creating many more Zespri ambassadors.

The tours programme is an important part of the kiwifruit industry business and gives our guests an invaluable opportunity to experience first-hand the passion our industry has for kiwifruit.

President Sales and Marketing Daniel Mathieson says our tours

programme can only run with the support of the industry and their effort and time is much appreciated.

"We would like to say a special thank you for helping deliver a world-class tours programme for our customers and consumers. Over the last two decades, we have developed strong partnerships with customers around the world through this programme and this has created a strong foundation to develop our brand, expand sales, clearly differentiate Zespri from other fruit suppliers and engage more and more consumers.

"With your help we can show them the quality and taste which underpin the Zespri brand and the people who make it happen". says Dan.



Visiting Trevelyan's Pack & Cool.



Viewing some of the many varieties of kiwifruit in the breeding programme at Plant & Food Research.



Cooking a kiwifruit - inspired dish at a cooking school.



Visiting Zespri head office for presentations.

Unauthorised plantings of Zespri proprietary varieties

Zespri has recently been made aware of a number of unauthorised overplantings of Gold3. With the increase in Gold3 licence values and high Gold3 returns, it is crucial that Zespri continues to protect growers' investments in the variety. Zespri will be investigating all instances of overplanting that it becomes aware of and will take comprehensive enforcement action against infringers.

Zespri understands that in some cases, overplanting is minor and unintentional. However it is clear in some other cases that Zespri has identified, that growers have deliberately or recklessly exceeded their licensed planting area. It is important for growers to understand Zespri does not have a "minimum area" under which they will not pursue unauthorised plantings, every unauthorised planting will be considered on its merits to determine if it is "minor and unintentional". Growers should not assume that they will automatically fall into this category if they have a small area of unauthorised plantings. Such cases are a clear breach of the Zespri Kiwifruit Variety Licence and the Plant Variety Rights (PVR) Act 1987, and undermine the value of other growers' licences. In such cases, the remedies available to Zespri will be strictly enforced.

Zespri has a standard process for dealing with overplanting that requires the orchardist to remedy the breach of their licence and the PVR Act by obtaining additional licence, or removing and destroying the plant material within a specified timeframe. Failure to take action within the specified timeframe will result in Zespri exercising its rights under the licence terms and conditions and under the PVR Act, including:

- Under the Zespri Kiwifruit Variety Licence: a) termination of the licence; b) removal of all Gold3 plant material from the property i.e. not just the overplanted area; c) claims for damages.
- Under the PVR Act: a) a court order requiring the removal of illegally grafted material; b) claims for damages.

In addition to the above measures, it is also Zespri's policy that any grower who breaches a Zespri Kiwifruit Variety Licence by overplanting will not be eligible to participate in any future Zespri licence release for the following five years, including for the commercialisation of any new

variety. This is included as a condition in the Allocation Process Rules for each licence release.

Zespri also reserves the right to consider prior breaches of its intellectual property rights when considering eligibility for new opportunities for licences or new variety trial activities.

Growers are reminded that if they are converting or grafting an area with Gold3, it is their responsibility to ensure the area to be grafted or planted does not exceed their entitlement and which is clearly stated in their licence. If this requires the orchard area to be GPS mapped - growers are required to do this at their own cost. GPS mapping can be done by any of Zespri's approved mapping providers, as listed on the Canopy website, please note that GPS-it is Zespri's preferred GPS Mapping provider. If mapping provider GPS-it has previously mapped the orchard, they may be able to calculate the area to be grafted from the information they already hold. There is still a cost involved with this and in some instances a visit may be required by GPS-it. Growers are urged to ring GPS-it on 0800 247 748 if they wish to explore this further.

If Zespri becomes aware of any overplanting, they may either conduct a site visit and/or may add that orchard to be re-visited by GPS-it at any stage.

If you have any doubt about the licenced area that you are entitled to, for example because you have a number of separate licences on a single KPIN, please contact the Zespri Grower Contact Centre on 0800 155 355 to confirm this.

If you would like to discuss this topic further or you believe that you may be overplanted and wish to rectify the situation, we urge you to contact the Zespri licence Team either by contacting the Zespri Grower Contact Centre on 0800 155 355, or a Zespri Grower Liaison Manager.

The Unauthorised Grafting Policy can be found on the Canopy at Canopy > Growing Kiwifruit > Zespri® Variety Licences > Licence Management > Unauthorised Grafting.

With fruit into our markets around the world, Zespri marketing campaigns are in full swing

Korea

A photo event was held in Korea last month to celebrate the launch of the 2017 New Zealand kiwifruit season and the 20th anniversary of the Zespri brand.

The event generated 25 photo and text articles published by Korean media including top publications such as Yonhap News and Maeil Business Newspaper.

The published articles highlighted key health messages for Zespri SunGold and Zespri Green. Articles also introduced the history of Zespri—a global premium kiwifruit brand created by New Zealand kiwifruit growers in 1997 to market top quality kiwifruit.



The 2017 season kicks off in Korea.

Australia

Zespri's 2016 Australian 'Go For Gold' campaign was announced as a finalist for the PMA-Produce Plus Marketer of the Year Award which recognises outstanding achievement in the marketing of fresh produce across Australia and New Zealand.

Compac's sorting systems was announced as the overall winner at the Hort Connections conference in Adelaide this month, with Zespri receiving a finalist award.



Zespri's 2016 Australian campaign recognised.

Japan

The Zespri Japan office had some very exciting visitors: two authorities from the Japan Dietary Association (JDA), Dr Nakamura, the former chairman of the JDA is one of the leading Japanese experts in nutrition and Dr Komatsu, the Chairman of JDA. This year, Zespri Japan will sponsor the inaugural Nutrition Week in August. Nutrition week celebrations will include major kiwifruit sampling by registered dietitians to 100,000 people across Japan in Nutrition Week.

Spain

The team in Spain is once again collaborating with the Alimmenta portal for nutritionists and dieticians as part of their digital communications strategy. With over 30,000 subscribers, Alimmenta

is one of the leading specialist portals on nutrition in Spain, with 16 specialists creating interesting content for dieticians, nutritionists and informed consumers.



Online communication is a quick and easy way to increase product recommendations to consumers, with great results last year.

Today, Zespri Spain has over 7,000 Twitter followers which include dieticians, nutritionists and other healthcare professionals.

Plans for this season include generating more innovative content like infographics, mini-videos and live webcasts that are interesting, informative and easy-to-share across social network sites.




Engaging social media for Spanish nutritionists.



www.zespricanopy.com

Top 5 PAGES



1. Quality Manual
2. Up-2-Date
3. Submit, clearance and shipping charts
4. Size Profile Tracking
5. Shares

Growers in Italy affected by frost events

Kiwifruit growers in Italy have been affected by a frost events in early May and the Zespri Global Supply (ZGS) team in Latina understands from initial observations that Italian SunGold production could be down by around 20 percent this season. Green volumes from Italy are also expected to be down. The effects of the frost damage have mostly been seen in the Lazio province, just south of Rome.

The ZGS team will get a clearer picture over the next month, once vines move through the rapid post-flowering fruit growth and understand any impact on fruit shape and pollination viability. The results of the first fruit count will be available at the end of July.

French crops are relatively unaffected. ZGS is working to support affected growers and manage the crop for a successful season ahead.



Vine damage immediately after the recent frosts in Italy.



Frost affected orchards showing defoliation during late Spring.

Zespri growing sales in top market, Japan

CEO Lain Jager joined a trade mission to Japan in May led by New Zealand Prime Minister Bill English. During the visit Bill English and his counterpart Shinzo Abe reiterated their commitment to bring the Trans-Pacific Partnership trade pact into force.

Japan is Zespri's long standing top market where it sold a record 24 million trays of kiwifruit last season.



CEO Lain Jager at a Zespri sampling event in the Aeon Shinagawa sea-side shopping mall in Tokyo.

"Japan sales were \$500 million last season and accounted for 16 percent of our global sales," says Lain. This is all the more remarkable as overall fruit sales in Japan declined by almost 10 percent over the past decade, against the backdrop of an economy with an ageing population and changing consumer behaviour, with a growing preference for more convenient processed products.

"This strong performance is testament to the longstanding relationships we have with our customers – distributors, wholesalers and retailers – who work very closely with us in-market to deliver consistently great-tasting kiwifruit to Japanese consumers," says Lain.



Zespri's new campaign - "Zespri Label, the proof for Sweetness and Nutrition" has started in Japan.

Last year saw Zespri's Japan marketing become more product-centric, making Zespri Kiwifruit more relatable and engaging, and this will continue this season. This new approach won the team in Japan a top design award last year, the Good Design Award, for the new campaign featuring two cartoon kiwifruit brothers talking about how and why kiwifruit is good for you. These TV commercials can be viewed on YouTube by searching Zespri kiwi brothers.

"Our team in-market is working hard to introduce more consumers in Japan to the great taste of Zespri Kiwifruit through sampling programmes and

promotions. Once that connection is made, the powerful health benefits of our product - high fibre and vitamin C – provide an ongoing communication platform with consumers," says Lain.

Lain says Zespri welcomes the New Zealand Government's decision to ratify the Trans Pacific Partnership (TPP) Agreement.

"The TPP would eliminate tariffs on kiwifruit exports into all 11 Asia-Pacific nations and the most immediate impact would be in Japan, where kiwifruit growers paid around \$25 million in tariffs last season. If this tariff relief was passed straight through to New Zealand growers, it would equate to savings of around \$1,900 for every hectare of kiwifruit grown in New Zealand."

Lain explains Zespri has partnered with local Japan kiwifruit growers for the past 14 years to grow Zespri gold varieties to supply the local Japanese market in the few months of the year when New Zealand kiwifruit is not available. Zespri also has orchards in Italy, France and Korea to meet consumer demand in the New Zealand offseason.

"Our partnership with local growers keeps Zespri Kiwifruit on shop shelves in Japan all year round, supporting the relationships with our trade partners and keeping our brand in front of consumers all year round," says Lain.

Zespri is expanding Japan production under a new commercial model which will see the aggregation of larger land areas, with significant volume growth ahead in response to the exceptional success and demand for SunGold in the Japan market.

Zespri riding the longest tramline in the world!

Belgian tram passengers will have Zespri front of mind for the rest of the year, with a Zespri branded tram running the length of the Belgian coastline. During the summer months, this line is extremely busy, with more than 4.2 million travellers travelling through all the towns and cities on the coast, peaking at 80,000 travellers a day.

Passengers can take the tram for 67km and hop on or off at 69 different stops between the border of The Netherlands all the way down to the border with France.



Plenty of visibility for the Zespri Brand.

Apology for late April *Kiwiflier*


Apologies to those who received their April *Kiwiflier* late. This was due to a mailhouse error and after investigation, we are confident that this error will not happen again.


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 April 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	KiwiStart Accountability Intercheck	Taste Zespri	Progress	Loyalty Premium	Total payment / FOBS 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	36%
Aug-16		\$0.12	\$0.17	\$0.30	\$0.12		\$0.71	45%
Sep-16		\$0.19		\$0.25	\$0.33		\$0.78	55%
Oct-16		\$0.31	\$0.19	\$0.17	\$0.35		\$1.01	68%
Nov-16		\$0.49	\$0.04	\$0.43	\$0.14		\$1.10	82%
Dec-16		\$0.23	\$0.02	\$0.06	\$0.05		\$0.37	87%
Jan-17			\$0.02			\$0.10	\$0.12	89%
Feb-17		\$0.01	\$0.00	\$0.00	\$0.28		\$0.30	92%
Mar-17		-\$0.03	\$0.01	-\$0.01	\$0.24		\$0.21	95%
Apr-17					\$0.10		\$0.10	96%
May-17		\$0.00	\$0.00		\$0.13		\$0.13	98%
Jun-17						\$0.15	\$0.15	100%
Paid YTD	\$2.25	\$1.52	\$0.44	\$1.40	\$1.82	\$0.10	\$7.52	
Balance to pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.13	\$0.15	\$0.28	
Total fruit and service payments – 2016/17 Actual							\$7.80	


Zespri Organic Green								
 ISO Month	Submit	Pack and Time	KiwiStart 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	23%
Jul-16		\$0.03		\$0.25	\$0.36		\$0.64	30%
Aug-16		\$0.11	\$0.31	\$0.41	\$0.70		\$1.53	46%
Sep-16		\$0.20	\$0.00	\$0.38	\$0.26		\$0.84	54%
Oct-16		\$0.30	\$0.33	\$0.24	\$0.46		\$1.32	68%
Nov-16		\$0.31		\$0.54	\$0.65		\$1.49	83%
Dec-16		\$0.04		\$0.02	\$0.10		\$0.15	84%
Jan-17			-\$0.02			\$0.10	\$0.08	85%
Feb-17		\$0.02		\$0.00	\$0.61		\$0.64	92%
Mar-17		\$0.01	\$0.03	\$0.04	\$0.33		\$0.41	96%
Apr-17					\$0.10		\$0.10	97%
May-17					\$0.15		\$0.15	98%
Jun-17						\$0.15	\$0.15	100%
Paid YTD	\$2.25	\$1.07	\$0.67	\$1.87	\$3.57	\$0.10	\$9.52	
Balance to pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.15	\$0.15	\$0.30	
Total fruit and service payments – 2016/17 Actual							\$9.82	

Zespri Green14								
 ISO Month	Submit	Pack and Time	KiwiStart 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	69%
Oct-16			\$0.31		\$0.38		\$0.68	76%
Nov-16				\$0.36	\$0.47		\$0.83	85%
Dec-16					\$0.30		\$0.30	88%
Jan-17						\$0.10	\$0.10	89%
Feb-17					\$0.40		\$0.40	93%
Mar-17				\$0.03	\$0.17		\$0.20	96%
Apr-17					\$0.08		\$0.08	96%
May-17					\$0.19		\$0.19	98%
Jun-17						\$0.15	\$0.15	100%
Paid YTD	\$2.80	\$0.46	\$0.26	\$1.85	\$3.69	\$0.10	\$9.16	
Balance to pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.19	\$0.15	\$0.34	
Total fruit and service payments – 2016/17 Actual							\$9.50	

- 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 advance 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.

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 / 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			\$1.32	36%
Aug-16		\$0.24	\$0.24	\$1.25	\$0.52	\$0.02		\$2.28	54%
Sep-16		\$0.33	\$0.01	\$1.20	\$0.56			\$2.10	71%
Oct-16		\$0.20	\$0.31	\$0.14	\$0.52			\$1.18	80%
Nov-16		\$0.09	\$0.01	\$0.93	\$0.08	\$0.01		\$1.12	89%
Dec-16		\$0.01	\$0.00	\$0.01	\$0.07			\$0.09	90%
Jan-17			\$0.02				\$0.10	\$0.12	91%
Feb-17		\$0.00		\$0.00	\$0.36			\$0.37	94%
Mar-17		\$0.00	-\$0.01	-\$0.03	\$0.37	\$0.00		\$0.33	96%
Apr-17					\$0.10			\$0.10	97%
May-17					\$0.20			\$0.20	99%
Jun-17							\$0.15	\$0.15	100%
Paid YTD	\$2.80	\$1.39	\$0.58	\$4.40	\$2.96	\$0.03	\$0.10	\$12.26	
Balance to pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.20	\$0.00	\$0.15	\$0.35	
Total fruit and service payments – 2016/17 Actual								\$12.62	

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	\$0.12						\$2.92	26%
May-16		\$0.12						\$0.12	27%
Jun-16		\$0.26						\$0.26	30%
Jul-16		\$0.02		\$0.95	\$0.29			\$1.26	41%
Aug-16		\$0.02	\$0.39	\$1.02	\$0.12			\$1.55	55%
Sep-16		\$0.18		\$0.77	\$0.85			\$1.81	71%
Oct-16		\$0.02	\$0.70		\$0.23			\$0.95	79%
Nov-16				\$0.69	\$0.26			\$0.94	88%
Dec-16		\$0.00			\$0.09			\$0.10	89%
Jan-17							\$0.10	\$0.10	90%
Feb-17					\$0.55			\$0.55	95%
Mar-17			-\$0.07	-\$0.03	\$0.30			\$0.20	96%
Apr-17					\$0.09			\$0.09	97%
May-17					\$0.17			\$0.17	99%
Jun-17							\$0.15	\$0.15	100%
Paid YTD	\$2.80	\$0.75	\$1.02	\$3.40	\$2.79	\$0.00	\$0.10	\$10.86	
Balance to pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.17	\$0.00	\$0.15	\$0.31	
Total fruit and service payments – 2016/17 Actual								\$11.17	

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	54%
Sep-16		\$0.33	\$0.01	\$1.22	\$0.55			\$2.11	71%
Oct-16		\$0.21	\$0.30	\$0.15	\$0.53			\$1.19	80%
Nov-16		\$0.09	\$0.01	\$0.94	\$0.08	\$0.01		\$1.13	89%
Dec-16		\$0.01	\$0.00	\$0.01	\$0.07			\$0.08	90%
Jan-17			\$0.02				\$0.10	\$0.12	91%
Feb-17		\$0.00		\$0.00	\$0.36			\$0.36	94%
Mar-17		\$0.00	-\$0.01	-\$0.03	\$0.37	\$0.00		\$0.34	96%
Apr-17					\$0.10			\$0.10	97%
May-17					\$0.20			\$0.20	99%
Jun-17							\$0.15	\$0.15	100%
Paid YTD	\$2.80	\$1.42	\$0.56	\$4.44	\$2.97	\$0.03	\$0.10	\$12.32	
Balance to pay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.20	\$0.00	\$0.15	\$0.35	
Total fruit and service payments – 2016/17 Actual								\$12.67	

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.

May 2017 Final Progress Payments on Net Submit Trays

Approved per tray progress payments for 31 May 2017 have also been approved:

Class 1	
Zespri Green	\$0.13
Zespri Organic Green	\$0.15
Zespri Gold	\$0.17
Zespri Gold3 & Organic Gold3	\$0.20
Zespri Green14	\$0.19

Orchard Gate Return

The OGR calculations reflect the Year End March 2017 fruit loss percentages, post-harvest cost data compiled by Ingham Mora Limited in March 2017, and current productive hectare information.

2016/17 Season Return Analysis

Non-Standard Supply - Approved Progress Payment 31 May 2017	Family Kiwi™ Green	Family Kiwi™ Organic Green	¹ Non Standard Supply
Volumes (m)	0.44	0.05	0.58
Fruit and Service Payments on Net Submit trays (\$):			
FOBS Fruit Payment	1.40	1.40	1.40
Service Payments	0.09	0.17	0.00
Fruit Incentives	0.00	0.00	0.00
Progress Payments (including Gold Organic Premium)	3.60	5.75	4.83
Total Fruit and Service Payments	5.10	7.33	6.24

- Notes**
1. Excludes fixed price mainpack Family™ Green

Industry supply group (ISG) meeting 18 May

- The main agenda items discussed were:**
- Health and safety
 - Colour Class vessels
 - Supplier accountability
 - Organic Hayward dry matter bands
 - Market/quality/operational updates
- The next meeting will be held on Thursday 22 June.**

Final instalment of the 2016 season Loyalty Payment

The second instalment of the 2016/17 \$0.25 Loyalty Payment will be paid on 15 June 2017. The first instalment of \$0.10 per class 1 tray FOBS was paid in January this year. If you receive your Loyalty Payment direct from

Zespri, i.e. it isn't paid via your post-harvest facility, and you have changed your bank account details since the January payment, then please ensure you contact the Zespri Grower Contact Centre on 0800 155 355.

Briefs

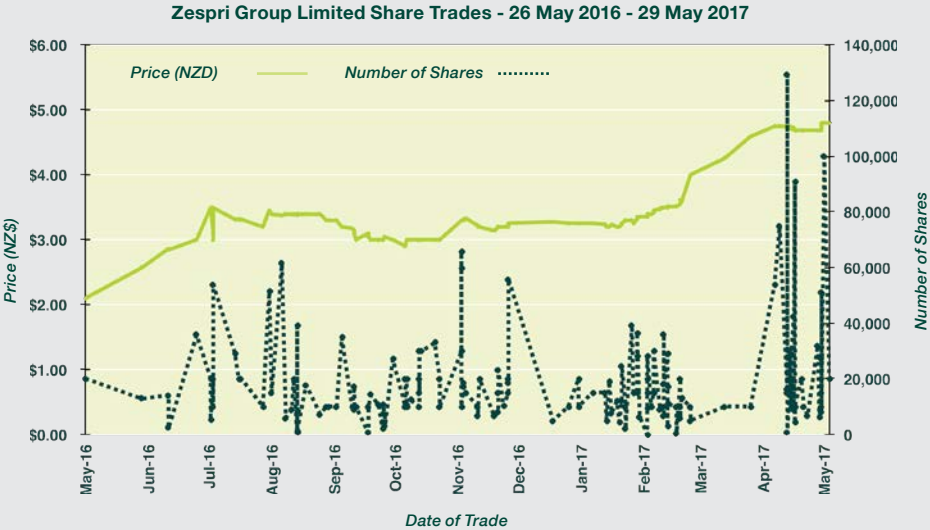
Share Briefs

As at **29 May 2017** the last Zespri share price trade was **\$4.80** traded on **29 May 2017**. There were **four** buyers at **\$4.78, \$4.75, \$4.30** and **\$3.56**. There were **three** sellers at **\$4.82, \$4.85** and **\$4.97**.

To trade Zespri shares please contact one of the registered Unlisted brokers – See 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. The Zespri Group Limited listing code is ‘ZGL’.

The Unlisted website shows:

- Latest Prices

- Market depth—see the parcels of shares for sale and the parcels and price that buyers are seeking
- Last 10 trades and
- Market Announcements

Below is the current Market Depth information as at **29 May 2017**

Quote Line at Thursday 29 May 2017 at 12.23pm								
Code	Bid (\$)	Offer (\$)	Last (\$)	At	High (\$)	Low (\$)	Volume	Value (\$)
ZGL	4.780	4.82	4.80	29/05/17 10:11	4.80	4.80	20000	96,000.00

Market Depth					
BIDS			OFFERS		
Orders	Quantity	Price (\$)	Price (\$)	Quantity	Orders
1	10,000	4.780	4.820	10,000	1
1	15,000	4.750	4.850	15,000	1
1	30,000	4.300	4.970	10,000	1
1	20,010	3.560			

Last 10 Trades				
	Date/Time	Quantity	Price (\$)	Value (\$)
-	29/05/17 10:11	20,000	4.80	96,000.00
-	26/05/17 16:46	100,000	4.80	480,000.00
-	25/05/17 16:10	10,000	4.80	48,000.00
-	25/05/17 15:43	51,000	4.75	242,250.00
-	25/05/17 15:38	15,000	4.80	72,000.00
-	25/05/17 15:38	27,360	4.75	129,960.00
-	25/05/17 15:37	8,200	4.70	38,540.00
-	25/05/17 15:37	51,140	4.70	240,358.00
-	25/05/17 15:08	20,000	4.69	93,800.00
-	24/05/17 10:38	6,340	4.68	29,671.20

Director share trading

For the month of May (as at **29 May 2017**), there were **62,360** 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.

2016/17 Season Return Analysis

Class 1 - Approved Progress Payment 31 May 2017	Average on Net Submit	Average on trays paid	16/18/22	25/27	30/33	36	39	42
Zespri Green	\$0.1291	\$0.1291	\$0.2011	\$0.1357	\$0.1211	\$0.1340	\$0.1340	\$0.0594
Zespri Organic Green	\$0.1497	\$0.1497	\$0.1697	\$0.1257	\$0.1852	\$0.1355	\$0.1355	\$0.1358
Zespri Gold & Organic Gold	\$0.1652	\$0.1652	(\$0.1959)	\$0.2018	\$0.2007	\$0.1695	\$0.2275	No Supply
Zespri Gold3 & Organic Gold3	\$0.2045	\$0.2045	\$0.1906	\$0.2073	\$0.2079	\$0.1780	\$0.2486	\$0.2664
Zespri Green14	\$0.1920	\$0.1920	\$0.2274	\$0.1917	\$0.1841	\$0.2065	\$0.2065	\$0.1509

Notes

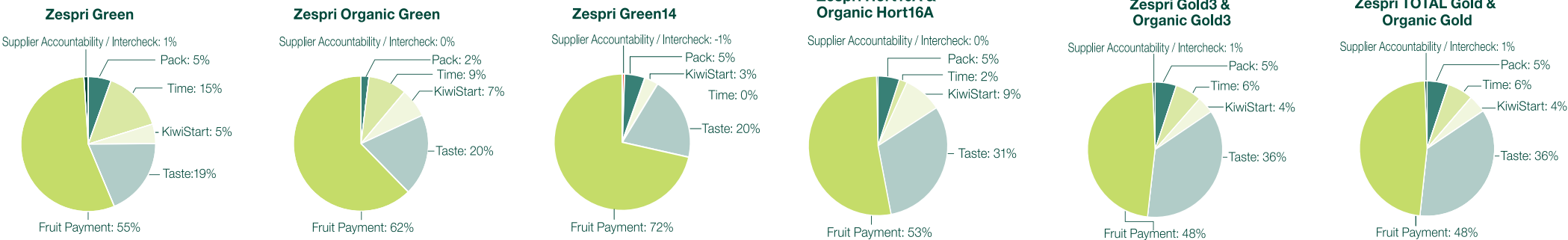
1. Progress payments are paid on submitted trays and reversed for onshore fruit loss.
2. Net submit trays = gross submitted trays less onshore fruit loss trays.

Family Kiwi™ - Approved Progress Payment 31 May 2017	Average on Net Submit	Average on trays paid	22	27	30	33	36	39	42
Family Kiwi™ Green	\$0.3782	\$0.4165	\$0.4096	\$0.4277	\$0.4886	\$0.4491	\$0.4239	\$0.3627	(\$0.1898)
Family Kiwi™ Organic Green	\$0.4835	\$0.4835	\$0.4427	\$0.1798	\$0.6378	\$0.6821	\$0.7195	\$0.6251	\$0.5075

Non-Standard Supply - Approved Progress Payment 31 May 2017	46
Zespri Organic Green	\$0.5150

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

Final



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

Full Year Return	2016/17 - Final							2015/16 Final							
	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
Total forecast:															
Total trays supplied (m)	90.8	3.9	48.5	1.7	46.8	1.5	145.9	80.7	3.9	32.6	4.4	27.5	0.7	1.4	120.1
Kilograms supplied (m)	319.0	13.7	169.0	5.4	163.7	5.3	510.8	283.5	13.6	112.1	13.6	96.1	2.5	4.7	419.6
Average size per tray	32.5	35.0	29.9	31.8	29.9	36.1		32.5	34.5	30.8	31.7	30.6	34.2	35.9	
Fruit payments (\$m)	381.0	23.5	291.0	10.0	280.9	10.2	711.9	427.9	24.7	175.5	25.0	147.2	3.3	8.7	645.8
Fruit incentives (\$m)	167.0	10.0	241.6	7.7	233.9	3.2	421.8	114.7	9.4	165.4	19.8	141.6	3.9	4.6	294.1
Service costs (\$m)	137.9	4.2	67.5	1.3	66.2	0.7	210.3	124.1	4.2	44.4	4.9	38.8	0.8	0.6	173.5
Fruit and service payments excl. loyalty premium (\$m)	685.8	37.7	600.1	19.0	581.0	14.1	1,344.0	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)	1.95	3.72	3.20	2.95	3.21	3.88		3.05	4.11	2.59	2.40	2.64	2.00	3.54	
Total fruit payments per net submit trays	4.20	5.97	6.00	5.75	6.01	6.68		5.30	6.36	5.39	5.20	5.44	4.80	6.34	
KiwiStart ¹	0.35	0.67	0.51	0.98	0.49	0.31		0.25	0.43	0.52	0.48	0.54	0.00	0.09	
Taste Zespri	1.40	1.87	4.40	3.40	4.44	1.85		1.20	1.95	4.49	4.03	4.54	5.46	3.34	
Supplier Accountability / Intercheck	0.08	0.00	0.07	0.04	0.07	-0.05		-0.03	0.03	0.07	0.04	0.08	0.06	-0.02	
Fruit incentives	1.84	2.54	4.98	4.42	5.00	2.11		1.42	2.41	5.08	4.54	5.15	5.52	3.41	
Pack Type	0.41	0.18	0.63	0.55	0.63	0.46		0.45	0.21	0.58	0.66	0.58	0.17	0.46	
Time Payment	1.10	0.88	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	1.07	1.39	0.75	1.42	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	7.55	9.57	12.37	10.92	12.42	9.25		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	7.80	9.82	12.62	11.17	12.67	9.50		8.51	10.11	12.08	11.12	12.25	11.67	10.47	
Less: onshore fruit loss	-0.22	-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 ²	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	7.59	9.70	12.51	11.13	12.56	9.38		8.22	9.92	11.95	11.04	12.12	10.78	10.43	
Plus Class 2 Return	0.08	0.18	0.06	0.11	0.05	0.04		0.13	0.22	0.08	0.06	0.08	0.08	0.05	
Plus Non-Standard Supply (NSS) ³	0.00	0.02	0.00	0.08	0.00	0.02		0.01	0.01	0.03	0.07	0.02	0.02	0.02	
Plus Other Income (Non dividend) ⁴	0.01	0.00	0.00	0.00	0.00	0.00		0.01	0.02	0.01	0.00	0.01	0.00	0.00	
Average revenue per gross submit trays	7.69	9.91	12.57	11.32	12.62	9.43		8.37	10.18	12.06	11.17	12.23	10.88	10.50	
LESS: post-harvest costs deducted															
Base packing and packaging	-1.45	-1.52	-2.07	-2.33	-2.06	-2.17		-1.40	-1.47	-2.10	-2.16	-2.09	-2.25	-2.09	
Pack differential	-0.40	-0.18	-0.62	-0.54	-0.63	-0.45		-0.43	-0.21	-0.58	-0.66	-0.57	-0.15	-0.48	
Base cool storage	-0.77	-0.79	-0.79	-0.71	-0.79	-0.80		-0.74	-0.77	-0.75	-0.67	-0.76	-0.70	-0.77	
Logistics	-0.13	-0.14	-0.14	-0.23	-0.14	-0.14		-0.13	-0.14	-0.14	-0.16	-0.14	-0.15	-0.14	
Time and CC/RK charges	-0.56	-0.42	-0.30	-0.05	-0.31	-0.08		-0.53	-0.40	-0.28	-0.20	-0.29	-0.37	-0.01	
Total post-harvest costs per gross submit trays	-3.33	-3.05	-3.93	-3.86	-3.94	-3.64		-3.24	-3.00	-3.85	-3.84	-3.86	-3.62	-3.49	
OGR per gross submit trays	4.36	6.86	8.64	7.46	8.68	5.79		5.13	7.18	8.21	7.32	8.38	7.26	7.01	
Average industry yield per productive hectare ⁵	12,281	7,933	11,442	10,853	11,466	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	\$53,555	\$54,427	\$98,838	\$80,968	\$99,547	\$45,853		\$56,673	\$52,917	\$71,080	\$81,707	\$69,703	\$75,089	\$42,995	
Average kilogram per tray ⁶	3.51	3.49	3.48	3.12	3.50	3.46		3.51	3.49	3.44	3.13	3.50	3.48	3.48	
OGR per kilogram	1.24	1.97	2.48	2.39	2.48	1.67		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 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.

Collecting and storing budwood

Growers are encouraged, where practicably possible, to collect budwood from their own KPIN's existing Gold3 vines and collect spares to replace failed grafts in Spring.

All males should be pruned and mulched on a block before any Gold3 female budwood is harvested. This is to ensure there is no confusion between male and female budwood. Budwood should be kept dry (off the orchard floor) as it is being harvested and chilled for at least a week before being grafted.

The following guidelines are based on Zespri's budwood storage protocols:

- All budwood should be kept in an air - tight bag or sleeve with both ends sealed to be air tight. This can be done using insulation tape or cable ties (or a combination so you can open and re-seal a sleeve/bag). Zespri used yellow insulation tape to denote Gold3 female budwood and white tape for M91. In the past, green insulation tape was used to denote Green14 female budwood.
- All bundles of budwood should be labelled with the following:
 - Grower name
 - Source KPIN
 - Variety
 - Harvest date
 - Regional status code (Recovery, Exclusion or Containment)
- Store scions in a refrigerator or similar dark, cool place (ideally a chiller) between 1-4 degrees – do not allow the scions to freeze.
- For a small quantity of budwood, place a moist folded piece of paper towel inside the plastic bag containing scions. Use a paper towel big enough to keep humidity high within the storage bag. Lay the bag flat in the fridge; the moistened paper towel should be separated from the scions. The moistened towel should be at the lowest

part of the bag. A few dew-type droplets should form and remain on the inside top of the bag. These droplets signify that the bag has good humidity inside. High humidity helps keep the scion hydrated.

- For a larger collection of budwood, it is recommended that canes are left as lengths (Zespri cuts to 90cm) until it is ready to be cut into individual scions – this will help with the longevity of the buds. A system of counting useable buds on a typical cane can be used to give an idea on how many canes/buds you require in total. It is a good idea to add in some extra canes to allow for losses. All air should be removed from the sleeve/bag before it is sealed.
- At the end of storage, underneath the scion's skin, the cambium should appear green and have no shrivel marks on its exterior. If it's not a healthy looking green, the scion probably has lost viability. Scion buds should be closed - open buds make successful grafting more difficult because moisture can escape causing the scion to de-hydrate.
- Do not store scions with apples (or other ripening fruit), as they emit ethylene gas, which encourages scion's buds to break dormancy.
- Clear plastic bags, large zip-lock type bags or the plastic sleeves that Zespri uses are available from Attwood Packaging Mount Maunganui – phone 07 572 0290.

If you have any questions relating to budwood storage, please call Zespri Grower Liaison Managers Tom MacMorran (027 511 2005) or Sue Groenewald (027 493 1987). If you require any information regarding distributing budwood outside of your orchard, please contact KVH on 0800 665 825.

Mystery Creek Fieldays 14-17 June: fruit sampling and birthday celebrations

Join us at Mystery Creek Fieldays to celebrate 20 years of the Zespri brand, proudly owned by New Zealand kiwifruit growers.

Growers wanting to escape the hustle and bustle of Fieldays are welcome to make the Zespri site their refuge to recharge between excursions. As in previous years, growers can sample pre-commercial kiwifruit varieties and mingle with other growers and Zespri staff at Zespri's kiwifruit industry marquee. Located at site E66/F65 (the same location as 2016). Refreshments are available all day, a brief lunch time market update from Lain Jager at 12pm will be accompanied by a sausage sizzle and from 4pm growers can return to the site for drinks and nibbles before heading home.

As an exciting addition this year, we are sharing the 20 year birthday of our New Zealand brand and product with the

New Zealand public by having tastings of premium Zespri Kiwifruit inside the pavilion. Visit our Mystery Creek Fieldays pavilion site at P19-22 and experience the Zespri brand with fruit sampling and birthday celebrations.

Zespri will be handing out the Zespri biospife to kiwifruit lovers; a compostable version of Zespri's iconic spoon-knife.

This year's Mystery Creek Fieldays theme is 'Leading Change' with a focus on driving prosperity in New Zealand's primary sector.

For more information and to use the interactive site map, visit the Fieldays website www.fieldays.co.nz.



Zespri Fielday pavilion site.



As part of this year's Fieldays fruit sampling, Zespri will show-case the biospife—made using kiwifruit waste products and 100 percent compostable.



OPC hosts French grower on learning exchange

Early this month our New Zealand Orchard Productivity Centre team hosted Geraldine Sueres from the French post-harvest industry as the offshore recipient of the Bruce Stowell work exchange scholarship.

Geraldine works for Blue Whale, a post-harvest provider in Montauban, France. She has spent six weeks working at Punchbowl in Pukekohe, South Auckland seeing first-hand how we grow kiwifruit, manage harvest and run packhouses in New Zealand. SunGold is a particular area of interest for Geraldine.

Geraldine's stay in New Zealand finished with four days in the Bay of Plenty on local orchards.

The Bruce Stowell Work Exchange was established to build relationships and share knowledge across the global kiwifruit community. Each year one offshore-based person from the kiwifruit industry comes to New Zealand to work for several weeks and a New Zealand-based person reciprocates later in the year.

Kari Butler from Punchbowl is the New Zealand scholarship recipient and will work with Geraldine at Blue Whale later this year over the Northern Hemisphere harvest.



Bruce Stowell work exchange programme recipient, Geraldine Sueres having worked at Punchbowl in Pukekohe, New Zealand for six weeks, finishes up her exchange with a visit to orchards in the Bay of Plenty.

Bugs at our borders



KVH released the latest Brown Marmorated Stink Bug (BMSB) risk update to give growers with the most up-to-date information about activities underway to prevent BMSB from arriving in New Zealand and plans should it get here. This incorporates the latest data from the Ministry of Primary Industries (MPI).

The update also includes data from the last reporting period (since 20 March 2017) and a summary of what has been found, where, over the high-risk period.

The report is available on the KVH website at kvh.org.nz/resources.



Brown Marmorated Stink Bug: the industry's second most 'unwanted' biosecurity threat.



- Harvest is over for most Gold3 growers, but there is still lots of Hayward to be picked. It is really important to keep an eye on brix and firmness through monitoring samples. Brix at harvest is an important indicator of the storage quality of your crop. **Keep an eye out for runaway brix**, often signalled by a few fruit in the sample with significantly higher brix than the rest of the fruit (find this in the “brix distribution” graph in your clearance sample – see figure 1 below). Runaway brix are often a signal that some of the fruit in the crop are starting to soften - and mixed firmness is a problem in storage. If you see these runaway fruit, it's a signal your crop probably won't be a star performer storage-wise, and you should think about harvesting sooner rather than later.



- For a great summary of maturity and storage and what to look out for, watch the video of John White's presentation at 'The Panel: making the harvest decision' (Canopy > Growing Kiwifruit > Orchard Productivity > OPC Events & Webinars, part 3).
- If you've been waiting a while to get a clearance to pick, **check your residue test result is still valid**. You'll find this at the bottom right of section 2 on your clearance report – remember it's only valid for 42 days (and can take up to 14 days for a result to come through).

- Pre-harvest is a good time to **assess what wood types have worked best for you**. Have a wander through the orchard and check how fruit size and crop load are different on various types of wood – do you find small fruit on spurs? Where are the best fruit hanging? How will this impact on what you choose to tie in for next season?
- When applying fruit-cleaning sprays, ensure the sprayer is set up correctly to get good coverage, and consider a double pass, travelling in both directions. **Be particularly cautious when using your sprayer for both harvested and un-harvested blocks** – traces of product meant to be applied post-harvest can result in unacceptable fruit residues. If you have any concerns, talk to the Zespri crop protection team.

- **Ensuring good coverage of fruit stalks and leaf scars is key to preventing Psa infection in autumn.** Ensure good coverage by checking sprayer setup with water sensitive papers. A post-harvest Actigard (this can be applied in combination with copper) has been shown to minimise Psa symptoms in spring. Only apply Actigard if leaves are still in good condition – otherwise just stick to copper.
- If leaf fall is protracted, **multiple applications of copper may be required to maintain coverage of fresh leaf scars.**
- Plan post-harvest cicada and passionvine hopper control applications now.
- Assess packout results and try to identify factors that have constrained production. Are there things you can do differently next season?
- How did pollination go? Do you think pollen availability affected your result? If so, look carefully at your males: are they healthy, well managed and in the right places? If there are still Matua males in the orchard, plan to convert these to Chieftain over winter.
- How have structures coped? Now is the time to identify low-hanging areas and other maintenance issues that are most

- Are there gaps in the canopy from dead or sick plants that need replacing? Remember there are restrictions on where you can source plants and budwood.

- Even though you might be keen to get going on the winter pruning job, if there are still lots of leaves on the vine it will be difficult. There is the option to use a leaf-drop spray. The recommendation is to wait until natural leaf fall is underway before this is done. Copper sulphate is typically applied at 12.5kg/ha, however an OPC trial in 2013/14 showed that lowering the rate to 9kg/ha, and adding urea at 2 percent, was just as effective as double the copper rate for dropping leaves in a Hayward canopy in early June. You should seek advice on appropriate rates as these may be higher or lower depending on canopy density and leaf condition at the time of application. Either way, ensure you use enough water to get good coverage and wetting – likely between 1,500 and 2,000L/ha this time of year.
- Check your males. Do they need a prune to remove late-season growth, reduce crowding and improve spray penetration?
- Winter pruning specifications are crucial! Set realistic targets for bud numbers – some insurance is fine but have a plan to deal with additional bud or flowers numbers if it turns out they are not required. Extra buds also mean more canopy work next season so don't go overboard.
- What do you expect your pruning team to deliver in terms of bud numbers and quality, cane spacing and wood type? Have you made this clear? Using a pruning agreement can help to keep expectations transparent.
- Come along to an OPC Winter workshop where we'll review performance and plan for next season.



There has been a real mix of results this year - some growers are feeling reasonably happy with their performance but for others, the harvest outcome has been less than satisfactory. The climatic events of the season have certainly played their part in the variable results, but management decisions will also have played a role. Come along to one of the Zespri OPC Winter workshops this month to engage in discussion with other growers around the practices that worked for them and to begin to identify a management approach for this coming season.

OPC, in conjunction with your post-harvest supplier, will host a series of 3-hour workshops designed to provide growers, orchard managers and supervisors with an opportunity to discuss orchard management practices. You can also spend time refining your specification for winter pruning and how you will measure success. The workshop will be relevant to all commercial orchards, regardless of the variety or growing method.

We want to make these conversations as comfortable as possible so we will be holding the workshops inside and providing morning tea.

Please note we will be running two sessions in Te Puke.

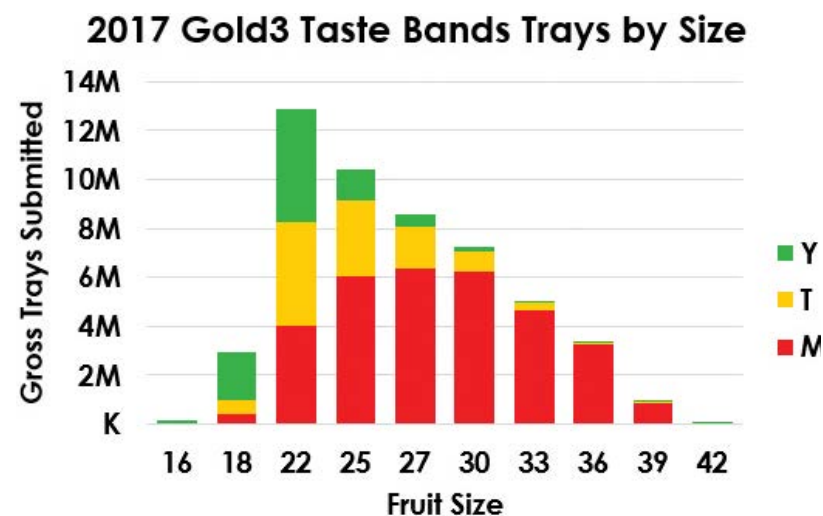
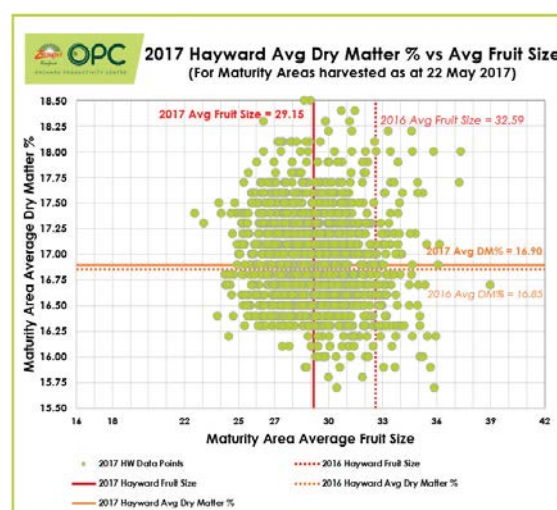
We hope to see you there.

The graphs below suggest that while some growers have had a challenging year, the results for some orchards has been largely positive.

Further analysis has shown that only 56% of Gold3 harvested maturity areas had a clearance down to at least size 39. However, considering the much larger profile in 2017, most growers had a

significantly smaller portion of fruit in the 39 to 42 size profiles
(The average proportion of 39's and 42's "in Maturity Areas with a 39 & 42 clearance" was just 1%).

Date		Venue Address	Time
Monday 12 June	Hawkes Bay	Duke of Gloucester, 389 Gloucester Street, Taradale	1pm-4pm
Tuesday 13 June	Gisborne	Emerald Hotel, 13 Gladstone Road, Gisborne	9am-12pm
Wednesday 14 June	Kerikeri	Turner Centre, 43 Cobham Road	9am-12pm
Thursday 15 June	Whangarei	Barge Showgrounds Events Centre, 474 Maunu Road	9am-12pm
Tuesday 20 June	Te Puke - session 1	Orchard Church, 20 MacLoughlin Drive	9am-12pm
Wednesday 21 June	Edgecumbe	Awakeri Events Centre, State Highway 30	9am-12pm
	Opotiki	Opotiki Golf Club, 14 Fromow Road	2pm-5pm
Friday 23 June	Katikati	Katikati Rugby Club, Fairview Road	9am-12pm
Tuesday 27 June	Auckland	Pukekohe Race Course, 225 Manukau Road	9am-12pm
Wednesday 28 June	Waikato	Te Awamutu Golf Club, 2293 Kihikihi Road	9am-12pm
Thursday 29 June	Tauranga	Tauranga Golf Club, 1295 Cameron Road	9am-12pm
	Organics (supported by COKA)	Tauranga Golf Club, 1295 Cameron Road	2pm-5pm
Friday 30 June	Te Puke - session 2	Orchard Church, 20 MacLoughlin Drive	9am-12pm
Wednesday 5 July	Nelson	Motueka Top 10 Holiday Park, 10 Fearon Street	9am-12pm



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



Q1: I have found some red variety kiwifruit with Zespri stickers on them for sale on the local market. Is Zespri aware of this?

A1: Yes. This red fruit relates to a limited volume of red product (approximately 10,000 TEs) which has been part of a pre-commercial trial with four growers and totalling just over 1 hectare. The product meets the criteria to be branded under the Zespri brand and is only being sold in the New Zealand market.

This will be the last year of the trial for this particular red variety, predominantly due to its poor Psa performance. After the 2017 harvest - these trial areas will be removed.

Like many red kiwifruit the average size has been smaller when compared to Green and Gold particularly for this season. Zespri is continuing to explore other potentially more viable reds in the product development pipeline.

Q2: I have an area grafted to Gold3 bought in a recent licence release or through a licence transfer. After grafting the area, a GPS audit was conducted which found the area to be overplanted. I did not intentionally overplant but now find that I underestimated the size of the area and I was not aware that I was overplanted until the audit was carried out. Will I be allowed to purchase treasury stock to cover the overplanted area?

A2: The option to purchase Treasury Stock to rectify an overplanted area is not an automatic right. Each instance of overplanting will be considered separately and Zespri has the right to withhold the option of Treasury Stock to growers who appear to have intentionally overplanted or have loosely estimated the size of an area and then overplanted.

It is the grower's responsibility to conduct due diligence to obtain a GPS measurement of the area they are purchasing prior to grafting so they know how much licence is required. Any instances of mismeasurement on the grower's behalf will be considered to be unauthorised overplanting, will not be considered to be accidental and will be subject to the Unauthorised Planting policy. Growers need to plan any GPS mapping requirements ahead of the licence purchase to ensure mapping requirements are carried out in time.

Q3: I need Gold3 budwood from Zespri – when will it be available?

A3: Gold3 budwood will be available from 27 June for growers who do not have their own Gold3 budwood on their KPIN. If you indicated on your tender documents that you did not wish to use Zespri budwood but now require it, please contact Tom MacMorran as soon as possible. Zespri will not be supplying any male budwood this year. Further details about the budwood coolstore can be found on the Canopy. For additional issues or questions about budwood, please contact Grower Liaison Manager, Tom MacMorran on 027 511 2005 or tom.macmorran@zespri.com.

Q4: I have picked my crop for the season and am now applying post-harvest sprays to my orchard. My spray diary won't let me enter spray lines. How do I record these spray details in the Zespri spray diary?

A4: Click the 'Add Spray Line' button. When entering the spray line details, change the 'Year of Harvest' to 2018. This will record the spray line for the new season. For any assistance, contact the Grower Contact Centre. Please ensure that all blocks are up to date prior to loading spray lines for the upcoming season.

Q5: I want to apply post-harvest protectant sprays for Psa on the harvested blocks on my orchard which neighbour non-harvested blocks. Is that ok?

A5: Applications of post-harvest protectant sprays for Psa are a good idea (i.e. copper and Actigard), however extreme caution must be taken to avoid drift/spray tank contamination onto non-harvested crops nearby.

In the past, residues have been found on fruit in testing caused by these types of sprays drifting onto neighbouring blocks. The outcome of incidents can be varied and could range from MPI requesting the crops be destroyed before harvest to product recalls from offshore markets. In all instances, the grower remains responsible for these outcomes including any or all cost associated with required actions.

If you are considering applying post-harvest sprays, take extra precaution around non-harvested crops to ensure drift does not occur and rinse spray tanks well before applying clean up sprays.

Bad weather in Italy leads to increase in Psa symptoms



In recent issues of the KVH Bulletin we talked about the need to increase Psa protective sprays in line with the seasonal weather changes.

This has become even more pertinent following the bad, wet and windy weather we've recently had and news out of Northern Italy that Psa infection in Italy this spring is higher than previous years.

After a very wet autumn, the Italians have had a relatively mild winter and dry spring. It's thought that the extensive rain last autumn has led to the outbreak they're seeing now which is affecting Hayward in particular. Verona, Piedmont and Emilia Romagna are also heavily infected with significant secondary symptoms.

There's a strong chance we could see the same symptoms here in New Zealand next spring if growers don't take the right action now. To help protect their orchards, growers need to:

- Apply a copper spray following the recent wet windy weather (ensure a suitable time window before harvest) to protect new wounds and rebuild protective cover across vines as soon as possible,

- Ensure a copper - Actigard spray is applied immediately after harvest to help prevent Psa entering vines through harvest wounds and leaf scars
- Look at a winter copper programme of five full-rate copper sprays between harvest and bud break. Consider both weather and orchard activities when planning these sprays.

Actigard can be tank mixed with copper and is most effective when applied to leaves that are still in good condition. It should not be applied to vines that have been waterlogged for an extended period. Vines should be given four to five days to recover from the recent heavy downpours before application.

For more information, refer to KVH's *Psa-V Best Practice Guide*.

Any growers concerned they may not be achieving the expected levels of Psa control from copper applications at label rates should contact KVH on 0800 665 825 or email info@kvh.org.nz.



Young vine with Psa exudate.

Actigard trial results



Last year field trials were held on Gold3 vines to determine whether applying Actigard at recommended post-harvest application rates could impact components of yield in the following season.

Winter bud numbers, flower numbers and type, and fruit size and shape were measured to identify potential impacts.

Trials also included applying Actigard at rates up to double label recommendation, and at a two-week interval between repeat applications, which is seven days short of the 21-day interval recommended on the product label.

Results showed a negligible impact on components of yield in the following season when Actigard was applied at the recommended rate immediately post-harvest and when reapplied to leaves of good photosynthetic capacity pre-leaf fall.

In three of the four trial sites there appeared to be a slight trend for a small reduction in the

number of side flowers per cane following Actigard treatment.

Full details of the trial will be available on the KVH website shortly but in summary the results support recommendations outlined by Syngenta for autumn application of Actigard. These are as follows:

- Apply 200 g/ha of Actigard (plus copper) immediately post-harvest as a foliar spray. Ensure thorough coverage of canopy and leaf stalks.
- If canopy condition allows (ie leaves are still green) and infection risk remains high, reapply Actigard 21 days later to extend protection into the leaf-fall period.
- Do not apply Actigard to vines that are stressed due to drought, excessive moisture, cold weather or disease.
- Avoid risk of spray drift to unharvested fruit and clean sprayers thoroughly.

Notice of KVH annual general meeting



The Annual General Meeting (AGM) of Kiwifruit Vine Health will be held Thursday 24 August.

Growers will receive their AGM packs in the mail during the first week of August. These will include the Chairman's Report, 2016 KVH audited financial statements and proposed budget for the 2018/2019 financial year. Also included will be a recommendation of the rate of the National Pest Management Plan

(NPMP) and Biosecurity Levy for the 2018 year, any proposed rule changes, Explanation of Resolutions and your voting paper.

KVH AGM

Date: Thursday 24 August

Time: 9am

Location: Suite 1, ASB Arena, Truman Lane, Mount Maunganui



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

Meet NZKGI at Mystery Creek Fielddays

NZKGI CEO Nikki Johnson will be joined by members of the Executive Committee to meet and greet growers in the Zespri grower tent at this year's Mystery Creek Fielddays from 14-16 June.

As per previous years, NZKGI will give a short update on upcoming priorities and projects during the lunchtime presentations to growers. Nikki and members of the Executive Committee look

forward to meeting growers and hearing their opinions at Fielddays and will be available to answer growers' questions about NZKGI and the work they're doing.